

1 KATHY BAZOIAN PHELPS (State Bar No. 155564)
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3 DIAMOND MCCARTHY LLP
4 1999 Avenue of the Stars, Suite 1100
5 Los Angeles, California 90067-4402
6 Telephone: (310) 651-2997

7 *Successor Receiver*

8
9 **UNITED STATES DISTRICT COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 v.

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

21 Defendants, and

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

28 Relief Defendants.

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

**DECLARATION OF CHRISTOPHER
SULLIVAN IN SUPPORT SEVENTH
INTERIM ADMINISTRATIVE MOTION
FOR AN ORDER PURSUANT TO LOCAL
RULE 7-11 FOR THE APPROVAL OF FEES
AND EXPENSES FOR THE SUCCESOR
RECEIVER, DIAMOND McCARTHY LLP,
MILLER KAPLAN ARASE LLP AND
SCHINNER & SHAIN LLP FROM JULY 1,
2020 THROUGH SEPTEMBER 30, 2020**

Date: No Hearing Set
Time: No Hearing Set
Judge: Edward M. Chen

1 I, Christopher Sullivan, declare:

2 1. I am an attorney duly licensed to practice in the State of California and a partner at the
3 firm of Diamond McCarthy LLP (“Diamond McCarthy” or “Firm”), counsel of record for the
4 Receiver Kathy Bazoian Phelps in this case. I have personal knowledge of the matters set forth
5 below and if called as a witness, I would and could testify competently to the matters stated herein.

6 2. This declaration is made in support of the Seventh Interim Administrative Motion for
7 an Order Pursuant to Local Rule 7-11 for the Approval of Fees and Expenses for the Successor
8 Receiver, Diamond McCarthy LLP, Miller Kaplan Arase LLP, and Schinner & Shain LLP From
9 July 1, 2020 Through September 30, 2020 (“Motion”).

10 3. On March 20, 2019, the Court entered an order authorizing the Receiver to employ
11 Diamond McCarthy as the Receiver’s general counsel retroactively to February 1, 2019 (“DM
12 Employment Order”). I am one of the attorneys now principally responsible for representing the
13 Receiver. I directly supervise the professionals and staff of Diamond McCarthy with respect to this
14 representation.

15 4. In recognition of the efficiencies and benefits to the estate, Diamond McCarthy has
16 divided its time among different billing categories. For the period of July 1, 2020 through
17 September 30, 2020 (“Motion Period”), Diamond McCarthy performed services between the
18 following 2 billing categories:

19 2622-00013 – Plan Implementation

20 2622-00015 – Asset Analysis and Recovery

21 In the interests of the estate and pursuant to the DM Employment Order, I have capped my hourly
22 rate at \$425, as have Diamond McCarthy partners Stacey Pratt and Justin Strother, and senior
23 counsel David Castleman. The hourly rates of paralegals have also been discounted. Diamond
24 McCarthy has agreed to a 20% holdback of the allowed fees on the Seventh Interim Fee
25 Application.

26 5. Expenses are billed under 2622-00014. Attached hereto as Exhibit “4” are true and
27 correct copies of the billing statements itemizing the legal services provided and the costs incurred
28 in this case.

1 2622-00013 – Plan Implementation

2 6. Attached as Exhibit “4-1” hereto are true and correct copies of billing statements
3 itemizing services provided by Diamond McCarthy during the Motion Period in connection with
4 implementing the Receiver’s Plan of Distribution (“Plan”) approved by the Court on May 25, 2020
5 (Dkt. No. 613). Diamond McCarthy performed 168.40 hours for total fees of \$71,570.

6 7. Subsequent to Court approval of the Plan, the Firm studied the distribution schedules
7 and the Plan, and worked with the Receiver on options and strategy for implementing the Plan.

8 8. Specifically, the Firm assisted the Receiver in preparing the Motion for Order
9 Approving Sale and Distribution of Publicly Traded Securities Pursuant to the Distribution Plan
10 (Dkt. No. 617). The motion set forth detailed distribution schedules for investors holding publicly
11 traded securities and sought Court approval for the sale of securities in order to fund the Plan Fund
12 and the Tax Holding Account. The motion also sought Court authority to make interim
13 distributions to investors holding allowed claims. The Firm drafted the motion and supporting
14 documentation, reviewed share prices, and corresponded with claimants regarding information
15 needed for the motion. On July 20, 2020, the Court approved the motion (Dkt. No. 619).

16 9. Following approval of the motion, the Firm assisted the Receiver in processing the first
17 interim distributions. Diamond McCarthy analyzed the sale of securities and researched security
18 prices, prepared necessary forms and documents, and created reports to track and reconcile
19 distributions. The Firm communicated extensively with Wells Fargo Bank to supervise and prepare
20 the distributions and improve the processes involved and validated the stock sale data from Wells
21 Fargo.

