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5 *Successor Receiver*

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

11 SECURITIES AND EXCHANGE
COMMISSION,

12 Plaintiff,

13 v.

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

17 Defendants, and

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

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

**DECLARATION OF KATHY BAZOIAN
PHELPS IN SUPPORT OF
ADMINISTRATIVE MOTION BY
RECEIVER KATHY BAZOIAN PHELPS
PURSUANT TO LOCAL CIVIL RULE 7-11
FOR ORDER TO MAKE INTERIM
DISTRIBUTION TO CLASS 3 CLAIMANTS**

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

1 I, Kathy Bazoian Phelps, declare:

2 1. Pursuant to this Court’s Revised Order Appointing Receiver, entered February 28,
3 2019, I was appointed as the successor receiver (“Receiver”) in this case. I am also an attorney
4 duly licensed to practice in the State of California and am senior counsel at the firm of Diamond
5 McCarthy LLP (“Diamond McCarthy”). I have personal knowledge of the matters set forth below
6 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 Motion by Receiver Kathy Bazoian
8 Phelps Pursuant to Local Civil Rule 7-11 for an Order to Make an Interim Distribution to the
9 Class 3 Claimants Order (the “Motion”).

10 3. I have consulted with counsel for the Securities and Exchange Commission, and
11 counsel for Progresso Ventures LLC, and they do not oppose the Motion.

12 4. On July 13, 2020, I filed a motion for an order approving the sale and distribution
13 of publicly traded securities pursuant to the Distribution Plan [Dkt No. 617], which the Court
14 approved on July 20, 2020 [Dkt No. 619]. I sold shares in those publicly traded securities –
15 specifically, Bloom Energy, Cloudera, Dropbox, Lyft, MongoDB, Pinterest, Snapchat, and Uber
16 (collectively, the “Publicly Traded Securities”) – and received net proceeds of \$3,858,338, of
17 which \$2,555,388 was contributed to the Plan Fund, and \$1,302,950 was contributed to the Tax
18 Holding Account.

19 5. On September 4, 2020, I filed a motion for authority to execute a lock-up
20 agreement with respect to Palantir that would permit 1,148,050 shares of Palantir to become
21 immediately unrestricted, and to sell up to 1,000,000 shares at a minimum price of \$10 per share
22 [Dkt No. 622]. The Court granted my motion on September 9, 2020 [Dkt No. 626]. Palantir
23 began trading on September 30, and over the course of the week of October 6, I sold 966,995
24 shares of Palantir, which resulted in a contribution of \$9,765,512 to the Plan Fund, after
25 commissions were paid and \$88,598 was placed in the Tax Holding Account.

26 6. I have conferred with my counsel and accountant and believe that it is prudent to
27 retain a reserve in the Plan Fund for potential future tax liability and administrative expenses. I
28 believe that an 80% interim distribution to the Class 3 Cash Claimants is appropriate at this time.

1 That interim distribution will leave a reserve of approximately \$4,600,000 in the Plan, which I
2 would hope to distribute on a final basis as the remaining 20% to Class 3 and then any surplus to
3 Class 5.

4 7. Attached as Exhibit "1" is a schedule of the Class 3 claimants, listed by Investor
5 ID number which exists to protect confidentiality, the total amount of each allowed cash claim,
6 and an amount representing 80% of that allowed cash claim.

7
8 I declare under penalty of perjury that the foregoing is true and correct. Executed on this
9 2nd day of November 2020 at Los Angeles, California.

10 /s/ Kathy Bazoian Phelps
11 Kathy Bazoian Phelps
12 *Successor Receiver*
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EXHIBIT 1

