

1 KATHY BAZOIAN PHELPS (State Bar No. 155564)  
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3 DIAMOND MCCARTHY LLP  
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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 FREDERICK KOENEN  
IN SUPPORT OF 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, Frederick Koenen, declare:

2 1. I am of counsel at Schinner & Shain LLP (“Schinner”), securities counsel for Kathy  
3 Bazoian Phelps, the Court appointed Receiver (the “Receiver”) in the case of *Securities and*  
4 *Exchange Commission v. Bivona et. al.* (the “Action”) before the United States District Court for  
5 the Northern District of California (the “Court”). I have personal knowledge of the matters set forth  
6 below and if called as a witness, I would and could testify competently to the matters stated herein.

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

11 3. We were retained to advise the Receiver on the application of federal securities laws to  
12 proposed transfers of stock held by entities for which the Court had appointed the Receiver (the  
13 “Receivership Entities”). The Receivership Entities had purchased or had acquired rights to  
14 purchase shares of various companies (the “Subject Companies”) before these companies had  
15 conducted an initial public offering of their stock. In some cases, the Receivership Entity had  
16 acquired the stock from a shareholder of the Subject Company. In other cases, the Receivership  
17 Entity had entered into forward purchase contracts with the shareholder to buy those shares. Under  
18 these forward purchase contracts, the Receivership Entity paid the shareholder the purchase price  
19 for the shares at or near the time the contract was executed and the shareholder agreed to deliver  
20 the shares to the Receivership Entity after contractual restrictions on the transfer of those shares  
21 had expired.

22 4. The following is a summary of the legal services Schinner provided from July 1, 2020  
23 through September 30, 2020 (“Motion Period”).

24 5. Attached hereto as Exhibit “6” are true and correct copies of our detailed time entries  
25 reflecting the services we provided during the Motion Period. Schinner performed 23.70 hours for  
26 services in the amount of \$13,035.00. In the interests of the estate, the attorneys at Schinner have  
27 reduced their hourly rates by 10% and therefore, Schinner seeks compensation in the amount of  
28 \$11,371.50.

1           6. During the Motion Period, we advised and assisted the Receiver with the transfer of  
2 Palantir shares that were transferred into the estate in connection with a settlement between the  
3 Receiver and Equity Acquisition Corporation (“EAC”). We corresponded extensively with counsel  
4 for Palantir, reviewed and edited documentation prepared by counsel for Palantir to ensure that the  
5 transfer was compliant with securities laws and compliant with the Receiver’s duties and  
6 obligations.

7           7. Schinner advised the Receiver with respect to Palantir’s request for the Receiver to  
8 enter into a lockup agreement. Schinner evaluated lockup provisions in Palantir stock purchase  
9 agreements and contractual limitations on the ability of the Receiver to resell Palantir stock and  
10 assisted the Receiver on these issues. Schinner advised the Receiver on strategies for determining  
11 whether to sign new lockup agreements and the terms of any such agreements. We also reviewed  
12 and provided comments to the Receiver and her general counsel on the Receiver’s administrative  
13 Motion for Order Authorizing Lockup Agreement and Approving Sale of Securities Pursuant to  
14 Distribution Plan (Dkt. No. 622).

15           8. The fees requested are reasonable, necessary, and commensurate with the skill and  
16 experience required for the activity performed. Our services and time expenditures are reasonable  
17 in light of the labor required for the matters for which we were retained. Schinner respectfully  
18 submits that it has not expended time unnecessarily and that it has rendered efficient and effective  
19 services.

20           9. To the best of my knowledge, information and belief formed after reasonable inquiry,  
21 all the fees requested in the attached billing statements are true and correct and complies with the  
22 Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and  
23 Exchange Commission.

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I declare under penalty of perjury that the foregoing is true and correct. Executed on this 30th day of October 2020 at San Francisco, California.

  
Frederick Koenen

# EXHIBIT 6

Schinner & Shain, LLP  
 96 Jessie Street, San Francisco, CA 94105  
 Telephone: (415) 369-9050  
 Fax: (415) 369-9053

October 19, 2020

Kathy Bazoian Phelps, Receiver SRA Litigation  
 c/o Diamond & McCarthy, LLP  
 1999 Avenue of the Stars, 11th Floor  
 Los Angeles, CA 90067-440

File #: 3674-1  
 Inv #: 79393

**RE:** SRA Litigation

DATE	TIMEKEEPER	DESCRIPTION	HOURS	AMOUNT
Jul-30-20	FKK	Review Palantir Stock Transfer Agreement and other agreements of Palantir that set forth restrictions on the transferability of the Palantir shares to be transferred by EAC to the Receiver; prepare comments to agreement; prepare e-mail to K. Bazoian-Phelps discussing Palantir agreement.	1.10	605.00
Aug-03-20	FKK	Prepare e-mail to Palantir legal counsel transmitting revisions to Stock Transfer Agreement and explaining comments to agreement.	0.30	165.00
Aug-05-20	FKK	Prepare reply to legal counsel for Palantir to his client's response to proposed changes to Stock Transfer Agreement; prepare e-mail to K. Bazoian-Phelps discussing comments from Palantir's legal counsel.	0.20	110.00
Aug-11-20	FKK	Prepare e-mail to Palantir legal counsel discussing finalization of Stock Transfer Agreement.	0.10	55.00
Aug-13-20	FKK	Review agreements forwarded by K. Bazoian-Phelps related to Palantir shares to ascertain whether market lockup provisions in Palantir stock purchase agreements would apply to direct listings; prepare e-mails to K. Bazoian-Phelps discussing application of lockup provisions to shares of Palantir held by receiver.	0.90	495.00
Aug-14-20	FKK	Prepare e-mail to attorney for Palatin requesting copies of market standoff provisions applicable to shares of Palantir held by receiver.	1.00	550.00

