

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

COMMODITY FUTURES TRADING COMMISSION,)	
)	
Plaintiff,)	Civil Action No. 22-cv-02465
)	
v.)	Honorable Mary M. Rowland
)	
SAM IKKURTY A/K/A SREENIVAS I RAO, RAVISHANKAR AVADHANAM, AND JAFIA, LLC,)	Magistrate Judge Jeffrey Cummings
)	
Defendants,)	
)	
IKKURTY CAPITAL, LLC D/BA/ ROSE CITY INCOME FUND I, LP, ROSE CITY INCOME FUND II LP, AND SENECA VENTURES, LLC,)	
)	
Relief Defendants.)	
)	

RECEIVER’S FIFTH STATUS REPORT

James L. Kopecky, not individually, but solely as the Court-appointed Receiver (the “Receiver”) for the Receivership Estate, as defined by the Order Appointing Receiver dated May 11, 2022 (Dkt. 18) (“Receivership Order”), and pursuant to the Minute Order entered July 18, 2022 (Dkt. 38), makes the following report summarizing efforts to marshal and collect assets, administer the Receivership Estate, and otherwise perform the duties mandated by the Receivership Order. The Receiver incorporates his prior reports (Dkt. Nos. 36, 75, 109, and 157) for background, and attempts to minimize duplication of those reports herein.

The Receivership Order requires the Receiver to, periodically, as directed by the Court, file with the Court and serve on the parties a report summarizing efforts to marshal and collect assets, administer the Receivership Estate, and otherwise perform the duties mandated by the

Receivership Order. This is the fifth such report.

I. Efforts to Marshal and Secure Assets

Since the Receiver's last status report, the Receiver has been in communication with investors who redeemed their investments for a profit. The Receiver is negotiating with several of those investors. The Receiver will make decisions as to which, if any, of the profitable investors he intends on pursuing through litigation. The Receiver retained a jeweler to appraise the jewelry received from Defendant Ikkurty and determined that it was not worth attempting to sell. The Receiver returned the jewelry to Defendant Ikkurty's attorney.

The Receiver's investigation into this is ongoing, and the Receiver will update his efforts in the next status report.

II. Administration of Receivership Estate

1. Liquidation of Cryptocurrency and Digital Assets

The Receiver has finalized a proposal on a plan of liquidation. On July 31, 2023, the Receiver filed a motion describing the plan and seeking approval of the plan. (See, Dkt. 196). In the spirit of transparency, several investors have voiced opposition to the Receiver's proposal, but none have offered any alternative proposals (other than holding the cryptocurrency tokens indefinitely).

2. Communications with Investors

As the Court and the investors are aware, the Receiver established a website, www.rosecityfundreceivership.com to provide information to investors and creditors. The Receiver regularly posts the pleadings in this action to the website, and maintains a list of frequently asked questions and answers relating to the Receivership. The Receiver continues to update this website as significant events unfold. The Receiver also addresses communications from investors, which primarily focus on tax and K-1 issues. The Receiver responds to those communications periodically.

3. Tax Returns and Accounting

As previously noted, the Receiver retained Miller Kaplan, a tax and advisory firm, to prepare tax returns for the funds and for the Receivership Qualified Settlement Fund (“QSF”). Miller Kaplan continues to work on investor Form K-1s and tax returns for the 2022 tax year. Miller Kaplan completed and filed the the returns for Ikkurty Capital, LLC (Rose City Fund I) and Rose City Income Fund II. The Receiver caused K-1s to be distributed to the investors in those funds. Unfortunately, the Receiver and Miller Kaplan have been unable to complete the 2022 tax returns for Seneca Ventures, LLC and distribute K-1s to its investors because additional information is needed from the Defendants.

4. Ikkurty’s Portland Residence and Safe Deposit Box

Ikkurty has vacated the Portland Residence and turned the property over to the landlord. The Receiver inspected the property and searched for any abandoned business records that Ikkurty left at the property. The Receiver intends to inspect the safe deposit box this quarter. The landlord advises that it is owed \$19,883.94 in damages to the property and unpaid rent, and \$20,273.10 in attorney’s fees, for a total of \$40,157.04. The Receiver is attempting to negotiate a resolution with the landlord.

5. Accounting / Third Party Subpoenas

StoneTurn has completed its flow of funds analysis. StoneTurn’s work is incorporated into the Report of Defendants’ expert, Charles R. Soha, CFE, and can be located at Dkt. 192.

6. Claims and Distribution Process

The Receiver has done extensive work in preparing a proposed claims and distribution process. On July 31, 2023, the Receiver filed a motion seeking Court approval of that process. (See, Dkt. 195). The Receiver’s proposed distribution plan contemplates pooling the assets and liabilities of the Receivership Entities and distributing the assets of the Receivership Estate to approved Claimants pursuant to a rising tide distribution method. Details of the proposal are contained in the motion at Dkt. 195.

III. Receivership Fees and Expenses

On May 30, 2023, the Court issued an Order (Dkt. 178) approving the Receiver’s Fourth

Request for Reasonable Compensation. The Receiver has paid the vendors addressed in the Court's Order. The Receiver's next request for reasonable compensation is due on August 15, 2023. The Receiver will also post the compensation request to the Receivership website, which will allow all interested parties an opportunity to be heard and object.

IV. Conclusion

In conclusion, the Receiver will continue to preserve assets while investigating the existence of other assets. The Receiver respectfully requests that this Court set a date for the next report to the Court on or before November 1, 2023.

Dated: August 1, 2023

Respectfully submitted,

/s/ Daryl M. Schumacher

Attorney for James L. Kopecy, Receiver for Defendants Jafia, LLC, Sam Ikkurty a/k/a Sreenivas I Rao, Ikkurty Capital LLC d/b/a/ Rose City Income Fund I, Rose City Income Fund II, LP and Seneca Ventures, LLC

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CERTIFICATE OF SERVICE

I hereby certify that on August 1, 2023, I electronically filed the foregoing Receiver's Fourth Status Report with the Clerk of the Court by using the CM/ECF system, which will provide electronic notice and an electronic link to this document to all counsel of record.

DATED: August 1, 2023

/s/ Daryl M. Schumacher