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5 *Successor Receiver*

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

11 SECURITIES AND EXCHANGE  
12 COMMISSION,

13 Plaintiff,

14 v.

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

18 Defendants, and

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

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

**DECLARATION OF KATHY BAZOIAN  
PHELPS IN SUPPORT OF MOTION BY  
RECEIVER FOR ORDER  
AUTHORIZING MODIFICATION OF  
THE DISTRIBUTION PLAN**

Date: August 31, 2023  
Time: 1:30 pm  
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 duly  
4 licensed to practice in the State of California and am a partner at the firm of Raines Feldman Littrell  
5 LLP. I have personal knowledge of the matters set forth below and if called as a witness, I would  
6 and could testify competently to the matters stated herein.

7 2. This declaration is made in support of the Motion for an Order Authorizing  
8 Modification of the Distribution Plan (the “Motion”).

9 3. I have consulted with counsel for the Securities and Exchange Commission (the  
10 “SEC”), members of the Investor Advisory Committee (the “IAC”), and counsel for Progresso  
11 Ventures LLC. Except as set forth in the Motion, they have not expressed any opposition to the  
12 Motion.

13 4. By January 2021, I distributed \$7,721,752.95 to Class 3 Claimants, with an additional  
14 \$1,930,438.28 remaining on those claims.

15 5. In 2020 and 2021, I sold or distributed all the shares in Airbnb, Inc. (“Airbnb”), Bloom  
16 Energy Corp. (“Bloom”); Cloudera, Inc. (“Cloudera”); Dropbox, Inc. (“Dropbox”); Lyft, Inc.  
17 (“Lyft”); MongoDB, Inc. (“MongoDB”); Palantir, Inc. (“Palantir”); Pinterest, Inc. (“Pinterest”);  
18 Snap, Inc. (“Snap”); and Uber, Inc. (“Uber”) (collectively, the “Publicly Traded Securities”). I also  
19 sold all shares in Evernote Corporation (“Evernote”).

20 6. I have largely completed implementation of the Distribution Plan (the “Plan,” Dkt.  
21 No. 570-1) that was approved by this Court on May 25, 2020 (Dkt. No. 613), distributing over \$83  
22 million in stock and nearly \$8 million in cash to investors. I have also filed tax returns for 2020 and  
23 2021, the years in which the bulk of the estate’s tax liability with respect to the distribution was  
24 incurred.

25 7. The completion of the distribution of Publicly Traded Securities, made possible in  
26 part by Palantir and Airbnb becoming Successful Investments after the Plan was approved, along  
27 with the filing of the 2020 and 2021 tax returns, has removed much of the uncertainty that existed  
28 when the Plan was approved at a time when the bulk of the estate’s value was locked into pre-Initial  
Public Offering (“IPO”) securities. The precise tax liability from each Publicly Traded Security is

1 now known and can be calculated. The financial impact to investors of the distributions to Class 4  
2 investors is now much more certain.

3 8. Attached as Exhibit “1” is a true and correct summary of the estate’s sale and  
4 distribution of the Publicly Traded Securities, as well as the tax impact in 2020 and 2021 of such sale  
5 and distribution.

6 9. The cash reserves in the estate as of May 31, 2023 total over \$24 million, across all  
7 accounts:

<b>CASH RESERVES OF THE ESTATE</b>	
<b>Account</b>	<b>Cash Reserves</b>
WF Checking	\$0.00
Anne Bivona Funds	\$539,797.80
Plan Fund	\$4,481,437.68
Tax Holding	\$5,152,224.64
Palantir Reserve	\$13,432,846.78
Mongo Reserve <sup>1</sup>	\$410,797.82
Airbnb Reserve	\$120,687.70
Evernote Reserve	\$98,144.70
<b>Total Cash Reserves</b>	<b>\$24,235,937.12</b>

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16 10. For the 2021 return, the estate has received a total refund of \$306,200 in cash, of  
17 which \$234,893 came from the IRS and \$71,307 came from the California Franchise Tax Board  
18 (“FTB”).<sup>2</sup> Those funds were deposited in the Tax Holding Account, and the total cash reserves after  
19 that refund are \$24,235,937.12, with interest continuing to accrue. For the 2020 return, there was no  
20 cash outlay as the loss carryforwards were applied.

21 11. The estate incurred enormous amounts of tax liabilities with respect to the Class 4  
22 distributions largely due to the success of Palantir, over \$32 million, somewhat offset by the tax  
23 benefits from two of the Failed Investments and other operating losses. The total tax liabilities for  
24 each Class 4 security incurred in 2020 and 2021 are as follows:

25 \_\_\_\_\_  
26 <sup>1</sup> The amount for the MongoDB Reserve includes a total of \$402,000 contributed from the Sabrin  
Settlement (*see* Status Report for First Quarter 2023, Dkt. No. 700, at 4-5).

27 <sup>2</sup> The total refund for the federal return was \$239,893, of which \$5,000 will be applied to 2022  
28 taxes; and the total refund for the state return was \$72,807, of which \$1,500 will be applied to 2022  
taxes. Therefore, the total refund was \$312,700.

<b>TAX LIABILITIES AND BENEFITS OF EACH CLASS 4 SECURITY</b>			
<b>Class 4 Reserve</b>	<b>Total Tax Liability or Benefit from 2020</b>	<b>Total Tax Liability or Benefit from 2021</b>	<b>Total Tax Liability or Benefit from 2020-2021</b>
Airbnb Class 4B	\$0.00	(\$904,835.59)	(\$904,835.59)
Bloom Class 4C	\$464,642.82	(\$54,775.92)	\$409,866.90
Cloudera Class	\$121,286.04	\$1,846.23	\$123,132.27
Dropbox Class 4E	\$18,997.78	(\$35,196.64)	(\$16,198.86)
Evernote Class 4F	\$0.00	\$297,984.40	\$297,984.40
Lyft Class 4H	\$63,325.52	(\$269.89)	\$63,055.63
MongoDB Class 4I	(\$1,279,134.65)	(\$536,760.15)	(\$1,815,894.80)
Palantir Class 4J	(\$78,396.72)	(\$30,750,610.41)	(\$30,829,007.13)
Pinterest Class 4K	(\$28,446.87)	(\$36,548.64)	(\$64,995.51)
Snapchat Class 4M	\$78,979.91	(\$178,267.46)	(\$99,287.55)
Uber Class 4O	\$530.84	(\$42.14)	\$488.70
<b>Total</b>	<b>(\$638,215.33)</b>	<b>(\$32,197,476.21)</b>	<b>(\$32,835,691.54)</b>

12. I propose that the total Reserve for each Class 4 subclass be calculated as follows: the total cash from the stock sales and settlements for each security, less the contribution to the Plan Fund, plus the total tax benefit (if any) from the disposition of that security, less the total tax liability (if any) from the disposition of that security.

13. Each Class 4 subclass is responsible for the taxes arising from the disposition of the associated security. As such, shares of each security were sold to pay for the tax burden associated with the disposition of that security, leaving fewer shares to distribute to that subclass. I believe that, under the same logic, to the extent that the disposition of a security provided a quantifiable tax benefit to the estate, the associated subclass should receive that benefit from the Tax Holding Account into its Class 4 Reserve. Now that the 2021 tax return has been filed, I propose to use the numbers from the actual returns, combined with the actual results of the stock sales, to fix the Class 4 Reserve, the funds of which will be available in the first instance to the IRS or the FTB if required by any future but unanticipated tax assessment, which would be a Class 2 Claim.

14. For four of the Class 4 securities, I have already created a separate reserve and made contributions to it based on expected reserves and settlement payments. It is my intent in this Motion to seek authority to create similar reserves for the remaining seven Class 4 securities. The total Class 4 Reserve for each Publicly Traded Security will begin with the cash the estate received from the sales of that security's stock (and in the case of MongoDB, the Sabrin Settlement as well (*see* Status Report for First Quarter 2023, Dkt. No. 700, at 4-5)), less the contribution to the Plan Fund. If the

total tax impact from the disposition of that security was a cost to the estate, that cost will be deducted from the reserve. If the total tax impact from the disposition of that security was a benefit to the estate, that benefit will be added to the reserve (from the Tax Holding Account).

15. The proceeds from the sale of the Publicly Traded Securities, along with certain tax benefits, are currently in the Tax Holding Account, to the extent not already contributed to the separate security reserves. Therefore, for each of the Publicly Traded Securities, I propose to make the following contributions to or from the Tax Holding Account:

CLASS 4 RESERVES					
Class 4 Reserve	A. Cash from Stock Sales and Settlements (after Plan Fund contribution)	B. Tax Liability or Benefit from 2020-2021	C. Total Reserve (C = A + B)	D. Amount Already Contributed	E. Remaining Contribution (E = C - D)
Airbnb Class 4B	\$1,023,009.09	(\$904,835.59)	\$118,173.50	\$118,172.34	\$1.16
Bloom Class 4C	\$274,667.38	\$409,866.90	\$684,534.28		\$684,534.28
Cloudera Class	\$5,038.91	\$123,132.27	\$128,171.18		\$128,171.18
Dropbox Class 4E	\$129,166.53	(\$16,198.86)	\$112,967.67		\$112,967.67
Lyft Class 4H	\$5,901.28	\$63,055.63	\$68,956.91		\$68,956.91
MongoDB Class 4I	\$1,964,957.12 <sup>3</sup>	(\$1,815,894.80)	\$149,062.32	\$402,000.00	(\$252,937.68)
Palantir Class 4J	\$44,131,541.89	(\$30,829,007.13)	\$13,302,534.76	\$13,126,730.95	\$175,803.81
Pinterest Class 4K	\$68,469.82	(\$64,995.51)	\$3,474.31		\$3,474.31
Snapchat Class 4M	\$372,456.31	(\$99,287.55)	\$273,168.76		\$273,168.76
Uber Class 4O	(\$138.70)	\$488.70	\$350.00		\$350.00
<b>Total</b>	<b>\$47,975,069.63</b>	<b>(\$33,133,675.94)</b>	<b>\$14,841,393.69</b>	<b>\$13,646,903.29</b>	<b>\$1,194,490.40</b>

16. The balance that will remain in the Tax Holding Account following the movement of funds into the segregated Class 4 Reserve accounts will be \$749,055.25.

17. Attached as Exhibit "2" is a true and correct summary of the proposed transfers I intend to make.

18. The Remaining Contribution for MongoDB is negative because the proceeds from the Sabrin Settlement have already been contributed to the MongoDB Reserve, but the distribution of MongoDB shares in 2021 incurred a substantial amount of taxes for the estate. My earlier motion to distribute the second round MongoDB shares in 2021 contemplated that the MongoDB reserve would be used to pay those taxes, and the proposed transfer of \$252,937.68 from the MongoDB reserve to

<sup>3</sup> The MongoDB cash received includes \$402,000 in installment payments from the Sabrin Settlement already received by the estate.

1 the Tax Holding Account accomplishes that payment.

2 19. I propose that each Class 4 Reserve be held until the IRS audit period has passed and  
3 the final tax liabilities of the estate may be ascertained. If those Class 4 Reserves are not needed to  
4 satisfy any additional as-yet unassessed taxes, then I expect that the Class 4 Reserves will be paid as  
5 cash to Class 4 claimants, subject to any equitable modification I may propose based on the facts and  
6 circumstances at that time.

7 20. For Evernote, the gains from the proceeds from the sale were \$96,108, which has been  
8 placed in a separate Evernote Reserve. The transfer and legal fees associated with that sale were  
9 \$2,838.35 and initially paid by the Plan Fund, and therefore that amount should be transferred from  
10 the Evernote Reserve to the Plan Fund. The loss associated with the Evernote sale was \$700,000,  
11 resulting in a tax benefit of \$297,984.40 to the estate, which should be transferred from the Tax  
12 Holding Account to the Evernote Reserve, as reflected in Exhibit “2.”

