

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO
Judge Raymond P. Moore**

Civil Action No. 19-cv-02594-RM-SKC

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MEDIATRIX CAPITAL INC., et al.,

Defendants,

And

MEDIATRIX CAPITAL FUND LTD., et al.,

Relief Defendants.

ORDER

This civil enforcement action is before the Court on Plaintiff’s Motion to Modify Asset Freeze to Permit the Transfer of Funds, Including Certain Disputed Funds, from Equity UK to the Receiver (ECF No. 295), seeking an order directing non-party Equity UK Capital Limited (“Equity UK”) to transfer \$11,183,135.06 from Blue Isle’s Equity UK account to the Receiver and releasing the remaining \$1,756,723.41 in the account from the Court’s asset freeze to Equity UK. Non-parties Equity UK and Equity Armenia CJSC (collectively, “Equity”) have filed a Consent (ECF No. 297), stating that they consent to the relief sought. (ECF No. 297.) The Motion is opposed by only the Youngs, who have filed a Response to the Motion. (ECF No. 301.) Plaintiff has filed a Reply. (ECF No. 304.) The Motion is granted for the reasons below.

In June 2020, the Court ordered Equity to “liquidate and convert to U.S. Dollars all foreign currencies and precious metals . . . and further to preserve and hold such U.S. dollar balances in such respective accounts.” (ECF No. 134 at 2.) Equity’s position is that it is entitled to offset the \$3,513,446.82 negative balance in Blue Isle’s Equity AM account with the \$12,939,858.47 held in Blue Isle’s Equity UK account. Plaintiff’s position is Equity is not entitled to any such offset. To resolve this dispute, Plaintiff and Equity have agreed to split the difference. And aside from the Youngs, no party in this case opposes the Motion.

Under the circumstances, the Court sees no problem with granting the relief requested. As noted in the Reply, Plaintiff and Equity conducted lengthy arms-length negotiations, and there is uncertainty as to whether Plaintiff’s or Equity’s position would ultimately prevail, either in this Court or in another jurisdiction. The Young’s unsupported arguments against granting the Motion are unpersuasive. Moreover, even if they are correct that “Equity UK is the primary wrongdoer” (ECF No. 301 at 2), nothing in this Order precludes them from pursuing any claims they have against Equity.

Therefore, Plaintiff’s Motion (ECF No. 295) is GRANTED.

DATED this 18th day of May, 2022.

BY THE COURT:



RAYMOND P. MOORE
United States District Judge