

1
2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 COMMODITY FUTURES TRADING
12 COMMISSION,

13 Plaintiff,

14 v.

15 DENARI CAPITAL LLC, TRAVIS
CAPSON, and ARNAB SARKAR,

16 Defendants.
17
18
19
20
21
22
23
24
25
26
27
28

Case No.: 19-cv-07284-EMC

Assigned to: Hon. Edward M. Chen

~~PROPOSED~~ ORDER:

(1) APPROVING RECEIVER'S FINAL
REPORT AND ACCOUNTING;
(2) AUTHORIZING FINAL
DISTRIBUTION;
(3) BARRING FUTURE CLAIMS;
(4) AUTHORIZING PAYMENT OF
ALL ADMINISTRATIVE EXPENSES
AND PROFESSIONALS' FEES AND
COSTS;
(5) CLOSING THE RECEIVERSHIP;
(6) DISCHARGING THE RECEIVER;
AND
(7) RETAINING JURISDICTION

Date: June 26, 2025

Time: 1:30 p.m.

Judge: Edward M. Chen

The Motion by Receiver Kathy Bazoian Phelps for Entry of an Order (1) Approving the Receiver's Final Report and Accounting; (2) Authorizing a Final Distribution; (3) Barring Future Claims; (4) Authorizing Payment of All Administrative Expenses and Professionals' Fees and Costs; (5) Closing the Receivership; (6) Discharging the Receiver; and (7) Retaining Jurisdiction (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. The Receiver has represented that she has met and conferred with the Commodity Futures Trading Commission (the "CFTC"), and counsel to the Receivership Defendants who do not oppose the Motion.

The Court having reviewed and considered the Notice of Motion, the Motion, the supporting Declaration of Kathy Bazoian Phelps, and accompanying Exhibits, all the papers and files in this matter, and having heard the comments of counsel and interested parties at the time of the hearing, for GOOD CAUSE APPEARING,

IT IS HEREBY ORDERED that:

1. The Motion and all relief sought therein is GRANTED.

2. Notice of the Motion was appropriate.

3. Approval of Final Report and Accounting. The Receiver's Final Report and Accounting are approved. All actions and activities taken by or on behalf of the Receiver and all payments made by the Receiver in connection with the administration of the Receivership Estate are hereby approved and confirmed.

4. Administration. The Receiver is authorized to take all steps necessary or appropriate to complete the administration of the Receivership and its assets in accordance with the relief granted in the Motion.

5. Destruction of Records. The Receiver is authorized to: (a) abandon and destroy the electronic and paper records of the Receivership Defendants and of any other corporations or businesses in the Receiver's possession, custody, or control, if, within thirty days after

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

1 service of written notice to the CFTC, the Receiver has not been served with a written request
 2 by the CFTC for records or a subpoena by a law enforcement agency. If during such thirty-
 3 day period, the Receiver is served with a written request for records by the CFTC or subpoena
 4 by a law enforcement agency, the Receiver shall be authorized to turn over the original records
 5 to the CFTC or a law enforcement agency in response to the request or subpoena; (b) destroy,
 6 or otherwise dispose of, all books, records, and other items related to the Receivership in the
 7 Receiver's discretion and at such time as she deems proper (other than those necessary to
 8 support the tax returns filed by the Receiver as set forth above) if within thirty days after written
 9 notice to the CFTC, the CFTC does not take custody of such records and other items.

10 6. Abandonment of Assets. All assets not distributed or otherwise administered
 11 by the Receiver as of the closing of the Receivership Estate are deemed abandoned.
 12 Abandoned assets may be destroyed or discarded, without regard to title or value, in the sole
 13 and absolute discretion of the Receiver.

14 7. National Gold Unfiled Claim Disallowed. National Gold not having filed any
 15 response to the Receiver's letter of May 11, 2021, nor having filed any response to this Motion,
 16 the Court therefore disallows and denies in full the National Gold Unfiled Claim, and the
 17 Receiver has discretion without further order of this Court to disallow and deny any future
 18 claim by National Gold on the basis that it was filed after the Bar Date established by Order of
 19 this Court on February 6, 2020 (Dkt. No. 47).

20 8. Discharge, Bar of Future Claims, and Injunction. At the appropriate time in her
 21 discretion, the Receiver shall file a closing declaration in which she attests that she has
 22 completed the final distribution as specified herein, has filed the final necessary tax returns
 23 with sufficient time for a prompt assessment to be completed by the Internal Revenue Service,
 24 and paid the final fees and costs of the Receivership (the "Closing Declaration"). Effective
 25 upon the filing of the Closing Declaration, the Receiver and her agents, employees, members,
 26 officers, independent contractors, attorneys, representatives, predecessors, successors and
 27 assignees (the "Receiver Parties"): (a) shall not have any liability to any person or entity for
 28

any action taken in good faith in connection with carrying out the Receiver's administration of this Receivership Estate, and the exercise of any powers, duties and responsibilities in connection therewith; and (b) are (i) discharged, (ii) released from all claims and liabilities arising out of and/or pertaining to the Receivership, and (iii) relieved of all duties and responsibilities pertaining to the Receivership previously established in this action. All claims against the Receivership Estate not already allowed as of July 1, 2021 are barred, and all persons are enjoined from commencing or prosecuting, without leave of this Court, any action against the Receiver or her agents in connection with or arising out of the Receiver Parties' services to this Court in this Receivership.