22 10. Diamond McCarthy also received calls and emails from dozens of claimants regarding
23 distributions and numerous logistical issues arising therefrom, and conducted analysis to provide
24 information to claimants.

25 11. Diamond McCarthy assisted the Receiver with respect to the Motion for Order
26 Authorizing Lockup Agreement and Approving Sale of Securities Pursuant to Distribution Plan
27 (Dkt. No. 622). The Firm analyzed the details of the lock-up agreement and the potential sale of
28 Palantir stock, created a Palantir distribution schedule, and participated in discussions with the

1 Receiver, her securities counsel, and the Investor Advisory Committee regarding the motion and
2 Palantir distributions. The Firm also drafted the motion, which was approved by the Court on
3 September 9, 2020 (Dkt. No. 626).

4 12. Diamond McCarthy assisted the Receiver with respect to The Eliv Group, LLC's
5 ("Eliv") request to receive its distribution in cash and not in securities as provided for in the Plan.
6 The Firm drafted the Motion for Order Modifying the Distribution Plan With Respect to Eliv (Dkt.
7 624), which was approved by the Court on September 11, 2020 (Dkt. No. 627).

8 2622-00015 – Asset Analysis and Recovery

9 13. Attached as Exhibit "4-2" hereto are true and correct copies of billing statements
10 itemizing services provided by Diamond McCarthy in connection with analyzing the estate's assets
11 and recovering those assets during the Motion Period. Diamond McCarthy performed 28.10 hours
12 for total fees of \$10,930.50.

13 14. Prior to the Motion Period, Diamond McCarthy filed a complaint against Ben Sabrin
14 for return of the 6,250 shares of MongoDB or the value thereof that he owes to the estate. During
15 the Motion Period, Diamond McCarthy performed a number of tasks with respect to the lawsuit
16 against Mr. Sabrin, including but not limited to preparing discovery requests, exchanging initial
17 disclosures, preparing a stipulated protective order, obtaining documents via a subpoena, and
18 analyzing documents produced.

19 15. The Firm also evaluated a settlement offer received from Mr. Sabrin, reviewed further
20 detailed correspondence from opposing counsel regarding his client's position and communicated
21 with both the Receiver and opposing counsel on the same.

22 2622-00014 – Expenses

23 16. Attached as Exhibit "4-3" hereto is a billing statement itemizing costs incurred by
24 Diamond McCarthy in connection with the services rendered to the Receiver. The costs incurred
25 during the Motion Period total \$508.60.

26 17. To the best of my knowledge, information and belief formed after reasonable inquiry,
27 all the fees and expenses requested in the attached billing statements are true and correct and
28 complies with the Billing Instructions for Receivers in Civil Actions Commenced by the U.S.

1 Securities and Exchange Commission.

2 18. The fees that Diamond McCarthy has charged are reasonable, necessary, and
3 commensurate with the skill and experience required for the activity performed. Diamond
4 McCarthy's services and time expenditures are reasonable in light of the labor required for the
5 matters for which Diamond McCarthy was retained and the balancing that must be performed to
6 efficiently and effectively represent the Receiver. Diamond McCarthy respectfully submits that it
7 has not expended time unnecessarily and that it has rendered efficient and effective services.

8 19. Diamond McCarthy has not included in the amount for which reimbursement of costs
9 is sought, amortization of the cost of any equipment, investment or capital outlay.

10
11 I declare under penalty of perjury that the foregoing is true and correct. Executed on this 3rd
12 day of November 2020 at San Francisco, California.

13
14 /s/ Christopher D. Sullivan
15 Christopher Sullivan
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EXHIBIT 4-1

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Diamond McCarthy LLP

Page 1

Draft for Work-In-Process Through 9/30/2020

Matter ID: 2622-00013

Draft Seq # 1

Billing Attorney: 48 - Phelps, Kathy B.
 Counsel to K. Phelps, Receiver re: SEC v. Saddle R
 Diamond McCarthy LLP
 1999 Avenue of The Stars
 Suite 100
 Los Angeles, CA 90067

Bill Format: 9010
 Billing Cycle: M

Re: Plan Implementation

Alternate Billing Rules

Imaging: Print images based on rules

Billing & Payment Recap

Total Billed Fees:	36,045.00	Combined Adv. Deposit Bal.:	0.00
Total Billed Costs:	0.00	Fee Adv. Deposit Bal.:	0.00
Total Billed Interest:	0.00	Cost Adv. Deposit Bal.:	0.00
Total Billed Retainer:	0.00	Trust Funds 1:	0.00
Total Collected:	27,900.25	Trust Funds 2:	0.00
Last Bill: 08/05/20	11,900.00	Trust Funds 3:	0.00
Last Payment: 09/02/20	9,520.00	Trust Funds 4:	0.00
Last Write-Off:			

