

United States District Court
Northern District of California

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

DENARI CAPITAL LLC, et al.,

Defendants.

Case No. [19-cv-07284-EMC](#)

**ORDER APPROVING MOTION FOR
ENTRY OF AN ORDER APPROVING:**

- (1) RECEIVER’S PLAN OF DISTRIBUTION;**
- (2) SIERRA GOLD LLC AGREEMENT;**
- (3) FORM AGREEMENTS WITH INVESTORS; AND**
- (4) FORM AND MANNER OF NOTICE**

Docket No. 69

The Motion by Receiver Kathy Bazoian Phelps for Entry of an Order Approving: (1) Receiver’s Plan of Distribution; (2) Sierra Gold LLC Agreement; (3) Form Agreements with Investors; and (4) Form and Manner of Notice (the “Motion”)¹ came on for hearing at the above-referenced date and time and was conducted [by Zoom] before the Honorable Edward M. Chen, United States District Judge presiding. Appearances were noted as on the record.

After conducting a rigorous inquiry, including questioning the parties at the hearing, the Court has determined that the Receiver’s Plan of Distribution is in the best interest of the Receivership Estate and all holders of Claims, fair, equitable, and reasonable, and made in good faith considering the amounts at stake, the litigation risk, and the cost to the parties of protracted litigation. Notably, all the claimants have been given a choice between cash and stock and have

¹ All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Motion.

1 agreed to the Plan of Distribution. The Court having reviewed and considered the Motion, the
2 supporting Declaration of Kathy Bazoian Phelps and accompanying Exhibit (the Plan of
3 Distribution), all the papers and files in this matter, and having heard the comments of counsel and
4 interested parties at the time of the hearing, for GOOD CAUSE APPEARING,

5 IT IS HEREBY ORDERED that:

- 6 1. The Motion and all relief sought therein is GRANTED;
- 7 2. The Receiver's Distribution Plan is approved in the form of Exhibit "1" attached
8 to the Declaration of Kathy Bazoian Phelps (the "Phelps Decl.");
- 9 3. The Settlement and Interest Transfer Agreement among the Receiver, Sierra Gold
10 LLC, Arnab Sarkar, Travis Capson, Alan Maeda and Xiaoyan Wu (the "Sierra
11 Gold Agreement"), substantially in the form of Exhibit "2" attached to the Phelps
12 Decl., is hereby approved, and the Receiver is authorized to take all necessary and
13 further actions and execute any documents to implement Sierra Gold Agreement,
14 including but not limited to the surrender on behalf of the Receivership Estate of
15 Denari's 87% interest in Sierra Gold in exchange for 348,000 National Gold
16 shares as provided in the Sierra Gold Agreement;
- 17 4. The agreements between the Receiver and each Investor Claimant receiving
18 National Gold shares in lieu of a cash distribution in full and final satisfaction of
19 their Allowed Claims, substantially in the form of Exhibit "3" to the Phelps Decl.
20 are approved, and the Receiver is authorized to take all necessary and further
21 actions and execute any documents to implement those agreements, including but
22 not limited to the transfer of National Gold shares to those claimants or their
23 designees;
- 24 5. The agreements by and between the Receiver and each Investor Claimant
25 receiving URHG shares in lieu of, or as a credit against his or her Allowed Claim,
26 substantially in the form of Exhibit "4" to the Phelps Decl. are approved, and the
27 Receiver is authorized to take all necessary and further actions and execute any
28 documents to implement those agreements, including but not limited to the

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transfer of URHG shares to those claimants or their designees; and
The form and manner of notice to investors and creditors of the Motion is approved.
This order disposes of Docket No. 69.

IT IS SO ORDERED.

Dated: October 5, 2020



EDWARD M. CHEN
United States District Judge

United States District Court
Northern District of California