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5 *Successor Receiver*

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

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SAN FRANCISCO DIVISION

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SECURITIES AND EXCHANGE
COMMISSION,

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

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Plaintiffs,

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v.

**SEVENTEENTH INTERIM
ADMINISTRATIVE MOTION FOR AN
ORDER PURSUANT TO LOCAL
RULE 7-11 FOR THE APPROVAL OF
FEES AND EXPENSES FOR THE
SUCCESSOR RECEIVER AND
RAINES FELDMAN LLP FROM
JANUARY 1, 2023 THROUGH MARCH
31, 2023**

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

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Defendants, and

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

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

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Relief Defendants.

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1 Kathy Bazoian Phelps, the successor receiver herein (the “Receiver”) of SRA
2 Management Associates, LLC, SRA I, LLC, SRA II, LLC, SRA III, LLC, SRA Management
3 Associates, Clear Sailing Group IV, LLC, Clear Sailing Group V, LLC, Felix Multi-
4 Opportunity Fund I, LLC, Felix Multi-Opportunity Fund II, LLC, Felix Management
5 Associates, LLC, NYPA Fund I, LLC, NYPA Fund II, LLC, NYPA Management Associates,
6 LLC and Solis Associates Fund LLC, hereby files this Administrative Motion under Local
7 Civil Rule 7-11 for Order approving fees and expenses for the Receiver and Raines Feldman
8 LLP for the period of January 1, 2023 through March 31, 2023 (the “Motion”).¹

9 **I. RELIEF REQUESTED**

10 The Receiver seeks approval of compensation and reimbursement of expenses for
11 herself and her professionals for the period of January 1, 2023 through March 31, 2023
12 (“Motion Period”) in the following amounts:

13 Receiver: Fees \$7,068.00.²

14 Raines Feldman LLP (“Raines Feldman”): Fees \$5,068.80.

15 This Motion is supported by the Declaration of the Receiver.

16 **II. CASE STATUS**

17 The Court approved the Receiver’s Plan of Distribution (“Plan”) on May 25, 2020
18 (Dkt. No. 613). The estate has now either distributed or sold all of its publicly traded
19 securities.

20 In the first quarter 2023, the Receiver continued to evaluate options for disposition of
21 the remaining three pre-IPO securities and will continue to do so throughout 2023. On October
22 25, 2022, the Receiver filed a Motion for Order Directing ZocDoc, Inc. (“ZocDoc”) to
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24 ¹ The Notice of Motion, the Motion, and supporting documents will be served on all interested
25 parties pursuant to Civil Local Rule 66-6 and will be posted on the Receivership website at
26 <https://www.raineslaw.com/saddle-river-receiver/>. The Receiver has conferred with counsel
27 for the Securities and Exchange Commission, who does not oppose the Motion. A stipulation
28 with all parties was deemed impractical given, among other things, the entry of judgment
against the defendants and pending bankruptcy of defendant John Bivona. L.R. 7-11(1)(a).

² The Receiver has agreed to a holdback of 20% of this amount (\$1,413.60) and therefore
requests authority to pay \$5,654.40.

1 Transfer Shares (Doc. No. 684) (the “Motion”). The Motion asked the Court to issue an Order
 2 directing ZocDoc to transfer 20,104 shares of ZocDoc to the receivership estate’s name on the
 3 capitalization table. The Court granted the Receiver’s Motion on November 21, 2022 (Doc.
 4 No. 690) and directed ZocDoc to transfer the Shares to the receivership estate’s name on the
 5 capitalization table. The Receiver intends to sell the Shares on the secondary market.

6 The Receiver and her team are also preparing to move the Court to modify the Plan in
 7 light of the substantial activity in 2020 and 2021 and the realization of the tax benefits for
 8 certain of the Failed Investments. The Receiver has discussed the plan modifications with both
 9 the SEC and Joshua Cilano, including issues relating to the claim filed by Cilano.

