

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 23-24903-CIV-ALTONAGA/Reid**

**SECURITIES AND EXCHANGE  
COMMISSION,**

Plaintiff,

v.

**RISHI KAPOOR; et al.,**

Defendants.

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**ORDER**

**THIS CAUSE** came before the Court upon Defendant, Rishi Kapoor’s Motion for Clarification [ECF No. 89], filed on February 26, 2024. Defendant seeks clarification of the January 12, 2024 Order Granting Plaintiff Securities and Exchange Commission’s Expedited Motion for Appointment of Receiver, Asset Freeze, and Other Relief Against the Company Defendants (the “Receivership Order”) [ECF No. 28].

The Receivership Order stayed all ancillary proceedings. (*See* Receivership Order 12). A prior Order of the Court froze Defendant’s assets. (*See* Sealed Order (“Asset Freeze Order”) [ECF No. 10] 2). Now, Defendant reports that a non-party, Unibank for Savings, filed a cause of action against Defendant’s vessel, Defendant, and his wife, seeking foreclosure on a maritime lien. (*See* Mot. 2). Defendant seeks clarification of whether Unibank and Defendant are prohibited from selling the vessel and the effect of the Receivership Order and Asset Freeze Order on the ancillary proceeding. (*See id.* 4). The Court provides the requested clarification.

The Receivership Order stay does not apply to the maritime foreclosure action, as there is no reason to believe the boat was bought in Defendant’s capacity as an officer or manager of the


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Receivership Defendants, and Defendant does not acknowledge that the vessel is Receivership Property. While the provisions of the Asset Freeze Order arguably might apply to a creditor's action against Defendant's property — and certainly apply to any voluntary disposition of such property by Defendant — Defendant may sell the vessel at fair market value, provided that (1) the terms of sale are fully disclosed to the Receiver and approved in advance of sale; (2) no insider is participating in such sale; and (3) any net proceeds after satisfaction of the lender's indebtedness are turned over to the receivership estate. The Court notes that failing such a sale by Defendant, Receiver does not expect to oppose a foreclosure sale by the lender, providing such sale is appropriately noticed and marketed and that any net proceeds are turned over to the receivership estate.

Accordingly, it is

**ORDERED AND ADJUDGED** that Defendant, Rishi Kapoor's Motion for Clarification [ECF No. 89] is **GRANTED**.

**DONE AND ORDERED** in Miami, Florida, this 27th day of February, 2024.

  
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**CECILIA M. ALTONAGA**  
**CHIEF UNITED STATES DISTRICT JUDGE**

cc: counsel of record