

1 **RAINES FELDMAN LLP**  
KATHY BAZOIAN PHELPS (SBN 155564)  
2 *kphelps@raineslaw.com*  
1800 Avenue of the Stars, 12th Floor  
3 Los Angeles, California 90067  
4 Telephone: (310) 440-4100

5 *Successor Receiver*

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

9  
10 SECURITIES AND EXCHANGE  
COMMISSION,

11 Plaintiff,

12 v.

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

16 Defendants, and

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

21 Relief Defendants.  
22  
23  
24  
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Case No. 3:16-cv-01386-EMC

**DECLARATION OF KATHY BAZOIAN  
PHELPS IN SUPPORT OF  
ADMINISTRATIVE MOTION BY  
RECEIVER KATHY BAZOIAN PHELPS  
PURSUANT TO LOCAL CIVIL RULE 7-11  
FOR ORDER APPROVING  
SUBSTITUTION OF COUNSEL AND  
EMPLOYMENT OF RAINES FELDMAN  
LLP**

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

1 I, Kathy Bazoian Phelps, declare:

2 1. I am the Receiver appointed by this Court for SRA Management Associates, LLC,  
3 SRA I LLC, SRA II LLC, SRA III, LLC, Clear Sailing Group IV LLC, Clear Sailing Group V LLC,  
4 NYPA Fund I LLC, NYPA II Fund II LLC, NYPA Management Associates LLC, Felix Multi-  
5 Opportunity Funds I and II, LLC, and FMOF Management Associates, LLC (collectively,  
6 “Receivership Entities”), pursuant to the Revised Order Appointing Receiver entered on February  
7 28, 2019 (“Receiver Order”).

8 2. I submit this Declaration in support of the Motion of Receiver, Kathy Bazoian  
9 Phelps, for Administrative Relief for Order Approving Substitution of Counsel and Employment  
10 of Raines Feldman LLP (the “Motion”).

11 3. I have personal knowledge of the facts set forth in this Declaration, and, if called to  
12 testify, could testify competently thereto.

13 4. Prior to filing this Administrative Motion, I conferred with counsel for the Securities  
14 and Exchange Commission in accordance with Local Rule 7-11. They both advised me that they  
15 do not oppose the Motion.

16 5. I seek to substitute out Diamond McCarthy LLP as my counsel of record and to  
17 employ the law firm of Raines Feldman LLP as my general counsel. I have recently changed law  
18 firms and am a partner in the firm of Raines Feldman. A true and correct copy of the Substitution  
19 of Counsel form signed by both firms is attached hereto as Exhibit “1.”

20 6. In my reasonable business judgment, I have determined that, in order to perform my  
21 duties and obligations as defined by this Court’s Receiver Order, I continue to require the assistance  
22 of counsel. I therefore request that the Court approve the employment and compensation of Raines  
23 Feldman, LLP (“Raines Feldman” or the “Firm”) as my general counsel, effective as of April 23,  
24 2021.

25 7. I will continue to need the assistance of counsel to aid in the implementation of the  
26 distribution plan in this case. I will need to administer the pre-IPO shares as well as the  
27 administrative stock reserves held in other securities. I will need to make further distributions which  
28 will require the assistance of counsel to address any legal issues that arise in the implementation of

1 the Plan and any complexities that may arise with administering the securities or making  
2 distributions.

3 8. For these reasons, and to assist me with other legal issues that may arise in the  
4 administration of the receivership estate, I have determined that I continue to require counsel in  
5 order to assist with my implementation of the distribution plan. David Castleman has been the  
6 lawyer primarily responsible for assisting me as counsel, and he too has changed firms and joined  
7 Raines Feldman. I therefore believe that Raines Feldman's employment is appropriate and in the  
8 best interests of the receivership for several reasons. Mr. Castleman is not only well-qualified to  
9 serve as my counsel, but he is also extremely knowledgeable about the facts of this case. This  
10 change in counsel will therefore not cost the estate anything extra as there is no risk of additional  
11 legal fees to learn about the case and no risk of duplication. Rains Feldman is able to act  
12 immediately without waiting until its employment is confirmed, understanding and assuming the  
13 attendant risks. Other counsel would have had to expend time to familiarize themselves with the  
14 facts in this case.

