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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 Plaintiffs,

14 v.

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

17 Defendants, and

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

21 Relief Defendants.

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

**TWENTIETH 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 LITTRELL LLP
FROM OCTOBER 1, 2023 THROUGH
DECEMBER 31, 2023, AND MILLER
KAPLAN ARASE LLP FROM
JANUARY 1, 2023 THROUGH
DECEMBER 31, 2023**

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

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

10 **I. RELIEF REQUESTED**

11 The Receiver seeks approval of compensation and reimbursement of expenses for
12 herself and her professionals for the period of October 1, 2023 through December 31, 2023
13 (“Motion Period”)² in the following amounts:

14 Receiver: Fees \$15,763.50.³

15 Raines Feldman Littrell LLP (“Raines Feldman”): Fees \$15,800.40.

16 Miller Kaplan Arase LLP (“Miller Kaplan”): Fees \$9,030.40 and Costs \$50.00.

17 This Motion is supported by the Declarations of the Receiver and Nicholas Sanchez of
18 Miller Kaplan.

19
20
21 ¹ The Notice of Motion, the Motion, and supporting documents will be served on all
22 interested parties pursuant to Civil Local Rule 66-6 and will be posted on the Receivership
23 website at <https://www.raineslaw.com/saddle-river-receiver/>. The Receiver has conferred
24 with counsel for the Securities and Exchange Commission and the Investor Advisory
25 Committee, who each do not oppose the Motion, and with counsel for Progresso Ventures
26 LLC who does not express any comment or opposition in response. A stipulation with all
27 parties was deemed impractical given, among other things, the entry of judgment against the
28 defendants and pending bankruptcy of defendant John Bivona. L.R. 7-11(1)(a).

² The Motion Period for Miller Kaplan Arase LLP is January 1, 2023 through December 31,
2023; the firm did not submit an invoice for approval of fees in the Receiver’s Seventeenth,
Eighteenth, or Nineteenth Motions for Fees and Expenses. See Dkt. Nos. 701, 709, 720.

³ The Receiver has agreed to a holdback of 20% of this amount (\$3,152.70) and therefore
requests authority to pay \$12,610.80.

1 **II. CASE STATUS**

2 The Court approved the Receiver's Plan of Distribution ("Plan") on May 25, 2020
3 (Dkt. No. 613). The estate has now either distributed or sold all of its publicly traded
4 securities.

5 In the fourth quarter 2023, the Receiver continued to evaluate options for disposition of
6 the remaining three pre-IPO securities and will continue to do so throughout 2024.

7 The Receiver filed a motion to modify the Plan (Dkt. No. 704) on July 27, 2023
8 ("Motion to Modify the Plan") and has worked with the Investor Advisory Committee, the
9 SEC, and Joshua Cilano to address certain issues in connection with the Plan. Cilano filed an
10 objection to the Receiver's Motion to Modify the Plan (Dkt. No. 713) on September 28, 2023,
11 and the Receiver responded on October 11, 2023 (Dkt. No. 714). A hearing on the Receiver's
12 Motion to Modify the Plan took place on October 25, 2023. On October 31, 2023, the Court
13 granted the Receiver's Motion to Modify the Plan in its entirety (Dkt. No. 716) ("Plan
14 Modification Order").

15 Pursuant to the Plan Modification Order, the Receiver created separate Class 4
16 Reserves for each of Airbnb Inc.; Bloom Energy Corp.; Cloudera, Inc.; Dropbox, Inc.; Lyft,
17 Inc.; MongoDB, Inc.; Palantir, Inc.; Pinterest, Inc.; Snap, Inc.; Uber, Inc.; and Evernote
18 Corporation as set forth in the Motion to Modify the Plan, and opened or used any existing
19 segregated accounts or subaccounts to hold such Class 4 Reserves. The Receiver also
20 created a Class 6A Practice Fusion Reserve and a Class 6B Candi Controls Reserve and
21 opened segregated accounts to hold such Class 6A and 6B Reserves.

22 Pursuant to the Plan Modification Order, the Receiver made the transfers among the
23 estate's accounts and subaccounts as set forth in Exhibit 2 to the Receiver's Declaration in
24 support of the Motion to Modify the Plan (Dkt. No. 704-1).⁴

25 _____
26 ⁴ Despite careful instructions to the bank, the MongoDB Administrative Reserve transfer was
27 not made correctly. As set forth in Exhibit 2 to the Receiver's Declaration in support of the
28 Motion to Modify the Plan (Dkt. No. 704-1), \$252,937.68 was to be transferred from the
MongoDB Administrative Reserve account to the Tax Holding Account. The bank, however,
transferred the amount from the Tax Holding Account to the MongoDB Administrative

1 The Receiver and her advisers filed a tax return for 2022 last quarter and the Receiver
2 paid estimated taxes for 2023. In fourth quarter 2023, the Receiver paid \$275,000.00 in tax
3 payments to the IRS and \$25,000.00 to the California Franchise Tax Board.