13 21. Based on the specific facts and circumstances of the Evernote transaction, I believe  
14 that allocating the net proceeds and tax benefits to the Evernote claimants, provided such funds are  
15 not needed to satisfy any as yet unassessed taxes, without either a Plan Fund contribution or  
16 deficiency claim that would be funded by the Plan Fund, is the most fair and equitable way to process  
17 and satisfy Class 4F Evernote claims. Evernote was a pre-IPO investment that had not yet become  
18 a Failed Investment and therefore still had value to the estate both in the liquidation value of the  
19 security and in the tax benefit to the estate that could be achieved by offsetting other gains. But even  
20 though Evernote was not a Failed Investment, it also was not a Successful Investment, which meant  
21 that it did not have the liquidity event (*i.e.*, an IPO) that would have made the shares freely tradeable,  
22 with an increase in value such that a contribution could be made to the Plan Fund with substantial  
value remaining for Class 4F Claimants.

23 22. If Evernote were characterized as a Successful Investment under the Plan, then nearly  
24 the entire sale proceeds and tax benefit would be allocated to the Plan Fund as its 30% contribution.  
25 The total gross investment in Evernote was \$1,179,964, so the Plan Fund contribution if Evernote  
26 were a Successful Investment would be \$353,989.20, leaving less than \$40,000 to be distributed to  
27 Evernote claimants, even if none of the reserve is needed for additional taxes. However, under that  
28 methodology, each Evernote claimant would then have a near-total loss that would be included in

1 that claimant's deficiency claim, funded by the excess funds in the Plan Fund, with the amount to  
2 each claimant depending on how the Court resolves the deficiency question set forth in Part III.D of  
3 the Motion. I do not believe that adherence to the 30% contribution methodology is workable with  
4 respect to Evernote as that would result in a near total loss for those investors.

5 23. Attached as Exhibit "7" is a true and correct summary of the above Evernote claim  
6 analysis.

7 24. The average investment price for Evernote was over \$13 per share, the estate's basis  
8 was \$8 per share, and the sale price was only \$1 per share, resulting in a tax loss of \$7 per share, and  
9 an actual loss for investors of \$12 per share. As Evernote is still a private company, Evernote retained  
10 its right of first refusal to preempt the buyer and purchase the shares the estate sold at \$1 per share.  
11 Evernote declined to do so. Evernote is much more akin to a Failed Investment for which I was able  
12 to recover some amount of value. In consultation with the SEC and the IAC, I believe that it would  
13 be equitable to allow Class 4F Claimants to receive the value of the sale proceeds plus the tax benefit  
14 from the loss (proposed to be held in the Evernote Class 4F Reserve) *pro rata* based on each  
15 claimant's percentage of allowed Evernote shares, provided that any such reserves are not needed  
16 for additional as yet unassessed taxes.

17 25. Because Evernote is akin to a Failed Investment, I propose (i) that no contribution  
18 need be made to the Plan Fund, and (ii) that the remaining Evernote losses are not characterized as  
19 Class 5 Deficiency Claims that would be paid from the excess in the Plan Fund. Therefore, I propose  
20 that the Evernote Class 4F Reserve be held until the audit period passes, and after that date I will  
21 make a specific distribution motion that will include distributing any remainder of the Evernote Class  
22 4F Reserve to Class 4F Claimants.

23 26. I will liquidate any remaining non-public shares held by the estate only after  
24 consultation with the SEC and the IAC and approval from this Court. The Plan currently  
25 contemplates two types of investments: Successful Investments for which there is a liquidity event  
26 such as an IPO (Plan, at 18-19), and Failed Investments for which claims have been disallowed (Plan,  
27 at 9). I propose to create a third category of investment under the Plan, "Pending Investment," for  
28 any of the remaining pre-IPO investments that would become similar in characteristic to Evernote  
after disposition, where it is more like a Failed Investment, but not a Successful Investment. Such

1 Pending Investment would then be treated in the same manner as Evernote under the Plan.

2 27. If the estate disposes of its positions in Addepar, Inc. (“Addepar”), Lookout, Inc.  
3 (“Lookout”), or ZocDoc, Inc. (“ZocDoc”) before an IPO, I will propose at that time a distribution  
4 methodology after consultation with the SEC and the IAC, depending on the particular facts and  
5 circumstances of such disposition. In the meantime, the Addepar, Lookout, and ZocDoc securities  
6 will be held by the estate pending a liquidity event or other disposition as may be approved by the  
7 Court. This Motion does not propose any disposition of these three securities at this time.

8 28. The estate realized nearly \$7 million in losses with respect to Candi Controls in 2018  
9 and Practice Fusion in 2019. Both of those losses were carried forward to 2020, where they were  
10 applied (along with operating losses) to reduce the estate’s 2020 tax burden to zero, and they were  
11 further carried forward to 2021 to further reduce the estate’s tax burden by being netted against the  
12 substantial gains the estate realized in its disposition of the Publicly Traded Securities.

<b>FAILED INVESTMENTS TAX BENEFITS</b>			
<b>Security</b>	<b>Loss</b>	<b>Date of Loss</b>	<b>Benefit to Estate</b>
Candi Controls	(\$4,285,560.00)	5/3/2018	\$1,824,328.61
Practice Fusion	(\$2,552,000.00)	4/17/2019	\$1,086,365.98
<b>Total</b>	<b>(\$6,837,560.00)</b>		<b>\$2,910,694.59</b>

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17 29. I have determined that the tax benefit to the estate from the loss in Candi Controls  
18 was \$1,824,328.61, and the tax benefit to the estate from the loss in Practice Fusion was  
19 \$1,086,365.98. Those benefits were fully realized by 2021, as the estate had substantial tax liabilities  
20 which were offset by the loss carryforward of Candi Control and Practice Fusion. Because these tax  
21 benefits relate to specific investments, I propose that the foregoing amounts be placed into a new  
22 Candi Controls Reserve and Practice Fusion Reserve. I further propose that two new subclasses of  
23 Class 6 Claimants be created – Class 6A for Practice Fusion and Class 6B for Candi Controls – and  
24 that their recovery be limited to the amount remaining in the applicable reserves after the audit period  
25 from the 2021 tax return has passed. Once I am certain that such amounts are not necessary to satisfy  
26 any future tax assessments, I will consult with the SEC and the IAC and then propose to this Court a  
27 specific plan of distribution for Class 6A and Class 6B Claimants.

28 30. Attached as Exhibits “4” and “5” are true and correct summaries displaying lists of  
the Class 6A and 6B Claimants, respectively, anonymized by investor ID, showing each claimant’s

1 total investment and share of the *pro rata* distribution to each investor based on the current proposed  
2 contribution amount. These numbers have not yet been validated by the SEC and actual distributions  
3 will vary.

4 31. For Practice Fusion, there are more Allowed Shares than shares that were owned by  
5 the estate, and I therefore propose that the entire tax benefit be transferred to the Class 6A Practice  
6 Fusion Reserve as reflected in Exhibit “2.”

7 32. For Candi Controls, there are 1,999,685 shares claimed by investors, but there were  
8 2,267,492 shares in the estate, an excess of 267,807 shares. Pursuant to the Plan, excess shares are to  
9 be placed into the Plan Fund. I therefore propose to place the *pro rata* portion of the cash distribution  
10 attributable to those shares (\$215,466.23) into the Plan Fund, and the balance into the Class 6B Candi  
11 Controls Reserve.

12 33. For the amounts held in the Practice Fusion and Candi Control Reserves, I believe  
13 that—as with the Class 3 and 4 Reserves—any distribution should not occur until the closure of the  
14 IRS audit period.

15 34. In the Motion, I am requesting instructions from the Court on how Class 5 Investor  
16 Deficiency Claims should be treated.<sup>4</sup> Given the substantial gains that many investors have received  
17 from the stock distributions, the question arises as to whether (1) an investor’s Class 5 Deficiency  
18 Claim in Successful Investments where a loss was suffered in one security should be offset by the  
19 gains received by that investor in another security; or alternatively, (2) the investments should be  
20 kept separate, leading to retention of the gain in one security and the allowance of a Deficiency Claim  
21 in another security.

22 35. I believe that the proper way to calculate Class 5 Deficiency Claims is the difference  
23 between the value contributed by an investor (by investor ID) to the Receivership Entities with  
24 respect to their Successful Investments, less the value received by that investor from the Receivership  
25 Estate for those Successful Investments.

26 \_\_\_\_\_  
27 <sup>4</sup> This analysis does not in any way impact the amount of distribution already made or to be made  
28 to Class 4 investors on account of the stock and cash distributions and reserves are previously  
accounted for and as accounted for in the Motion. This question relates solely to the amount of  
Deficiency Claims, if any, of Class 4 creditors since Deficiency Claims are a part of the allowed  
claims of Class 5.

1           36. Attached as Exhibit “3” is a true and correct summary of the current status of the Class  
2 5 Deficiency Claims, based on the distributions to date and the current level of reserves, provided  
3 with the express disclaimer that these numbers are *not final*, as the final deficiency claim numbers  
4 will be calculated when the Class 4 distributions are complete and all applicable tax audit periods  
5 have passed.

6           37. The amount at issue for distribution to Class 5 Claimants will be any amount in excess  
7 in the Plan Fund following payment in full to Class 1, 2, 3 and 4 Claimants under the terms of the  
8 Plan. That surplus amount, as presently estimated to flow to Class 5 Claims, is approximately  
9 \$2,770,000. The Class 5 Claims total either \$2,673,227.43 if Option 1 is used (leaving a \$95,131.80  
10 surplus beyond Class 5) or \$5,308,488.43 if Option 2 is used (leaving no surplus and providing for a  
11 52% distribution to Class 5 Claimants).

12           38. Attached as Exhibit “6” is a true and correct summary of Plan Fund projections  
13 (subject to change) demonstrating that if my recommendations set forth in the Motion are adopted,  
14 there will be sufficient funds to pay Class 1, 2, 3, 4 and 5 Claims in full, leaving a surplus of likely  
15 over \$95,000. If, however, the Receiver’s recommendation regarding calculation of the Class 5  
16 Deficiency Claims of Class 4 investors is not adopted, there will not be sufficient funds to distribute  
17 to Class 5 Claimants in full.

18           39. I have calculated the difference between calculating the Class 5 Deficiency Claims  
19 using the net loss by each investor, in which gains in other SRA Successful Investments are  
20 considered (Option 1), or by disregarding those gains in other SRA Successful Investments (Option  
21 2). The difference in method of calculation leads to different outcomes:

22           (1) If an investor’s total gains are used to offset total losses before any deficiency  
23 is calculated, the total deficiency will be approximately \$1 million, and (barring any  
24 significant adverse tax decision) there will likely be sufficient reserves in the Plan  
25 Fund to satisfy 100% of all currently approved Class 3 Cash Claims and Class 5  
26 Subordinated Claims.

27           (2) If the investor’s gains are not used to offset losses, the total deficiency will be  
28 approximately \$3.6 million, and (again, barring any significant adverse tax decision),  
there will likely not be sufficient reserves in the Plan Fund to satisfy all currently

1 approved Class 3 Cash Claims and Class 5 Subordinated Claims, and distribution on  
2 the Deficiency Claims will be likely be in the 25%-65% range, although even that is  
3 not certain.

4 40. I see two possible options for how to calculate Deficiency Claims, with substantially  
5 different impacts on a future Class 5 distribution:

6 **Option 1 (net total losses against total gains).** For each Successful Investment, calculate  
7 the total deficiency or gain based on the total value distributed to the investor with respect to  
8 such investment, less the total gross investment by that investor. Aggregate the total gains  
9 and losses, with the net losses (if any) being the investor's Deficiency Claim.

10 **Option 2 (aggregate losses only).** For each Successful Investment, calculate only the  
11 respective losses and aggregate those for the investor's Deficiency Claim, while disregarding  
12 the gains the investor received in other distributions for purposes of calculating the  
13 Deficiency Claim.

14 41. Because there is a wide discrepancy in the total value of the Deficiency Claims  
15 depending on which calculation method is used, I project that the percentage *pro rata* payout for  
16 Class 5 will be much higher if Option 1 is used. Based solely on the Successful Investments to date,  
17 and assuming that the Reserves will be fully distributed to investors, the total Deficiency Claims  
18 under Option 1 will be approximately \$1 million, and under Option 2 will be approximately \$3.6  
19 million. There are additional Class 5 approved Subordinated Claims for \$1.7 million as well.

