

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

<b>COMMODITY FUTURES TRADING</b>	)	
<b>COMMISSION,</b>	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No. 22-cv-2465
	)	
<b>SAM IKKURTY A/K/A SERENIVAS I RAO,</b>	)	Honorable Mary M. Rowland
<b>RAVISHANKAR AVADHANAM, AND</b>	)	
<b>JAFIA, LLC,</b>	)	Magistrate Judge Jeffrey Cummings
	)	
Defendants,	)	
	)	
<b>IKKURTY CAPITAL, LLC D/B/A ROSE</b>	)	
<b>CITY INCOME FUND, ROSE CITY</b>	)	
<b>INCOME FUND II LP, AND SENECA</b>	)	
<b>VENTURES, LLC,</b>	)	
	)	
Relief Defendants.	)	

**RECEIVER JAMES L. KOPECKY’S  
EMERGENCY MOTION FOR RULE TO SHOW CAUSE**

James L. Kopecky, not individually, but solely as the Court-appointed Receiver (the “Receiver”) for the Receivership Estate, as defined by the Order Appointing Temporary Receiver dated May 11, 2022 (Dkt. 18) (“Receivership Order”), submits this Emergency Motion for Rule to Show Cause.

**ARGUMENT**

1. On May 11, 2022, the Court granted an *ex parte* Motion for a Statutory Restraining Order which froze all of Defendants’ assets. Pursuant to that Order, the Receiver secured three digital wallets containing digital assets held by Defendants.

2. On October 19, 2023, this Court presided over a hearing on the Receiver’s Motion to Approve the Claims Procedure [Dkt. 195] and Motion to Liquidate Cryptocurrency in

Receivership Estate [Dkt. 196]. The Motion to Liquidate involved the liquidation of the digital assets in the above-referenced digital wallets. The Court subsequently entered a Minute Entry (i) granting the Motion to Approve the Claims Procedure, and (ii) taking the Receiver's Motion to Liquidate Cryptocurrency in Receivership Estate under advisement. [Dkt. 278]

3. As of October 17, 2023, the three digital wallets containing the digital assets had values of \$12.2 million, \$1.33 million, and \$318,631.97 according to the website Zapper.xyz.

4. Yesterday, without authority, an unknown individual accessed the digital wallets on the blockchain and stole their contents by effecting a series of transactions that depleted the digital wallets of most of their assets. Those assets appear to have been transferred to three digital wallets that are viewable on the blockchain:

- a. 0x5252cbe75605c3fc67190d693acaab4ceeae8490;
- b. 0x363e69ddf62af85b93ae3f00bfe7e27696a334f2; and
- c. 0x27ebc5c161106dc3c2d6e7b77314f5eb824c97be.

5. The Receiver remains in possession of the three physical wallets.

6. This morning, one of the investors sent an email to the Receiver attached as

Exhibit A. The investor's email provides:

We just got information from Sam where he says: "We intend to file with court reorganize the fund to a master-feeder structure in accordance with PPM." He then provided the below text (I don't know where it came from).

The Fund may, in the future, reorganize into a "Master-Feeder" structure. The reorganization would be effected by the Fund contributing all, or substantially all, of its assets to a master fund (the "Master Fund"), which would be a Cayman Islands exempted company (or similar vehicle). All portfolio investments would then be held at the Master Fund level and the Fund would be allocated its pro rata share of the Master Fund's gains and losses. Such re-organization may be done without prior notice to, or consent from, the Fund's limited partners (the "Limited Partners").

It would seem that Sam has been moving the assets to a new wallet. He shared the address of the new wallet (see below).

<https://zapper.xyz/account/0x5252cbe75605c3fc67190d693acaab4ceeae8490>

I thought the wallets were frozen and the fund was in receivership? Who is performing all these operations?

\* \* \*

7. Based on the foregoing, the Receiver has a good faith basis to believe that Mr. Ikkurty is involved in stealing the digital assets from the digital wallets currently in the Receiver's possession, and therefore, is violating the asset freeze order.

8. The Receiver has contacted the Federal Bureau of Investigations. The Receiver has also alerted counsel of record to the situation.

WHEREFORE, the Receiver requests:

- (i) that the Court issue an Order requiring Mr. Ikkurty to immediately appear before the Court and show cause why he should not be held in contempt of Court;
- (ii) That the Court issue an Order freezing the three digital wallets into which the Receiver believes Receivership Assets have been transferred. Those wallets bear the following wallet identification numbers:
  - a. 0x5252cbe75605c3fc67190d693acaab4ceeae8490.
  - b. 0x363e69ddf62af85b93ae3f00bfe7e27696a334f2.
  - c. 0x27ebc5c161106dc3c2d6e7b77314f5eb824c97be.
- (iii) that Mr. Ikkurty answer questions on the record concerning his knowledge, if any, of the above-referenced transfers of digital assets.
- (iv) that the Court require Mr. Ikkurty to immediately produce all of his communications with investors.
- (v) That the Court require Mr. Ikkurty to immediately produce all documents and information relating to the above-described transfers, including but not limited to the physical wallets containing the assets, passcodes, recovery phrases and security keys.

Respectfully submitted,

<p>Daryl M. Schumacher (6244815) Kopecky Schumacher Rosenburg LLC 120 N. LaSalle St., Suite 2000 Chicago, IL 60602 Telephone: (312) 380-6552</p>	<p><u>/s/ Daryl M. Schumacher</u> <i>Counsel to James L. Kopecky, 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</i></p>
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**CERTIFICATE OF SERVICE**

I hereby certify that on October 23, 2023, I electronically filed the foregoing document 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: October 23, 2023

/s/ Daryl M. Schumacher