

**UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS**

**COMMODITY FUTURES TRADING
COMMISSION,**

Plaintiff,

v.

**JAFIA LLC, SAM IKKURTY A/K/A
SREENIVAS I RAO, AND
RAVISHANKAR AVADHANAM,**

Defendants,

**IKKURTY CAPITAL, LLC D/B/A ROSE
CITY INCOME FUND I, ROSE CITY
INCOME FUND II LP, SENECA
VENTURES, LLC,**

Relief Defendants.

Case No.: 22-cv-2465

Judge Rowland

FINAL JUDGMENT

Final judgment is hereby ENTERED in favor of Plaintiff Commodity Futures Trading Commission (“Commission” or “CFTC”) and against Defendants Sam Ikkurty a/k/a Sreenivas I Rao and Jafia LLC (collectively, “Defendants”), on all counts. Judgment of disgorgement is also entered in favor of the CFTC and against Relief Defendants Ikkurty Capital LLC d/b/a Rose City Income Fund I, Rose City Income Fund II LP, and Seneca Ventures, LLC (collectively, “Relief Defendants”). The Court’s judgments as to liability, restitution, and disgorgement against Defendants and Relief Defendants were previously entered on the CFTC’s summary judgment motion. (ECF No. 369.)

It is hereby ORDERED AND ADJUDGED as follows:

I. PERMANENT INJUNCTION

1. Defendants, along with their affiliates, agents, servants, employees, successors, assigns, attorneys, and all persons in active concert with them, are permanently enjoined and prohibited from directly or indirectly:

- a. Trading on or subject to the rules of any registered entity (as that term is defined by Section 1a(40) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 1a(40));
- b. Entering into any transaction involving “commodity interests” (as that term is defined in CFTC Regulation 1.3, 17 C.F.R. § 1.3) or digital assets, for accounts held in the name of any Defendant or for accounts in which any Defendant has a direct or indirect interest;
- c. Having any commodity interests or digital assets traded on any Defendant’s behalf;
- d. Controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity interests or digital assets;
- e. Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling of any commodity interests or digital assets;
- f. Applying for registration or claiming exemption from registration with the Commission in any capacity;
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a), agent, or any other officer or employee of any person registered, exempted from registration, or required to be registered with the CFTC except as provided for in 17 C.F.R. § 4.14(a)(9); and
- h. Engaging in the type of conduct described in the Complaint (ECF No. 1), in violation of 7 U.S.C. §§ 6m(1), 6o(1)(A)-(B), 9(1) and 17 C.F.R. § 180.1(a).

II. MONETARY RELIEF

A. RESTITUTION

2. Defendants, as well as any successors thereof, shall make full restitution to every person who has sustained losses proximately caused by Defendants’ violations of the Act and Regulations as described in the Complaint, including post-judgment interest, (“Restitution Obligation”) jointly and severally in the amount of \$83,757,249.

3. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Defendants' customers, Defendants shall pay the Restitution Obligation to the Receiver appointed by the Court in this matter.

4. Defendants shall make Restitution Obligation payments, and any post-judgment interest payments, under this Order to the Receiver in the name "Rose City Fund Receivership" and shall send such payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, to Receiver James L. Kopecky, 120 N LaSalle Street Suite 2000; Chicago, IL 60602 under cover letter that identifies the paying Defendant and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

5. The procedure for distribution of the Restitution Obligation by the Receiver shall be separately determined by the Court.

6. If, upon the termination of the Receivership Estate, Defendants have failed to fulfill their Restitution Obligation, the Court hereby appoints the National Futures Association as Monitor ("Monitor"). The Monitor shall collect restitution payments from Defendants and make distributions as set forth below. Because the Monitor is acting as an officer of the Court in performing these services, it shall not be liable for any action or inaction arising from its appointment as Monitor, other than actions involving fraud.

7. The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants' pool participants identified by the Receiver or may defer distribution until such time as the Monitor

deems appropriate. In the event that the amount of Restitution Obligation payments to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of making a distribution to eligible pool participants is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the CFTC following the instructions for civil monetary penalty payments set forth in Part C below.

8. Defendants shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Defendants' customers whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Defendants shall execute any documents necessary to release funds that they in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.

9. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants' customers during the previous year. The Monitor shall transmit this report under a cover letter that identifies the name and docket number of this proceeding to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

10. The amounts payable to each customer shall not limit the ability of any customer from proving that a greater amount is owed from any Defendant or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any customer that exist under state or common law.

11. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each customer of Defendants who suffered a loss is explicitly made an intended third-party beneficiary of this

Order and may seek to enforce obedience of this Order to obtain satisfaction of any portion of the restitution that has not been paid by Defendants to ensure continued compliance with any provision of this Order and to hold Defendants in contempt for any violations of any provision of this Order.

12. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Defendants' Restitution Obligation, such funds shall be transferred to the Receiver (or if the Receivership Estate has been terminated, to the Monitor) for disbursement in accordance with the procedures set forth above.

B. DISGORGEMENT

13. Defendants and Relief Defendants, as well as any third-party transferee and/or successors thereof, shall disgorge all benefits received including, but not limited to, salaries, commissions, loans, fees, revenues, and trading profits derived, directly or indirectly, from acts or practices which constitute violations of the Act and Regulations as described in the Complaint, including post-judgment interest, ("Disgorgement Obligation") jointly and severally in the amount of \$36,967,285.

14. Any amount owed in disgorgement shall be offset by any sums paid by Defendants toward restitution. Any amount owed in disgorgement by any Defendant or Relief Defendant shall be offset by any sums paid by another Defendant or Relief Defendant with whom they are jointly and severally liable.

C. CIVIL MONETARY PENALTY

15. Defendants, as well as any successors thereof, shall pay a civil monetary penalty ("CMP Obligation") jointly and severally in the amount of \$110,901,855. The CMP Obligation is immediately due and owing, but only after Defendants' Restitution Obligation and

Disgorgement Obligation have been satisfied should any payments be applied to satisfy any portion of the CMP Obligation.

16. Any CMP Obligation owed by either Defendant shall be offset by any sums paid towards the CMP Obligation by another Defendant with whom they are jointly and severally liable.

17. Defendants shall pay their CMP Obligation and any post-judgment interest, by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order to the Commodity Futures Trading Commission. If payment is to be made other than by electronic funds transfer, then the payment shall be sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
6500 S. MacArthur Blvd.
HQ Room 266
Oklahoma City, OK 73169
9-amz-ar-cftc@faa.gov

18. If payment by electronic funds transfer is chosen, Defendants shall contact Tonia King or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendants shall accompany payment of the CMP Obligation with a cover letter that identifies Defendants and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

D. CONTEMPT SANCTIONS

19. Defendant Sam Ikkurty shall pay a fine equal to the value of the digital assets he transferred out of the Receiver's wallets ("Contempt Obligation"), in the amount of \$13,817,000,

or else cause the digital assets to be returned to the Receiver's wallets, as set forth in ECF No. 300.

20. Additionally, Defendant Sam Ikkurty shall pay an additional fine ("Daily Fine Obligation") in the amount of \$254,000 for his non-compliance with the Court's prior order as set forth in ECF No. 300. The Daily Fine Obligation will increase by \$1,000 per day after entry of this Final Judgment.

21. The Contempt Obligation and Daily Fine Obligation are immediately due and owing, but only after Defendants' Restitution Obligation and Disgorgement Obligation have been satisfied should any payments be applied to satisfy any portion of the Contempt Obligation or Daily Fine Obligation.

22. The Contempt Obligation and Daily Fine Obligation shall be paid to the Receiver in the same manner as described in Part A, above, of this Final Judgment.

E. REPAYMENT OF ADVANCED PROFESSIONALS' FEES

23. Defendant Sam Ikkurty shall repay the attorneys' fees and other professional fees advanced on his behalf ("Fee Repayment Obligation") consistent with his promise to do so (ECF No. 97) in the amount of \$884,788, reflecting the fees that were authorized to be paid from the Receivership Estate on his behalf pursuant to ECF Nos. 95, 153, 181, and 255.

24. The Fee Repayment Obligation is immediately due and owing, but only after Defendants' Restitution Obligation and Disgorgement Obligation have been satisfied should any payments be applied to satisfy any portion of the Fee Repayment Obligation.

25. The Fee Repayment Obligation shall be paid to the Receiver in the same manner as described in Part A, above, of this Final Judgment.

III. OTHER PROVISIONS

26. Partial Satisfaction: Acceptance by the Commission, Receiver, or Monitor of any partial payment of any Defendants' Restitution Obligation, Disgorgement Obligation, CMP Obligation, Contempt Obligation, Daily Fine Obligation, or Fee Repayment Obligation shall not be deemed a waiver of Defendants' obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

27. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action to ensure compliance with this Order and for all other purposes related to this action, including any motion by Defendants to modify or for relief from the terms of this Order.

28. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Order shall be binding Defendants, upon any person under the authority or control of any of the Defendants, and upon any person who receives actual notice of this Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendants.

29. Any person or entity with control of digital assets that were deposited to Rhino.fi from digital wallet 0x5252cbe75605c3fc67190d693acaab4ceeae8490 and/or digital wallet 0x363e69ddf62af85b93ae3f00bfe7e27696a334f2 shall, to the extent they have the technical ability, transfer those digital assets to the following digital wallet controlled by Receiver James Kopecky: 0x70cf1bbB81bd157EA2f7485F37418cc4A723A969.

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this FINAL JUDGMENT forthwith and without further notice.

Dated: July 22, 2024

ENTERED:



MARY M. ROWLAND
United States District Judge