WIP & A/R Aging

As of 9/30/2020	Total	Fees	Cost	Interest	Retainer	Aging			
						0-30	31-60	61-90	91+
WIP	71,570.00	71,570.00	0.00	0.00	0.00	25,075.00	16,362.50	30,132.50	0.00
A/R	8,144.75	8,144.75	0.00	0.00	0.00	0.00	0.00	2,380.00	5,764.75
Totals	79,714.75	79,714.75	0.00	0.00	0.00	25,075.00	16,362.50	32,512.50	5,764.75

Fee Recap - Actual Hourly Rate

Timekeeper	Hours	Rate	Amount	On Hold			To Bill		
				Hours	Rate	Amount	Hours	Rate	Amount
SLP	0.10	425.00	42.50				0.10	425.00	42.50
DAC	168.30	425.00	71,527.50				168.30	425.00	71,527.50
Total WIP Fees	168.40		71,570.00				168.40		71,570.00
Total WIP			71,570.00			0.00			71,570.00

Billing Instructions

Bill Fees: _____ Write off Fees: _____ Bill Costs: _____ Write off Costs: _____
 Do Not Bill: _____ Apply Advance Deposit: All _____ or Other Amount _____ Send Statement Only: _____

Fee Detail

Fee ID	Date	Atty	Description	Task:Act	Hold	Hours	Rate	Amount
731279	07/08/20	DAC	Draft declaration and order for motion to distribute securities (.2); review email to investors regarding distribution information (.1); email H. Choi regarding processing distribution account information (.1).			2.50	425.00	1,062.50

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Draft for Work-In-Process Through 9/30/2020

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Draft Seq #

1

Fee ID	Date	Atty	Description	Task:Act Hold	Hours	Rate	Amount
731280	07/09/20	DAC	Emails with claimants regarding account information (.2); email with K. Phelps regarding motion filing (.2).		0.40	425.00	170.00
731282	07/10/20	DAC	Create exhibits to file with motion for interim distribution and revisions to same (2.3); research market prices and updates regarding same (1.0); emails with claimants regarding account information (.2); revisions to declaration and motion (.8).		4.30	425.00	1,827.50
731284	07/12/20	DAC	Analysis of Bloom share prices and emails regarding same and draft applicable revisions to proposed order for motion for first interim distribution.		1.20	425.00	510.00
731285	07/13/20	DAC	Finalize motion for filing (1.0); research local rules regarding same (1.0); prepare draft notice of motion (1.3); review share prices and update charts and exhibits regarding same (2.3).		5.60	425.00	2,380.00
731287	07/14/20	DAC	Emails with various claimants regarding account information.		0.60	425.00	255.00
731292	07/20/20	DAC	Review missing investor report, emails and analysis of responses (.4); create spreadsheet of first interim distribution and analysis and coding of spreadsheets to process distributions and determine shares to sell for plan fund and tax account (4.4).		4.80	425.00	2,040.00
731294	07/21/20	DAC	Preparation for first interim distribution, including communications with claimants regarding first interim distribution (1.2); communications with Wells Fargo regarding same (.5); draft missing investor report (1.3); create report of distributions (2.0); participate in distribution status call with investor group (1.5).		6.50	425.00	2,762.50
731296	07/22/20	DAC	Work on first interim distribution and prepare forms and other documentation (2.2); communications with K. Phelps, Wells Fargo, and certain claimants regarding same (1.3); analysis of sale of securities and research prices regarding same (2.2); updates to distribution charts (.5); email K. Phelps regarding process for distributions (.2).		6.40	425.00	2,720.00
731298	07/23/20	DAC	Analysis of sales of securities for plan fund and tax accounts (2.5); communications with K. Phelps and Wells Fargo regarding same (.5); finalize forms and other documentation for first interim distribution (2.3); communications with K. Phelps, Wells Fargo, and certain claimants		7.10	425.00	3,017.50

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Draft for Work-In-Process Through 9/30/2020

