

1 **RAINES FELDMAN LLP**  
Kathy Bazoian Phelps (State Bar No. 155564)  
2 *kphelps@raineslaw.com*  
1800 Avenue of the Stars, 12th Floor  
3 Los Angeles, California 90067  
Telephone: (310) 440-4100  
4 Facsimile: (310) 691-1367

5 *Successor Receiver*

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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  
ADVISORS, LLC; SRA  
17 MANAGEMENT ASSOCIATES,  
LLC; FRANK GREGORY  
18 MAZZOLA,

19 Defendants, and

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

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

**RECEIVER KATHY BAZOIAN PHELPS’  
INTERIM STATUS REPORT FOR  
SECOND QUARTER 2022**

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

1 Kathy Bazoian Phelps, the successor receiver herein (the “Receiver”), hereby files her  
2 Interim Status Report for the Second Quarter 2022. In this past quarter, as set forth herein, the  
3 Receiver continued to work with her advisers to explore options for disposition of the remaining  
4 three non-public securities in the estate. The Receiver also worked with her advisers to prepare the  
5 estate tax returns and an analysis of the distribution plan in the context of the tax benefits and  
6 liabilities arising from the administration of the securities in 2020 and 2021. The Receiver is  
7 evaluating possible modification of the distribution plan which will be the subject of a motion if  
8 and when appropriate, so that the estate can be administered as expeditiously as possible. In this  
9 status report, the Receiver summarizes the distributions that have now been completed and  
10 provides an overview of the significant remaining open issues.

## 11 **I. STATEMENT OF FACTS**

### 12 **A. Procedural History**

13 1. On October 11, 2016, the District Court for the Northern District of California  
14 (“Court”) entered a Temporary Restraining Order and Order to Show Cause why Preliminary  
15 Injunction Should Not Be Granted (the “TRO”).

16 2. Pursuant to the TRO, Sherwood Partners was appointed as the temporary receiver  
17 over the assets of SRA Management Associates, LLC, SRA I, LLC, SRA II, LLC, SRA III, LLC,  
18 SRA Management Associates, Clear Sailing Group IV, LLC, Clear Sailing Group V, LLC, Felix  
19 Multi-Opportunity Fund I, LLC, Felix Multi-Opportunity Fund II, LLC, Felix Management  
20 Associates, LLC, NYPA Fund I, LLC, NYPA Fund II, LLC, and NYPA Management Associates,  
21 LLC (the “Receivership Entities”).

22 3. Pursuant to the Revised Order Appointing Receiver entered on February 27, 2019  
23 (the “Receiver Order”), Kathy Bazoian Phelps was appointed as the successor receiver over the  
24 Receivership Entities. Pursuant to Minute Order entered on June 27, 2019, Solis Associates Fund  
25 was substantively consolidated with the Receivership Entities.

26 4. The Court approved the Distribution Plan in this case, with the possibility for  
27 potential future adjustments relating to Failed Investment claims and the claim of Joshua Cilano,  
28 and an Amended Order was entered on May 25, 2020 [Doc. 613].

1           5.       Following Court approval of the Plan, the Receiver has met with the Investor  
2 Advisory Committee on a number of occasions regarding implementation of the Plan. They have  
3 discussed the disposition of both the publicly traded securities as well as the pre-IPO securities.

4           6.       On April 23, 2021, the Receiver and her counsel moved to the Raines Feldman  
5 LLP law firm (“Raines Feldman”). On April 28, the Receiver filed a motion to employ Raines  
6 Feldman as counsel retroactive to April 23 [Doc. 652]. On May 10, the Court granted the motion,  
7 and terminated Diamond McCarthy as counsel as of April 22. The Receiver continues to update  
8 her website at [www.raineslaw.com/saddle-river-receiver](http://www.raineslaw.com/saddle-river-receiver) regarding the filings in the case and the  
9 status of upcoming matters.

10           **B.       Summary of Cash and Asset Distributions**

11           7.       On July 13, 2020, the Receiver filed a motion for court approval of the first interim  
12 distribution of publicly traded securities (Bloom Energy, Cloudera, Dropbox, Lyft, MongoDB,  
13 Pinterest, Snapchat and Uber) [Doc. 617], in which the Receiver attached schedules for the sale of  
14 publicly traded securities to fund the Plan Fund and Tax Holding Accounts, the percentage of  
15 securities to be held in an administrative reserve pending the final resolution of tax liabilities of  
16 the estate, and the distribution of securities to Class 4 Claimants. The Court approved the motion  
17 on July 20, 2020 [Doc. 619]. Following the Court’s approval of the motion, the Receiver  
18 instructed her broker to sell the appropriate amount of publicly traded securities and has worked  
19 with her counsel and brokerage firm to engage in the lengthy process of distributing the publicly  
20 traded securities to claimants, as set forth in more detail herein. That distribution is complete,  
21 including the slight modification to the Plan on behalf of ELIV Group, which is the subject of a  
22 restitution order by the United States Attorney for the Northern District of New York [Doc. 627].

