

1 JOHN W. COTTON (SBN 54912)
Email: JCotton@gghslaw.com
2 GARTENBERG GELFAND & HAYTON LLP
15260 Ventura Blvd., Suite 1920
3 Sherman Oaks, CA 91403
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5 Counsel to Receiver Sherwood
Partners Inc.

7 **UNITED STATES DISTRICT COURT**
8 **NORTHERN DISTRICT OF CALIFORNIA**

10 SECURITIES AND EXCHANGE
COMMISSION,

11 Plaintiff,

12 v.

13 JOHN V. BIVONA; SADDLE RIVER
14 ADVISERS, LLC; SRA
MANAGEMENT ASSOCIATES, LLC;
15 FRANK GREGORY MAZZOLA

16 Defendants.

) Case No. 3:16-cv-1386

) **DECLARATION OF JOHN**
) **W. COTTON IN SUPPORT**
) **OF MISCELLANEOUS**
) **ADMINISTRATIVE**
) **APPLICATION FOR AN**
) **ORDER PURSUANT TO**
) **LOCAL RULE 7-11 TO PAY**
) **FEES**

) Date: No Date
) Time: No Time
) Judge: Edward M. Chen

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20 **DECLARATION OF JOHN W. COTTON**

21 I, John W. Cotton, am a partner of Gartenberg, Gelfand & Hayton
22 LLP, and act as Counsel to the Receiver in the above action. I hereby declare as
23 follows:

24 1) I have personal knowledge of the facts set forth herein and if
25 called as a witness could testify competently thereto.

26 2) Since on or about October 11, 2016, I have acted as counsel
27 to Sherwood in assisting it with the proper discharge of its duties set out in
28

1 this Court's Order of that same date, appointing Sherwood as Receiver over
2 the corporate defendant entities, and their affiliates.

3 3.) Since the last application for fees, my fees for the period
4 April 1, 2017 to June 30, 2017 have totalled \$31,477. This represents a total
5 of 69.90 hours, or 23.3 hours per month at the rate of \$450 per hour, a
6 courtesy reduction from my standard rate of \$500 per hour. The total
7 expenses for the time period were \$219.87, chiefly for the expense of sending
8 overnight copies of proposed orders to the Court. Copies of my bills for the
9 current time period are appended hereto as Exhibit A to this Declaration.

10 4.) At the request of the SEC, I have agreed to remove 11.2
11 hours, or \$5,040 from the amount reflected in the attached billing statements,
12 as these time charges represented (a) 5.0 hours for travel charges related to
13 attending a meeting with the SEC staff on April 6, and a court settlement
14 conference on April 25, 2017, and (b) 6.2 hours preparing the first quarterly
15 fee application of the Receiver and counsel. This will result in the actual time
16 being billed for this period in the amount of 59.7 hours, or 30 hours per month
17 for a net time charge of \$26,437. When combined with expenses, the total
18 amount due to my firm is \$26,807.

19 5.) During the six months for which this application is being
20 submitted, my time has been spent in the following roughly organized task
21 categories: Responding to and Advising Receiver (12 hours); Responding to
22 and Meeting with SEC and preparing the Joint Plan of Distribution (28 hours);
23 Preparation of and Filing Court Documents (9 hours); and Responding to and
24 Attending Investor and Defendants' Counsel calls and questions (10 hours).

25 6.) During the six months for which this application is being
26 submitted, the time of my firm was always mine. All of the work I performed
27 was done by me as I was the only attorney in my firm sufficiently informed on
28 the matter to undertake it and did so without assistance. None of the work

1 performed could have been done by any attorney at a lower billing rate as the
2 assignment either called for my personal involvement, or my experience with
3 prior SEC receiverships.

4 7.) I have carefully reviewed all of the bills being submitted,
5 and hereby certify that they are accurate and reflect only the necessary time
6 spent on matters with which the Receiver entrusted me.

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8 I declare under penalty of perjury under the laws of the United
9 States of America that the forgoing is true and correct.

