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9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN FRANCISCO DIVISION

12 SECURITIES AND EXCHANGE COMMISSION,

13 Plaintiff,

14 v.

15 JOHN V. BIVONA; SADDLE RIVER
ADVISORS, LLC; SRA MANAGEMENT
16 ASSOCIATES, LLC; FRANK GREGORY
MAZZOLA,

17 Defendants, and

18 SRA I LLC; SRA II LLC; SRA III LLC;
19 FELIX INVESTMENTS, LLC; MICHELE J.
MAZZOLA; ANNE BIVONA; CLEAR
20 SAILING GROUP IV LLC; CLEAR
SAILING GROUP V LLC,

21 Relief Defendants.
22

Case No. 3:16-cv-01386-EMC

**PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION'S
OPPOSITION TO SRA INVESTOR
GROUP'S ADMINISTRATIVE MOTION**

Date: N.A.
Time: N.A.
Courtroom: 5
Judge: Edward M. Chen

PLAINTIFF'S OPPOSITION TO ADMINISTRATIVE MOTION

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2 Plaintiff Securities and Exchange Commission (“the SEC” or “the Commission”) hereby
3 opposes the Administrative Motion by the SRA Investor Group. ECF 539. The Receiver’s
4 Supplemental Statement provided a detailed discussion of the receivership’s Qualified Settlement
5 Fund tax issues and of the difficulties with creating a Special Purpose Entity to distribute the
6 receivership’s shares to investors. ECF 538 at 7-25. The Receiver has exercised her reasonable
7 business judgment to recommend how the receivership should handle tax and distribution issues
8 under her revised plan, while also offering to present a simplified liquidation plan at the Court’s
9 request. *Id.* at 1-4. If the SRA Investor Group disagrees with the Receiver’s position, they should
10 offer their own analysis and plan as part of the opposition papers due on December 30, 2019.
11 Ultimately, a court should normally defer to a receiver’s reasonable business judgment.

12 The SEC also supports the Receiver’s request that the SRA Investor Group disclose its current
13 membership. Such disclosures are routine in bankruptcy proceedings so that the bankruptcy court
14 knows what creditors or equity security holders are represented by a committee. Fed. Bankruptcy
15 Civil Procedure Rule 2019(b), (c) (specifying that certain committees appearing in bankruptcy
16 proceedings must provide a verified disclosure statement of each member’s identity and economic
17 interest). There is no reason why the SRA Investor Group should not provide such information now.

18 Dated: December 20, 2019

Respectfully submitted,

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20 /s/ John S. Yun

John S. Yun

Marc Katz

Attorneys for the Plaintiff Securities and Exchange
Commission