23           8.       At the end of September 2020, Palantir Technologies, Inc. (“Palantir”) prepared to  
24 go public via a direct listing. As part of that process, the Receiver entered into a lock-up  
25 agreement upon obtaining Court approval to do so [Doc. 626], and thereafter transferred  
26 approximately 20% of the shares that were unrestricted to her brokerage account. The Receiver  
27 instructed her broker to sell sufficient shares to fund the Plan Fund and Tax Holding Account  
28 pursuant to the Plan. That sale of 966,995 shares was completed at the beginning of October,

1 leaving 4,773,254 Palantir shares in the estate at that time.

2 9. In November 2020, the Receiver made a motion to make an interim cash  
3 distribution to Class 3 claimants, in the amount of 80% of their claims, or a total of  
4 \$7,721,752.95. The Court approved that motion on November 9, 2020 [Doc. 631], and the  
5 Receiver promptly began making distributions thereafter. Those distributions are complete. The  
6 remaining 20%, a total of \$1,930,438.28, remain Class 3 claims. The Receiver expects to pay the  
7 remaining amount on the Class 3 claims once the tax liabilities of the Receivership are finalized,  
8 assuming there are sufficient funds to do so.

9 10. In February 2021, the Receiver made a motion to distribute the remaining Palantir  
10 shares, after selling those necessary to fund the Tax Holding Account and the newly created  
11 Palantir Administrative Reserve, a slight modification to the Plan to hold the reserve as cash  
12 instead of stock, which allowed for more shares to be distributed to claimants [Doc. 638]. This  
13 Court approved the motion on February 26, 2021 [Doc. 642]. Of the 4,773,254 shares remaining  
14 in the estate, (a) 1,052,465 shares were sold to fund the Tax Holding Account to pay known tax  
15 liabilities of the Receivership; (b) 716,003 shares were sold to fund the Palantir Administrative  
16 Reserve for potential tax liabilities of the Receivership; and (c) 3,004,786 shares were allocated  
17 for distribution to claimants. Per the ELIV court order [Doc. 627], the 29,618 shares that would  
18 have been otherwise distributed to ELIV were also sold and the proceeds distributed to the court  
19 overseeing the ELIV restitution fund. The Receiver distributed the remaining 2,975,168 to  
20 claimants in the first two quarters of 2021. There are no more Palantir Shares left in the estate,  
21 and the Palantir Administrative Reserve has \$13,143,950.26 in cash as of June 30, 2022.

22 11. On May 24, 2021, soon after the lockup period for Airbnb Inc. (“Airbnb”) expired,  
23 the Receiver received into the estate’s brokerage account 22,250 unrestricted shares of Airbnb,  
24 representing the entirety of the estate’s Airbnb shares. On May 25, 2021, the Receiver made a  
25 motion to distribute the Airbnb shares, after selling those necessary to fund the Plan Fund, the  
26 Tax Holding Account and the newly created Airbnb Administrative Reserve, a slight modification  
27 to the Plan to hold the reserve as cash instead of stock, which allowed for more shares to be  
28 distributed to claimants [Doc. 657]. This Court approved the motion on June 6, 2021 [Doc. 659].

1 The Receiver sold 8,626 shares of Airbnb on June 7, 2021, and distributed the remaining 13,624  
2 shares to claimants by June 11, 2021. There are no more Airbnb shares left in the estate, and the  
3 Receiver has transferred the proceeds of the sale to the Plan Fund, the Tax Holding Account, and  
4 the Airbnb Reserve Account that has been established. The Airbnb Reserve holds \$118,184.72 as  
5 of June 30, 2022.

6 12. The receivership estate realized substantial gains from both the disposition of the  
7 Palantir shares and also the disposition of other securities. As a result, during 2021 the Receiver,  
8 in consultation with her tax advisers, made estimated tax payments totaling \$23,315,000 to the  
9 United States Treasury and estimated tax payments totaling \$6,265,000 to the California  
10 Franchise Tax Board.

11 13. On August 6, 2021, the Receiver filed a motion with the Court to convert the  
12 remaining administrative stock reserves of the publicly traded securities (Bloom Energy,  
13 Cloudera, Dropbox, Lyft, MongoDB, Pinterest, Snapchat and Uber) to cash as needed, and to  
14 distribute the remaining shares to claimants [Doc. 663]. The Court granted the motion on August  
15 22, 2021 [Doc. 665]. The Receiver completed the sale and distribution within the following four  
16 weeks, and the receivership estate is no longer in possession of publicly traded securities. The  
17 cash reserves generated upon the sale on account of these publicly traded securities is  
18 \$1,115,569.30 and was held in the Tax Holding Account until the filing of the 2021 tax return, as  
19 discussed below in Part V.

20 14. On November 17, 2021, an additional \$32,039.21 was deposited in the Anne  
21 Bivona Wells Fargo account currently held by the Receivership estate, by the Securities and  
22 Exchange Commission (“SEC”), which were funds paid to the SEC on account of its claim in the  
23 John Bivona bankruptcy.

24 15. On November 24, 2021, after considerable due diligence in analyzing the potential  
25 market for the disposition of the estate’s Evernote shares, the Receiver filed a motion with the  
26 Court to approve a private sale of the receivership estate’s position in Evernote [Doc. 670]. The  
27 Receiver, in consultation with the SEC and the Investor Advisory Committee (“IAC”), concluded  
28 that a public offering within the next few years was unlikely and that \$1 per share was a fair price,

1 especially in light of the tax benefit to be obtained for the estate. After a hearing held on  
2 December 9, 2021, the Court granted the motion on December 10 [Doc. 674], and the transaction  
3 closed on December 14, 2021. The Receiver is holding the proceeds from that sale in a newly  
4 opened segregated account for Evernote investors.