20 42. The difference between the two methods can be seen in the following chart where I  
21 have calculated the total expected cash flows under either option to determine the approximate *pro*  
22 *rata* percentage that would be paid to Class 5, based on current circumstances:  
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<b>CLASS 5 PROJECTED WATERFALLS</b>		
	<b>Option 1</b> Gains Included	<b>Option 2</b> Gains Disregarded
<b>Plan Fund Value<sup>5</sup></b>	<b>\$5.4 million</b>	<b>\$5.4 million</b>
Class 1 Claims	\$0.8 million	\$0.8 million
Class 2 Claims <sup>6</sup>	-	-
Class 3 Claims	\$1.9 million	\$1.9 million
Class 4/6 Claims	<i>Not Paid from Plan Fund</i>	
<b>Amount Available for Class 5 Claims</b>	<b>\$2.7 million</b>	<b>\$2.7 million</b>
Class 5 Non-Investor Claims	\$1.7 million	\$1.7 million
Class 5 Investor Claims	\$1.0 million	\$3.6 million
Total Class 5 Claims	\$2.7 million	\$5.3 million
<b>Projected Pro Rata %</b>	<b>100%</b>	<b>50%</b>

43. Solely for purpose of analysis, the projections above assume that Deficiency Claims are paid 100% if calculated under Option 1, and 50% if calculated under Option 2. As a result, some Class 5 Deficiency Claimants will fare better under Option 1, and others will fare better under Option 2.

44. Applying these hypothetical *pro rata* distribution percentages to the entire set of investors as set forth in Exhibit 3, it is clear that Option 2 will provide additional funds to claimants who have already profited, at the expense of not making other claimants whole:

<b>HYPOTHETICAL DEFICIENCY CLAIM ANALYSIS</b>					
Claimants	Total Gain/Loss	Deficiency Claim		Distribution Amount	
		Option 1 Gains Included	Option 2 Gains Disregarded	Option 1 (100%) Gains Included	Option 2 (50%) Gains Disregarded
27 Investors with net losses	(\$1,020,291)	(\$1,020,291)	(\$1,020,291)	\$1,020,291	\$557,584
55 Investors with net gains	\$19,975,880	\$0	(\$2,539,803)	\$0	\$1,269,902
Other Class 5 Claimants	(\$1,652,936)	(\$1,652,936)	(\$1,652,936)	\$1,652,936	\$826,468
<b>Totals</b>	<b>\$17,302,653</b>	<b>(\$2,673,227)</b>	<b>(\$5,308,488)</b>	<b>\$2,673,227</b>	<b>\$2,654,244</b>

<sup>5</sup> The estimated Plan Fund value is the value of the Plan Fund and the Tax Holding Account as of May 31, 2023, after the adjustments in Exhibit "2," including the 2021 tax refund. Contributions from Addepar, Lookout and ZocDoc are assumed to be zero solely for purposes of analysis.

All of the figures in this table are based on my good faith estimates at the time of the filing of this Motion. Actual figures may differ.

<sup>6</sup> I do not anticipate any future Class 2 Claims other than taxes generated from the future sale and distribution of securities, which will be paid from the sales proceeds of such securities. In the unlikely event there are unanticipated future Class 2 Claims, those would not necessarily be paid from the Plan Fund, and as-yet unassessed taxes may instead be paid from Class 4 Reserves, as set forth above. In the event of a future assessment, I will seek authority to pay from the appropriate source depending on the facts and circumstances of any such assessment.

1 45. If the Court selects Option 1, there is a likelihood that all Class 5 Claimants will be  
2 paid close to 100%, but if the Court selects Option 2, there is virtually no chance that the payout will  
3 be near 100%, with 50% being a reasonable projection. These numbers are projections, and the actual  
4 numbers could vary substantially.

5 46. Based on the foregoing, I believe that Option 1, including the gains that offset losses  
6 in the deficiency claim calculation, is more fair and equitable to all claimants. I have been advised  
7 by the SEC and counsel for Progresso that they all agree that my proposed method is more fair and  
8 equitable to all claimants. Prior to reviewing the Motion, the IAC initially expressed concern  
9 regarding Option 1 but have declined to state an opinion following review of the Motion.

10 47. I believe it is appropriate to continue to reserve the remaining Plan issues for future  
11 determination, including the remaining Failed Investment Claims and the Cilano Claim.

12 48. In the event that there is a surplus in the case following payment to the Class 1, 2, 3,  
13 4 and 5 Claimants, I reserve the right to propose establishing a new Class for the Failed Investment  
14 Claims other than the claims for Candi Controls and Practice Fusion (the “Remaining Failed  
15 Investments”<sup>7</sup>). In the Remaining Failed Investments, claimants invested a total of \$11.7 million, and  
16 the Court disallowed those claims as investors’ losses were not attributable to the SRA managers’  
malfeasance.

17 49. The Failed Investment Claims will have received no distribution whatsoever, so I  
18 believe that consideration might be given to those claimants if there are available funds that could  
19 serve as a source of payment for this class of Failed Investment Claimants. If Option 1 is utilized for  
20 the calculation of the Investor Deficiency Claims, then there may be a surplus following distribution  
21 to Class 5 which could be used to pay these claims.

22 50. Additionally, I continue to hold over half a million dollars in the Anne Bivona Funds  
23 in the estate, which have not been allocated to any class; however, it is my understanding that the  
24 SEC asserts the right to determine the ultimate disposition of these funds.

25 51. I am not yet proposing that the Anne Bivona Funds and any excess in the Plan Fund  
26

27 \_\_\_\_\_  
28 <sup>7</sup> Specifically: Aliphcom DBA Jawbone, Badgeville, Inc., Glam Media, Inc., Jumio, Inc., Odesk Corp., and Virtual Instruments Corp.

1 be used to provide a distribution to the Remaining Failed Investments but provide this information  
2 so that the Court can fully evaluate the consequences of selecting Option 1 or 2 for calculation of the  
3 Deficiency Claims and possible options as to how to distribute any surplus funds. If Option 1 is  
4 selected and surplus funds were paid to the Remaining Failed Investments, I estimate that the  
5 Remaining Failed Investment Claimants would have at least a 5% distribution depending on the  
6 amount of any such surplus, which is unknown at this time.

7 52. The outcome of this Motion will determine whether or not there will likely be a  
8 surplus of funds available beyond payment to the existing five classes of claimants. If Option 1 for  
9 calculation of the Deficiency Claims is selected and there are surplus funds available for distribution,  
10 it is conceivable that some funds might be available for distribution to Joshua Cilano (“Cilano”)  
11 (and/or the Failed Investment Claimants).

12 53. Cilano has asserted a claim against the estate (the “Cilano Claim”), and the SEC has  
13 objected to that claim (Dkt. No. 572). The crux of the Cilano Claim is that Cilano contends he is  
14 entitled to backend fees in the amount of “10% of any profits Mr. Cilano’s clients made in SRA  
15 investments.” (Cilano Objection Opp., Dkt. No. 590, at 1.) That 10% performance fee was calculated,  
16 however, as 50% of the backend fees earned by SRA (*i.e.*, 50% of a 20% performance fee is equal  
17 to 10%), but the receivership was created before any such fees were actually earned. I am advised  
18 that there are 59 investors who were clients of Cilano (the “Cilano Clients”) and whom Cilano  
19 contends owe him 10% of the gains on their investments.

20 54. I do not believe that the nature of Cilano’s claim warrants it being paid from general  
21 funds in any class, as his claim was specific to be paid a portion of the fees associated with his clients’  
22 profits. No such fees were assessed as SRA was placed into receivership, and those clients are now  
23 claimants in this receivership. Based on Cilano’s representation that his clients support him being  
24 paid some sort of performance fee, and based on the fact that most of those clients are expected to  
25 receive a distribution from the Class 4 Reserves (especially Palantir), I believe that Cilano should  
26 only be paid from his clients’ distributions, and then only if those clients opt in to using part of their  
27 distributions to pay Cilano.

28 55. As an alternative to an adversarial proceeding between the SEC and Cilano regarding  
the Cilano Claim, I proposed a framework to the SEC and Cilano to resolve the Cilano Claim via a

1 compromise consistent with Cilano's representations about his clients supporting payment of fees to  
2 him. My proposal also would not deplete the funds available for distribution under the Plan to any  
3 claimant other than the Cilano Clients who opt-in to the proposal. I note that both the SEC and Cilano  
4 have declined to accept my proposal which I suggested as a fair and cost-effective resolution to the  
5 objection to the Cilano Claim.

6 56. My proposal is detailed as follows. The Cilano Clients are investors entitled to  
7 distributions as Class 4 and 5 Claimants. I proposed that, to the extent that the Cilano Clients  
8 expressly opt in to a distribution model that pays Cilano a percentage of their net gains,<sup>8</sup> the Cilano  
9 Claim can be paid from distributions otherwise going to the Cilano Clients. In other words, if a Cilano  
10 Client opts in, and that client is to receive a distribution from the Class 4 Reserves, I propose to pay  
11 up to 5% of the Cilano Client's total gain to Cilano, and the balance would be paid to the Cilano  
12 Client. If a Cilano Client does not opt in, nothing will be paid to Cilano on account of the claim and  
13 the Cilano Client would be paid the full distribution owing in Class 4.

14 57. Such a proposal is in line with Cilano's assertion that the Cilano Clients agreed to pay  
15 him, but gives those investors the option to opt in or opt out. The payment to Cilano would technically  
16 not be coming from the receivership estate, but rather the Cilano Clients would be affirmatively  
17 agreeing to pay Cilano a commission from their distributions. I would merely facilitate the process.

18 58. I can cost-effectively administer this process by providing written notice to the Cilano  
19 Clients of the opt in procedure and by calculating any amounts to be paid to Cilano in connection  
20 with the distributions to be made under the Plan. I proposed to provide ninety days' notice to the  
21 Cilano Clients of the opt in procedure by separate notice. I would include the calculation of the  
22 payment to be made to Cilano in connection with a motion to approve the final distributions and once  
23 the number of opt in Cilano Clients is known. Any distribution to be made on the Cilano Claim would  
be subject to Court approval.

24 59. Under this method, the Cilano Claim would not be satisfied with any portion of the  
25 Plan Fund or generally available funds – a portion of the Class 4 reserves would simply be paid to

26 \_\_\_\_\_  
27 <sup>8</sup> I believe that the commission should be a 5% commission on net gains from the Successful  
28 Investments in the receivership, rather than a percentage of back-end fees that SRA would have  
charged based on the gains from an investment in a now-defunct SRA fund.

1 Cilano from the Class 4 distributions to be paid to his clients for those clients who choose to opt into  
2 this proposal.

3 60. Neither the SEC nor Cilano have agreed to this proposal. It is my understanding that  
4 the SEC objects to any distribution being paid to Cilano, as has been its view from the outset of this  
5 litigation. In response to my proposal, the SEC continues to object to Cilano receiving any more  
6 money from the receivership or the investors connected to this receivership. To the extent that the  
7 issues relating to the Cilano Claim become ripe as a result of this Motion, the SEC has advised me  
8 that it believes that comprehensive discovery and an evidentiary hearing, under oath, are necessary  
9 for evaluation of the Cilano Claim. Therefore, I believe it is appropriate for the Court to establish a  
10 briefing schedule so that the SEC can pursue its objection to the Cilano Claim. I believe that the  
11 briefing schedule proposed by the SEC as set forth in the Motion is reasonable.

12 61. I do not anticipate, nor do I think it wise, to make a distribution of cash to any claimant  
13 until the audit period for the 2021 tax return passes and the estate can be certain that no additional  
14 taxes will be assessed by the IRS. I believe it is prudent that all funds in the estate be available to pay  
15 any as yet unassessed tax claims, but I will make a motion from this Court to determine which funds  
16 should be used in the event that such as assessment occurs.

