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RAINES FELDMAN LLP
David Castleman (State Bar No. 326812)
dcastleman@raineslaw.com
1800 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Telephone: (310) 440-4100
Facsimile: (310) 691-1367

Counsel to Receiver Kathy Bazoian Phelps

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiffs,

v.

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

Defendants, and

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

Relief Defendants.

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

**DECLARATION OF DAVID
CASTLEMAN IN SUPPORT OF
FOURTEENTH INTERIM
ADMINISTRATIVE MOTION FOR
AN ORDER PURSUANT TO
LOCAL RULE 7-11 FOR THE
APPROVAL OF FEES AND
EXPENSES FOR THE
SUCCESSOR RECEIVER, RAINES
FELDMAN LLP, AND MILLER
KAPLAN ARASE LLP FROM
APRIL 1, 2022 THROUGH JUNE
30, 2022**

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

1 I, David Castleman, declare:

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

7 2. This declaration is made in support of the Fourteenth Interim Administrative
8 Motion for an Order Pursuant to Local Rule 7-11 for the Approval of Fees and Expenses for
9 the Successor Receiver, Raines Feldman LLP, and Miller Kaplan Arase LLP from April 1,
10 2022 through June 30, 2022 (“Motion”).

11 3. On May 10, 2021, the Court entered an order authorizing the Receiver to
12 employ Raines Feldman as the Receiver’s general counsel retroactively to April 23, 2021
13 (the “Employment Order”). I directly supervise the professionals and staff of Raines
14 Feldman with respect to this representation.

15 4. In recognition of the efficiencies and benefits to the estate, Raines Feldman
16 divided its time among different billing categories. For the period of April 1, 2022 through
17 June 30, 2022 (the “Motion Period”), Raines Feldman performed services between the
18 following three billing categories:

19 B110 – Case Administration

20 B130 – Asset Disposition

21 B320 – Plan Implementation

22 In the interests of the estate and pursuant to the Employment Order, I capped my
23 hourly rate at \$465. The hourly rates of paralegals have also been discounted. Expenses are
24 billed separately. Attached hereto as Exhibit “5” are true and correct copies of the billing
25 statements itemizing the legal services provided and the costs incurred by Raines Feldman in
26 this case.

27

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1 B110 – Case Administration

2 5. As set forth in Exhibit “5,” during the Motion Period, Raines Feldman
3 performed 17.50 hours for total fees of \$6,709.50 in assisting the Receiver with
4 administering the estate.

5 6. Raines Feldman assisted the Receiver with completing the required cash
6 disbursement reports and SFAR accounting statements for the First and Second Quarters
7 2022, and in preparing and filing the required status reports with the Court.

8 7. Raines Feldman assisted the Receiver in net deficiency claims analysis and
9 had a conference call with the Securities and Exchange Commission regarding claims
10 analysis.

11 B130 – Asset Disposition

12 8. As set forth in Exhibit “5,” during the Motion Period, Raines Feldman
13 performed 1.10 hours for total fees of \$511.50 in assisting the Receiver in disposing of the
14 estate’s assets.

15 9. Raines Feldman assisted the Receiver with coordinating the potential for
16 bringing the shares of ZocDoc, mostly currently held via a forward contract, directly into the
17 estate, for purposes of eventual disposition.

18 B320 – Plan Implementation

19 10. As set forth in Exhibit “5,” during the Motion Period, Raines Feldman
20 performed 33.20 hours for total fees of \$15,438.00 in assisting the Receiver in implementing
21 the Plan.

22 11. Raines Feldman assisted the Receiver in drafting a motion to modify the
23 Distribution Plan approved in this case to take into account various events of 2020 and 2021,
24 including the realization of tax losses provided by certain of the Failed Investments, as well
25 as other developments.

26 Expenses

27 12. As set forth in Exhibit “5,” during the Motion Period, Raines Feldman
28

1 incurred \$24.90 in expenses during the Motion Period, all of which was related to the cost of
2 mailing tax returns.

3 * * *

4 13. To the best of my knowledge, information and belief formed after reasonable
5 inquiry, all the fees and expenses requested in the attached billing statements are true and
6 correct and comply with the Billing Instructions for Receivers in Civil Actions Commenced
7 by the U.S. Securities and Exchange Commission.

8 14. The fees that Raines Feldman has charged are reasonable, necessary, and
9 commensurate with the skill and experience required for the activity performed. Raines
10 Feldman's services and time expenditures are reasonable in light of the labor required for the
11 matters for which Raines Feldman was retained and the balancing that must be performed to
12 efficiently and effectively represent the Receiver. Raines Feldman respectfully submits that
13 it has not expended time unnecessarily and that it has rendered efficient and effective
14 services.

15 15. Raines Feldman has not included in the amount for which reimbursement of
16 costs is sought, amortization of the cost of any equipment, investment or capital outlay.

17

18 I declare under penalty of perjury that the foregoing is true and correct. Executed on
19 this 23rd day of August 2022 at New York, New York.

