

# NY Atty Freed After Deal To Hand Over Docs In \$5.2M Suit

By **Parker Quinlan**

Law360 (December 21, 2023, 4:54 PM EST) -- An 82-year-old New York attorney was ordered freed Thursday after spending over a year in federal jail for repeatedly refusing to turn over discovery as part of a dispute alleging he took \$5.2 million while working as an escrow agent for an ex-client's major bitcoin deal.

U.S. District Court Judge Valerie E. Caproni ordered that the attorney, Aaron Etra, be released from federal jail in Brooklyn after he refused to give up documents as part of a lawsuit from his former client, Benthos Master Fund Ltd., a California-based cryptocurrency company.

Benthos sued Etra in April 2020 attempting to confirm a \$5.2 million award issued by an International Court of Arbitration arbitrator in 2019. Benthos claims the attorney blew up a bitcoin deal after holding the millions in an escrow account, and after the deal was dead only returned \$400,000.

In August 2020, U.S. District Judge Alison Nathan, who presided over the case before Judge Caproni, **confirmed the ICA award**, telling Etra he "only had himself to blame" for the award being entered.

One month later, Etra **appealed to the Second Circuit**, asking the federal appeals court to reverse the judge and vacate the confirmation of the multimillion-dollar award. The Second Circuit remanded the case to the lower court last month.

After months of failure to turn over bank documents, escrow agreements and other financial paperwork relevant to the Benthos lawsuit, Judge Caproni **sentenced** Etra to the Metropolitan Detention Center in Brooklyn on Dec. 14, 2022.

Etra now agrees as part of a settlement to turn over computer hard drives, an iPad and email access to an independent forensic investigator who will scour his documents and send Benthos Master Fund copies of relevant records.

The order allows Etra, who is still practicing in New York, to sign off on all records sent, however, to flag issues of privilege and to determine whether the documents are responsive to the discovery request before they are turned over to Benthos.

Etra told the court in previous court filings that he cannot personally pay the \$5 million due to Benthos, and argued that he could better be able to assist in the production of documents if he were released from jail.

As a condition of his release Etra must now submit to the court the amount he receives in Social Security every month, an estimate when he expects the program will begin providing him with payments and a monthly budget upon which Etra plans to live.

In a statement, Etra's attorney, Benjamin Silverman, expressed gratitude over the decision to release his client from federal detention.

"We are grateful for Judge Caproni's decision to allow an old and frail man to go home for the holidays," Silverman said in an email to Law360. "The federal jail in Brooklyn is no place for an octogenarian."

Counsel for Benthos did not immediately respond to a request for comment Thursday.

Aaron Etra is represented by Benjamin Adam Silverman of the Law Offices of Benjamin Adam Silverman, and Dan McGuinness of Law Offices of Daniel A. McGuinness, PC.

Benthos Master Fund Ltd. is represented by Steven Richard Popofsky, Alisa Benintendi and Joshua Kallman Bromberg of Kleinberg Kaplan Wolff & Cohen PC.

The case is Benthos Master Fund Ltd. v. Etra, case number 1:20-cv-03384, in the U.S. District Court for the Southern District of New York.

--Editing by Robert Rudinger.

*Update: The story has been updated to include additional defense counsel information.*