17 62. I do not propose to eliminate, at this stage, the possibility of a future Equitable  
18 Adjustment as stated in the Plan. Because all further distributions will be subject to further motion  
19 from this Court, I will evaluate at such time whether an Equitable Distribution might be warranted  
20 after consulting with the SEC and the IAC, and if so, will make a proposal to the Court.

21 I declare under penalty of perjury that the foregoing is true and correct. Executed on this 27<sup>th</sup>  
22 day of July 2023 at Los Angeles, California.

23  
24  
25 */s/ Kathy Bazoian Phelps*

26 *Kathy Bazoian Phelps*  
27 *Successor Receiver*  
28

# EXHIBIT 1

## EXHIBIT 1: SUMMARY OF DISTRIBUTION AND CLASS 4 RESERVES FOR PUBLICLY TRADED SECURITIES

	Bloom Energy	Cloudera	Dropbox	Lyft	MongoDB	Pinterest	Snapchat	Uber	Palantir	Airbnb	Total
<b>Summary of Sale and Distribution</b>											
Total Gross Investment	\$ 3,724,498	\$ 637,245	\$ 1,783,459	\$ 250,755	\$ 1,002,324	\$ 550,470	\$ 549,821	\$ 19,388	\$ 32,551,705	\$ 842,654	\$ 41,912,319.00
Contribution to Plan Fund (30% Gross Inv)	\$ 3,607,348	\$ 623,460	\$ 1,760,127	\$ 246,454	\$ 986,588	\$ 547,900	\$ 545,525	\$ 19,000	\$ 31,355,331	\$ 834,351	\$ 40,526,084.79
Allowed Shares	1,117,349	191,174	535,038	75,227	300,697	165,141	164,946	5,816	9,765,512	252,796	N/A
Shares Owned by Estate	(5,476)	-	-	-	324,791	-	-	-	-	-	N/A
Shares Distributed to Investors	68,453	35,864	39,339	8,521	17,268	21,439	26,645	468	4,057,266	18,773	N/A
Value of Share Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75	\$ -	\$ -	\$ 75.03
Shares sold for Plan Fund/Taxes/Reserve	(73,929)	(35,864)	(39,339)	(8,521)	307,523	(21,439)	(26,645)	(468)	(4,057,266)	(18,773)	N/A
<b>Results of Stock Sales</b>											
Shares Sold in 2020 Sale	63,446	16,422	24,178	2,446	7,649	7,521	7,128	179	966,995	-	N/A
Net Proceeds for 2020 Sale	\$ 1,122,948.83	\$ 191,267.28	\$ 533,780.24	\$ 76,057.31	\$ 1,581,002.63	\$ 187,521.68	\$ 160,083.08	\$ 5,677.30	\$ 9,854,109.90	\$ -	\$ 13,712,448.25
Shares Sold in 2021 Sale	12,859	313	4,253	107	733	839	5,091	-	1,768,468	8,626	N/A
Net Proceeds for 2021 Sale	\$ 269,068.55	\$ 4,945.63	\$ 130,424.29	\$ 5,070.97	\$ 282,651.49	\$ 46,089.14	\$ 377,319.23	\$ -	\$ 44,042,943.99	\$ 1,275,805.29	\$ 46,434,318.58
Total Proceeds from Stock Sales	\$ 1,392,017.38	\$ 196,212.91	\$ 664,204.53	\$ 81,128.28	\$ 1,863,654.12	\$ 233,610.82	\$ 537,402.31	\$ 5,677.30	\$ 53,897,053.89	\$ 1,275,805.29	\$ 60,146,766.83
Plan Fund Contribution	\$ 1,117,350.00	\$ 191,174.00	\$ 535,038.00	\$ 75,227.00	\$ 300,697.00	\$ 165,141.00	\$ 164,946.00	\$ 5,816.00	\$ 9,765,512.00	\$ 252,796.20	\$ 12,573,697.20
Remainder for Taxes and Reserves	\$ 274,667.38	\$ 5,038.91	\$ 129,166.53	\$ 5,901.28	\$ 1,562,957.12	\$ 68,469.82	\$ 372,456.31	\$ (138.70)	\$ 44,131,541.89	\$ 1,023,009.09	\$ 47,573,069.63
<b>Class 4 Reserves After 2020 and 2021 Actual Tax Impact</b>											
Cash Contribution to Tax Holding Account	\$ 274,667.38	\$ 5,038.91	\$ 129,166.53	\$ 5,901.28	\$ 1,562,957.12	\$ 68,469.82	\$ 372,456.31	\$ (138.70)	\$ 44,131,541.89	\$ 1,023,009.09	\$ 47,573,069.63
Sabrin Settlement (Paid to Date)	\$ -	\$ -	\$ -	\$ -	\$ 402,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,000.00
Total Cash from Stock Sales and Settlements	\$ 274,667.38	\$ 5,038.91	\$ 129,166.53	\$ 5,901.28	\$ 1,964,957.12	\$ 68,469.82	\$ 372,456.31	\$ (138.70)	\$ 44,131,541.89	\$ 1,023,009.09	\$ 47,975,069.63
Tax Liability / Benefit from 2020 (actual)*	\$ 464,642.82	\$ 121,286.04	\$ 18,997.78	\$ 63,325.52	\$ (1,279,134.65)	\$ (28,446.87)	\$ 78,979.91	\$ 530.84	\$ (78,396.72)	\$ -	\$ (638,215.33)
Tax Liability / Benefit from 2021 (actual)	\$ (54,775.92)	\$ 1,846.23	\$ (35,196.64)	\$ (269.89)	\$ (536,760.15)	\$ (36,548.64)	\$ (178,267.46)	\$ (42.14)	\$ (30,750,610.41)	\$ (904,835.59)	\$ (32,495,460.61)
Total Tax Liability / Benefit from 2020-2021	\$ 409,866.90	\$ 123,132.27	\$ (16,198.86)	\$ 63,055.63	\$ (1,815,894.80)	\$ (64,995.51)	\$ (99,287.55)	\$ 488.70	\$ (30,829,007.13)	\$ (904,835.59)	\$ (33,133,675.94)
Total Class 4 Reserve	\$ 684,534.28	\$ 128,171.18	\$ 112,967.67	\$ 68,956.91	\$ 149,062.32	\$ 3,474.31	\$ 273,168.76	\$ 350.00	\$ 13,302,534.76	\$ 118,173.50	\$ 14,841,393.69
Contribution Already Made to Class 4 Reserve	\$ -	\$ -	\$ -	\$ -	\$ 402,000.00	\$ -	\$ -	\$ -	\$ 13,126,730.95	\$ 118,172.34	\$ 13,646,903.29
Additional Contribution from Tax Holding Account	\$ 684,534.28	\$ 128,171.18	\$ 112,967.67	\$ 68,956.91	\$ (252,937.68)	\$ 3,474.31	\$ 273,168.76	\$ 350.00	\$ 175,803.81	\$ 1.16	\$ 1,194,490.40

\* includes tax benefits from transfer to EAC in connection with court-approved EAC settlement

# EXHIBIT 2

**Exhibit 2: Proposed Transfers and Cash Position of Estate**

<b>Account or Subaccount</b>	<b>Value as of May 31, 2023 [1]</b>	<b>Proposed Adjustment</b>	<b>Resulting Position</b>
WF Checking	\$0.00	\$0.00	\$0.00
Anne Bivona Funds	\$539,797.80	\$0.00	\$539,797.80
Plan Fund [2, 4]	\$4,481,437.68	\$218,304.58	\$4,699,742.26
Tax Holding Account	\$5,152,224.64	<b>(\$4,403,169.39)</b>	\$749,055.25
<b>Total Class 4 Reserves</b>	<b>\$14,062,477.00</b>	<b>\$1,489,636.45</b>	<b>\$15,552,113.45</b>
<i>Class 4B Airbnb Reserve</i>	\$120,687.70	\$1.16	\$120,688.86
<i>Class 4C Bloom Energy Reserve</i>	\$0.00	\$684,534.28	\$684,534.28
<i>Class 4D Cloudera Reserve</i>	\$0.00	\$128,171.18	\$128,171.18
<i>Class 4E Dropbox Reserve</i>	\$0.00	\$112,967.67	\$112,967.67
<i>Class 4F Evernote Reserve [2]</i>	\$98,144.70	\$295,146.05	\$393,290.75
<i>Class 4H Lyft Reserve</i>	\$0.00	\$68,956.91	\$68,956.91
<i>Class 4I MongoDB Reserve [3]</i>	\$410,797.82	<b>(\$252,937.68)</b>	\$157,860.14
<i>Class 4J Palantir Reserve</i>	\$13,432,846.78	\$175,803.81	\$13,608,650.59
<i>Class 4K Pinterest Reserve</i>	\$0.00	\$3,474.31	\$3,474.31
<i>Class 4M Snap Reserve</i>	\$0.00	\$273,168.76	\$273,168.76
<i>Class 4N Uber Reserve</i>	\$0.00	\$350.00	\$350.00
<b>Total Class 6 Failed Investment Reserves</b>	<b>\$0.00</b>	<b>\$2,695,228.36</b>	<b>\$2,695,228.36</b>
<i>Class 6A Practice Fusion Reserve</i>	\$0.00	\$1,086,365.98	\$1,086,365.98
<i>Class 6B Candi Controls Reserve [4]</i>	\$0.00	\$1,608,862.38	\$1,608,862.38
<b>Total</b>	<b>\$24,235,937.12</b>	<b>\$0.00</b>	<b>\$24,235,937.12</b>
		<b>Total</b>	<b>\$24,235,937.12</b>

**Notes**

[1] Value of holding is as of May 31, 2023, except as provided in note 3 below, which is also the value reflected in the last cash disbursement report attached to the Receiver's Status Report for First Quarter 2023, Dkt. No. 700. The cash position of the estate will continue to change over time, as reflected in the quarterly status reports filed with the Court and available on the Receiver's website at [www.raineslaw.com/saddle-river-receiver](http://www.raineslaw.com/saddle-river-receiver).

[2] Contribution to Evernote Reserve reduced by closing costs of disposition of Evernote shares (\$2,838.35), which are being reimbursed to the Plan Fund, as set forth in the Motion.

[3] MongoDB Reserve includes an additional \$25,000 paid on October 3, 2022, which has been augmented by an additional \$1,333, which is the remaining balance of Sabrin settlement.

[4] Candi Controls tax benefit reduced by \$215,466.23 in benefit attributable to surplus shares, and therefore allocable to the Plan Fund.

# EXHIBIT 3

**Exhibit 3: Hypothetical Investor Deficiency Calculation Scenarios**

Note: these are hypothetical amounts based on the distribution and current reserves for Successful Investments and are **not final**. The actual deficiency claims will be calculated once all securities have been sold or distributed and the final tax liabilities of the estate are determined.