5 16. The estate continues to hold shares in three pre-IPO securities (Addepar, Lookout,  
6 and ZocDoc). The Receiver continues to monitor the possibility that any of those companies will  
7 undergo a public offering that will result in a liquidity event. The Receiver is also currently  
8 working with her advisers, and in consultation with the SEC and the IAC, to explore possibilities  
9 for monetizing those securities, such that the value may be distributed to claimants in those  
10 securities.

11 17. The Receiver worked with her advisers to finalize the 2021 tax return, which she  
12 filed on April 12, 2022, and a state refund of \$71,307.43 and federal of \$234,893.27 have been  
13 paid to the estate. The Receiver is also considering a motion for modification of the Distribution  
14 Plan, and is consulting with the SEC and the IAC concerning that motion, which the Receiver  
15 believes will enable her to administer the estate in an equitable and expeditious manner.

## 16 **II. ASSET ADMINISTRATION**

### 17 **A. Ben Sabrin and the MongoDB Shares**

18 The Receiver has continued to collect the installment payments on the settlement reached  
19 with Ben Sabrin relating to the 6,250 shares of MongoDB that he owed to the estate. Sabrin is to  
20 pay a settlement of \$402,000 to the estate. He has paid \$375,666.66 of the settlement sum to date  
21 pursuant to an installment plan, the last of which is due on October 1, 2022. The motion for  
22 approval of the settlement was filed on March 19, 2021 [Doc. 644] on March 19, 2021, and the  
23 Court approved the settlement on March 24 [Doc. 646].

### 24 **B. Summary of Securities Holdings**

25 The following chart identifies the net beneficial shares owned by the estate of all known  
26 securities at the time of approval of the Plan and the claims against them:  
27  
28

|    | <b>Company</b>    | <b>Total Shares</b> | <b>Shares Claimed<br/>by Investors<sup>1</sup></b> |
|----|-------------------|---------------------|--|
| 1  |                   |                     |  |
| 2  | Addepar, Inc.     | 995,509             | 995,509  |
| 3  | Airbnb            | 22,250              | 22,250 <sup>2</sup>                                |
| 4  | Bloom Energy Inc. | 147,429             | 139,576  |
| 5  | Cloudera, Inc.    | 37,639              | 37,639   |
| 6  | Dropbox, Inc.     | 46,000              | 45,999   |
| 7  | Evernote Corp.    | 96,108              | 88,287   |
| 8  | Lookout, Inc.     | 174,798             | 171,797  |
| 9  | Lyft, Inc.        | 9,479               | 9,479  |
| 10 | MongoDB Inc.      | 20,000              | 22,175   |
| 11 | Palantir Inc.     | 5,740,249           | 5,895,855  |
| 12 | Pinterest, Inc.   | 23,206              | 23,206   |
| 13 | Snap, Inc.        | 31,172              | 31,173   |
| 14 | Uber Inc.         | 500                 | 500  |
| 15 | ZocDoc, Inc.      | 21,599              | 21,598   |

11 All of the publicly traded securities have been distributed or sold as of this time, the shares  
12 in Evernote have been sold, and the estate continues to hold only the pre-IPO securities for  
13 Addepar, Inc., Lookout, Inc., and ZocDoc, Inc.

#### 14 **C. John Bivona Bankruptcy**

15 The Receiver has resolved all issues relating to competing claims to certain funds that were  
16 frozen at TD Bank during the last reporting period and, in connection with the settlement, released  
17 all claims against the bankruptcy estate. The Receiver received two checks from TD Bank in the  
18 amounts of \$84,470.43 and \$216,373.19 pursuant to a settlement which were deposited into the  
19 Receivership checking account. The SEC received a distribution from the Bivona estate on account  
20 of its claim, in the amount of \$32,039.21, which were deposited into the segregated Anne Bivona  
21 account held by the receivership estate on November 17, 2021.

### 22 **III. CLAIMS ADMINISTRATION**

23 The claims bar date has passed, and no new claims were filed in the second quarter 2022.  
24 During the third quarter 2020 and again in this second quarter 2022, one investor contacted the  
25 \_\_\_\_\_

26 <sup>1</sup> For Bloom Energy (7 shares), Dropbox (2 shares), MongoDB (4 shares), and Palantir (2 shares),  
27 the Receiver made slight adjustments to the totals due to the fact that the original summations  
28 contained minor rounding errors.

<sup>2</sup> Reflects a 2:1 split.

1 Receiver about a claim for Airbnb and Addepar shares. A review of the claim revealed that the  
2 claim was not against the receivership entities, so no claim has been allowed in connection with  
3 that inquiry.

4 The distributions on account of allowed claims have been taking place pursuant to the  
5 approved Plan of Distribution as set forth herein.