Exhibit 1: Class 3 Claims: Proposed Distribution

Claimant ID	Claim Type	Allowed Cash Claim	80% of Allowed Amount
275	CREDITOR	\$ 300,000.00	\$ 240,000.00
117	GLOBAL GENERATION	\$ 2,236,376.30	\$ 1,789,101.04
233	PROGRESSO VENTURES	\$ 4,976,427.83	\$ 3,981,142.26
9	FLURRY- SERIES X	\$ 1,504.23	\$ 1,203.38
73	FLURRY- SERIES X	\$ 3,008.46	\$ 2,406.77
311	FLURRY- SERIES X	\$ 2,339.75	\$ 1,871.80
323	FLURRY- SERIES X	\$ 1,203.38	\$ 962.70
16	SQUARE, INC.	\$ 58,800.00	\$ 47,040.00
23	SQUARE- SADDLE RIVER BIG 10	\$ 6,786.68	\$ 5,429.34
29	SQUARE- SADDLE RIVER BIG 10	\$ 29,400.00	\$ 23,520.00
47	SQUARE, INC.	\$ 46,000.00	\$ 36,800.00
50	SQUARE- SADDLE RIVER BIG 10	\$ 2,450.00	\$ 1,960.00
55	SQUARE, INC.	\$ 70,000.00	\$ 56,000.00
70	SQUARE, INC.	\$ 96,000.00	\$ 76,800.00
73	SQUARE- SERIES X	\$ 95,685.26	\$ 76,548.21
81	SQUARE- SERIES X	\$ 19,137.05	\$ 15,309.64
94	SQUARE, INC.	\$ 66,000.00	\$ 52,800.00
94	SQUARE, INC.	\$ 100,000.00	\$ 80,000.00
94	SQUARE, INC.	\$ 109,635.00	\$ 87,708.00
103	SQUARE- SERIES X	\$ 19,137.05	\$ 15,309.64
107	SQUARE- SERIES X	\$ 38,274.11	\$ 30,619.29
114	SQUARE- SERIES X	\$ 1,539.76	\$ 1,231.81
116	SQUARE- SADDLE RIVER BIG 10	\$ 9,400.00	\$ 7,520.00
116	SQUARE- SERIES X	\$ 19,137.05	\$ 15,309.64
116	SQUARE, INC.	\$ 66,000.00	\$ 52,800.00
126	SQUARE, INC.	\$ 46,000.00	\$ 36,800.00
144	SQUARE, INC.	\$ 36,800.00	\$ 29,440.00
188	SQUARE, INC.	\$ 17,640.00	\$ 14,112.00
189	SQUARE, INC.	\$ 30,000.00	\$ 24,000.00
194	SQUARE, INC.	\$ 92,000.00	\$ 73,600.00
196	SQUARE, INC.	\$ 14,700.00	\$ 11,760.00
202	SQUARE, INC.	\$ 60,000.00	\$ 48,000.00
224	SQUARE- SERIES X	\$ 9,568.53	\$ 7,654.82
238	SQUARE, INC.	\$ 24,500.00	\$ 19,600.00
238	SQUARE, INC.	\$ 46,000.00	\$ 36,800.00
242	SQUARE, INC.	\$ 70,000.00	\$ 56,000.00
257	SQUARE, INC.	\$ 35,280.00	\$ 28,224.00
260	SQUARE, INC.	\$ 30,360.00	\$ 24,288.00
276	SQUARE- SERIES X	\$ 5,741.12	\$ 4,592.90
287	SQUARE, INC.	\$ 46,000.00	\$ 36,800.00
293	SQUARE, INC.	\$ 49,000.00	\$ 39,200.00
304	SQUARE- SADDLE RIVER BIG 10	\$ 19,600.00	\$ 15,680.00
304	SQUARE- SERIES X	\$ 47,842.63	\$ 38,274.10
304	SQUARE, INC.	\$ 196,000.00	\$ 156,800.00

Exhibit 1: Class 3 Claims: Proposed Distribution

Claimant ID	Claim Type	Allowed Cash Claim	80% of Allowed Amount
308	SQUARE- SERIES X	\$ 19,137.05	\$ 15,309.64
311	SQUARE- SERIES X	\$ 19,137.05	\$ 15,309.64
311	SQUARE, INC.	\$ 50,000.00	\$ 40,000.00
315	SQUARE- SERIES X	\$ 19,137.05	\$ 15,309.64
329	SQUARE, INC.	\$ 19,600.00	\$ 15,680.00
332	SQUARE, INC.	\$ 33,000.00	\$ 26,400.00
304	ALI BABA	\$ 150,000.00	\$ 120,000.00
304	BOX	\$ 25,962.54	\$ 20,770.03
304	BOX- SADDLE RIVER BIG 10	\$ 9,776.48	\$ 7,821.18
304	BOX- SERIES X	\$ 5,848.43	\$ 4,678.74
304	FLURRY	\$ 40,010.60	\$ 32,008.48
304	FLURRY- SERIES X	\$ 8,716.43	\$ 6,973.14
304	JUMP TAP, INC.	\$ 275.99	\$ 220.79
304	JUMP TAP, INC.	\$ 118.28	\$ 94.62
304	JUMP TAP, INC.	\$ 197.14	\$ 157.71