	<b>Total Investor Net Gains (including Tax Reserve share)</b>	<b>Option 1 Total Deficiency (Gains Included)</b>	<b>Option 2 Total Deficiency (Gains Disregarded)</b>	<b>100% Distribution Using Option 1 Calculation</b>	<b>50% Distribution Using Option 2 Calculation</b>
<b>Total</b>	<b>\$56,159,379</b>	<b>(\$1,020,291)</b>	<b>(\$3,655,552)</b>	<b>\$1,020,291</b>	<b>\$1,827,776</b>

Investor ID	Total Gain or Loss	Deficiency Claims		Deficiency Distributions	
		Option 1 Calculation (Gains Included)	Option 2 Calculation (Gains Disregarded)	Option 1 Calculation (100%, Gains Included)	Option 2 Calculation (50%, Gains Disregarded)
1	\$116,354	\$0	\$0	\$0	\$0
2	\$142,389	\$0	\$0	\$0	\$0
3	(\$250,805)	(\$250,805)	(\$250,805)	\$250,805	\$125,402
4	\$10,667	\$0	(\$7,833)	\$0	\$3,916
5	\$396,896	\$0	(\$1,060)	\$0	\$530
6	\$28,138	\$0	\$0	\$0	\$0
7	\$0	\$0	\$0	\$0	\$0
8	\$896,435	\$0	(\$147,912)	\$0	\$73,956
9	\$291,762	\$0	(\$22,680)	\$0	\$11,340
10	\$0	\$0	\$0	\$0	\$0
11	\$39,199	\$0	\$0	\$0	\$0
12	\$0	\$0	\$0	\$0	\$0
13	\$550	\$0	\$0	\$0	\$0
14	\$17,761	\$0	\$0	\$0	\$0
15	\$40,682	\$0	\$0	\$0	\$0
16	\$0	\$0	\$0	\$0	\$0
17	\$10,095	\$0	\$0	\$0	\$0
18	\$46,207	\$0	\$0	\$0	\$0
19	\$89,817	\$0	\$0	\$0	\$0
20	\$550	\$0	\$0	\$0	\$0
21	\$8,899	\$0	(\$39,406)	\$0	\$19,703
22	\$99,186	\$0	\$0	\$0	\$0
23	\$9,061	\$0	(\$8,415)	\$0	\$4,208
24	\$151,318	\$0	\$0	\$0	\$0
25	\$363,981	\$0	\$0	\$0	\$0
26	\$220	\$0	\$0	\$0	\$0
27	\$0	\$0	\$0	\$0	\$0
28	\$46,447	\$0	\$0	\$0	\$0
29	\$225,936	\$0	(\$31,486)	\$0	\$15,743
30	\$58,993	\$0	\$0	\$0	\$0
31	\$123,581	\$0	\$0	\$0	\$0
32	\$123,581	\$0	\$0	\$0	\$0
33	\$0	\$0	\$0	\$0	\$0
34	\$179	\$0	\$0	\$0	\$0
35	\$69,804	\$0	\$0	\$0	\$0
36	\$79,854	\$0	\$0	\$0	\$0
37	\$690,272	\$0	(\$122,531)	\$0	\$61,266
38	\$247,112	\$0	\$0	\$0	\$0
39	(\$65,688)	(\$65,688)	(\$65,688)	\$65,688	\$32,844
40	\$20,769	\$0	\$0	\$0	\$0
41	\$0	\$0	\$0	\$0	\$0
42	\$0	\$0	\$0	\$0	\$0

**Exhibit 3: Hypothetical Investor Deficiency Calculation Scenarios**

Note: these are hypothetical amounts based on the distribution and current reserves for Successful Investments and are **not final**. The actual deficiency claims will be calculated once all securities have been sold or distributed and the final tax liabilities of the estate are determined.

	<b>Total Investor Net Gains (including Tax Reserve share)</b>	<b>Option 1 Total Deficiency (Gains Included)</b>	<b>Option 2 Total Deficiency (Gains Disregarded)</b>	<b>100% Distribution Using Option 1 Calculation</b>	<b>50% Distribution Using Option 2 Calculation</b>
<b>Total</b>	<b>\$56,159,379</b>	<b>(\$1,020,291)</b>	<b>(\$3,655,552)</b>	<b>\$1,020,291</b>	<b>\$1,827,776</b>

Investor ID	Total Gain or Loss	Deficiency Claims		Deficiency Distributions	
		Option 1 Calculation (Gains Included)	Option 2 Calculation (Gains Disregarded)	Option 1 Calculation (100%, Gains Included)	Option 2 Calculation (50%, Gains Disregarded)
43	\$982,892	\$0	(\$10,975)	\$0	\$5,487
44	\$186,360	\$0	\$0	\$0	\$0
45	\$10,213	\$0	(\$129,712)	\$0	\$64,856
46	\$1,825,268	\$0	\$0	\$0	\$0
47	\$437,320	\$0	(\$33,869)	\$0	\$16,934
48	\$90,962	\$0	\$0	\$0	\$0
49	(\$13,138)	(\$13,138)	(\$13,138)	\$13,138	\$6,569
50	(\$283)	(\$283)	(\$1,087)	\$283	\$544
51	\$711,339	\$0	(\$18,307)	\$0	\$9,153
52	\$77,611	\$0	\$0	\$0	\$0
53	\$0	\$0	\$0	\$0	\$0
54	\$21,834	\$0	\$0	\$0	\$0
55	\$246,997	\$0	\$0	\$0	\$0
56	\$51,485	\$0	\$0	\$0	\$0
57	\$25,885	\$0	\$0	\$0	\$0
58	\$179	\$0	\$0	\$0	\$0
59	\$31,639	\$0	\$0	\$0	\$0
60	\$741	\$0	\$0	\$0	\$0
61	\$1,925,355	\$0	\$0	\$0	\$0
62	(\$9,967)	(\$9,967)	(\$9,967)	\$9,967	\$4,984
63	\$0	\$0	\$0	\$0	\$0
64	\$75,891	\$0	\$0	\$0	\$0
65	\$638,646	\$0	\$0	\$0	\$0
66	\$0	\$0	\$0	\$0	\$0
67	\$741	\$0	\$0	\$0	\$0
68	(\$16,337)	(\$16,337)	(\$16,337)	\$16,337	\$8,169
69	\$133,393	\$0	\$0	\$0	\$0
70	\$122,079	\$0	\$0	\$0	\$0
71	\$14,314	\$0	\$0	\$0	\$0
72	\$605,954	\$0	(\$33,869)	\$0	\$16,934
73	\$390,158	\$0	(\$45,281)	\$0	\$22,641
74	\$13,675	\$0	\$0	\$0	\$0
75	\$9,821	\$0	\$0	\$0	\$0
76	\$39,944	\$0	\$0	\$0	\$0
77	\$28,500	\$0	\$0	\$0	\$0
78	\$157,882	\$0	\$0	\$0	\$0
79	\$34,209	\$0	(\$24,964)	\$0	\$12,482
80	(\$33,472)	(\$33,472)	(\$33,472)	\$33,472	\$16,736
81	\$308,709	\$0	(\$41,891)	\$0	\$20,945
82	\$48,198	\$0	\$0	\$0	\$0
83	\$0	\$0	\$0	\$0	\$0
84	\$54,235	\$0	\$0	\$0	\$0

**Exhibit 3: Hypothetical Investor Deficiency Calculation Scenarios**

Note: these are hypothetical amounts based on the distribution and current reserves for Successful Investments and are **not final**. The actual deficiency claims will be calculated once all securities have been sold or distributed and the final tax liabilities of the estate are determined.

	<b>Total Investor Net Gains (including Tax Reserve share)</b>	<b>Option 1 Total Deficiency (Gains Included)</b>	<b>Option 2 Total Deficiency (Gains Disregarded)</b>	<b>100% Distribution Using Option 1 Calculation</b>	<b>50% Distribution Using Option 2 Calculation</b>
<b>Total</b>	<b>\$56,159,379</b>	<b>(\$1,020,291)</b>	<b>(\$3,655,552)</b>	<b>\$1,020,291</b>	<b>\$1,827,776</b>

Investor ID	Total Gain or Loss	Deficiency Claims		Deficiency Distributions	
		Option 1 Calculation (Gains Included)	Option 2 Calculation (Gains Disregarded)	Option 1 Calculation (100%, Gains Included)	Option 2 Calculation (50%, Gains Disregarded)
85	\$104,964	\$0	\$0	\$0	\$0
86	(\$119,442)	(\$119,442)	(\$119,442)	\$119,442	\$59,721
87	\$21,213	\$0	\$0	\$0	\$0
88	\$741	\$0	\$0	\$0	\$0
89	\$188,764	\$0	(\$28,711)	\$0	\$14,356
90	\$0	\$0	\$0	\$0	\$0
91	\$48,568	\$0	(\$116,829)	\$0	\$58,415
92	\$46,207	\$0	\$0	\$0	\$0
93	\$0	\$0	\$0	\$0	\$0
94	\$111,571	\$0	\$0	\$0	\$0
95	\$108,169	\$0	\$0	\$0	\$0
96	\$36,898	\$0	\$0	\$0	\$0
97	\$64,016	\$0	\$0	\$0	\$0
98	\$424,858	\$0	\$0	\$0	\$0
99	\$77,614	\$0	\$0	\$0	\$0
100	\$136,485	\$0	\$0	\$0	\$0
101	\$684,572	\$0	\$0	\$0	\$0
102	\$2,512	\$0	\$0	\$0	\$0
103	\$104,183	\$0	(\$9,149)	\$0	\$4,574
104	\$144,346	\$0	\$0	\$0	\$0
105	\$0	\$0	\$0	\$0	\$0
106	\$0	\$0	\$0	\$0	\$0
107	\$44,917	\$0	(\$18,306)	\$0	\$9,153
108	\$23,083	\$0	\$0	\$0	\$0
109	\$0	\$0	\$0	\$0	\$0
110	\$368,988	\$0	\$0	\$0	\$0
111	(\$27,637)	(\$27,637)	(\$27,637)	\$27,637	\$13,818
112	\$0	\$0	\$0	\$0	\$0
113	\$96,602	\$0	\$0	\$0	\$0
114	(\$8,295)	(\$8,295)	(\$9,148)	\$8,295	\$4,574
115	\$129,263	\$0	\$0	\$0	\$0
116	\$413,068	\$0	(\$20,390)	\$0	\$10,195
117	\$0	\$0	\$0	\$0	\$0
118	\$3,094	\$0	\$0	\$0	\$0
119	(\$6,024)	(\$6,024)	(\$33,308)	\$6,024	\$16,654
120	\$0	\$0	\$0	\$0	\$0
121	\$17,976	\$0	\$0	\$0	\$0
122	\$179,359	\$0	\$0	\$0	\$0
123	\$0	\$0	\$0	\$0	\$0
124	\$14,723	\$0	\$0	\$0	\$0
125	\$429,264	\$0	\$0	\$0	\$0
126	\$62,239	\$0	\$0	\$0	\$0

**Exhibit 3: Hypothetical Investor Deficiency Calculation Scenarios**

Note: these are hypothetical amounts based on the distribution and current reserves for Successful Investments and are **not final**. The actual deficiency claims will be calculated once all securities have been sold or distributed and the final tax liabilities of the estate are determined.

	<b>Total Investor Net Gains (including Tax Reserve share)</b>	<b>Option 1 Total Deficiency (Gains Included)</b>	<b>Option 2 Total Deficiency (Gains Disregarded)</b>	<b>100% Distribution Using Option 1 Calculation</b>	<b>50% Distribution Using Option 2 Calculation</b>
<b>Total</b>	<b>\$56,159,379</b>	<b>(\$1,020,291)</b>	<b>(\$3,655,552)</b>	<b>\$1,020,291</b>	<b>\$1,827,776</b>

Investor ID	Total Gain or Loss	Deficiency Claims		Deficiency Distributions	
		Option 1 Calculation (Gains Included)	Option 2 Calculation (Gains Disregarded)	Option 1 Calculation (100%, Gains Included)	Option 2 Calculation (50%, Gains Disregarded)
127	\$0	\$0	\$0	\$0	\$0
128	\$978,808	\$0	\$0	\$0	\$0
129	\$0	\$0	\$0	\$0	\$0
130	\$47,702	\$0	\$0	\$0	\$0
131	\$73,049	\$0	\$0	\$0	\$0
132	\$53,618	\$0	\$0	\$0	\$0
133	\$113,712	\$0	\$0	\$0	\$0
134	\$119,860	\$0	\$0	\$0	\$0
135	\$205,488	\$0	\$0	\$0	\$0
136	\$64,998	\$0	(\$13,540)	\$0	\$6,770
137	(\$21,506)	(\$21,506)	(\$24,213)	\$21,506	\$12,107
138	\$144,363	\$0	\$0	\$0	\$0
139	\$31,371	\$0	\$0	\$0	\$0
140	\$0	\$0	\$0	\$0	\$0
141	\$78,081	\$0	\$0	\$0	\$0
142	\$39,233	\$0	\$0	\$0	\$0
143	\$0	\$0	\$0	\$0	\$0
144	\$186,713	\$0	\$0	\$0	\$0
145	\$190,744	\$0	\$0	\$0	\$0
146	\$1,230,032	\$0	(\$46,367)	\$0	\$23,184
147	\$54,159	\$0	(\$25,178)	\$0	\$12,589
148	\$580,677	\$0	\$0	\$0	\$0
149	\$0	\$0	\$0	\$0	\$0
150	\$0	\$0	\$0	\$0	\$0
151	\$0	\$0	\$0	\$0	\$0
152	\$0	\$0	\$0	\$0	\$0
153	\$80,279	\$0	\$0	\$0	\$0
154	\$191,728	\$0	\$0	\$0	\$0
155	\$165,915	\$0	\$0	\$0	\$0
156	\$0	\$0	\$0	\$0	\$0
157	\$109,270	\$0	(\$9,149)	\$0	\$4,574
158	\$0	\$0	\$0	\$0	\$0
159	(\$47,905)	(\$47,905)	(\$51,121)	\$47,905	\$25,560
160	\$17,434	\$0	\$0	\$0	\$0
161	\$13,186	\$0	\$0	\$0	\$0
162	\$636,866	\$0	\$0	\$0	\$0
163	\$13,186	\$0	\$0	\$0	\$0
164	\$91,669	\$0	\$0	\$0	\$0
165	\$24,909	\$0	\$0	\$0	\$0
166	\$136,780	\$0	\$0	\$0	\$0
167	\$0	\$0	\$0	\$0	\$0
168	\$9,967	\$0	\$0	\$0	\$0

**Exhibit 3: Hypothetical Investor Deficiency Calculation Scenarios**

Note: these are hypothetical amounts based on the distribution and current reserves for Successful Investments and are **not final**. The actual deficiency claims will be calculated once all securities have been sold or distributed and the final tax liabilities of the estate are determined.