#### 6 **IV. PLAN APPROVAL AND IMPLEMENTATION**

##### 7 **A. Plan Approval and Modifications**

8 The Receiver's primary task in this case was to assist the Court in putting a distribution  
9 plan in place and then ultimately in implementing that plan. After a series of hearings and  
10 substantial briefing, the Court granted the motion approving the Receiver's Plan on May 25,  
11 2020, and disposed of various other open issues [Doc. 613].

12 The Court-approved Plan, in summary, provides that investors will receive some of their  
13 claimed shares back if and only if an IPO event has occurred for a particular company in which  
14 shares are claimed, and creditors will receive some cash back. Some of the shares held in the  
15 estate will be liquidated to create the Plan Fund as described in the Plan, which will be used to  
16 pay cash to administrative and unsecured creditors. Some of the shares will be liquidated to pay  
17 the tax liability associated with the sale and distribution of the shares.

18 Shares that remain pre-IPO at this time will not yet be distributed or liquidated without  
19 any modification to the Plan as the Plan requires that the shares first have an IPO or liquidity  
20 event prior to distribution. Largely in recognition that a substantial tax benefit to the estate could  
21 be realized if the estate's shares in Evernote were sold in 2021, the Receiver included in her  
22 motion to approve the sale of Evernote permission to modify of the Plan in order to accomplish  
23 that sale. The proceeds from that sale are being held in reserve in a segregated account, and how  
24 they will be allocated under the Plan will be the subject of a separate motion made to the Court.

25 The Plan also provided that the estate was allowed retain some of the shares of the  
26 publicly traded securities in an administrative stock reserve after the first interim distribution,  
27 until the final tax liabilities of the estate could be determined. In February 2021, the Receiver  
28 determined, when planning to distribute Palantir, that she could distribute far more shares if the



1 administrative reserve was held as cash, as the estate would not be exposed to price fluctuations in  
 2 the stock. The Receiver therefore moved to modify the Plan as such, and no opposition was  
 3 received. In making the motions to distribute Airbnb in June 2021 and the remaining publicly  
 4 traded securities in August 2021, the Receiver also sought authority to implement the  
 5 administrative cash reserve with respect to all ten publicly traded securities, which authority was  
 6 granted.

### 7 **B. Summary of Sale and Distribution of Publicly Traded Securities**

8 As set forth above, there were ten publicly traded securities in the estate that have been  
 9 sold for the benefit of the estate or distributed to Class 4 claimants: Airbnb, Bloom Energy,  
 10 Cloudera, Dropbox, Lyft, MongoDB, Palantir, Pinterest, Snapchat, and Uber (the “Publicly  
 11 Traded Securities”). Two of those, Palantir and Airbnb, had a liquidity event after the Plan was  
 12 approved and were sold or distributed in March 2021 and June 2021, respectively. The other eight  
 13 were initially sold or distributed in July and August 2020 soon after the Plan was approved, and  
 14 the administrative stock reserve for those eight was sold or distributed in August 2021. The  
 15 disposition of the Publicly Traded Securities is summarized as follows:

| 16 <b>Stock</b> | <b>Shares Owned by Estate</b> | <b>Shares Distributed to Investors</b> | <b>Shares sold for Plan Fund / Tax Reserves</b> | <b>Proceeds from Sale</b> | <b>Contribution to Plan Fund</b> | <b>Amount for Taxes and Reserves</b> |
|-----------------|-------------------------------|--|---|---------------------------|----------------------------------|--------------------------------------|
| 17 Airbnb       | 22,250                        | 13,624                                 | 8,626   | \$1,275,805.29            | \$252,796.20                     | \$1,023,009.09                       |
| 18 Bloom        | 147,428                       | 71,123                                 | 76,305  | \$1,392,017.38            | \$1,117,350.00                   | \$274,667.38                         |
| 19 Cloudera     | 37,639                        | 20,904                                 | 16,735  | \$196,212.91              | \$191,174.00                     | \$5,038.91                           |
| Dropbox         | 46,000                        | 17,569                                 | 28,431  | \$664,204.53              | \$535,038.00                     | \$129,166.53                         |
| Lyft            | 9,479                         | 6,926                                  | 2,553   | \$81,128.28               | \$75,227.00                      | \$5,901.28                           |
| 20 MongoDB      | 20,000                        | 11,618                                 | 8,382   | \$1,863,654.12            | \$300,697.00                     | \$1,562,957.12                       |
| Palantir        | 5,740,249                     | 3,004,786                              | 2,735,463                                       | \$53,897,053.89           | \$9,765,512.00                   | \$44,131,541.89                      |
| 21 Pinterest    | 23,206                        | 14,846                                 | 8,360   | \$233,610.82              | \$165,141.00                     | \$68,469.82                          |
| 22 Snapchat     | 31,172                        | 18,953                                 | 12,219  | \$537,402.31              | \$164,946.00                     | \$372,456.31                         |
| Uber            | 500                           | 321                                    | 179   | \$5,677.30                | \$5,816.00                       | -\$138.70                            |

23 The Plan provides that a distribution schedule for each investment company was to be  
 24 filed with the Court and approved before any distributions are made, and the Receiver did so for  
 25 each of the four distribution motions. The Receiver also created final distribution schedules for  
 26 each of the ten Publicly Traded Securities, showing the gross investment, allowed shares, shares  
 27 sold, and shares distributed for each investor, anonymized by investor ID. Copies of those final  
 28 schedules, and a copy of the Distribution Plan, are available on the Claims and Distributions

1 section of the Receiver's website at <https://www.raineslaw.com/saddle-river-receiver/claims/>.