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Draft Seq #

1

Fee ID	Date	Atty	Description	Task:Act	Hold	Hours	Rate	Amount
			regarding same (1.5); call with V. Crooks regarding same (.3).					
731299	07/24/20	DAC	Analysis of distribution issues raised by Wells Fargo (2.3); emails with various claimants regarding same (1.0); draft additional instruction forms regarding distribution (2.0).			5.30	425.00	2,252.50
731301	07/27/20	DAC	Validate DTC and stock sale data from Wells Fargo (1.6); emails with K. Phelps regarding same (.6); emails with claimants regarding same (.8); emails with Wells Fargo regarding process improvements (1.2).			4.20	425.00	1,785.00
731303	07/28/20	DAC	Prepare forms and other documentation for first interim distribution (2.0); communications with K. Phelps regarding same (.5); draft update regarding status of distributions (1.8); updates to transaction log (1.2).			5.50	425.00	2,337.50
732527	07/29/20	DAC	Prepare forms and other documentation for first interim distribution, update issue list and analysis and communications with K. Phelps, Wells Fargo, and claimants regarding same (6.5); draft letters of instruction for international claimants and send same to Wells Fargo (2.0).			8.50	425.00	3,612.50
732528	07/30/20	DAC	Calls with various claimants (.6); prepare and send investor distribution forms (1.0); updates to transaction and open issues logs (2.4); emails with Wells Fargo regarding interim distributions (.4).			4.40	425.00	1,870.00
732531	07/31/20	DAC	Call with D. Nock (claimant) regarding Roth IRA issues (.2); prepare and send investor distribution forms and draft updates to transaction and open issues logs (3.1); emails with Wells Fargo regarding interim distributions (.3).			3.60	425.00	1,530.00
737046	08/03/20	DAC	Emails with various claimants and Wells Fargo regarding distributions (6); revisions to DTC forms and update transaction logs and accounting documents (3.2).			3.80	425.00	1,615.00
737048	08/04/20	DAC	Audit of master accounting spreadsheet, cross-check against transaction logs and reconcile distributions to date (1.9); emails to various claimants regarding distributions (6).			2.50	425.00	1,062.50
737049	08/05/20	DAC	Emails with various claimants and Wells Fargo regarding distributions and explanations thereof (2.4); draft letters of instruction (1.2); review of transaction			5.60	425.00	2,380.00

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Draft for Work-In-Process Through 9/30/2020

Matter ID: 2622-00013

Draft Seq #

1

Fee ID	Date	Atty	Description	Task:Act Hold	Hours	Rate	Amount
			confirmation data and reconciliation of confirmation data to accounting spreadsheet (2.0).				
737050	08/06/20	DAC	Emails with First Clearing regarding Wells Fargo distributions and emails with Wells Fargo regarding same (1.2); emails with various claimants regarding explanations of distribution amounts (1.8); calls with P. O'Leary and K. Phelps regarding distributions (.4).		3.40	425.00	1,445.00
737051	08/07/20	DAC	Emails with clients and Wells Fargo regarding Roth IRA distribution issues.		0.50	425.00	212.50
737053	08/10/20	DAC	Call with K. Phelps, J. Cilano and others regarding Palantir (.4); emails with various claimants regarding distribution logistics (.6); revisions to master log and audit of administrative reserve amount (1.3).		2.30	425.00	977.50
737055	08/11/20	DAC	Emails with various claimants and Wells Fargo regarding distributions (.2); revisions to DTC forms (.2); update transaction logs and accounting documents (.4).		0.80	425.00	340.00
737057	08/12/20	DAC	Emails with various claimants and Wells Fargo regarding distributions (.5); revisions to DTC forms (.2); update transaction logs and accounting documents (.3).		1.00	425.00	425.00
737058	08/13/20	DAC	Call with S. Diamond (Fortuna) regarding distribution plan (.3); emails with Wells Fargo regarding international distribution issues and emails with various claimants regarding international distribution issues (1.6).		1.90	425.00	807.50
739982	08/13/20	SLP	Email from investor RL regarding distribution of stock to Palantir investors.		0.10	425.00	42.50
737061	08/18/20	DAC	Analysis of QRI emails regarding Palantir and emails regarding same (.6); call with S. Soler and S. Diamond regarding Fortuna claim (.4); emails with various claimants regarding distribution information (.4); updates to logs and tax documents (1.8).		3.20	425.00	1,360.00
737062	08/19/20	DAC	Emails with various claimants and Wells Fargo regarding distributions (1.1); updates to transaction logs and accounting documents (.4).		1.50	425.00	637.50
737063	08/20/20	DAC	Emails with Wells Fargo regarding IRA issues (.3); emails regarding Double Digits claim (.3); updates to transaction logs and accounting documents (.1).		0.70	425.00	297.50
737066	08/25/20	DAC	Analysis of potential Palantir sale to fund plan documents (1.7); emails with various		2.00	425.00	850.00

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Draft for Work-In-Process Through 9/30/2020