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

5 As of December 31, 2023, the receivership estate has cash on hand as follows:

6 Anne Bivona Funds	\$552,651.71
7 Plan Fund Account	\$4,698,993.86
8 Tax Holding Account	\$22,640.74
9 Palantir Administrative Reserve	\$13,930,496.02
10 MongoDB Administrative Reserve	\$674,965.79
11 Airbnb Administrative Reserve	\$123,507.04
12 Evernote Reserve	\$397,358.71
13 Bloom Energy Reserve	\$688,451.30
14 Cloudera Reserve	\$128,852.08
15 Dropbox Reserve	\$113,560.13
16 Lyft Reserve	\$69,293.38
17 Pinterest Reserve	\$3,470.39
18 Snap Reserve	\$274,693.04
19 Candi Controls Reserve	\$1,618,155.87
20 Practice Fusion Reserve	\$1,092,620.32
21	
22 Total Cash on Hand	\$24,389,710.38

23 There are known accrued and unpaid expenses of \$40,644.30 through December 31,
24 2023 for fourth quarter fees, and holdbacks of \$283,512.37. Attached to the Declaration of the
25 Receiver as Exhibit "1" is a financial summary showing the cash status of the estate as of
26 December 31, 2023. Funds in the amount of \$35,697.60 representing third quarter 2023 fees
27 were disbursed during this period. The Standardized Fund Accounting Report required by the
28 SEC for the fourth quarter 2023 is attached to the Receiver's Declaration as Exhibit "2."

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

25 Fees and expenses have previously been granted as set forth in Exhibit "3" to the
26 Receiver's Declaration. As of December 31, 2023, there are outstanding fee holdbacks from

27 _____
28 Reserve account. This error has been corrected and will be reflected in the reporting for the
first quarter 2024.

1 the prior fee applications for \$283,512.37 as follows: (i) Sherwood Partners, the former
 2 receiver, in the amount of \$144,627.50; (ii) the Receiver in the amount of \$108,980.07 when
 3 she was employed by Diamond McCarthy LLP; and (iii) the Receiver in the amount of
 4 \$29,904.80 for her employment at Raines Feldman.

5 **V. THE RECEIVER’S FEE REQUEST**

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

Category	Hours	Fees
Case Administration (B110)	30.50	\$14,182.50
Asset Analysis and Recovery (B120)	3.40	\$1,581.00
TOTAL	33.90	\$15,763.50

19 During the Motion Period, the Receiver coordinated with the SEC and with her
 20 advisers and tax counsel in managing the estate and tax payments, communicated with
 21 investors, analyzed the disposition of the estate’s pre-IPO shares of ZocDoc, Inc., Lookout,
 22 Inc., and Addepar, Inc. and met with the Investor Advisory Committee (“IAC”), analyzed
 23 claims data and documents related to the Cilano Claim, responded to Cilano’s opposition to
 24 the Motion to Modify the Plan, attended the hearing on the Motion to Modify the
 25 Distribution Plan, prepared instructions for bank to transfer funds in compliance with the
 26 Order granting the Motion to Modify the Plan (Dkt. No. 716), and attended the hearing on
 27 Cilano’s claim on December 4, 2023.

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

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

8 Category	Hours	Fees
9 Case Administration (B110)	31.50	\$12,474.00
10 Asset Disposition (B130)	4.60	\$1,821.60
11 Plan Implementation (B320)	3.80	\$1,504.80
12 TOTAL	39.90	\$15,800.40

13 During the Motion Period, Raines Feldman assisted the Receiver in drafting the status
14 report, preparing charts of failed investor claims for the receivership website, preparing
15 spreadsheet of proposed transfers based on Exhibit 2 to the Phelps Declaration in support of
16 the Motion to Modify the Plan (Dkt. No. 704-1), analyzing and researching deficiency claims
17 issues, researching receivership tax issues, preparing talking points for the Receiver for the
18 virtual conference with the IAC on the pre-IPO securities and attending conference, and
19 searching for documents related to the Cilano Claim pursuant to the Court's minute order (Dkt.
20 No. 726).

21
22 **WHEREFORE**, the Receiver seeks entry of an order granting this Motion in all
23 respects.

24 Dated: February 16, 2024

RAINES FELDMAN LITRELL LLP

26 By: /s/ Kathy Bazoian Phelps

Kathy Bazoian Phelps

27 *Successor Receiver*