

1 **RAINES FELDMAN LITTRELL LLP**
Kathy Bazoian Phelps (State Bar No. 155564)
2 *kphelps@raineslaw.com*
1900 Avenue of the Stars, Suite 1900
3 Los Angeles, California 90067
Telephone: (310) 440-4100
4 Facsimile: (310) 691-1943

5 *Successor Receiver*

6
7
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
20 J. MAZZOLA; ANNE BIVONA; CLEAR
SAILING GROUP IV LLC; CLEAR
SAILING GROUP V LLC,

21 Relief Defendants.

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

**TWENTY-FIRST INTERIM
ADMINISTRATIVE MOTION FOR AN
ORDER PURSUANT TO LOCAL
RULE 7-11 FOR THE APPROVAL OF
FEES AND EXPENSES FOR THE
SUCCESSOR RECEIVER, RAINES
FELDMAN LITTRELL LLP, AND
MILLER KAPLAN ARASE LLP FROM
JANUARY 1, 2024 THROUGH MARCH
31, 2024**

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, Raines Feldman Littrell LLP, and Miller Kaplan
8 Arase LLP for the period of January 1, 2024 through March 31, 2024 (the “Motion”).¹

9 **I. RELIEF REQUESTED**

10 The Receiver seeks approval of compensation and reimbursement of expenses for
11 herself and her professionals for the period of January 1, 2024 through March 31, 2024
12 (“Motion Period”) in the following amounts:

13 Receiver: Fees \$15,298.50.²

14 Raines Feldman Littrell LLP (“Raines Feldman”): Fees \$19,602.00.

15 Miller Kaplan Arase LLP (“Miller Kaplan”): Fees \$1,668.00 and Costs \$50.00.

16 Additionally, Miller Kaplan submitted its invoice for the period October 1, 2023
17 through December 31, 2023 (No. 700062) in the last fee application, which was approved
18 (Dkt. No. 738), however, the fees from this invoice totaling \$762.80 were inadvertently left
19 out of the total requested fees. *See* Dkt. No. 737-2. Miller Kaplan therefore resubmits the
20 invoice (No. 700062) with this fee application. The total fees requested for Miller Kaplan with
21 this fee application are \$2,430.80 and costs of \$50.00.

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

² The Receiver has agreed to a holdback of 20% of this amount (\$3,059.70) and therefore
requests authority to pay \$12,238.80.

1 This Motion is supported by the Declarations of the Receiver and Nicholas Sanchez of
2 Miller Kaplan.

3 **II. CASE STATUS**

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

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

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

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

24 Pursuant to the Plan Modification Order, the Receiver made the transfers among the
25 estate’s accounts and subaccounts as set forth in Exhibit 2 to the Receiver’s Declaration in
26

27

28

1 support of the Motion to Modify the Plan (Dkt. No. 704-1).³

2 The Receiver and her advisers filed a tax return for 2022 in third quarter 2023, and
3 the Receiver paid estimated taxes for 2023. In fourth quarter 2023, the Receiver paid
4 \$275,000.00 in tax payments to the IRS and \$25,000.00 to the California Franchise Tax
5 Board.

6 III. CASH ON HAND AND ACCRUED EXPENSES

7 As of March 31, 2024, the receivership estate has cash on hand as follows:

8 Anne Bivona Funds	\$558,807.68
9 Plan Fund Account	\$4,714,389.01
10 Tax Holding Account	\$536,777.20
11 Palantir Administrative Reserve	\$14,087,575.07
12 MongoDB Administrative Reserve	\$168,645.45
13 Airbnb Administrative Reserve	\$124,821.64
14 Evernote Reserve	\$401,762.69
15 Bloom Energy Reserve	\$696,033.59
16 Cloudera Reserve	\$130,121.21
17 Dropbox Reserve	\$114,656.80
18 Lyft Reserve	\$69,890.65
19 Pinterest Reserve	\$3,468.50
20 Snap Reserve	\$277,607.47
21 Candi Controls Reserve	\$1,636,226.62
22 Practice Fusion Reserve	\$1,104,762.27
23	
24 Total Cash on Hand	\$24,625,545.85

25 There are known accrued and unpaid expenses of \$37,381.30 through March 31, 2024
26 for first quarter fees, and holdbacks of \$286,665.07. Attached to the Declaration of the
27 Receiver as Exhibit "1" is a financial summary showing the cash status of the estate as of
28 March 31, 2024. Funds in the amount of \$37,491.60 representing fourth quarter 2024 fees

³ Despite careful instructions to the bank, the MongoDB Administrative Reserve transfer was not made correctly. As set forth in Exhibit 2 to the Receiver's Declaration in support of the 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 Reserve account. This error was corrected in January 2024.

