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11 Attorneys for Interested Parties
12 GLOBAL GENERATION GROUP, LLC
13 and BENCHMARK CAPITAL, LLC

14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA

16 SECURITIES AND EXCHANGE
17 COMMISSION,

18 Plaintiff,

19 v.

20 JOHN V. BIVONA; SADDLE RIVER
21 ADVISERS, LLC; SRA MANAGEMENT
22 ASSOCIATES, LLC; FRANK GREGORY
23 MAZZOLA,

24 Defendants, and

25 SRA I, LLC; SRA II LLC; SRA III LLC;
26 FELIX INVESTMENTS, LLC; MICHELE
27 J. MAZZOLA; ANNE BIVONA; CLEAR
28 SAILING GROUP IV LLC; CLEAR
SAILING GROUP V LLC,

Relief Defendants.

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

**DECLARATION OF JOHN SYRON IN
SUPPORT OF GLOBAL GENERATION
GROUP, LLC AND BENCHMARK
CAPITAL, LLC'S REPLY TO THE SRA
FUNDS INVESTOR GROUP'S
OBJECTIONS TO JOINT DISTRIBUTION
PLAN OF THE RECEIVER AND THE SEC
AND PROPOSED ALTERNATIVE PLAN
OF DISTRIBUTION**

Date: September 28, 2017
Time: 1:30 p.m.
Dept.: Courtroom 5
Judge: Hon. Edward M. Chen

I, John Syron, declare:

1. I am the managing member of Global Generation Group, LLC ("Global Generation"), which is a Michigan limited liability company, and of Benchmark Capital, LLC

1 (“Benchmark”), also a Michigan limited liability company. Global Generation and Benchmark
2 are based in Grand Blanc, Michigan.

3 2. During 2011, Global Generation purchased 933,333 shares of pre-IPO
4 Palantir shares at \$3.00 per share, a total investment of \$2.8 million, through certain of the
5 Defendants and Relief Defendants (“Defendants”).

6 3. In connection with Global Generation’s investment, I negotiated a Letter
7 Agreement, dated December 7, 2011, with Defendants. The Letter Agreement contained specific
8 provisions that allowed Global Generation to redeem its investment in Palantir.

9 4. In early October 2012, I gave the required notice of Global Generation’s
10 decision to redeem its Palantir shares. Notwithstanding, Global Generation did not receive the
11 Redemption Price required by the Letter Agreement. Instead, I received a series of unfulfilled
12 promises, and missed deadlines.

13 5. Given the ongoing failure to pay the Redemption Price, I then demanded,
14 in writing, that its Palantir shares be delivered to Global Generation. Defendants failed to do so.

15 6. Ultimately, Global Generation received its Redemption Price for only a
16 fraction of its shares. Global Generation has never received the Redemption Price for 625,666
17 shares of Palantir stock. On December 9, 2013, Global Generation and Benchmark filed a
18 complaint in the United States District Court for the Eastern District of Michigan alleging federal
19 securities fraud, breach of contract and state law tort claims. The District Court ordered the
20 claims submitted to arbitration before the American Arbitration Association, and that arbitration
21 concluded on June 16, 2015.

22 7. On July 9, 2015, the American Arbitration Association issued its Final
23 Award in favor of Global Generation and Benchmark. The Final Award specifically also found
24 that Global Generation and Benchmark had been defrauded.

25 8. On September 16, 2015, the Final Award became a Judgment of the United
26 States District Court for the Eastern District of Michigan (“Judgment”). The Judgment is in the
27 amount of \$2,227,570.96, exclusive of post-judgment interest.

28 9. To this date, no part of the Judgment has been paid to Global Generation or

1 Benchmark. Additionally, no Palantir shares have been delivered to Global Generation.

2 10. Since this action was filed in 2016, I have contacted the Receiver, the SEC
3 and certain of their attorneys on numerous occasions. Specifically, I have spoken with the SEC's
4 John Yun, the Receiver's counsel John Cotton and the Receiver Peter Hartheimer. When I
5 initiated that contact, I spoke directly with the individual I sought or received a call back
6 promptly. Each time, the individual I spoke with was not only responsive to my questions but
7 went well beyond my questions in explaining where things stood. In fact, people I contacted
8 often spent more time than they needed to make sure I understood the status of the case and the
9 receivership.