Matter ID: 2622-00013

Draft Seq #

1

Fee ID	Date	Atty	Description	Task:Act	Hold	Hours	Rate	Amount
			claimants and Wells Fargo regarding distributions (.2); updates to transaction logs and accounting documents (.1).					
737067	08/26/20	DAC	Create Palantir distribution schedule (2.1); analysis of tax and accounting issues regarding same and draft summary of same (4.1); create distribution log regarding same (1.0); emails with Wells Fargo regarding distributions (.3).			7.50	425.00	3,187.50
737068	08/27/20	DAC	Emails with receiving banks regarding distributions (.4); updates to transaction logs and accounting documents (.4).			0.80	425.00	340.00
737070	08/28/20	DAC	Emails with various claimants and Wells Fargo regarding distributions (.2); revise DTC forms (.4).			0.60	425.00	255.00
737072	08/31/20	DAC	Attention to emails regarding distributions and investor group.			0.30	425.00	127.50
738122	09/01/20	DAC	Attention to emails regarding distributions to Investor 136.			0.20	425.00	85.00
738124	09/02/20	DAC	Emails with Wells Fargo and others regarding distributions of remaining securities.			0.50	425.00	212.50
738125	09/02/20	DAC	Review and reconcile account statement to August distributions (.6); update transaction log and distribution spreadsheet (.5); email summary of open issues regarding distributions to K. Phelps (.2).			1.30	425.00	552.50
738126	09/02/20	DAC	Calls with F. Koenen and K. Phelps regarding Palantir Distribution and proposed motion.			1.50	425.00	637.50
738129	09/03/20	DAC	Analysis of potential securities transfer issues and related emails with F. Koenen.			0.80	425.00	340.00
738127	09/03/20	DAC	Calls with Investor Advisory Committee, Securities Exchange Commission, and K. Phelps and emails with F. Koenen regarding Palantir.			1.40	425.00	595.00
738128	09/03/20	DAC	Draft administrative motion, notice, declaration and proposed order regarding Palantir lockup and sale authority.			4.70	425.00	1,997.50
738131	09/04/20	DAC	Draft update to Palantir investors regarding administrative motion and distribution plan.			1.00	425.00	425.00
738130	09/04/20	DAC	Finalize Palantir administrative motion and related documents for filing (1.2); review emails and research regarding same (.6).			1.80	425.00	765.00
738488	09/08/20	DAC	Draft motion for order modifying plan regarding ELIV group special situation (3.2); review of record regarding same (.8).			4.00	425.00	1,700.00
738132	09/08/20	DAC	Emails and calls with various claimants regarding Palantir and other distributions			2.50	425.00	1,062.50

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Draft for Work-In-Process Through 9/30/2020

Matter ID: 2622-00013

Draft Seq #

1

Fee ID	Date	Atty	Description	Task:Act	Hold	Hours	Rate	Amount
			(1.4); updates to records regarding same (1.1).					
738135	09/09/20	DAC	Emails and calls with K. Phelps, Wells Fargo, Morgan Stanley and various claimants regarding Palantir distributions (.7); review ELIV motion for filing and related emails (2.8).			3.50	425.00	1,487.50
740582	09/10/20	DAC	Emails and calls with various claimants regarding Palantir distributions.			0.90	425.00	382.50
740583	09/11/20	DAC	Emails and calls with various claimants regarding Palantir distributions (1.1); review ELIV order and email same to NDNY USAO (.4).			1.50	425.00	637.50
740584	09/12/20	DAC	Attention to emails with K. Phelps regarding sale of ELIV shares.			0.70	425.00	297.50
740585	09/14/20	DAC	Emails and calls with various claimants regarding publicly traded securities and Palantir distributions.			1.80	425.00	765.00
740586	09/15/20	DAC	Analysis of ELIV proceeds and updates to log regarding same and other distributions (1.7); emails with various financial institutions regarding distributions (.3); call with claimant (.2).			2.20	425.00	935.00
740587	09/16/20	DAC	Analysis of administrative reserve issues and design and implement calculation formulae regarding same (2.9); calls with K. Phelps regarding status of various open items (1.1); call with claimant's advisor regarding securities (.2); emails with various claimants regarding distributions (.9).			5.10	425.00	2,167.50
740588	09/17/20	DAC	Call with S. Diamond regarding Fortuna distribution and emails with K. Phelps and others regarding same (1.0); emails with various claimants regarding distributions (.4); analysis of administrative reserve liquidation option (1.6); call with H. Choi regarding costs accounting (.2).			3.20	425.00	1,360.00
740589	09/18/20	DAC	Emails with Wells Fargo regarding distribution issues (.2); call with claimant regarding distribution plan (.2); analysis of Fortuna distributions (.7).			1.10	425.00	467.50
740590	09/19/20	DAC	Emails with claimant regarding distribution plan.			0.20	425.00	85.00
740591	09/21/20	DAC	Calls and emails with K. Phelps and S. Diamond regarding Fortuna distribution plan (.5); emails with claimants regarding Palantir distributions (.5).			1.00	425.00	425.00
740592	09/22/20	DAC	Analysis of Fortuna claims for tax and			1.10	425.00	467.50

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Diamond McCarthy LLP

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Draft for Work-In-Process Through 9/30/2020