	<b>Total Investor Net Gains (including Tax Reserve share)</b>	<b>Option 1 Total Deficiency (Gains Included)</b>	<b>Option 2 Total Deficiency (Gains Disregarded)</b>	<b>100% Distribution Using Option 1 Calculation</b>	<b>50% Distribution Using Option 2 Calculation</b>
<b>Total</b>	<b>\$56,159,379</b>	<b>(\$1,020,291)</b>	<b>(\$3,655,552)</b>	<b>\$1,020,291</b>	<b>\$1,827,776</b>

Investor ID	Total Gain or Loss	Deficiency Claims		Deficiency Distributions	
		Option 1 Calculation (Gains Included)	Option 2 Calculation (Gains Disregarded)	Option 1 Calculation (100%, Gains Included)	Option 2 Calculation (50%, Gains Disregarded)
169	\$91,151	\$0	\$0	\$0	\$0
170	\$213,495	\$0	(\$252,476)	\$0	\$126,238
171	\$155,237	\$0	\$0	\$0	\$0
172	\$228,199	\$0	\$0	\$0	\$0
173	\$67,409	\$0	\$0	\$0	\$0
174	\$397,301	\$0	\$0	\$0	\$0
175	\$41,059	\$0	\$0	\$0	\$0
176	\$100,556	\$0	\$0	\$0	\$0
177	\$1,694,981	\$0	\$0	\$0	\$0
178	\$741	\$0	\$0	\$0	\$0
179	\$24,881	\$0	\$0	\$0	\$0
180	\$29,488	\$0	\$0	\$0	\$0
181	\$36,759	\$0	\$0	\$0	\$0
182	\$122,580	\$0	\$0	\$0	\$0
183	\$49,605	\$0	\$0	\$0	\$0
184	\$125,272	\$0	\$0	\$0	\$0
185	\$1,308,791	\$0	\$0	\$0	\$0
186	\$156,537	\$0	\$0	\$0	\$0
187	\$741	\$0	\$0	\$0	\$0
188	\$15,703	\$0	\$0	\$0	\$0
189	\$510,891	\$0	(\$14,205)	\$0	\$7,103
190	\$128,202	\$0	\$0	\$0	\$0
191	\$29,951	\$0	\$0	\$0	\$0
192	\$251,942	\$0	\$0	\$0	\$0
193	\$0	\$0	\$0	\$0	\$0
194	(\$19,586)	(\$19,586)	(\$19,586)	\$19,586	\$9,793
195	\$74,494	\$0	\$0	\$0	\$0
196	(\$13,391)	(\$13,391)	(\$13,391)	\$13,391	\$6,695
197	\$3,709	\$0	\$0	\$0	\$0
198	\$0	\$0	\$0	\$0	\$0
199	\$172,689	\$0	\$0	\$0	\$0
200	\$32,704	\$0	(\$3,728)	\$0	\$1,864
201	\$85,323	\$0	(\$11,279)	\$0	\$5,640
202	\$0	\$0	\$0	\$0	\$0
203	\$157,859	\$0	(\$11,444)	\$0	\$5,722
204	\$0	\$0	\$0	\$0	\$0
205	\$47,102	\$0	\$0	\$0	\$0
206	\$26,796	\$0	\$0	\$0	\$0
207	\$21,107	\$0	\$0	\$0	\$0
208	\$310,744	\$0	\$0	\$0	\$0
209	\$170,139	\$0	(\$50,228)	\$0	\$25,114
210	\$25,885	\$0	\$0	\$0	\$0

**Exhibit 3: Hypothetical Investor Deficiency Calculation Scenarios**

Note: these are hypothetical amounts based on the distribution and current reserves for Successful Investments and are **not final**. The actual deficiency claims will be calculated once all securities have been sold or distributed and the final tax liabilities of the estate are determined.

	<b>Total Investor Net Gains (including Tax Reserve share)</b>	<b>Option 1 Total Deficiency (Gains Included)</b>	<b>Option 2 Total Deficiency (Gains Disregarded)</b>	<b>100% Distribution Using Option 1 Calculation</b>	<b>50% Distribution Using Option 2 Calculation</b>
<b>Total</b>	<b>\$56,159,379</b>	<b>(\$1,020,291)</b>	<b>(\$3,655,552)</b>	<b>\$1,020,291</b>	<b>\$1,827,776</b>

Investor ID	Total Gain or Loss	Deficiency Claims		Deficiency Distributions	
		Option 1 Calculation (Gains Included)	Option 2 Calculation (Gains Disregarded)	Option 1 Calculation (100%, Gains Included)	Option 2 Calculation (50%, Gains Disregarded)
211	\$363,981	\$0	\$0	\$0	\$0
212	\$160,712	\$0	(\$45,344)	\$0	\$22,672
213	\$8,879	\$0	\$0	\$0	\$0
214	\$51,514	\$0	\$0	\$0	\$0
215	\$0	\$0	\$0	\$0	\$0
216	\$96,602	\$0	\$0	\$0	\$0
217	\$911,077	\$0	(\$9,668)	\$0	\$4,834
218	\$190,400	\$0	(\$64,077)	\$0	\$32,038
219	\$3,695	\$0	\$0	\$0	\$0
220	\$770	\$0	\$0	\$0	\$0
221	\$60,341	\$0	(\$45,705)	\$0	\$22,853
222	\$111,744	\$0	\$0	\$0	\$0
223	\$12,368	\$0	(\$12,570)	\$0	\$6,285
224	(\$3,957)	(\$3,957)	(\$4,575)	\$3,957	\$2,287
225	\$519,205	\$0	\$0	\$0	\$0
226	\$365,220	\$0	\$0	\$0	\$0
227	\$0	\$0	\$0	\$0	\$0
228	\$9,967	\$0	\$0	\$0	\$0
229	\$34,163	\$0	\$0	\$0	\$0
230	\$26,796	\$0	\$0	\$0	\$0
231	\$158,367	\$0	(\$62,888)	\$0	\$31,444
232	\$0	\$0	\$0	\$0	\$0
233	\$0	\$0	\$0	\$0	\$0
234	\$77,797	\$0	\$0	\$0	\$0
235	\$417,114	\$0	(\$30,056)	\$0	\$15,028
236	\$87,865	\$0	\$0	\$0	\$0
237	\$0	\$0	\$0	\$0	\$0
238	\$139,824	\$0	(\$33,869)	\$0	\$16,934
239	\$221,059	\$0	\$0	\$0	\$0
240	\$69,323	\$0	\$0	\$0	\$0
241	\$114,340	\$0	\$0	\$0	\$0
242	\$394,450	\$0	(\$1,124)	\$0	\$562
243	\$7,451	\$0	(\$20,564)	\$0	\$10,282
244	\$183,623	\$0	\$0	\$0	\$0
245	\$179,359	\$0	\$0	\$0	\$0
246	(\$38,522)	(\$38,522)	(\$64,407)	\$38,522	\$32,204
247	\$5,154,883	\$0	\$0	\$0	\$0
248	\$228,296	\$0	\$0	\$0	\$0
249	\$52,064	\$0	\$0	\$0	\$0
250	\$91,787	\$0	\$0	\$0	\$0
251	\$42,561	\$0	\$0	\$0	\$0
252	\$26,616	\$0	(\$19,591)	\$0	\$9,795

**Exhibit 3: Hypothetical Investor Deficiency Calculation Scenarios**

Note: these are hypothetical amounts based on the distribution and current reserves for Successful Investments and are **not final**. The actual deficiency claims will be calculated once all securities have been sold or distributed and the final tax liabilities of the estate are determined.

	<b>Total Investor Net Gains (including Tax Reserve share)</b>	<b>Option 1 Total Deficiency (Gains Included)</b>	<b>Option 2 Total Deficiency (Gains Disregarded)</b>	<b>100% Distribution Using Option 1 Calculation</b>	<b>50% Distribution Using Option 2 Calculation</b>
<b>Total</b>	<b>\$56,159,379</b>	<b>(\$1,020,291)</b>	<b>(\$3,655,552)</b>	<b>\$1,020,291</b>	<b>\$1,827,776</b>

Investor ID	Total Gain or Loss	Deficiency Claims		Deficiency Distributions	
		Option 1 Calculation (Gains Included)	Option 2 Calculation (Gains Disregarded)	Option 1 Calculation (100%, Gains Included)	Option 2 Calculation (50%, Gains Disregarded)
253	\$30,831	\$0	\$0	\$0	\$0
254	\$261,273	\$0	\$0	\$0	\$0
255	\$169,323	\$0	\$0	\$0	\$0
256	\$89,965	\$0	\$0	\$0	\$0
257	\$82,483	\$0	(\$4,261)	\$0	\$2,131
258	(\$16,978)	(\$16,978)	(\$16,978)	\$16,978	\$8,489
259	\$1,262	\$0	\$0	\$0	\$0
260	(\$25,859)	(\$25,859)	(\$25,859)	\$25,859	\$12,930
261	\$242,045	\$0	\$0	\$0	\$0
262	\$143,402	\$0	\$0	\$0	\$0
263	\$3,846	\$0	(\$7,073)	\$0	\$3,536
264	\$31,997	\$0	\$0	\$0	\$0
265	\$26,277	\$0	\$0	\$0	\$0
266	\$112,353	\$0	\$0	\$0	\$0
267	\$109,427	\$0	\$0	\$0	\$0
268	\$101,989	\$0	(\$55,502)	\$0	\$27,751
269	\$0	\$0	\$0	\$0	\$0
270	\$0	\$0	\$0	\$0	\$0
271	\$0	\$0	\$0	\$0	\$0
272	\$0	\$0	\$0	\$0	\$0
273	\$0	\$0	\$0	\$0	\$0
274	(\$3,634)	(\$3,634)	(\$36,712)	\$3,634	\$18,356
275	\$0	\$0	\$0	\$0	\$0
276	(\$129,271)	(\$129,271)	(\$129,382)	\$129,271	\$64,691
277	\$289,087	\$0	\$0	\$0	\$0
278	\$75	\$0	\$0	\$0	\$0
279	\$43,656	\$0	\$0	\$0	\$0
280	\$0	\$0	\$0	\$0	\$0
281	\$196,152	\$0	\$0	\$0	\$0
282	\$64,944	\$0	\$0	\$0	\$0
283	\$107,285	\$0	\$0	\$0	\$0
284	\$0	\$0	\$0	\$0	\$0
285	\$500,793	\$0	(\$31,317)	\$0	\$15,659
286	\$218,905	\$0	(\$95,977)	\$0	\$47,988
287	\$26,796	\$0	\$0	\$0	\$0
288	\$0	\$0	\$0	\$0	\$0
289	(\$21,008)	(\$21,008)	(\$21,008)	\$21,008	\$10,504
290	\$71,142	\$0	\$0	\$0	\$0
291	\$20,290	\$0	\$0	\$0	\$0
292	\$235,831	\$0	\$0	\$0	\$0
293	\$170,555	\$0	\$0	\$0	\$0
294	\$31,257	\$0	\$0	\$0	\$0

**Exhibit 3: Hypothetical Investor Deficiency Calculation Scenarios**

Note: these are hypothetical amounts based on the distribution and current reserves for Successful Investments and are **not final**. The actual deficiency claims will be calculated once all securities have been sold or distributed and the final tax liabilities of the estate are determined.