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21

/s/ David A. Castleman
David A. Castleman

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EXHIBIT 5



RAINESFELDMAN

1800 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067

Federal Tax ID: 20-4515337

Invoice Date: 5/24/2022
Invoice Number: 99656

Kathy Bazoian Phelps - SRA Management Assoc LLC
1800 Avenue of the Stars
12th Floor
Los Angeles, CA 90067

4665-001 / SRA Management Receiver (Attorney file)

Professional Services				Hours	Rate	Amount
04/06/2022	DAC	B110	Draft cash disbursement report, SFAR, and related updates to admin costs chart and review of relevant record	2.50	465.00	1,162.50
04/06/2022	DAC	B110	Analysis of actual tax liabilities for each security	0.70	465.00	325.50
04/06/2022	DAC	B110	Draft first quarter 2022 status report	1.80	465.00	837.00
04/19/2022	DAC	B110	Updates to status report	0.30	465.00	139.50
04/20/2022	DAC	B110	Finalize status report and exhibits	0.30	465.00	139.50
04/29/2022	DAC	B110	Call with A. Roden regarding ELIV claim issues	0.80	465.00	372.00
				B110		2,976.00
04/05/2022	DAC	B130	Call with ZocDoc external and internal counsel regarding transfer process	0.50	465.00	232.50
04/05/2022	DAC	B130	Email ZocDoc external and internal counsel regarding transfer process	0.30	465.00	139.50
04/05/2022	DAC	B130	Email K. Phelps regarding ZocDoc transfer process	0.10	465.00	46.50
04/20/2022	DAC	B130	Email counterparty regarding ZocDoc	0.10	465.00	46.50
				B130		465.00
04/19/2022	DAC	B160	Revisions to fee application (No Charge)	1.90	0.00	No Charge
04/20/2022	DAC	B160	Revisions to fee app regarding Miller Kaplan (No Charge)	0.20	0.00	No Charge
				B160		0.00
04/06/2022	DAC	B320	Revisions to motion for modification of distribution plan	0.70	465.00	325.50
04/07/2022	DAC	B320	Call with K. Phelps regarding motion to modify distribution plan	1.20	465.00	558.00
04/08/2022	DAC	B320	Analysis of potential Cilano claim	1.70	465.00	790.50
04/11/2022	DAC	B320	Revisions to motion to modify plan	3.30	465.00	1,534.50

04/12/2022	DAC	B320	Revisions to motion to modify the Plan	1.20	465.00	558.00
04/13/2022	DAC	B320	Drafting of motion to modify distribution plan and related documents and exhibits	7.60	465.00	3,534.00
04/14/2022	DAC	B320	Email K. Phelps regarding Failed Investments	0.20	465.00	93.00
04/15/2022	DAC	B320	Create Failed Investment allocation charts and review of SEC claims register re same	2.50	465.00	1,162.50
04/18/2022	DAC	B320	Call with K. Phelps regarding motion to modify plan	0.30	465.00	139.50
04/19/2022	DAC	B320	Call with K. Phelps regarding modifications to Plan	1.60	465.00	744.00
04/19/2022	DAC	B320	Revisions to motion to modify Plan	2.30	465.00	1,069.50
04/20/2022	DAC	B320	Revisions to motion to modify plan	3.30	465.00	1,534.50
04/29/2022	DAC	B320	Review edits to motion to revise distribution plan	0.30	465.00	139.50
04/29/2022	DAC	B320	Call with SEC regarding updates to distribution plan	1.50	465.00	697.50

B320 12,880.50

Sub-total Fees: \$16,321.50

Rate Summary

David A. Castleman	2.10 hours at \$0.00/hr	\$0.00
David A. Castleman	35.10 hours at \$465.00/hr	\$16,321.50
Total hours:	<u>37.20</u>	<u>\$16,321.50</u>

Payments

04/19/2022 Write-off	93.00
Sub-total Payments:	<u>\$93.00</u>

Total Current Billing:	\$16,321.50
Previous Balance Due:	\$15,486.40
Total Payments:	(\$93.00)
Total Now Due:	<u>\$31,714.90</u>

Payment Terms: Net 30 days

Payment Options:

Pay Online:

Bill.com: <https://app.bill.com/p/rainesfeldmanllp>

Credit Card: <https://secure.lawpay.com/pages/rainesfeldman/operating>

Pay by Wire/ACH:

Silicon Valley Bank -Boston Private

Routing No: 011002343

Account No: 0943497140

BIC/Swift Code: BPTCUS33

Client Name & Invoice #

Pay by Check via Mail:

Raines Feldman

Department 900

PO Box 4106

Woburn, MA 01888-4106



RAINESFELDMAN

1800 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067

Federal Tax ID: 20-4515337

Invoice Date: 7/13/2022
Invoice Number: 99659

Kathy Bazoian Phelps - SRA Management Assoc LLC
1800 Avenue of the Stars
12th Floor
Los Angeles, CA 90067

4665-001 / SRA Management Receiver (Attorney file)