Matter ID: 2622-00013

Draft Seq #

1

Fee ID	Date	Atty	Description	Task:Act	Hold	Hours	Rate	Amount
			accounting purposes (.7); emails with claimants and Wells Fargo regarding distributions (.4).					
740593	09/23/20	DAC	Attention to emails regarding Fortuna distribution and cash claimants.			0.20	425.00	85.00
740594	09/24/20	DAC	Reconciliation of Receivership expenses (2.1); updates to distribution accounting records (1.9); emails with Wells Fargo and other banks regarding transfers (.4).			4.40	425.00	1,870.00
743413	09/25/20	DAC	Emails with recipient banks and Wells Fargo regarding stock transfers.			0.40	425.00	170.00
743414	09/26/20	DAC	Emails with K. Phelps regarding reconciliation and transfers (.5); finish reconciliation for Sherwood and Gartenberg (1.0).			1.50	425.00	637.50
743415	09/28/20	DAC	Emails and calls with various claimants regarding distribution of publicly traded securities and Palantir (1.0); work on audit of expenses (1.7).			2.70	425.00	1,147.50
743416	09/29/20	DAC	Complete detailed audit of receivership expenses (2.5); emails with claimants regarding distribution of Palantir shares (1.5); analysis of sales strategies for Palantir (1.6).			5.60	425.00	2,380.00
743417	09/30/20	DAC	Monitor Palantir price and analysis of sales strategies (1.6); emails with claimants regarding status of distribution and Palantir (.6).			2.20	425.00	935.00
Total Fees						168.40		71,570.00

EXHIBIT 4-2

10/14/2020 4:07:28 PM

Diamond McCarthy LLP

Page 1

Draft for Work-In-Process Through 9/30/2020

Matter ID: 2622-00015

Draft Seq #

1

Billing Attorney: 48 - Phelps, Kathy B.

Bill Format: 9010

Counsel to K. Phelps, Receiver re: SEC v. Saddle R

Billing Cycle: M

Diamond McCarthy LLP

1999 Avenue of The Stars

Suite 100

Los Angeles, CA 90067

Re: Asset Analysis and Recovery**Alternate Billing Rules**

Imaging: Print images based on rules

Billing & Payment Recap

Total Billed Fees:	32,724.60	Combined Adv. Deposit Bal.:	0.00
Total Billed Costs:	134.77	Fee Adv. Deposit Bal.:	0.00
Total Billed Interest:	0.00	Cost Adv. Deposit Bal.:	0.00
Total Billed Retainer:	0.00	Trust Funds 1:	0.00
Total Collected:	26,245.55	Trust Funds 2:	0.00
Last Bill:	08/05/20 14,143.10	Trust Funds 3:	0.00
Last Payment:	09/02/20 11,314.48	Trust Funds 4:	0.00
Last Write-Off:			

WIP & A/R Aging

As of 9/30/2020	Total	Fees	Cost	Interest	Retainer	Aging			
						0-30	31-60	61-90	91+
WIP	10,930.50	10,930.50	0.00	0.00	0.00	4,080.00	1,870.00	4,980.50	0.00
A/R	6,613.82	6,613.82	0.00	0.00	0.00	0.00	0.00	2,828.62	3,785.20
Totals	17,544.32	17,544.32	0.00	0.00	0.00	4,080.00	1,870.00	7,809.12	3,785.20

Fee Recap - Actual Hourly Rate

Timekeeper	Hours	Rate	Amount	On Hold			To Bill		
				Hours	Rate	Amount	Hours	Rate	Amount
CDS	0.20	425.00	85.00				0.20	425.00	85.00
SLP	4.10	425.00	1,742.50				4.10	425.00	1,742.50
JS	18.20	425.00	7,735.00				18.20	425.00	7,735.00
CAB	1.40	195.00	273.00				1.40	195.00	273.00
KKD	1.20	425.00	510.00				1.20	425.00	510.00
VC	3.00	195.00	585.00				3.00	195.00	585.00
Total WIP Fees	28.10		10,930.50				28.10		10,930.50
Total WIP			10,930.50			0.00			10,930.50

Billing Instructions

Bill Fees: _____ Write off Fees: _____ Bill Costs: _____ Write off Costs: _____

Do Not Bill: _____ Apply Advance Deposit: All _____ or Other Amount _____ Send Statement Only: _____