	<b>Total Investor Net Gains (including Tax Reserve share)</b>	<b>Option 1 Total Deficiency (Gains Included)</b>	<b>Option 2 Total Deficiency (Gains Disregarded)</b>	<b>100% Distribution Using Option 1 Calculation</b>	<b>50% Distribution Using Option 2 Calculation</b>
<b>Total</b>	<b>\$56,159,379</b>	<b>(\$1,020,291)</b>	<b>(\$3,655,552)</b>	<b>\$1,020,291</b>	<b>\$1,827,776</b>

Investor ID	Total Gain or Loss	Deficiency Claims		Deficiency Distributions	
		Option 1 Calculation (Gains Included)	Option 2 Calculation (Gains Disregarded)	Option 1 Calculation (100%, Gains Included)	Option 2 Calculation (50%, Gains Disregarded)
295	\$146,602	\$0	\$0	\$0	\$0
296	\$743,975	\$0	\$0	\$0	\$0
297	\$306,896	\$0	(\$2,984)	\$0	\$1,492
298	\$0	\$0	\$0	\$0	\$0
299	\$133,403	\$0	(\$2,872)	\$0	\$1,436
300	\$21,736	\$0	\$0	\$0	\$0
301	\$1,958,999	\$0	\$0	\$0	\$0
302	\$14,723	\$0	\$0	\$0	\$0
303	\$152,692	\$0	\$0	\$0	\$0
304	\$35,252	\$0	(\$217,417)	\$0	\$108,709
305	\$145	\$0	\$0	\$0	\$0
306	\$119,567	\$0	\$0	\$0	\$0
307	\$37,131	\$0	\$0	\$0	\$0
308	(\$8,174)	(\$8,174)	(\$9,075)	\$8,174	\$4,538
309	\$14,723	\$0	\$0	\$0	\$0
310	\$691,822	\$0	\$0	\$0	\$0
311	\$382,179	\$0	(\$34,033)	\$0	\$17,016
312	\$4,593,889	\$0	(\$350,668)	\$0	\$175,334
313	\$20,265	\$0	\$0	\$0	\$0
314	(\$18,571)	(\$18,571)	(\$18,571)	\$18,571	\$9,285
315	\$224,486	\$0	(\$9,153)	\$0	\$4,577
316	\$147,748	\$0	\$0	\$0	\$0
317	\$62,239	\$0	\$0	\$0	\$0
318	(\$7,168)	(\$7,168)	(\$7,168)	\$7,168	\$3,584
319	(\$66,123)	(\$66,123)	(\$66,123)	\$66,123	\$33,062
320	\$22,132	\$0	\$0	\$0	\$0
321	\$47,338	\$0	\$0	\$0	\$0
322	\$12,123	\$0	\$0	\$0	\$0
323	\$99,388	\$0	(\$18,183)	\$0	\$9,091
324	\$24,672	\$0	\$0	\$0	\$0
325	(\$27,550)	(\$27,550)	(\$27,550)	\$27,550	\$13,775
326	\$0	\$0	\$0	\$0	\$0
327	\$1,374,563	\$0	(\$13,736)	\$0	\$6,868
328	\$47,775	\$0	\$0	\$0	\$0
329	\$14,625	\$0	\$0	\$0	\$0
330	\$74,580	\$0	\$0	\$0	\$0
331	\$120,960	\$0	\$0	\$0	\$0
332	\$969,026	\$0	\$0	\$0	\$0
333	\$74,580	\$0	\$0	\$0	\$0
334	\$25,213	\$0	\$0	\$0	\$0
335	\$75,580	\$0	\$0	\$0	\$0

# EXHIBIT 4

**EXHIBIT 4: CLASS 6A PRACTICE FUSION INVESTOR CLAIMS (ACTUAL DISTRIBUTION WILL VARY)**

Investor ID	Invested Investment	Gross Investment	Net Investment	Allowed Shares	Share of Tax Benefit	Deficiency	Investment Details	Tax Rate	
2	PRACTICE FUSION	\$84,184	\$82,500	37,500	\$20,723	(\$63,460)	Shares owned by estate	1,595,000	Federal 37%
4	PRACTICE FUSION	\$15,000	\$15,000	6,818	\$3,768	(\$11,232)	Total Allowed Shares	1,965,839	State Tax 8.84%
5	PRACTICE FUSION	\$50,000	\$46,000	11,500	\$6,355	(\$43,645)	2016 Oxis Share Valuation	\$1.60	State Tax Deduction -3.27%
5	PRACTICE FUSION	\$50,000	\$49,000	16,333	\$9,026	(\$40,974)			42.57%
8	PRACTICE FUSION	\$136,446	\$136,446	45,482	\$25,134	(\$111,312)	Date of Write Down	4/17/2019	
9	PRACTICE FUSION- SERIES X	\$41,843	\$41,843	19,020	\$10,511	(\$31,332)	Amount of Write Down	\$2,552,000	
14	PRACTICE FUSION	\$5,000	\$4,900	1,225	\$677	(\$4,323)	Write Down Per Share	\$1.60	
37	PRACTICE FUSION	\$25,000	\$24,063	10,938	\$6,045	(\$18,955)			
37	PRACTICE FUSION	\$10,000	\$9,400	4,273	\$2,361	(\$7,639)	<b>Value of Tax Benefit</b>	<b>\$1,086,366</b>	
37	PRACTICE FUSION	\$20,000	\$20,000	8,000	\$4,421	(\$15,579)	Total Gross Investment	\$4,903,247	
37	PRACTICE FUSION	\$30,000	\$30,000	10,000	\$5,526	(\$24,474)	Total Deficiency	(\$3,816,881)	
37	PRACTICE FUSION	\$80,000	\$77,000	35,000	\$19,342	(\$60,658)	Percent Distribution	22%	
37	PRACTICE FUSION	\$151,515	\$150,000	50,000	\$27,631	(\$123,884)			
37	PRACTICE FUSION- SERIES X	\$100,424	\$100,424	45,647	\$25,226	(\$75,198)			
43	PRACTICE FUSION	\$115,000	\$115,000	20,000	\$11,052	(\$103,948)			
43	PRACTICE FUSION	\$100,000	\$100,000	45,455	\$25,119	(\$74,881)			
43	PRACTICE FUSION- SERIES X	\$20,085	\$20,085	9,129	\$5,045	(\$15,040)			
46	PRACTICE FUSION	\$400,000	\$400,000	160,000	\$88,420	(\$311,580)			
47	PRACTICE FUSION	\$50,000	\$50,000	22,727	\$12,559	(\$37,441)			
51	PRACTICE FUSION	\$110,000	\$110,000	50,000	\$27,631	(\$82,369)			
51	PRACTICE FUSION- SERIES X	\$33,475	\$33,475	15,216	\$8,409	(\$25,066)			
54	PRACTICE FUSION	\$30,000	\$30,000	10,000	\$5,526	(\$24,474)			
66	PRACTICE FUSION	\$99,980	\$91,982	22,995	\$12,708	(\$87,272)			
67	PRACTICE FUSION	\$15,000	\$14,700	6,682	\$3,693	(\$11,307)			
73	PRACTICE FUSION- SERIES X	\$83,686	\$83,686	38,039	\$21,021	(\$62,665)			
75	PRACTICE FUSION	\$10,204	\$10,204	3,401	\$1,879	(\$8,325)			
77	PRACTICE FUSION	\$15,366	\$15,059	5,020	\$2,774	(\$12,592)			
81	PRACTICE FUSION	\$50,000	\$49,000	16,333	\$9,026	(\$40,974)			
81	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)			
89	PRACTICE FUSION	\$22,220	\$21,998	9,999	\$5,526	(\$16,694)			
91	PRACTICE FUSION- SERIES X	\$33,475	\$33,475	15,216	\$8,409	(\$25,066)			
93	PRACTICE FUSION	\$17,000	\$15,640	7,109	\$3,929	(\$13,071)			
103	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)			
107	PRACTICE FUSION- SERIES X	\$33,475	\$33,475	15,216	\$8,409	(\$25,066)			
114	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)			
116	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)			
124	PRACTICE FUSION	\$34,000	\$31,280	14,218	\$7,857	(\$26,143)			
131	PRACTICE FUSION	\$33,000	\$33,000	15,000	\$8,289	(\$24,711)			
146	PRACTICE FUSION- SERIES X	\$32,303	\$32,303	14,683	\$8,114	(\$24,189)			
147	PRACTICE FUSION	\$50,000	\$50,000	22,727	\$12,559	(\$37,441)			
157	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)			
159	PRACTICE FUSION- SERIES X	\$33,475	\$33,475	15,216	\$8,409	(\$25,066)			
165	PRACTICE FUSION	\$15,000	\$15,000	5,000	\$2,763	(\$12,237)			
169	PRACTICE FUSION	\$26,316	\$25,000	8,333	\$4,605	(\$21,711)			
170	PRACTICE FUSION	\$168,367	\$165,000	75,000	\$41,447	(\$126,921)			

170	PRACTICE FUSION- SERIES X	\$167,373	\$167,373	76,079	\$42,043	(\$125,330)
176	PRACTICE FUSION	\$15,000	\$15,000	5,000	\$2,763	(\$12,237)
184	PRACTICE FUSION	\$10,652	\$9,800	2,450	\$1,354	(\$9,298)
184	PRACTICE FUSION	\$43,696	\$40,200	10,050	\$5,554	(\$38,142)
189	PRACTICE FUSION	\$18,000	\$18,000	6,000	\$3,316	(\$14,684)
189	PRACTICE FUSION	\$38,000	\$38,000	20,000	\$11,052	(\$26,948)
189	PRACTICE FUSION	\$45,000	\$45,000	15,000	\$8,289	(\$36,711)
189	PRACTICE FUSION	\$99,000	\$99,000	33,000	\$18,237	(\$80,763)
189	PRACTICE FUSION	\$300,000	\$300,000	100,000	\$55,262	(\$244,738)
195	PRACTICE FUSION	\$28,600	\$28,028	12,740	\$7,040	(\$21,560)
203	PRACTICE FUSION	\$50,000	\$50,000	22,727	\$12,559	(\$37,441)
209	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)
221	PRACTICE FUSION- SERIES X	\$83,686	\$83,686	38,039	\$21,021	(\$62,665)
223	PRACTICE FUSION	\$10,000	\$9,800	3,267	\$1,805	(\$8,195)
223	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)
224	PRACTICE FUSION	\$10,000	\$9,800	4,455	\$2,462	(\$7,538)
224	PRACTICE FUSION- SERIES X	\$8,369	\$8,369	3,804	\$2,102	(\$6,266)
231	PRACTICE FUSION	\$10,000	\$9,800	4,455	\$2,462	(\$7,538)
231	PRACTICE FUSION- SERIES X	\$33,475	\$33,475	15,216	\$8,409	(\$25,066)
231	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)
231	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)
235	PRACTICE FUSION	\$50,000	\$49,000	22,273	\$12,309	(\$37,691)
235	PRACTICE FUSION- SERIES X	\$25,106	\$25,106	11,412	\$6,307	(\$18,799)
238	PRACTICE FUSION	\$25,000	\$24,500	8,167	\$4,513	(\$20,487)
243	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)
245	PRACTICE FUSION	\$26,000	\$24,960	11,345	\$6,269	(\$19,731)
251	PRACTICE FUSION	\$25,000	\$23,000	10,455	\$5,778	(\$19,222)
252	PRACTICE FUSION	\$25,000	\$23,000	10,455	\$5,778	(\$19,222)
274	PRACTICE FUSION	\$20,000	\$19,600	6,533	\$3,610	(\$16,390)
276	PRACTICE FUSION- SERIES X	\$5,021	\$5,021	2,282	\$1,261	(\$3,760)
283	PRACTICE FUSION	\$159,250	\$154,473	70,215	\$38,802	(\$120,448)
285	PRACTICE FUSION	\$48,700	\$44,804	20,365	\$11,254	(\$37,446)
299	PRACTICE FUSION	\$12,000	\$12,000	4,000	\$2,210	(\$9,790)
304	PRACTICE FUSION	\$100,000	\$98,000	44,545	\$24,617	(\$75,383)
304	PRACTICE FUSION	\$112,782	\$112,782	45,113	\$24,930	(\$87,852)
304	PRACTICE FUSION- SERIES X	\$41,843	\$41,843	19,020	\$10,511	(\$31,332)
308	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)
311	PRACTICE FUSION	\$50,000	\$46,000	20,909	\$11,555	(\$38,445)
311	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)
312	PRACTICE FUSION	\$150,000	\$147,000	66,818	\$36,925	(\$113,075)
312	PRACTICE FUSION- SERIES X	\$83,686	\$83,686	38,039	\$21,021	(\$62,665)
315	PRACTICE FUSION	\$74,977	\$73,477	33,399	\$18,457	(\$56,520)
315	PRACTICE FUSION- SERIES X	\$16,737	\$16,737	7,608	\$4,204	(\$12,533)
323	PRACTICE FUSION	\$30,000	\$29,400	9,800	\$5,416	(\$24,584)
323	PRACTICE FUSION- SERIES X	\$33,475	\$33,475	15,216	\$8,409	(\$25,066)
327	PRACTICE FUSION	\$150,527	\$143,001	65,000	\$35,920	(\$114,607)
327	PRACTICE FUSION- SERIES X	\$25,106	\$25,106	11,412	\$6,307	(\$18,799)
334	PRACTICE FUSION	\$10,500	\$10,290	3,430	\$1,895	(\$8,605)
	<b>Totals</b>	<b>\$4,903,247</b>	<b>\$4,831,850</b>	<b>1,965,839</b>	<b>\$1,086,366</b>	<b>(\$3,816,881)</b>