9. Administrative Fees and Expenses. All Receivership administrative fees and expenses incurred in this Receivership proceeding, including the Receiver's fees and expenses and those of her professionals incurred in connection with the Receivership proceeding, including those previously paid to the Receiver and her counsel, are hereby approved, all administrative expenses and the Receiver's and professionals' fees and expenses incurred during the period January 1, 2024 through April 30, 2025 (the "Motion Period") are hereby approved, and all administrative expenses and Receiver's and professionals' fees and expenses incurred during the period from May 1, 2025 through the closing of the Receivership Estate and the discharge of the Receiver ("Final Expense Period"), described and estimated in the Motion are hereby approved and authorized to be paid from assets of the Receivership Estate.

10. The Receiver's fees in the amount of \$4,322.50 for services rendered during the Motion Period are approved, and the Receiver is authorized to pay herself those amounts from assets of the Receivership Estate.

11. Raines Feldman's fees in the amount of \$11,642.40 for services rendered during the Motion Period are approved, and the Receiver is authorized to pay Raines Feldman those amounts from assets of the Receivership Estate.

12. Miller Kaplan's fees in the amount of \$7,500.00 for services rendered during the Motion Period and during the Final Expense Period are approved, and the Receiver is

1 authorized to pay Miller Kaplan those amounts from assets of the Receivership Estate.

2 13. Establishment of Reserve for Closing Tasks. The Court authorizes the Receiver
3 to establish a reserve in the amount of approximately \$7,500 (the “Reserve”) and to make
4 payments from the Reserve to the Receiver, legal and tax Professionals, as authorized in
5 paragraphs 8 and 11 of this Order, any taxing authority, and any other necessary professionals
6 or vendors in connection with those actions taken after the payment of administrative fees and
7 expenses to wind-down and close the Receivership. Any surplus Reserve remaining after the
8 payment of outstanding taxes, fees, and expenses shall be paid to the CFTC.

9 14. Final Distribution. The Receiver is authorized to make the final distribution as
10 set forth in the Motion and may pay any administrative or wire fees or may incur any other
11 reasonable administrative expense necessary to make such distribution. The Receiver is
12 authorized to make a final distribution of all Receivership assets remaining after the payment
13 of administrative fees and expenses, to be distributed *pro rata* to holders of Allowed Claims.
14 All distribution checks issued on account of the final distribution to holders of Allowed Claims
15 are required to be negotiated within 90 days of the date of issuance (the “Stale Date Deadline”),
16 and checks returned without a valid forwarding address or checks uncashed after the Stale Date
17 Deadline are hereby deemed void (the “Void Distributions”); and the Receiver is hereby
18 authorized to treat such Void Distributions as civil monetary penalty payments of the
19 Receivership Defendants, in her discretion, and turn over to the CFTC any Void Distributions
20 pursuant to paragraph 126 of the Consent Order. Any Allowed Claim associated with any
21 Void Distribution shall be considered finally and forever abandoned.


22 15. Final Tax Returns. The Receiver, by and through her tax professionals, may
23 prepare and submit any final and post-Receivership tax returns for the Receivership Entities as
24 the Receiver determines to be necessary or appropriate, and payment for the Receiver’s tax
25 professionals may be made from the Reserve.

26 16. Closure Effective Upon Filing of Closing Declaration. The Receivership will
27 be closed effective upon the filing of the Closing Declaration, without further order from this
28

1 Court. The Closing Declaration will provide for the payment of final fees and expenses,
2 closing of the Reserve, and abandonment of remaining assets.

3 17. Retention of Jurisdiction. This Court shall retain jurisdiction over any and all
4 matters relating to the Receiver, the Receivership and the Receivership Estate, including any
5 matters relating to the distribution of funds received by the Receiver in connection with her
6 obligations as Receiver or otherwise received after the receivership is closed. To the extent any
7 dispute arises concerning the Receiver's administration of the Receivership Estate or to the
8 extent any person or entity seeks to pursue or assert any claim or action against the Receiver
9 or any agent, employee, member, officer, independent contractor, attorney or representative of
10 the Receiver, arising out of or related to this Receivership, the Court shall retain jurisdiction to
11 hear and resolve any dispute or claim.

12
13 Dated: June 10, 2025


Honorable Edward M. Chen
United States District Court