2 A number of claimants raised questions as to the appropriate tax basis of the shares that  
3 were distributed to them, especially given that the information provided by Wells Fargo did not  
4 necessarily reflect the investor's individual basis nor could it reasonably do so. The Court  
5 therefore ordered as follows: "Claimants are hereby instructed that they are required to determine  
6 their own tax basis with respect to any shares actually distributed to them, regardless of any  
7 information provided via the Depository Trust Company transfer by Wells Fargo Securities or any  
8 other broker of the estate." [Doc. 665 ¶ 9].

### 9 **C. Distribution of Cash to Class 3 Claimants**

10 The Plan also allowed Class 3 cash claims for a total amount of \$9,652,191.23. After the  
11 sale of Palantir to contribute to the Plan Fund in October 2020, the Plan Fund had over \$12  
12 million. The Receiver distributed 80% of the Class 3 claims, or \$7,721,752.95, to claimants  
13 pursuant to the Court's order dated November 9, 2020 [Doc. 631]. The remainder of the Plan  
14 Fund is intended to be used to satisfy Class 1 administrative claims and the final 20% of the Class  
15 3 cash claims. At present, the Receiver anticipates that she will be able to make a final  
16 distribution on those Class 3 cash claims once the final tax liabilities of the estate are determined,  
17 provided that there is no significant increase in those tax liabilities.

18 The Receiver notes one attorneys' lien which has been asserted against one of the  
19 unsecured creditor claims, which is contested by the claimant. The Receiver has urged the  
20 attorney and the creditor to resolve their dispute and has advised them that, absent a written  
21 resolution, the Receiver will be unable to make a distribution on account of that claim with  
22 respect to the disputed amount. If the dispute remains unresolved as of the time that the Receiver  
23 makes a final distribution, the Receiver may be required to interplead the disputed funds.

### 24 **D. Sale of Evernote Securities**

25 On November 24, 2021, the Receiver moved the Court for authority to consummate a  
26 proposed transaction by which the estate would sell its 96,108 shares in Evernote to Equity  
27 Acquisition Company Ltd. ("EAC") for \$1 per share [Doc. 670]. Prior to the sale, the Receiver  
28 consulted with the SEC and the IAC, and performed substantial due diligence on the secondary

1 market including speaking to a number of brokers who specialize in trading pre-IPO securities.  
2 The Receiver concluded that a liquidity event for Evernote in the next few years was unlikely, and  
3 that \$1 per share was a fair price and in the best interest of the estate. The transaction also  
4 satisfied the receivership estate's obligation under a separate settlement agreement with EAC,  
5 approved by the Court on January 15, 2020 [Doc. 550], to transfer 3,892 shares of Evernote to  
6 EAC. The Court held a hearing on December 9, 2021, and no objection by any party was lodged  
7 before or during the hearing. The Court granted the motion on December 10, 2021 [Doc. 674],  
8 and the transaction closed on December 14, 2021. By closing the Evernote transaction in the  
9 calendar year 2021, the Receiver realized a tax benefit of \$297,984.40.

#### 10 **E. Remaining Items to Implement and Upcoming Proposed Motion**

11 The Court approved the distribution plan motion and decided most of the open issues in its  
12 ruling on May 25, 2020 [Doc. 613]. However, the Court deferred ruling on two issues raised in  
13 the motion practice concerning the distribution plan: (1) how to treat any tax benefits generated  
14 by the Failed Investments, and (2) whether to approve the claim of Joshua Cilano, which if  
15 approved would be a subordinated class claim and therefore would only be evaluated if there are  
16 sufficient funds to distribute to such a putative subordinated class [Doc. 613, ¶¶ 5, 8].

17 The Receiver is evaluating the equities of the Distribution Plan and how to best address  
18 the open issues in the Plan, the known tax consequences, the determination of deficiency claims,  
19 and the priorities of distributions. The Receiver anticipates preparing a motion that will address  
20 these issues after consultation with the SEC and the IAC.

#### 21 **V. CASH RESERVES AND ESTIMATED TAX PAYMENTS**

22 Last year, with the sale and distribution of a number of publicly traded securities for a  
23 substantial gain, the Receiver was required to make substantial tax payments, which she prepaid  
24 with estimated tax payments. As a result of the Receiver's conservative tax management, the  
25 2021 tax return filed on April 14, 2022 resulted in a combined refund of \$306,200.70 for federal  
26 and state taxes. Those funds will be added to the Tax Holding Account, which as of June 30,  
27 2022, had a balance of \$4,758,897.00.

28 As of June 30, 2022, the Palantir Administrative Reserve had \$13,143,950.26, the

1 MongoDB Administrative Reserve had \$350,817.95, the Airbnb Administrative Reserve had  
2 \$118,184.72, and the Evernote Reserve had a total of \$96,118.07. The Tax Holding Account is  
3 currently holding the administrative reserves for Bloom, Cloudera, Dropbox, Lyft, Pinterest,  
4 Snapchat, and Uber; as well as the tax benefits from Evernote and the Failed Investments. The  
5 Receiver hopes to be able to distribute those reserves to Class 4 claimants assuming there are no  
6 further tax obligations or a need for an Equitable Adjustment under the terms of the Plan, which  
7 distribution will be made only pursuant to further Court order.