10 The Receiver and her advisers are currently preparing a tax return for 2022.

11 **III. CASH ON HAND AND ACCRUED EXPENSES**

12 As of March 31, 2023, the receivership estate has cash on hand as follows:

13	Wells Fargo Checking	\$0.00
14	Anne Bivona Funds	\$536,997.70
	Plan Fund Account	\$4,457,486.21
15	Tax Holding Account	\$5,124,598.57
	Palantir Administrative Reserve	\$13,360,820.18
16	MongoDB Administrative Reserve	\$407,263.36
	Airbnb Administrative Reserve	\$120,090.57
17	Evernote Reserve	\$97,668.46
18	Total Cash on Hand	\$24,104,925.05

19 There are known accrued expenses and unpaid expenses of \$12,136.80 through March
 20 31, 2023 for first quarter fees, and holdbacks of \$274,658.77. Attached to the Declaration of
 21 the Receiver as Exhibit “1” is a financial summary showing the cash status of the estate as of
 22 March 31, 2023. Funds in the amount of \$27,401.17 representing fourth quarter 2022 fees
 23 were disbursed during this period. The Standardized Fund Accounting Report required by the
 24 SEC for the first quarter 2023 is attached to the Receiver’s Declaration as Exhibit “2.”

25 **IV. PREVIOUS FEE MOTIONS AND HOLDBACKS**

26 Fees and expenses have previously been granted as set forth in Exhibit “3” to the
 27 Receiver’s Declaration, filed concurrently herewith. As of March 31, 2023, there are
 28 outstanding fee holdbacks from the prior fee applications for \$274,658.77 as follows: (i)

1 Sherwood Partners, the former receiver, in the amount of \$144,627.50; (ii) the Receiver in the
 2 amount of \$108,980.07 when she was employed by Diamond McCarthy LLP; and (iii) the
 3 Receiver in the amount of \$21,051.20 for her employment at Raines Feldman.

4 **V. THE RECEIVER'S FEE REQUEST**

5 As detailed in the Declaration of the Receiver, pursuant to the Receiver's proposal for
 6 her appointment, and in recognition of the efficiencies and benefits to the estate, the Receiver
 7 has established separate billing categories for services provided. For services provided with
 8 respect to legal issues, the Receiver has discounted her hourly rate of \$760.00 to \$465.00,
 9 thereby generating significant savings to the estate. The Receiver has agreed to charge
 10 \$160.00 per hour for herself and her assistants for administrative services. The billing
 11 statements itemizing the services provided and expenses incurred are contained in Exhibit "4"
 12 attached to the Declaration of the Receiver. The Receiver performed services for each category
 13 as follows:

14 Category	Hours	Fees
15 Case Administration (B110)	14.80	\$6,882.00
16 Asset Analysis and Recovery (B120)	0.40	\$186.00
17 TOTAL	15.20	\$7,068.00

18 During the Motion Period, the Receiver coordinated with the SEC and with her
 19 advisers and tax counsel in managing the estate and tax refunds, established bank accounts and
 20 transferred funds, communicated with investors, analyzed the disposition of the estate's pre-
 21 IPO shares of ZocDoc, Inc. and Lookout, Inc., and drafted potential legal documents to effect
 22 the same.

23 **VI. RAINES FELDMAN'S FEE REQUEST**

24 As detailed in the Declaration of the Receiver, Raines Feldman has established billing
 25 categories for tasks performed and has significantly discounted its billing rates with senior
 26 attorneys capping their hourly rate at \$465.00. Raines Feldman was appointed as counsel as of
 27 April 23, 2021 pursuant to Court order (Doc No. 651). The billing statements itemizing the
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1 services provided and expenses incurred are attached as Exhibit “5” to the Declaration of the
 2 Receiver. Raines Feldman performed services for each category as follows:

Category	Hours	Fees
Case Administration (B110)	12.70	\$5,029.20
Asset Disposition (B130)	0.10	\$39.60
TOTAL	12.80	\$5,068.80

7 During the Motion Period, Raines Feldman assisted the Receiver in drafting the status
 8 report, communicating with investors, analyzing the disposition of the estate’s pre-IPO shares
 9 of ZocDoc, Inc. and Lookout, Inc., and in drafting potential motion papers and legal
 10 documents to effect the same.

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 12 **WHEREFORE**, the Receiver seeks entry of an order granting this Motion in all respects.

13 Dated: May 26, 2023

RAINES FELDMAN LLP

15 By: /s/ Kathy Bazoian Phelps
 16 Kathy Bazoian Phelps
 17 Successor Receiver