1 were disbursed during this period. The Standardized Fund Accounting Report required by the
2 SEC for the first quarter 2024 is attached to the Receiver's Declaration as Exhibit "2."

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

4 Fees and expenses have previously been granted as set forth in Exhibit "3" to the
5 Receiver's Declaration. As of March 31, 2024, there are outstanding fee holdbacks from the
6 prior fee applications for \$286,665.07 as follows: (i) Sherwood Partners, the former receiver,
7 in the amount of \$144,627.50; (ii) the Receiver in the amount of \$108,980.07 when she was
8 employed by Diamond McCarthy LLP; and (iii) the Receiver in the amount of \$33,057.50 for
9 her employment at Raines Feldman.

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

11 As detailed in the Declaration of the Receiver, pursuant to the Receiver's proposal for
12 her appointment, and in recognition of the efficiencies and benefits to the estate, the Receiver
13 has established separate billing categories for services provided. For services provided with
14 respect to legal issues, the Receiver has discounted her hourly rate of \$760.00 to \$465.00,
15 thereby generating significant savings to the estate. The Receiver has agreed to charge
16 \$160.00 per hour for herself and her assistants for administrative services. The billing
17 statements itemizing the services provided and expenses incurred are contained in Exhibit
18 "4" attached to the Declaration of the Receiver. The Receiver performed services for each
19 category as follows:

20 Category	Hours	Fees
21 Case Administration (B110)	32.90	\$15,298.50
22 TOTAL	32.90	\$15,298.50

23 During the Motion Period, the Receiver coordinated with the SEC and with her
24 advisers and tax counsel in managing the estate and tax payments, communicated with
25 investors, analyzed claims data and documents related to the Cilano Claim, responded to
26 Cilano's supplemental briefing, drafted joint status report regarding Cilano Claim, prepared
27 instructions for bank to correct a transfer, attended the hearing on Cilano's claim on February

15, 2024, and conducted research on quantum meruit claim of Cilano.

2 VI. RAINES FELDMAN'S FEE REQUEST

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

9 Category	Hours	Fees
10 Case Administration (B110)	49.50	\$19,602.00
11 TOTAL	49.50	\$19,602.00

12 During the Motion Period, Raines Feldman assisted the Receiver in drafting the
13 fourth quarter 2023 status report and preparing the affiliated cash disbursement schedules and
14 the Standard Fund Accounting Report for the SEC, reviewing the Cilano supplemental
15 briefing and the documents produced by Alexander Capital, conducting research on quantum
16 meruit claim of Cilano, and communicating with investors.

17 VII. MILLER KAPLAN'S FEE REQUEST

18 As detailed in the Declaration of Nicholas Sanchez and the billing statement attached
19 as Exhibit "6" to his Declaration, Miller Kaplan has incurred fees in the amount of \$1,668.00
20 and expenses in the amount of \$50.00 during the Motion Period in connection with providing
21 tax services to the Receiver.

22 Additionally, Miller Kaplan submitted its invoice for the period October 1, 2023
23 through December 31, 2023 (No. 700062) in the last fee application, which was approved
24 (Dkt. No. 738), however, the fees from this invoice totaling \$762.80 were inadvertently left
25 out of the total requested fees. *See* Dkt. No. 737-2. Miller Kaplan therefore resubmits the
26 invoice (No. 700062) with this fee application as Exhibit "7" to the Sanchez Declaration. The
27

1 total fees requested for Miller Kaplan with this fee application are \$2,430.80 and costs of
2 \$50.00.

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

5 Dated: June 18, 2024

RAINES FELDMAN LITTRELL LLP

6

By: /s/ Kathy Bazoian Phelps

7

Kathy Bazoian Phelps

8

Successor Receiver

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28