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11 Dated: October 17, 2017

/s/ John W. Cotton
John W. Cotton

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Exhibit A

Gartenberg Gelfand Hayton LLP15260 Ventura Blvd., Suite 1920
Sherman Oaks, CA 91403(310)
312-5760**INVOICE SUBMITTED TO:**Mr. Michael Maily
c/o Sherwood Partners
1100 La Avenida
Mountain View CA

May 04, 2017

In Reference To: Sherwood/Receivership
Our File No.: 8026.002

Invoice # 16012

Professional Services

			<u>Hrs/Rate</u>	<u>Tax#</u>	<u>Amount</u>
4/5/2017	- JWC	Fees Conference call with Sherwood on open issues for 4/6 SEC meeting.	0.20 450.00/hr		90.00
4/6/2017	- JWC	Fees Meeting with SEC in SF; travel to (2 Hr) and from (1.5 Hr) and attend meeting (1.5 Hr).	4.00 450.00/hr		1,800.00
4/7/2017	- JWC	Fees Telephone call to K. Duff on Goyal matter.	0.20 450.00/hr		90.00
4/11/2017	- JWC	Fees Prepare settlement statement, email same to SEC and Duff for input.	1.20 450.00/hr		540.00
4/13/2017	- JWC	Fees Weekly team call.	0.50 450.00/hr		225.00
4/16/2017	- JWC	Fees (.8) Finalize Settlement Report; (.3) email memo on fee application needs.	1.10 450.00/hr		495.00
4/17/2017	- JWC	Fees Final edits and emails to office on settlement conference statement.	0.80 450.00/hr		360.00
4/24/2017	- JWC	Fees Telephone call from Duff on settlement conference.	0.30 450.00/hr		135.00
	- JWC	Fees Conference call with SEC.	0.20 450.00/hr		90.00
4/25/2017	- JWC	Fees Travel to, attend and return from court ordered settlement conference.	3.50 450.00/hr		1,575.00

Mr. Michael Maily

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			<u>Hrs/Rate</u>	<u>Tax#</u>	<u>Amount</u>
4/25/2017	- JWC	Fees	0.40		180.00
		Review and respond to fee application.	450.00/hr		
4/27/2017	- JWC	Fees	0.50		225.00
		Draft fee application declaration.	450.00/hr		
4/28/2017	- JWC	Fees	0.50		225.00
		Conference call on liquidation plan, discussion on issue to discuss with SEC.	450.00/hr		
	- JWC	Fees	0.50		225.00
		Conference call by SEC on open issues on plan of liquidation.	450.00/hr		
	- JWC	Fees	0.50		225.00
		Call with PH on issues to discuss in liquidation plan and comments on call for receiver.	450.00/hr		
For professional services rendered			14.40		\$6,480.00

Additional Charges :

			<u>Qty/Price</u>		
4/6/2017	-	Parking	1		6.00
		Parking	6.00		
4/17/2017	-	Federal Express	1		50.05
		Federal Express	50.05		
	-	Federal Express	1		50.05
		Federal Express	50.05		
	-	Federal Express	1		50.05
		Federal Express	50.05		
	-	Federal Express	1		63.72
		Federal Express	63.72		
4/30/2017	-	Mileage Expense	1		110.00
		April Mileage	110.00		
	-	Parking	1		40.00
		April Parking	40.00		

Total costs					\$369.87
For professional services rendered			14.40		\$6,849.87

Total amount of this bill					\$6,849.87
Previous balance					\$41,259.00

Balance due					\$48,108.87
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Gartenberg Gelfand Hayton LLP15260 Ventura Blvd., Suite 1920
Sherman Oaks, CA 91403(310)
312-5760**INVOICE SUBMITTED TO:**Mr. Michael Maily
c/o Sherwood Partners
1100 La Avenida
Mountain View CA