10 11. The SRA Funds Investor Group's Objections state: "[t]he Receiver ... has
11 routinely failed to respond to investors' requests for information or assistance..." (Objections,
12 17:6-9) and "the Receiver studiously avoided communicating with ... investors about either the
13 litigation or the receivership." (Objections, 1:24-25). That is simply not true in my case.

14 12. Since the beginning of 2017, I have received a number of solicitation
15 letters addressed to me as "SRA Fund Investor" on the letterhead of Investor Rights, LLC, 1 U.S.
16 Highway 46, Elwood, New Jersey, each signed by Joshua Cilano. These letters identify Investor
17 Rights, LLC as having been formed "to retain and oversee counsel to represent" the SRA Funds
18 investors in this litigation.

19 13. I contacted Mr. Cilano who advised me that not only was he personally
20 invested in the SRA Funds but that he had previously brokered and/or represented other investors
21 in connection with their investments in the SRA Funds. Specifically, Mr. Cilano stated that he
22 had been involved in over \$16 million of the approximately \$53 million total raised by
23 Defendants and Relief Defendants for the SRA Funds.

24 14. The solicitation letters state Mr. Cilano has 17 years' experience in the
25 securities industry. I researched Mr. Cilano's experience in the securities industry by reviewing
26 electronic records publicly available on the Financial Industry Regulatory Authority ("FINRA")
27 website ("BrokerCheck"). A true and correct copy of BrokerCheck Report on Mr. Cilano is
28 attached hereto as Exhibit A.

1 15. The BrokerCheck report on Mr. Cilano states he is not currently registered
2 with FINRA but that, during the 16 years between 2000 and 2015, Mr. Cilano was employed at
3 15 different securities brokerage firms.

4 16. Of the fifteen securities firms where Mr. Cilano worked, four of them,
5 Halcyon Cabot Partners (“Halcyon”), Legend Securities, Salomon Grey Financial (“Salomon”),
6 and Barron Chase Securities had their registrations revoked and were expelled by FINRA. None
7 are still in business.

8 17. An October 7, 2015 FINRA News Release states that Halcyon was
9 expelled based on a finding that it “engaged in a scheme to conceal a kickback of private
10 placement fees” and that it had concealed “the discount the issuer provided to a venture capital
11 firm when it purchased a private placement in a cancer drug development company.” A true and
12 correct copy of the News Release is attached hereto as Exhibit B. The October 6, 2015 FINRA
13 Order expelling Halcyon describes a number of fraudulent stock schemes, including one in which
14 defendant Frank Gregory Mazzola was directly involved. A true and correct copy of the Order in
15 FINRA Disciplinary Proceeding No. 2012033877802 is attached hereto as Exhibit C. Defendant
16 Mazzola’s role is described in paragraphs 34-52 of that Exhibit C.

17 18. Similarly, a June 1, 2006 SEC Release (No. 53928) ordered the expulsion
18 of Salomon based on findings that Salomon “had deeply discounted blocks of shares ...for retail
19 sales to the public at manipulated prices.” A true and correct copy of SEC Release No. 53928 is
20 attached hereto as Exhibit D.

21 19. The Judgment referred to above included a finding that Global Generation
22 and Benchmark had been defrauded in connection with their purchase of securities. Mr. Cilano
23 raised substantial amounts of money to advance and facilitate that fraud. As such, I consider Mr.
24 Cilano to have materially benefitted from and to have been an insider in the scheme. For that
25 reason and because of his current and past questionable employment history, I strongly object to
26 Mr. Cilano and any group associated with him or any group that would consider Mr. Cilano
27 remotely acceptable in any financial transaction having any part in handling assets in the
28 receivership estate.

