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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
ADVISORS, LLC; SRA MANAGEMENT
16 ASSOCIATES, LLC; FRANK GREGORY
MAZZOLA,

17 Defendants, and

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

21 Relief Defendants.

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

**DECLARATION OF KATHY
BAZOIAN PHELPS IN SUPPORT OF
ADMINISTRATIVE MOTION FOR
ORDER PURSUANT TO LOCAL
RULE 7-11 TO SHORTEN TIME FOR
NOTICE ON MOTION FOR AN
ORDER AUTHORIZING: (1)
EMPLOYMENT OF BROKER; (2)
SALE PURSUANT TO 28 U.S.C. § 2004
OF SHARES OF ADDEPAR, INC.; AND
(3) MODIFICATION OF THE
DISTRIBUTION PLAN**

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

1 I, Kathy Bazoian Phelps, declare:

2 1. Pursuant to this Court’s Revised Order Appointing Receiver, entered on
3 February 28, 2019, I was appointed as the successor receiver (“Receiver”) in this case. I am
4 also an attorney duly licensed to practice in the State of California and am partner at the firm
5 of Raines Feldman Littrell LLP (“Raines Feldman”). I have personal knowledge of the
6 matters set forth below and if called as a witness, I would and could testify competently to
7 the matters stated herein.

8 2. This declaration is made in support of the Administrative Motion
9 (“Administrative Motion”) under Local Civil Rule 7-11 for Order to Shorten Time for
10 Hearing on Motion for an Order Authorizing: (1) Employment of Broker; (2) Sale Pursuant
11 to 28 U.S.C. § 2004 of Shares of Addepar, Inc.; and (3) Modification of the Distribution Plan
12 (the “Addepar Motion”).

13 3. I have consulted with counsel for the Securities and Exchange Commission
14 (the “SEC”), who does not oppose the Motion. A stipulation with all parties was deemed
15 impractical given, among other things, the entry of judgment against defendants and pending
16 bankruptcy of defendant John Bivona.

17 4. I have identified two buyers on the secondary market for the pre-IPO shares of
18 Addepar, Inc. (“Addepar”) held by the estate (the “Addepar Shares”). I propose to sell the
19 Addepar Shares pursuant to 28 U.S.C. § 2004 at a price of \$1.94 per share. I have performed
20 substantial due diligence, and I believe that the price obtained is fair and in the best interests
21 of the estate.

22 5. I have filed the Addepar Motion concurrently herewith. The Addepar Motion
23 relates to the sale of 1,029,298 shares of Addepar and to modify the Distribution Plan
24 approved by this Court (Dkt. No. 613) (the “Plan”) only as necessary to sell the Addepar
25 Shares and to hold the proceeds in a separate account for the benefit of the Addepar
26 investors, subject to all other terms of the Plan.

27 6. I have negotiated for the sale of the 1,029,298 shares of Addepar held by the
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1 estate to two buyers identified by broker EquityZen Securities LLC for \$1.94 per share with a
2 4% commission (the “Buyers”).

3 7. The Administrative Motion requests that the Court shorten the time for notice
4 on the Addepar Motion to permit me to move forward with the sale of these Addepar shares.
5 I am requesting a hearing date of October 24, 2024, or earlier, to best preserve the chances of
6 closing the sales of two transactions. The secondary market is fluid and prospective buyers
7 may change their minds or locate other investment opportunities, so I believe that time is of
8 the essence to close the sales of the two offers that have been received.

9 8. Now that I have identified a possibility for monetizing the Addepar Shares,
10 such that the value may be distributed to claimants in those securities, I am concerned about
11 the offers to purchase the Addepar Shares going stale and the estate missing this opportunity.

12 9. After months of extensive communications with three different brokers on the
13 secondary market, I have obtained two offers for the purchase of all of the Addepar Shares at
14 a price of \$1.94/share. I have received a few other offers over the past several months, but the
15 secondary market is fluid and prospective purchasers frequently change their minds and
16 locate other investment opportunities. The two present offers are prepared to move forward at
17 this time; however, I believe that there is a significant risk that the offers may not still be in
18 existence if I have to wait the regular notice period of 35 days’ notice on the Addepar
19 Motion.

20 10. I am advised that these buyers have sought approvals and freed up funds to
21 move quickly on these transactions with the expectation that they will be concluded in a
22 customary timeframe. Delays could affect the ability to transact under the same terms and
23 may cause the buyers to look elsewhere for a more favorable position, as the markets are
24 fluid and can move in either direction at the expense of the buyer or seller.

25 11. Additionally, I seek to close these transactions before year end so that the
26 taxable transactions can be reported on the 2024 return, to trigger the commencement of the
27 tax review period earlier, thereby enabling distribution to investors sooner. I am advised that

1 the transactions will take at least 35 days to close following court approval.

2 12. In an effort to best preserve the estate's position and maximize returns for the
3 investors, I believe that proceeding on a shortened time basis in the best interest of all
4 interested parties. I am not aware of any opposition to the proposed sale transaction and do
5 not believe that any interested party will suffer any prejudice from shortened time.

6 13. I suggest a hearing date of October 24, 2024, or earlier on the Addepar
7 Motion, which was filed on October 11, 2024. I suggest the following schedule relating to the
8 Addepar Motion but defer to the Court's discretion on the timing of the hearing and briefing
9 schedule:

- 10 a. Any opposition to the Addepar Motion must be filed and served not more than
11 5 days prior to the hearing date.
- 12 b. Any reply to any opposition to the Addepar Motion shall be submitted at the
13 time of hearing on the Addepar Motion.

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15 I declare under penalty of perjury that the foregoing is true and correct. Executed on
16 this 11th day of October 2024 at Los Angeles, California.

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/s/ Kathy Bazoian Phelps
Kathy Bazoian Phelps
Successor Receiver

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