June 06, 2017

In Reference To: Sherwood/Receivership
Our File No.: 8026.002

Invoice # 16077

Professional Services

			<u>Hrs/Rate</u>	<u>Tax#</u>	<u>Amount</u>
5/2/2017	- JWC	Fees Edit Sherwood fee application.	0.90 450.00/hr		405.00
5/3/2017	- JWC	Fees Prepare Goyal Stipulated Order and forward to Duff.	0.80 450.00/hr		360.00
5/4/2017	- JWC	Fees Telephone call from Hartheimer on open issues.	0.30 450.00/hr		135.00
5/5/2017	- JWC	Fees Draft fee application, edit fee application of Sherwood, create declarations for Cotton and Hartheimer and fill in same with time entries.	1.75 450.00/hr		787.50
5/8/2017	- JWC	Fees Emails to and from PH on submission of fee application, prepare declarations and memo on same.	0.50 450.00/hr		225.00
	- JWC	Fees Respond to receiver emails; telephone call to receiver (PH) and prepare declarations of PH and JC.	0.70 450.00/hr		315.00
5/9/2017	- JWC	Fees Edit stipulated order on Goyal demand and claim.	0.40 450.00/hr		180.00
5/11/2017	- JWC	Fees Weekly update call with Receiver on open items and progress.	0.70 450.00/hr		315.00
5/15/2017	- JWC	Fees Edit second quarterly report.	0.50 450.00/hr		225.00
5/16/2017	- JWC	Fees Telephone call with P. Hartheimer on second quarterly report and	0.50 450.00/hr		225.00

Mr. Michael Maidy

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			<u>Hrs/Rate</u>	<u>Tax#</u>	<u>Amount</u>
		prepare filing notice for same.			
5/17/2017	- JWC	Fees	1.20		540.00
		Attend call with SEC and receiver on POL filing and other issues.	450.00/hr		
	- JWC	Fees	0.20		90.00
		Email to O'Melveny on Palantir stock sale.	450.00/hr		
5/18/2017	- JWC	Fees	0.50		225.00
		Telephone call with SEC on open issues, POL and calendar dates for filing, response and reply.	450.00/hr		
	- JWC	Fees	0.50		225.00
		Weekly call on work in progress and upcoming events.	450.00/hr		
5/21/2017	- JWC	Fees	0.50		225.00
		Emails on Goyal settlement agreement and preparation of order.	450.00/hr		
5/22/2017	- JWC	Fees	0.50		225.00
		Finalize Goyal stipulation and email memo to Mazzola on LR 7-11.	450.00/hr		
	- JWC	Fees	1.20		540.00
		Revise, edit and rework fee application in light of defendant's comments and concerns.	450.00/hr		
5/23/2017	- JWC	Fees	1.30		585.00
		Continue work on memorandum in support of consolidated liquidation plan.	450.00/hr		
5/24/2017	- JWC	Fees	1.00		450.00
		Continue to edit and add to the motion for liquidation plan.	450.00/hr		
	- JWC	Fees	0.50		225.00
		Conference call with SEC and Sherwood on disgorgement calculation.	450.00/hr		
5/26/2017	- JWC	Fees	0.80		360.00
		Weekly conference call with Sherwood.	450.00/hr		
5/30/2017	- JWC	Fees	0.50		225.00
		Conference call with Geist at OMM on Palantir rights and votes; post call with PH.	450.00/hr		
	- JWC	Fees	2.50		1,125.00
		Draft and edit sections of liquidation plan motion and memorandum; Lexis research regarding same.	450.00/hr		
5/31/2017	- JWC	Fees	3.00		1,350.00
		Draft and edit sections of liquidation plan motion and memorandum; Lexis research for same.	450.00/hr		

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	<u>Hrs/Rate</u>	<u>Tax#</u>	<u>Amount</u>
For professional services rendered	21.25		\$9,562.50
For professional services rendered	21.25		\$9,562.50
Previous balance			\$48,108.87
Balance due			\$57,671.37

Gartenberg Gelfand Hayton LLP15260 Ventura Blvd., Suite 1920
Sherman Oaks, CA 91403(310)
312-5760**INVOICE SUBMITTED TO:**Mr. Michael Maily
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1100 La Avenida
Mountain View CA