# EXHIBIT 5

## EXHIBIT 5: CLASS 6B CANDI CONTROLS INVESTOR CLAIMS (ACTUAL DISTRIBUTION WILL VARY)

**[NOT YET VALIDATED BY SEC]**

Investor ID	Invested Investment	Gross Investment	Net Investment	Allowed Shares	Share of Tax Benefit	Deficiency
37	CANDI CONTROLS	\$40,000	\$40,000	16,000	\$12,872.93	(\$27,127.07)
43	CANDI CONTROLS	\$60,000	\$60,000	24,000	\$19,309.39	(\$40,690.61)
46	CANDI CONTROLS	\$1,100,000	\$1,012,000	1,212,862	\$975,817.71	(\$124,182.29)
51	CANDI CONTROLS	\$100,000	\$92,000	110,193	\$88,656.65	(\$11,343.35)
51	CANDI CONTROLS	\$100,000	\$92,000	110,193	\$88,656.65	(\$11,343.35)
77	CANDI CONTROLS	\$25,000	\$25,000	10,000	\$8,045.58	(\$16,954.42)
80	CANDI CONTROLS	\$50,000	\$50,000	60,241	\$48,467.37	(\$1,532.63)
81	CANDI CONTROLS	\$25,000	\$25,000	10,000	\$8,045.58	(\$16,954.42)
105	CANDI CONTROLS	\$50,000	\$46,000	55,130	\$44,355.28	(\$5,644.72)
146	CANDI CONTROLS	\$50,000	\$50,000	59,887	\$48,182.56	(\$1,817.44)
174	CANDI CONTROLS	\$40,000	\$40,000	16,000	\$12,872.93	(\$27,127.07)
174	CANDI CONTROLS	\$45,000	\$45,000	18,000	\$14,482.04	(\$30,517.96)
218	CANDI CONTROLS	\$50,000	\$50,000	20,000	\$16,091.16	(\$33,908.84)
223	CANDI CONTROLS	\$25,000	\$25,000	10,000	\$8,045.58	(\$16,954.42)
231	CANDI CONTROLS	\$10,000	\$10,000	4,000	\$3,218.23	(\$6,781.77)
261	CANDI CONTROLS	\$100,000	\$92,000	36,800	\$29,607.73	(\$70,392.27)
274	CANDI CONTROLS	\$20,000	\$20,000	8,000	\$6,436.46	(\$13,563.54)
277	CANDI CONTROLS	\$50,000	\$50,000	20,000	\$16,091.16	(\$33,908.84)
311	CANDI CONTROLS	\$50,000	\$50,000	60,241	\$48,467.37	(\$1,532.63)
315	CANDI CONTROLS	\$29,984	\$29,984	11,993	\$9,649.06	(\$20,334.94)
323	CANDI CONTROLS	\$30,000	\$30,000	36,145	\$29,080.75	(\$919.25)
327	CANDI CONTROLS	\$225,000	\$225,000	90,000	\$72,410.21	(\$152,589.79)
	<b>TOTALS</b>	\$2,274,984	\$2,158,984	1,999,685	\$1,608,862.38	(\$666,121.62)

**Investment Details**

Shares owned by estate	2,267,492
Total Allowed Shares	1,999,685
2016 Oxis Share Valuation	\$1.89
Date of Write Down	5/3/2018
Amount of Write Down	\$4,285,560
Write Down Per Share	\$1.89
<b>Value of Tax Benefit</b>	<b>\$1,824,328.61</b>
Total Gross Investment	\$2,274,984.00
Total Tax Benefit for Investors	\$1,608,862.38
Total Deficiency	(\$666,121.62)
Percent Distribution	71%
Excess Shares	267,807
Excess Tax Benefit for Plan Fund	\$215,466.23

**Tax Rate**

Federal	37%
State Tax	8.84%
State Tax Deduction	-3.27%
	<u>42.57%</u>

# EXHIBIT 6

**Exhibit 6: SRA Plan Fund Projections**

<b>Balance on 5/31/2023</b> (including Evernote costs (\$2,838.35))	<b>\$4,484,276.03</b>
<b>Contribution from Candi Controls</b>	<b>\$215,466.23</b>
Contribution from Lookout	\$0.00
Contribution from ZocDoc	\$0.00
Contribution from Addepar	\$0.00
Tax Benefit from NOLs	\$749,055.25
<b>Subtotal -- Contributions</b>	<b>\$5,448,797.51</b>
Class 3 Remaining Payments	\$1,930,438.28
Class 1 Admin Claims (Projected)	\$473,927.63
Class 1 Holdbacks to Pay	\$276,072.37
<b>Subtotal - Senior Claims</b>	<b>\$2,680,438.28</b>
<b>Remainder for Class 5 Claims</b>	<b>\$2,768,359.23</b>
Progresso Ventures	\$552,936.43
Kenneth Lacey	\$500,000.00
Alexander Pisemski	\$500,000.00
Carsten Klein	\$100,000.00
Projected Investor Deficiency Claims (using Option 1)	\$1,020,291.00
<b>Total Class 5 Claims</b>	<b>\$2,673,227.43</b>
<b>Percentage Distribution - Class 5</b>	<b>100%</b>
Estimated Surplus in Plan Fund	\$95,131.80
Anne Bivona Funds	\$539,797.80
<b>Total Potential Surplus</b>	<b>\$634,929.60</b>
<b>Alternate Analysis -- Deficiency Calculated by Disregarding Gains</b>	
Class 5 Non-Investor Claims	\$1,652,936.43
Investor Deficiency Claims	\$3,655,552.00
<b>Total Class 5 Claims</b>	<b>\$5,308,488.43</b>
Plan Fund Remainder	\$2,768,359.23
Anne Bivona Funds	\$0.00
<b>Total for Class 5 Claims</b>	<b>\$2,768,359.23</b>
<b>Percentage Distribution - <i>pro rata</i></b>	<b>52%</b>
<b>Deficiency Claims Subordinated:</b>	
<b>Class 5 Non-Investor Claims</b>	\$1,652,936.43
<b>Distribution Percentage</b>	100%
<b>Remainder for Deficiency Claims</b>	\$1,115,422.80
<b>Distribution Percentage</b>	31%

# EXHIBIT 7

Exhibit 7: Evernote Claim Analysis

Total Evernote Reserve:	\$393,290.75
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Investor ID	Gross Investment	30% Gross Investment	Allowed Shares	Failed Investment+ - Distribute Reserve <i>pro rata</i>				Successful Investment - Plan Fund Contribution Plus 100% Deficiency Claim						
				Distribution	Deficiency Claim	Value Per Share Received	% Distribution of Gross Inv	Distribution	Deficiency (Evernote)	Investor's Other Gain/Loss	100% Net Deficiency Distribution	Total Distribution	Value Per Allowed Share Received	% Distribution of Gross Inv
2	\$200,000.00	\$60,000.00	14,154	\$63,052.32	\$0.00	\$4.45	32%	\$6,300.81	(\$193,699.19)	\$142,388.70	\$51,310.49	\$57,611.30	\$4.07	29%
37	\$76,087.00	\$22,826.10	5,000	\$22,273.67	\$0.00	\$4.45	29%	\$2,225.80	(\$73,861.20)	\$690,271.96	\$0.00	\$2,225.80	\$0.45	3%
51	\$195,000.00	\$58,500.00	15,000	\$66,821.02	\$0.00	\$4.45	34%	\$6,677.42	(\$188,322.58)	\$711,338.59	\$0.00	\$6,677.42	\$0.45	3%
90	\$26,000.00	\$7,800.00	2,000	\$8,909.47	\$0.00	\$4.45	34%	\$890.32	(\$25,109.68)	\$0.00	\$25,109.68	\$26,000.00	\$13.00	100%
136	\$32,500.00	\$9,750.00	2,500	\$11,136.83	\$0.00	\$4.45	34%	\$1,112.90	(\$31,387.10)	\$64,997.53	\$0.00	\$1,112.90	\$0.45	3%
138	\$25,404.00	\$7,621.20	1,558	\$6,940.47	\$0.00	\$4.45	27%	\$693.56	(\$24,710.44)	\$144,362.70	\$0.00	\$693.56	\$0.45	3%
143	\$52,000.00	\$15,600.00	4,000	\$17,818.94	\$0.00	\$4.45	34%	\$1,780.64	(\$50,219.36)	\$0.00	\$50,219.36	\$52,000.00	\$13.00	100%
177	\$400,000.00	\$120,000.00	30,769	\$137,067.74	\$0.00	\$4.45	34%	\$13,697.18	(\$386,302.82)	\$1,694,980.68	\$0.00	\$13,697.18	\$0.45	3%
258	\$13,000.00	\$3,900.00	1,000	\$4,454.73	\$0.00	\$4.45	34%	\$445.16	(\$12,554.84)	(\$16,978.26)	\$12,554.84	\$13,000.00	\$13.00	100%
263	\$10,000.00	\$3,000.00	769	\$3,425.69	\$0.00	\$4.45	34%	\$342.32	(\$9,657.68)	\$3,845.68	\$5,812.00	\$6,154.32	\$8.00	62%
312	\$149,973.00	\$44,991.90	11,536	\$51,389.82	\$0.00	\$4.45	34%	\$5,135.38	(\$144,837.62)	\$4,593,888.62	\$0.00	\$5,135.38	\$0.45	3%
<b>Total</b>	<b>\$1,179,964.00</b>	<b>\$353,989.20</b>	<b>88,286</b>	<b>\$393,290.70</b>	<b>\$0.00</b>		<b>33%</b>	<b>\$39,301.49</b>	<b>(\$1,140,662.51)</b>	<b>\$8,029,096.19</b>	<b>\$145,006.37</b>	<b>\$184,307.86</b>		<b>16%</b>
		<i>Plan Fund Contribution</i>									<i>Use of Plan Fund Contribution for Evernote Claimants</i>			