Aug-17-20	FKK	Review market standoff provisions of four stock purchase agreements submitted by Palantir that apply to shares held in receivership; prepare analysis of agreement provisions for client.	1.80	990.00
Aug-18-20	FKK	Prepare additional response to K. Bazoian-Phelps e-mail concerning contractual limitations on ability to resell Palantir shares following a direct listing; prepare e-mail to K. Bazoian-Phelps regarding the signatures required to finalize transfer of shares from EAC; prepare e-mail to Palantir legal counsel discussing finalization of share transfer.	1.20	660.00
Aug-21-20	FKK	Prepare e-mail to K. Bazoian-Phelps discussing recent communications from Palantir regarding direct listing.	0.10	55.00
Aug-24-20	FKK	Review of information statement prepared by Palantir in advance of direct listing; examination of market lockup provisions submitted to shareholders in amended agreements and compare with previous lockdown provisions to evaluate which shares of Palantir stock held by receiver may be sold immediately; prepare e-mail to attorneys representing Palantir requesting further information on direct listing.	2.10	1,155.00
Aug-25-20	FKK	Telephone conference with M. Irvine (counsel for Palantir) regarding market standoff provisions applicable to Palantir shares held by receivership; telephone conference with K. Bazoian-Phelps and D. Castleman concerning Palantir lockups and strategies for determining whether to move forward and sign new lockup agreements; review draft of lockup agreement prepared by Palantir.	1.70	935.00
Aug-26-20	FKK	Prepare e-mail to Palantir legal counsel discussing request for stock transfer agreements under which Clear Sailing (one of the receivership entities) acquired Palantir shares; begin reviewing agreements.	0.40	220.00
Sep-01-20	FKK	Review stock transfer agreements for Palantir shares that were acquired by Clear Sailing; prepare table of share acquisitions analyzing	2.90	1,595.00

lockup provisions applicable to stock of Palantir.

Sep-02-20	FKK	Complete memorandum to K. Bazoian-Phelps discussing Palantir share lockup restrictions; telephone conference with K. Bazoian-Phelps and D. Castleman regarding Palantir lockup; telephone conference with transfer agent for Palantir concerning share sales and lockups.	2.50	1,375.00
Sep-03-20	FKK	Prepare e-mail to Palantir counsel requesting extension of time to sign and return lockup agreement; telephone conference with Palantir counsel to discuss extending time period; prepare e-mail to K. Bazoian Phelps explaining lockup provisions in agreement and IRA; prepare e-mail to K. Bazoian Phelps re regarding procedures to sell shares; review FAQ's provided by Computershare discussing transfer procedures and Rule 144 representations; contact Palantir counsel to request information on preferred shares held by Palantir. review ALJ decision forwarded by SEC attorneys and comment to client on applicability of decision to Palantir stock sale.	2.80	1,540.00
Sep-04-20	FKK	Review proposed application for administrative order to approve Palantir lockup agreement and provide comments to K. Bazoian Phelps; respond to e-mail from D.Bazioian Phelps regarding removal of restrictive legends from Palantir shares proposed to be sold or transferred.	0.40	220.00
Sep-08-20	FKK	Prepare e-mail to K. Bazoian Phelps responding to question on dealing with refusal of Palantir transfer agent to assign Palantir shares to receivership entity.	0.10	55.00
Sep-17-20	FKK	Prepare e-mail to K. Bazoian-Phelps responding to inquiry about delay in effectiveness of registration statement for Palantir direct listing.	0.20	110.00
Sep-25-20	FKK	Prepare e-mail to Wells Fargo regarding removal of restriction from share certificates.	0.20	110.00
Sep-27-20	FKK	Prepare opinion of counsel to Wells Fargo Advisors (holders of receivership brokerage	2.10	1,155.00



account) concerning removal of restrictive legend from Palantir shares held by receiver.

Sep-28-20	FKK	Finalize letter to Wells Fargo regarding removal of restrictive legend on Palantir shares; prepare e-mail to attorney for Palantir regarding removal of restrictive legend; telephone conference with attorney for Palantir regarding legend removal.	1.60	880.00
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Totals Hours and Fees	23.70	\$13,035.00
<b>10% Discount From Standard Rate.</b>		<b>1,303.50</b>

**Billing Rates of Professionals: FKK: \$500.00 Per Hour**

Total Fees After Discount		\$11,731.50
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<b>Current Fees &amp; Disbursements</b>		<b>\$11,731.50</b>
Previous Balance		4,661.24
Payment Received Sep 04/20		900.00
<b>TOTAL BALANCE NOW DUE</b>		<b>\$15,492.74</b>

*1.5% late fee automatically applied after 30 days  
Payments can be made at [www.schinner.com](http://www.schinner.com). Call us to switch to Paperless Billing.*