July 10, 2017

In Reference To: Sherwood/Receivership
Our File No.: 8026.002

Invoice # 16130

Professional Services

			<u>Hrs/Rate</u>	<u>Tax#</u>	<u>Amount</u>
6/2/2017	- JWC	Fees Call with SEC counsel, Kadish BK counsel and receiver on BK issues and call with trustee.	0.50 450.00/hr		225.00
	- JWC	Fees Telephone call from Katz and emails from Katz on investor P. Healy call, email to Levine and emails to SEC.	0.50 450.00/hr		225.00
6/5/2017	- JWC	Fees Call with PE and others regarding SRA investor complaints on no information from receiver.	0.40 450.00/hr		180.00
6/6/2017	- JWC	Fees Telephone call to J. Levine investor counsel on questions on liquidation plan filing.	0.40 450.00/hr		180.00
	- JWC	Fees Telephone call with SEC and Sherwood (2 conf calls) regarding plan of liquidation, open issue on S. Diamond and draft motion and declarations.	0.50 450.00/hr		225.00
6/8/2017	- JWC	Fees Conference call all hands/weekly status call.e	0.50 450.00/hr		225.00
6/14/2017	- JWC	Fees Conference call with Sherwood on draft (.80) and continue editing and correcting draft of memorandum (2.20).	3.00 450.00/hr		1,350.00
6/19/2017	- JWC	Fees Complete changes and additions to Motion for Approval of Plan, and edit add to declarations supporting same.	6.80 450.00/hr		3,060.00

Mr. Michael Maily

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			<u>Hrs/Rate</u>	<u>Tax#</u>	<u>Amount</u>
6/21/2017	-	JWC	Fees Review email on draft distribution plan and comment in email on open issues.	0.50 450.00/hr	225.00
	-	JWC	Fees Conference call on latest draft of motion to approve Plan and declarations.	1.20 450.00/hr	540.00
6/22/2017	-	JWC	Fees Final edits and additions to Motion and declarations of Sherwood personnel.	2.10 450.00/hr	945.00
	-	JWC	Fees Telephone call from P. Hartheimer on two issues to review in declaration.	0.30 450.00/hr	135.00
	-	JWC	Fees Telephone call with SEC on open issues in drafts and ABC issue.	0.50 450.00/hr	225.00
	-	JWC	Fees Continue editing and redrafting and distribution plan and declarations.	2.70 450.00/hr	1,215.00
	-	JWC	Fees Weekly conference call on open matters.	0.60 450.00/hr	270.00
	-	JWC	Fees Follow up call with P. Hartheimer on edits to his declaration.	0.50 450.00/hr	225.00
6/26/2017	-	JWC	Fees Discuss ABC position and duties with Sherwood/MM and PH.	0.50 450.00/hr	225.00
	-	JWC	Fees Read/review IP declaration and SEC Motion for Distribution.	1.10 450.00/hr	495.00
	-	JWC	Fees Attend all hands call on filing for distribution on 6/29.	1.10 450.00/hr	495.00
	-	JWC	Fees Continued work on memorandum, editing and cite checking.	1.30 450.00/hr	585.00
6/27/2017	-	JWC	Fees Complete all revisions to declarations and memorandum for final approval.	2.70 450.00/hr	1,215.00
	-	JWC	Fees Telephone call to Hartheimer to go over declarations and edits.	0.30 450.00/hr	135.00
6/28/2017	-	JWC	Fees Prepare proposed order; prepare draft motion; review and edit all pleadings for filing final	2.20 450.00/hr	990.00

Mr. Michael Maily

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		<u>Hrs/Rate</u>	<u>Tax#</u>	<u>Amount</u>
	documents.			
6/29/2017 -	JWC Fees Final work on filing the distribution plan, emails (various) and calls (3) to Sherwood representatives; emails to SEC on same.	1.80 450.00/hr		810.00
-	JWC Fees Preparation of application to pay fees of receiver and counsel.	0.80 450.00/hr		360.00
6/30/2017 -	JWC Fees Conference call with SEC and Receiver on calculation of disgorgement number with stocks with liquidity event.	0.50 450.00/hr		225.00
-	JWC Fees Call with SEC/Sherwood and Levine/Healy investor and counsel.	1.00 450.00/hr		450.00
	For professional services rendered	<u>34.30</u>		<u>\$15,435.00</u>
	For professional services rendered	<u>34.30</u>		<u>\$15,435.00</u>
	Previous balance			\$57,671.37
	Balance due			<u>\$73,106.37</u>