Four Years, $0 in Investor Losses, and a $209 Million Judgment

Sam Ikkurty | samikkurty.com | April 16, 2026

The numbers in CFTC v. Sam Ikkurty, Case No. 1:22-cv-02465 (N.D. Ill.), tell a story that the agency's press releases do not.

Sixty-nine limited partners invested $5.9 million in Rose City Income Fund. They received $29.3 million in distributions — a return of approximately 397%. Not one of those 69 investors filed a complaint with the CFTC. Not one of them lost money. Thirty-two of them filed formal objections with the court, asking the proceedings to stop. The fund was registered with the SEC. The investors received 139 consecutive weekly newsletters — Five Bullet Friday — documenting every significant development in the portfolio.

The CFTC obtained a judgment of $209 million.

That number requires explanation. The $209 million figure is not based on investor losses, because there were none. It is not based on investor complaints, because there were none. It is based on a disgorgement theory — the idea that all assets that passed through the fund must be disgorged, regardless of whether investors profited. The CFTC's disgorgement calculation treats every dollar that moved through the fund as ill-gotten gain, even though the investors who provided those dollars received nearly five times their investment back.

The Supreme Court addressed this kind of disgorgement calculation in Liu v. SEC, 591 U.S. 71 (2020), holding that disgorgement must be limited to net profits and cannot exceed the actual gains from the wrongdoing. The $209 million figure does not appear to be consistent with Liu. This is one of the arguments now before the Seventh Circuit on appeal, Case No. 24-2684.

There is also the question of the asset freeze. Since May 2022 — nearly four years — every asset I own has been frozen. I cannot pay legal fees without court approval. I cannot access my own bank accounts. The freeze was imposed in an eleven-minute ex

parte hearing at which I was not present. The CFTC's lead investigator admitted she never reviewed the blockchain. The DOJ declined to bring criminal charges. And yet the freeze continues.

The CFTC's own expert witness testified that the fund was not a Ponzi scheme. The agency's theory of fraud required proving that I knew the fund was insolvent and continued raising money anyway. The blockchain — which the lead investigator never reviewed — shows 885 transactions that directly contradict the CFTC's Genie Technologies theory of how the fund operated.

Four years. Zero investor losses. A 397% return to investors. A $209 million judgment. An investigator who never looked at the blockchain. A DOJ that declined criminal charges. Thirty-two investors who asked the court to stop.

The Seventh Circuit is now reviewing whether any of this makes sense. The appeal is pending. The asset freeze continues. The math still does not add up.

The Numbers

Metric	Figure
Investors	69 limited partners
Total Invested	$5.9 million
Total Returned	$29.3 million
Return on Investment	397%
Investor Losses	$0
Investor Complaints to CFTC	0
Investors Who Objected to Case	32 (formal court filings)
Weekly Newsletters Sent	139 consecutive
CFTC Judgment	$209 million
Asset Freeze Duration	Nearly 4 years (May 2022 – present)
DOJ Criminal Charges	Declined
CFTC Expert's Ponzi Finding	Not a Ponzi scheme

The Legal Question

Under *Liu v. SEC*, 591 U.S. 71 (2020), disgorgement in SEC and CFTC enforcement actions must be limited to net profits — it cannot be a penalty in excess of actual gains from the wrongdoing. When investors received a 397% return, the "net profit" from the alleged wrongdoing is difficult to calculate as $209 million. The Seventh Circuit, in Appeal No. 24-2684, is being asked to apply Liu to the disgorgement calculation in this case.

Published April 16, 2026 | samikkurty.com Case No. 1:22-cv-02465 (N.D. Ill.) | 7th Cir. Appeal No. 24-2684 | Liu v. SEC, 591 U.S. 71 (2020)