Professional Services				Hours	Rate	Amount
06/03/2022	DAC	B110	Call with SEC regarding analysis of claims	0.70	465.00	325.50
06/08/2022	DAC	B110	Analysis of net deficiency claims and update sheets regarding same	1.70	465.00	790.50
06/16/2022	DAC	B110	Research issue related to potential claimant	0.30	465.00	139.50
06/17/2022	TC	B110	Drafted 2nd Quarter Cash Disbursements spreadsheet; reviewed 1st Quarter Cash Disbursements spreadsheet; and reviewed bank statements for 2nd quarter.	2.00	295.00	590.00
06/17/2022	TC	B110	Reviewed, revised and updated SRA Admin Costs spreadsheets.	0.80	295.00	236.00
06/17/2022	TC	B110	Reviewed and replied to interoffice email communications.	0.40	295.00	118.00
06/20/2022	TC	B110	Drafted Cash Disbursements spreadsheet for 2nd Quarter; reviewed 1st Quarter Cash Disbursements; and reviewed bank statements for second quarter.	1.50	295.00	442.50
06/20/2022	TC	B110	Calculated amounts for Cash Disbursements Report for 2nd Quarter.	1.60	295.00	472.00
06/21/2022	TC	B110	Reviewed, proofread and revised Cash Disbursements Report for 2nd Quarter; reviewed Cash Disbursements Report for 1st Quarter; and proofread and reviewed updated Cash Admin. spreadsheets.	1.40	295.00	413.00
06/22/2022	TC	B110	Reviewed Interim Status Report for 1st Quarter; and drafted first draft of 2nd Quarter Interim Status Report.	0.70	295.00	206.50
				B110		3,733.50
05/19/2022	DAC	B130	Emails regarding ZocDoc disposition	0.10	465.00	46.50
				B130		46.50
06/17/2022	TC	B160	Reviewed Order Approving Thirteenth Motion for Fees; and reviewed Thirteenth Motion for Fees, Declaration of Kathy B. Phelps, Declaration of David Castleman and Declaration of Julia Damasco.	0.70	0.00	No Charge

06/17/2022	TC	B160	Revised and updated Exhibit 3 - Successor Receiver Prior Fee Applications.	0.40	0.00	No Charge
06/20/2022	TC	B160	Reviewed Court Order Approving Motion for Fees and Expenses.	0.30	0.00	No Charge
06/21/2022	TC	B160	Drafted Fourteenth Motion for Fees; drafted Declaration of David A. Castleman; drafted Declaration of Julia Damasco; and drafted proposed Order for Approval of Fourteenth Motion for Fees.	4.00	0.00	No Charge
06/21/2022	TC	B160	Reviewed, proofread and revised Fourteenth Motion for Fees, Proposed Order Approving Motion for Fees, Declarations of David A. Castleman and Declaration of Julia Damasco.	0.60	0.00	No Charge
				B160	0.00	
05/02/2022	DAC	B320	Work on distribution plan modification motion	0.80	465.00	372.00
05/04/2022	DAC	B320	Revisions to motion to modify plan and supporting exhibits and documents	2.20	465.00	1,023.00
05/06/2022	DAC	B320	Call with K. Phelps regarding motion to modify plan	0.10	465.00	46.50
05/09/2022	DAC	B320	Revisions to motion to modify plan	0.90	465.00	418.50
05/09/2022	DAC	B320	Call with K. Phelps regarding motion to modify plan	0.90	465.00	418.50
06/16/2022	DAC	B320	Review and analysis of net investment data issues and updates to accounting records	0.60	465.00	279.00
				B320	2,557.50	
Sub-total Fees:						\$6,337.50

Rate Summary

Terry Carreras	6.00 hours at \$0.00/hr	\$0.00
Terry Carreras	8.40 hours at \$295.00/hr	\$2,478.00
David A. Castleman	8.30 hours at \$465.00/hr	\$3,859.50
Total hours:	<u>22.70</u>	<u>\$6,337.50</u>

Expenses

	Amount
05/09/2022 Phelps, Kathy B.: 04/12/2022 Mailing costs for tax returns - First Class Mail (Certified) Ogden UT, Sacramento, CA	24.90
Sub-total Expenses:	<u>\$24.90</u>

Payments

05/25/2022 Payment	Wire In: Receivers Acct Estate	15,345.00
05/25/2022 Payment	Wire In: Receivers Acct Estate	48.40
Sub-total Payments:		<u>\$15,393.40</u>

Total Current Billing:	\$6,362.40
Previous Balance Due:	\$31,714.90
Total Payments:	(\$15,393.40)

Total Now Due:

\$22,683.90

Payment Terms: Net 30 days

Payment Options:

Pay Online:

Bill.com: <https://app.bill.com/p/rainesfeldmanllp>

Credit Card: <https://secure.lawpay.com/pages/rainesfeldman/operating>

Pay by Wire/ACH:

Silicon Valley Bank -Boston Private

Routing No: 011002343

Account No: 0943497140

BIC/Swift Code: BPTCUS33

Client Name & Invoice #

Pay by Check via Mail:

Raines Feldman

Department 900

PO Box 4106

Woburn, MA 01888-4106