Fee Detail

Fee ID	Date	Atty	Description	Task:Act	Hold	Hours	Rate	Amount
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			Matter ID: 2622-00015	Draft Seq #	1	
732541	07/01/20	JS	Begin preparation of requests for production to Defendant.	1.20	425.00	510.00
732552	07/06/20	JS	Prepare First Set of Requests for Production to defendant.	2.00	425.00	850.00
732553	07/06/20	JS	Prepare initial disclosure pursuant to Rule 26.	2.60	425.00	1,105.00
733638	07/06/20	SLP	Review of draft request for production of documents to Sabrin.	0.50	425.00	212.50
731448	07/08/20	CDS	Review and provide feedback to initial disclosures t J. Strother.	0.20	425.00	85.00
733647	07/08/20	SLP	Call with C. Sullivan, J. Strother regarding initial disclosures, and further preparation of same.	0.30	425.00	127.50
733644	07/08/20	SLP	Review draft initial disclosures and prepare list of additional categories of information for inclusion in same based on review of complaint and source documents.	0.50	425.00	212.50
733645	07/08/20	SLP	Call with C. Sullivan regarding comments regarding draft initial disclosures.	0.20	425.00	85.00
733673	07/09/20	SLP	Assist with proof of service questions regarding service of initial disclosures.	0.30	425.00	127.50
732581	07/13/20	JS	Telephone conference with opposing counsel to confer regarding alternative dispute resolution pursuant to court's order (.3); prepare joint disclosure regarding ADR conference and file with court (.8).	1.10	425.00	467.50
734322	07/13/20	CAB	File ADR certificate with court.	0.10	195.00	19.50
733697	07/13/20	SLP	Review of status report.	0.20	425.00	85.00
733696	07/13/20	SLP	Review request for production of documents to defendant in preparation for service.	0.20	425.00	85.00
733689	07/13/20	SLP	Email from E. Zusman regarding the ADR certification and email to J. Strother regarding same.	0.10	425.00	42.50
734505	07/20/20	CAB	Prepare draft motion to appear pro hac vice for J. Strother and forward same to J. Strother for review and approval.	0.40	195.00	78.00
735487	07/23/20	VC	Print out 63 LOAs and facilitate signature for client and scanned back to attorney (David Castleman).	3.00	195.00	585.00
733812	07/24/20	SLP	Review J. Strother email regarding subpoena to ETrade and corresponding notice.	0.10	425.00	42.50
734346	07/27/20	CAB	Request and obtain certificate of good standing for J. Strother to accompany pro hac motion; revise, finalize and file motion of J. Strother to appear pro hac vice in Sabrin case.	0.90	195.00	175.50
733832	07/28/20	SLP	Email correspondence with J. Strother	0.20	425.00	85.00

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Draft Seq #

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Fee ID	Date	Atty	Description	Task:Act	Hold Hours	Rate	Amount
			regarding model protective order.				
739841	08/03/20	SLP	Review of court docket regarding whether case management conference remains on calendar and new date and emails with A. Low regarding same.		0.20	425.00	85.00
739436	08/03/20	KKD	Coordinate service of subpoena on E*Trade in Phelps v. Sabrin.		0.20	425.00	85.00
739855	08/04/20	SLP	Follow up emails from A. Low regarding the next status conference, and attention to calendaring of same.		0.10	425.00	42.50
736858	08/06/20	JS	Receive and review settlement offer from Sabrin's counsel (.2); prepare correspondence to client regarding offer and missing pieces needed to assess offer (.2).		0.40	425.00	170.00
739897	08/06/20	SLP	Email correspondence from J. Strother regarding settlement offer from Sabrin and response.		0.10	425.00	42.50
736864	08/07/20	JS	Exchange correspondence with opposing counsel regarding his new settlement offer.		0.30	425.00	127.50
736869	08/10/20	JS	Telephone conference with Defendant's attorney regarding his claim that the side letter regarding stock transfer is unenforceable (.3); prepare correspondence to Receiver regarding flimsiness of argument (.2).		0.50	425.00	212.50
739924	08/10/20	SLP	Email from J. Strother regarding call with Sabrin's counsel regarding basis for argument that the side letter is unenforceable.		0.10	425.00	42.50
739920	08/10/20	SLP	Series of emails regarding status of settlement discussions.		0.10	425.00	42.50
736921	08/24/20	JS	Review subpoena response and account statements from three trading accounts held by defendant for pertinent time.		2.00	425.00	850.00
740124	08/25/20	SLP	Review of mediator's letter, confidentiality agreement.		0.10	425.00	42.50
736943	08/31/20	JS	Receive and review order from court regarding mediation assignment and letter from mediator with details for initial telephone conference.		0.30	425.00	127.50
741631	09/04/20	JS	Receive and review proposed protective order from defendant and approve redlined changes.		0.30	425.00	127.50
743475	09/07/20	SLP	Follow-up regarding original certificates for Palantir stock with K. Diep.		0.10	425.00	42.50
741638	09/08/20	JS	Exchange communications with client regarding pre-mediation conference (.2); review LR 6 in advance of mediator call		0.30	425.00	127.50