8 As of June 30, 2022, the estate had \$4,469,544.19 in the Plan Fund. The Receiver believes  
9 that those reserves are sufficient to cushion against any potential increased tax liability and is  
10 hopeful that there will be sufficient funds to pay all Class 1 and Class 3 claims in full. It is not  
11 presently clear whether any additional funds will be added to the Plan Fund.

## 12 VI. FINANCIAL REPORTING

13 The Receiver has paid professional fees and costs during this reporting period and  
14 continues to manage the funds from the sale of securities which generated substantial sales  
15 proceeds. In order to ensure that the funds of the estate are fully insured, the Receiver maintained  
16 accounts with East West Bank for the Plan Fund and Tax Holding account, both of which are  
17 associated with a cash sweep account so that the funds are fully insured. The Receiver has also  
18 established an account and associated cash sweep account to hold the Palantir Administrative  
19 Reserve, the MongoDB Administrative Reserve, the Airbnb Administrative Reserve, and the  
20 Evernote Reserve. A detailed listing of each financial transactions during the second quarter of  
21 2022 is attached hereto as Exhibit "1."

22 Dated: August 19, 2022

**RAINES FELDMAN LLP**

23  
24 By:   
25 \_\_\_\_\_  
26 Kathy Bazoian Phelps  
27 *Successor Receiver*  
28

# EXHIBIT 1

**Receivership Estate of SRA Management Associates, LLC et al  
2nd Quarter 2022 - Cash Receipts and Disbursements**
**Checking #0063**

| Date      | Notes           | Deposits | Withdrawals | Balance           |
|-----------|-----------------|----------|-------------|-------------------|
| 4/1/2022  | Opening Balance |          |             | <b>\$6,176.37</b> |
| 6/30/2022 | Ending Balance  |          |             | <b>\$6,176.37</b> |

**Brokerage #2849 (Brokerage with Stocks and Mutual Fund)**

| Date      | Notes                             | Deposits | Withdrawals | Balance       |
|-----------|-----------------------------------|----------|-------------|---------------|
| 4/1/2022  | Opening Balance (Cash Sweep Only) |          |             | <b>\$0.00</b> |
| 6/30/2022 | Ending Balance (Cash Sweep Only)  |          |             | <b>\$0.00</b> |

**Brokerage #7306 (Anna Bivona funds)**

| Date      | Notes           | Deposits | Withdrawals | Balance             |
|-----------|-----------------|----------|-------------|---------------------|
| 4/1/2022  | Opening Balance |          |             | <b>\$534,536.39</b> |
| 4/30/2022 | Interest        | \$4.40   |             | \$534,540.79        |
| 5/31/2022 | Interest        | \$7.91   |             | \$534,548.70        |
| 6/30/2022 | Interest        | \$8.79   |             | \$534,557.49        |
| 6/30/2022 | Ending Balance  |          |             | <b>\$534,557.49</b> |

**East West #0704 (Tax Holding Account)**

| Date      | Notes                          | Deposits | Withdrawals | Balance             |
|-----------|--------------------------------|----------|-------------|---------------------|
| 4/1/2022  | Opening Balance                |          |             | <b>\$250,000.00</b> |
| 4/30/2022 | Interest                       | \$7.40   |             | \$250,007.40        |
| 5/2/2022  | Transfer to insured cash sweep |          | \$7.40      | \$250,000.00        |
| 5/31/2022 | Interest                       | \$9.55   |             | \$250,009.55        |
| 6/1/2022  | Transfer to insured cash sweep |          | \$9.55      | \$250,000.00        |
| 6/30/2022 | Interest                       | \$9.25   |             | \$250,009.25        |
| 6/30/2022 | Ending Balance                 |          |             | <b>\$250,009.25</b> |

**East West #0697 (Plan Fund)**

| Date      | Notes  | Deposits    | Withdrawals | Balance             |
|-----------|--|-------------|-------------|---------------------|
| 4/1/2022  | Opening Balance                                      |             |             | <b>\$250,000.00</b> |
| 4/4/2022  | Transfer from insured cash sweep (maintenance fee)   | \$20.00     |             | \$250,020.00        |
| 4/4/2022  | Monthly maintenance fee                              |             | \$20.00     | \$250,000.00        |
| 4/27/2022 | Fee refund   | \$20.00     |             | \$250,020.00        |
| 4/27/2022 | Fee refund   | \$20.00     |             | \$250,040.00        |
| 4/27/2022 | Transfer to insured cash sweep                       |             | \$40.00     | \$250,000.00        |
| 4/28/2022 | Fee refund   | \$40.00     |             | \$250,040.00        |
| 4/28/2022 | Transfer to insured cash sweep                       |             | \$40.00     | \$250,000.00        |
| 4/30/2022 | Interest   | \$7.40      |             | \$250,007.40        |
| 5/2/2022  | Transfer to insured cash sweep                       |             | \$7.40      | \$250,000.00        |
| 5/25/2022 | Transfer from insured cash sweep (professional fees) | \$23,138.60 |             | \$273,138.60        |
| 5/25/2022 | Payment of Costs to Raines Feldman                   |             | \$48.40     | \$273,090.20        |
| 5/25/2022 | Payment of Costs to Miller Kaplan                    |             | \$50.00     | \$273,040.20        |
| 5/25/2022 | Payment of Fees to Miller Kaplan                     |             | \$2,264.00  | \$270,776.20        |
| 5/25/2022 | Payment of Fees to K. Phelps (RF)                    |             | \$5,431.20  | \$265,345.00        |
| 5/25/2022 | Payment of Fees to Raines Feldman                    |             | \$15,345.00 | \$250,000.00        |
| 5/31/2022 | Interest   | \$9.55      |             | \$250,009.55        |
| 6/1/2022  | Transfer to insured cash sweep                       |             | \$9.55      | \$250,000.00        |
| 6/30/2022 | Interest   | \$9.25      |             | \$250,009.25        |
| 6/30/2022 | Ending Balance                                       |             |             | <b>\$250,009.25</b> |

