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

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 JOHN V. BIVONA; SADDLE RIVER
ADVISORS, LLC; SRA MANAGEMENT
18 LLC; FRANK GREGORY MAZZOLA,

19 Defendants, and

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

23 Relief Defendants.
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Case No: 3:16-cv-01386-EMC

**THE SRA FUNDS INVESTOR GROUP'S
RESPONSE TO THE PROPOSED ENTRY
OF FINAL JUDGMENTS AGAINST
CERTAIN DEFENDANTS AND RELIEF
DEFENDANTS**

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

28 THE SRA FUNDS INVESTOR GROUP'S RESPONSE TO THE PROPOSED ENTRY OF
FINAL JUDGMENTS AGAINST CERTAIN DEFENDANTS AND RELIEF DEFENDANTS

1 On December 15, 2017, the Securities and Exchange Commission (SEC) filed and requested
2 entry of proposed Final Judgments against Defendants John Bivona, Frank Mazzola and Saddle
3 River Advisors, LLC and against Relief Defendants Anne Bivona and Michele Mazzola. *See* Dkt.
4 Nos. 285 (for the Bivonas), 286 (for the Mazzolas) and 287 (for SRA, LLC). On December 19,
5 2017, the Court issued an order requiring any interested parties to respond to the SEC’s filings by
6 no later than December 21, 2017. *See* Dkt. No. 289. Pursuant to the Court’s December 19, 2017
7 Order, the SRA Funds Investor Group (the “Investor Group”) respectfully submits this response to
8 the SEC’s request for entry of Final Judgments against the Bivonas, the Mazzolas and SRA, LLC.

9 The Investor Group takes no position with respect to the entry of the Final Judgments as to
10 Defendants John Bivona and Frank Mazzola and Relief Defendants Anne Bivona and Michele
11 Mazzola.

12 The Investor Group objects to the entry of the proposed Final Judgment as to Defendant
13 SRA, LLC at this time because the terms of that Final Judgment may impact the ability of the
14 Investor Group to implement its Alternative Distribution Plan if that Plan, or some version of it, is
15 ultimately approved by the Court. In particular, the disgorgement remedy contemplated by Section
16 VIII of the proposed SRA, LLC Final Judgment may be problematic because it provides for joint
17 and several liability for the disgorged amounts with other receivership entities that need to remain
18 in operation if the Investor Group’s Plan is implemented in whole or in part.

19 Counsel for the Investor Group has conferred with the SEC and with counsel for the
20 Receiver with respect to its concerns about the impact of the joint and several liability provision in
21 the SRA, LLC proposed Final Judgment, and the SEC and the Receiver are looking at that issue.
22 In light of the foregoing, the Investor Group requests that the Court defer entry of the SRA, LLC
23 Final Judgment until after the January 25, 2018 case management conference.

24 Respectfully submitted,

25 DATED: December 21, 2017

PRITZKER LEVINE LLP

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By: /s/ Jonathan K. Levine
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Elizabeth C. Pritzker
Bethany Caracuzzo

Attorneys for the SRA Funds Investor Group