15 9. I therefore seek the Court's approval for my employment of Raines Feldman as my  
16 general counsel to advise me and represent me with regard to the implementation of the Plan and  
17 related matters including those noted above.

18 10. Raines Feldman has agreed to discount its regular hourly rates in this matter and will  
19 charge a maximum hourly rate for legal services of \$460.00 per hour. I anticipate primary legal  
20 services will be provided by David Castleman, a partner whose regular hourly rate is \$625.00 and  
21 will be discounted to \$460 per hour, and Bambi Clark, a paralegal whose regular rate is \$345 and  
22 will be discounted to \$276 per hour. Hourly rates for other partners or associates at the firm who  
23 may perform work on the matter will be discounted by 20% and their hourly rates will be capped  
24 at \$460. A copy of the Firm's regular rates are attached to the Declaration of David Castleman as  
25 Exhibit "2." The rate for administrative services has been increased from \$130 per hour to \$145 per  
26 hour. I have conferred with the SEC regarding these rates, which have been adjusted since my  
27 appointment in February 2019 by less than 5% per year, and the SEC does not object to these rate  
28 adjustments.



# EXHIBIT 1

UNITED STATES DISTRICT COURT

Northern District of California

SECURITIES AND EXCHANGE COMMISSION

CONSENT ORDER GRANTING SUBSTITUTION OF ATTORNEY

Plaintiff (s),

V.

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

CASE NUMBER: 3:16-cv-01386-EMC

Defendant (s),

Notice is hereby given that, subject to approval by the court, Kathy Bazoian Phelps, Receiver substitutes (Party (s) Name)

Raines Feldman LLP, State Bar No. N/A as counsel of record in (Name of New Attorney)

place of Diamond McCarthy LLP. (Name of Attorney (s) Withdrawing Appearance)

Contact information for new counsel is as follows:

Firm Name: Raines Feldman LLP
Address: 1800 Avenue of the Stars, 12th Floor, Los Angeles, California 90067
Telephone: 310-440-4100 Facsimile 310-691-1367
E-Mail (Optional): kphelps@raineslaw.com

I consent to the above substitution.

Date: April 29, 2021

[Signature] (Signature of Party (s))

I consent to being substituted.

Date: April 21, 2021

[Signature] (Signature of Former Attorney (s))

I consent to the above substitution.

Date: April, 2021

(Signature of New Attorney)

The substitution of attorney is hereby approved and so ORDERED.

Date:

Judge
Honorable Edward M. Chen

[Note: A separate consent order of substitution must be filed by each new attorney wishing to enter an appearance.]

UNITED STATES DISTRICT COURT

Northern District of California

SECURITIES AND EXCHANGE COMMISSION

CONSENT ORDER GRANTING SUBSTITUTION OF ATTORNEY

Plaintiff (s),

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

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Notice is hereby given that, subject to approval by the court, Kathy Bazoian Phelps, Receiver substitutes (Party (s) Name)

Raines Feldman LLP, State Bar No. N/A as counsel of record in (Name of New Attorney)

place of Diamond McCarthy LLP. (Name of Attorney (s) Withdrawing Appearance)

Contact information for new counsel is as follows:

Firm Name: Raines Feldman LLP
Address: 1800 Avenue of the Stars, 12th Floor, Los Angeles, California 90067
Telephone: 310-440-4100 Facsimile 310-691-1367
E-Mail (Optional): kphelps@raineslaw.com

I consent to the above substitution.

Date: April 21, 2021

(Signature of Party (s))

I consent to being substituted.

Date: April 21, 2021

(Signature of Former Attorney (s))

I consent to the above substitution.

Date: April, 2021

(Signature of New Attorney)

David Castleman

The substitution of attorney is hereby approved and so ORDERED.

Date:

Judge
Honorable Edward M. Chen

[Note: A separate consent order of substitution must be filed by each new attorney wishing to enter an appearance.]