**East West #1264 (MongoDB Admin Reserve Account)**

| Date      | Notes                          | Deposits | Withdrawals | Balance             |
|-----------|--------------------------------|----------|-------------|---------------------|
| 4/1/2022  | Opening Balance                |          |             | <b>\$250,000.00</b> |
| 4/30/2022 | Interest                       | \$7.40   |             | \$250,007.40        |
| 5/2/2022  | Transfer to insured cash sweep |          | \$7.40      | \$250,000.00        |
| 5/31/2022 | Interest                       | \$9.55   |             | \$250,009.55        |
| 6/1/2022  | Transfer to insured cash sweep |          | \$9.55      | \$250,000.00        |
| 6/30/2022 | Interest                       | \$9.25   |             | \$250,009.25        |
| 6/30/2022 | Ending Balance                 |          |             | <b>\$250,009.25</b> |

**Receivership Estate of SRA Management Associates, LLC et al  
2nd Quarter 2022 - Cash Receipts and Disbursements**

**East West #1257 (Palantir Admin Reserve Account)**

| Date      | Notes                          | Deposits | Withdrawals | Balance             |
|-----------|--------------------------------|----------|-------------|---------------------|
| 4/1/2022  | Opening Balance                |          |             | <b>\$250,000.00</b> |
| 4/30/2022 | Interest                       | \$7.40   |             | \$250,007.40        |
| 5/2/2022  | Transfer to insured cash sweep |          | \$7.40      | \$250,000.00        |
| 5/31/2022 | Interest                       | \$9.55   |             | \$250,009.55        |
| 6/1/2022  | Transfer to insured cash sweep |          | \$9.55      | \$250,000.00        |
| 6/30/2022 | Interest                       | \$9.25   |             | \$250,009.25        |
| 6/30/2022 | Ending Balance                 |          |             | <b>\$250,009.25</b> |

**East West #1432 (Airbnb Admin Reserve Account)**

| Date      | Notes           | Deposits | Withdrawals | Balance             |
|-----------|-----------------|----------|-------------|---------------------|
| 4/1/2022  | Opening Balance |          |             | <b>\$118,172.34</b> |
| 4/30/2022 | Interest        | \$3.50   |             | \$118,175.84        |
| 5/31/2022 | Interest        | \$4.51   |             | \$118,180.35        |
| 6/30/2022 | Interest        | \$4.37   |             | \$118,184.72        |
| 6/30/2022 | Ending Balance  |          |             | <b>\$118,184.72</b> |

**East West #1705 (Evernote Admin Reserve Account)**

| Date      | Notes           | Deposits | Withdrawals | Balance            |
|-----------|-----------------|----------|-------------|--------------------|
| 4/1/2022  | Opening Balance |          |             | <b>\$96,108.00</b> |
| 4/30/2022 | Interest        | \$2.84   |             | \$96,110.84        |
| 5/31/2022 | Interest        | \$3.68   |             | \$96,114.52        |
| 6/30/2022 | Interest        | \$3.55   |             | \$96,118.07        |
| 6/30/2022 | Ending Balance  |          |             | <b>\$96,118.07</b> |

**East West #1070 (ICS Cash Sweep for Tax Holding Account)**

| Date      | Notes                               | Deposits   | Withdrawals | Balance               |
|-----------|-------------------------------------|------------|-------------|-----------------------|
| 4/1/2022  | Opening Balance                     |            |             | <b>\$4,505,191.43</b> |
| 4/29/2022 | Interest                            | \$185.02   |             | \$4,505,376.45        |
| 5/3/2022  | Transfer from checking for interest | \$7.40     |             | \$4,505,383.85        |
| 5/31/2022 | Interest                            | \$1,024.59 |             | \$4,506,408.44        |
| 6/2/2022  | Transfer from checking for interest | \$9.55     |             | \$4,506,417.99        |
| 6/30/2022 | Interest                            | \$2,469.76 |             | \$4,508,887.75        |
| 6/30/2022 | Ending Balance                      |            |             | <b>\$4,508,887.75</b> |