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Matter ID: 2622-00015

Draft Seq # 1

Fee ID	Date	Atty	Description	Task:Act	Hold Hours	Rate	Amount
			pursuant to mediator's letter (.1).				
741639	09/08/20	JS	Attend pre-mediation telephone conference.		0.40	425.00	170.00
741644	09/09/20	JS	Receive and review documents from E-Trade and prepare summary of data for Receiver.		0.70	425.00	297.50
744140	09/09/20	KKD	Review, organize, and identify stock certificates related to Clear Sailing Group LLC and prepare spreadsheet inventory of all stock certificates.		1.00	425.00	425.00
741658	09/11/20	JS	Exchange communications with opposing counsel regarding status of protective order and discovery responses.		0.30	425.00	127.50
743536	09/18/20	SLP	Follow-up with J. Strother regarding case strategy call.		0.10	425.00	42.50
743553	09/21/20	SLP	Email correspondence with A. Low regarding stipulated protective order and dates for calendaring regarding same.		0.10	425.00	42.50
741711	09/23/20	JS	Receive and review document production from defendant.		1.50	425.00	637.50
741721	09/25/20	JS	Compare E-Trade production and Sabrin production, and evaluate Sabrin production for completeness (1.2); prepare communication to client regarding review of discovery responses (.2).		1.40	425.00	595.00
741722	09/25/20	JS	Review letter from Defendant's attorney setting out is best arguments for avoiding liability and summarize for client.		1.20	425.00	510.00
743586	09/25/20	SLP	Email correspondence with J. Strother regarding his review of documents produced by opposing counsel for Sabrin.		0.10	425.00	42.50
741730	09/28/20	JS	Receive and review memo regarding continuing validity of FDIC v. O'Melveny & Meyers case regarding imputing knowledge to receiver.		0.40	425.00	170.00
741731	09/28/20	JS	Exchange communications with client regarding approach to responding to defendant's attorney's statement of defenses.		0.30	425.00	127.50
743593	09/28/20	SLP	Email correspondence with J. Strother regarding proof of transfer of \$250k to Sabrin; search files regarding same.		0.30	425.00	127.50
741737	09/29/20	JS	Receive and review letter from mediator and prepare communication to Receiver regarding preparation.		0.30	425.00	127.50
743603	09/29/20	SLP	Review answer to complaint regarding Sabrin admissions regarding payments and loan from Clear Sailing.		0.10	425.00	42.50
741742	09/30/20	JS	Telephone conference with Receiver and		0.70	425.00	297.50

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Matter ID: 2622-00015

Draft Seq # 1

Fee ID	Date	Atty	Description	Task:Act	Hold Hours	Rate	Amount
			SEC counsel regarding strategy about recovering from Defendant.				
					Total Fees	28.10	10,930.50

EXHIBIT 4-3

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Matter ID: 2622-00014

Draft Seq #

1

Billing Attorney: 48 - Phelps, Kathy B.

Bill Format: 9010

Counsel to K. Phelps, Receiver re: SEC v. Saddle R

Billing Cycle: M

Diamond McCarthy LLP

1999 Avenue of The Stars

Suite 100

Los Angeles, CA 90067

Re: Expenses**Alternate Billing Rules**

Imaging: Print images based on rules

Billing & Payment Recap

Total Billed Fees:	0.00	Combined Adv. Deposit Bal.:	0.00	
Total Billed Costs:	919.78	Fee Adv. Deposit Bal.:	0.00	
Total Billed Interest:	0.00	Cost Adv. Deposit Bal.:	0.00	
Total Billed Retainer:	0.00	Trust Funds 1:	0.00	
Total Collected:	919.78	Trust Funds 2:	0.00	
Last Bill:	08/05/20	919.78	Trust Funds 3:	0.00
Last Payment:	09/02/20	919.78	Trust Funds 4:	0.00
Last Write-Off:				

WIP & A/R Aging

As of 9/30/2020	Total	Fees	Cost	Interest	Retainer	Aging			
						0-30	31-60	61-90	91+
WIP	508.60	0.00	508.60	0.00	0.00	508.60	0.00	0.00	0.00
A/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Totals	508.60	0.00	508.60	0.00	0.00	508.60	0.00	0.00	0.00

Disbursement Recap by Code

Code		Amount	On Hold	To Bill
CRTF	Court Fees	503.20		503.20
RESE	On-Line Research	5.40		5.40
Total WIP Costs		508.60		508.60
Total WIP		508.60	0.00	508.60

Billing Instructions

Bill Fees: _____ Write off Fees: _____ Bill Costs: _____ Write off Costs: _____
 Do Not Bill: _____ Apply Advance Deposit: All _____ or Other Amount _____ Send Statement Only: _____

Disbursement Detail

Cost ID	Date	Description/Payee	Task:Act	Hold	Amount
165289	09/15/20	Court Fees; US DISTRICT COURT - filing fee - Pro Hac Vice for Justin Strother 07/27/2020/Inv. 08072020; American Express			310.00
165717	09/30/20	Court Fees; to E*Trade Securities, 2710 Gateway Oaks Dr., Sacramento, CA 08/03/2020/Inv. 20164135; First Legal Network, LLC			193.20

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Matter ID: 2622-00014

Draft Seq # 1

Cost ID	Date	Description/Payee	Task:Act	Hold	Amount
165811	09/30/20	On-Line Research; PACER 3rd Qtr 2020			5.40
Total Disbursements					508.60