**East West #1062 (ICS Cash Sweep for Plan Fund)**

| Date      | Notes                                      | Deposits   | Withdrawals | Balance               |
|-----------|--|------------|-------------|-----------------------|
| 4/1/2022  | Opening Balance                            |            |             | <b>\$4,239,149.14</b> |
| 4/5/2022  | Transfer to checking for maintenance fee   |            | \$20.00     | \$4,239,129.14        |
| 4/28/2022 | Transfer from checking for fee refund      | \$40.00    |             | \$4,239,169.14        |
| 4/29/2022 | Transfer from checking for fee refund      | \$40.00    |             | \$4,239,209.14        |
| 4/29/2022 | Interest                                   | \$174.09   |             | \$4,239,383.23        |
| 5/3/2022  | Transfer from checking for interest        | \$7.40     |             | \$4,239,390.63        |
| 5/26/2022 | Transfer to checking for professional fees |            | \$23,138.60 | \$4,216,252.03        |
| 5/31/2022 | Interest                                   | \$962.13   |             | \$4,217,214.16        |
| 6/2/2022  | Transfer from checking for interest        | \$9.55     |             | \$4,217,223.71        |
| 6/30/2022 | Interest                                   | \$2,311.23 |             | \$4,219,534.94        |
| 6/30/2022 | Ending Balance                             |            |             | <b>\$4,219,534.94</b> |

**East West #1120 (ICS Cash Sweep for Palantir Admin Reserve)**

| Date      | Notes                               | Deposits   | Withdrawals | Balance                |
|-----------|-------------------------------------|------------|-------------|------------------------|
| 4/1/2022  | Opening Balance                     |            |             | <b>\$12,883,561.58</b> |
| 4/29/2022 | Interest                            | \$529.10   |             | \$12,884,090.68        |
| 5/3/2022  | Transfer from checking for interest | \$7.40     |             | \$12,884,098.08        |
| 5/31/2022 | Interest                            | \$2,770.79 |             | \$12,886,868.87        |
| 6/2/2022  | Transfer from checking for interest | \$9.55     |             | \$12,886,878.42        |
| 6/30/2022 | Interest                            | \$7,062.59 |             | \$12,893,941.01        |
| 6/30/2022 | Ending Balance                      |            |             | <b>\$12,893,941.01</b> |

**Receivership Estate of SRA Management Associates, LLC et al**  
**2nd Quarter 2022 - Cash Receipts and Disbursements**  
**East West #1161 (ICS Cash Sweep for MongoDB Admin Reserve)**

| <b>Date</b> | <b>Notes</b>                        | <b>Deposits</b> | <b>Withdrawals</b> | <b>Balance</b>      |
|-------------|-------------------------------------|-----------------|--------------------|---------------------|
| 1/1/2022    | Opening Balance                     |                 |                    | <b>\$100,710.74</b> |
| 4/29/2022   | Interest                            | \$4.13          |                    | \$100,714.87        |
| 5/3/2022    | Transfer from checking for interest | \$7.40          |                    | \$100,722.27        |
| 5/31/2022   | Interest                            | \$21.66         |                    | \$100,743.93        |
| 6/2/2022    | Transfer from checking for interest | \$9.55          |                    | \$100,753.48        |
| 6/30/2022   | Interest                            | \$55.22         |                    | \$100,808.70        |
| 6/30/2022   | Ending Balance                      |                 |                    | <b>\$100,808.70</b> |

**Cash Position of Receivership Estate of SRA Management Associates, LLC et al**  
**As of June 30, 2022**

**Cash**

|                                 |                        |
|---------------------------------|------------------------|
| WF Checking                     | \$6,176.37             |
| WF Brokerage                    | \$0.00                 |
| Anna Bivona Funds               | \$534,557.49           |
| Plan Fund checking              | \$250,009.25           |
| Tax Holding checking            | \$250,009.25           |
| Palantir Admin Reserve checking | \$250,009.25           |
| Mongo Admin Reserve checking    | \$250,009.25           |
| Plan Fund ICS                   | \$4,219,534.94         |
| Tax Holding ICS                 | \$4,508,887.75         |
| Palantir Admin Reserve ICS      | \$12,893,941.01        |
| Mongo Admin Reserve ICS         | \$100,808.70           |
| Airbnb Reserve                  | \$118,184.72           |
| Evernote Reserve                | \$96,118.07            |
|                                 | <b>Total</b>           |
|                                 | <b>\$23,478,246.05</b> |

**Holdbacks (incl thru 1Q 2022)**

|   |                     |
|---|---------------------|
| Sherwood Partners, Former Receiver                | \$144,627.50        |
| Kathy Bazoian Phelps, Receiver (Diamond McCarthy) | \$108,980.07        |
| Kathy Bazoian Phelps, Receiver (Raines Feldman)   | \$13,843.70         |
|   | <b>Total</b>        |
|   | <b>\$267,451.27</b> |

**Accrued Fees for 2Q 2022**

|                                |                    |
|--------------------------------|--------------------|
| Kathy Bazoian Phelps, Receiver | \$12,183.00        |
| Costs                          | \$0.00             |
| Raines Feldman                 | \$22,659.00        |
| Costs                          | \$24.90            |
| Miller Kaplan                  | \$1,918.40         |
| Costs                          | \$0.00             |
|                                | <b>Total</b>       |
|                                | <b>\$36,785.30</b> |