

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*

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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;  
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

**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 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  
 6 Associates Fund LLC, hereby files this Administrative Motion (“Administration Motion”)  
 7 under Local Civil Rule 7-11 for Order to Shorten Time for Hearing on Motion for an Order  
 8 Authorizing: (1) Employment of Broker; (2) Sale Pursuant to 28 U.S.C. § 2004 of Shares of  
 9 Addepar, Inc.; and (3) Modification of the Distribution Plan (the “Addepar Motion”)  
 10 pursuant to Local Civil Rule 6-3.<sup>1</sup>

### 11 **I. Introduction**

12 This Administrative Motion requests that the Court shorten the time for notice on the  
 13 Addepar Motion to permit the Receiver to move forward with the sale of certain shares of  
 14 Addepar that are held by the estate. The Receiver requests a hearing date of October 24,  
 15 2024, or earlier, to best preserve the chances of closing the sales of two transactions that will  
 16 accomplish the sale of all of the Addepar shares held by the estate. The market is fluid and  
 17 prospective buyers may change their minds or locate other investment opportunities, so the  
 18 Receiver believes that time is of the essence to close the sales of the two offers that have  
 19 been received.

### 20 **II. Statement of Facts**

21 The Receiver has identified two buyers on the secondary market for the pre-IPO  
 22 shares of Addepar, Inc. (“Addepar”) held by the estate (the “Buyers”). The Receiver has the  
 23 Addepar Motion concurrently herewith. The Addepar Motion relates to the sale of 1,029,298

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24 <sup>1</sup> The Administration Motion and the Addepar Motion and all supporting documents will be  
 25 served on all interested parties pursuant to Civil Local Rule 66-6 and will be posted on the  
 26 Receivership website at <https://www.raineslaw.com/saddle-river-receiver/>. The Receiver has  
 27 conferred with counsel for the Securities and Exchange Commission and the Investor  
 28 Advisory Committee, who each do not oppose the Addepar Motion. 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).

1 shares of Addepar (the “Addepar Shares”) and to modify the Distribution Plan approved by  
2 this Court (Dkt. No. 613) (the “Plan”) only as necessary to sell the Addepar Shares and to  
3 hold the proceeds in a separate account for the benefit of the Addepar investors, subject to all  
4 other terms of the Plan. The Receiver proposes to sell the Addepar Shares pursuant to 28  
5 U.S.C. § 2004 at a price of \$1.94 per share. The Receiver has performed substantial due  
6 diligence, and she believes that the price obtained is fair and in the best interests of the estate.

7 The Receiver has consulted with counsel for Addepar, who has advised on Addepar’s  
8 procedures for the consummation of the contemplated transaction. Addepar requires a  
9 payment of transaction fees of \$3,500 per transaction, which is to be paid by the Buyers.

10 The Receiver conferred with the top three brokers for the sale of securities on the  
11 secondary market. She discussed the market value of the shares and commission structure  
12 with each of the brokers. Two of the three brokers were able to identify buyers, and the  
13 commission rates requested initially ranged from 3.5% to 5%. The Receiver negotiated  
14 extensively regarding the sale of the 1,029,298 shares of Addepar, and ultimately reached  
15 terms with EquityZen Securities LLC (“EquityZen”), which had identified two buyers that  
16 would purchase all of the Addepar Shares for \$1.94 per share. EquityZen agreed to a 4%  
17 commission. The Receiver communicated with in house counsel for Addepar to vet the  
18 different brokers, and Addepar advised that it frequently does business with EquityZen and  
19 recommended EquityZen as a broker for this transaction.

20 Of the total Addepar Shares, 33,789 shares belong to EAC pursuant to the settlement  
21 between the Receiver and EAC dated as of January 6, 2020 (Dkt. No. 547-2), approved by  
22 this Court on January 15, 2020 (Dkt. No. 550). The estate is required to deliver 33,789 shares  
23 of Addepar to EAC (the “EAC Shares”) upon the occurrence of a liquidity event that would  
24 also permit the Receiver to distribute the shares pursuant to the Plan. The remaining 995,509  
25 shares of Addepar belong to the estate. EAC has agreed that the Receiver can sell the EAC  
26 Shares in the proposed transaction.

1 The Receiver is advised that the Buyers already own shares of Addepar and are  
2 already on the capitalization table of Addepar. The Receiver is advised that one of the Buyers  
3 is a US based individual, qualified purchaser, and the other is a US based venture capital  
4 firm. The Buyers are disinterested third parties who do not have an affiliation with the  
5 Receivership Estate or the Receivership Entities.

6 The Receiver contemplates segregating the net proceeds of the sale of the Addepar  
7 Shares for the benefit of the Addepar Investors, who are designated as Class 4A in the  
8 Distribution Plan. Any further modification of the Plan with respect to the distribution of the  
9 Addepar sale proceeds will be the subject of a separate motion, including any issues relating  
10 to any Plan Fund contribution and applicability of deficiency claims.

11 **III. Basis of Shortened Time Request**

12 The Receiver has identified a possibility for monetizing the Addepar Shares the estate  
13 continues to hold, such that the value may be distributed to claimants in those securities. The  
14 Receiver is concerned about the offers to purchase the Addepar Shares going stale and the  
15 estate missing this opportunity. The Receiver therefore requests shortened notice on the  
16 Addepar Motion that she has filed concurrently herewith.

17 After months of extensive communications with three different brokers on the  
18 secondary market, the Receiver has obtained two offers for the purchase of all of the Addepar  
19 Shares at a price of \$1.94/share. She has received a few other offers over the past several  
20 months, but the secondary market is fluid and prospective purchasers frequently change their  
21 minds and locate other investment opportunities. The two present offers are prepared to move  
22 forward; however, the Receiver believes that there is a significant risk that the offers may not  
23 still be in existence if she has to wait the regular notice period of 35 days' notice on the  
24 Addepar Motion.

25 The Receiver is advised that these buyers have sought approvals and freed up funds to  
26 move quickly on these transactions with the expectation that they will be concluded in a  
27 customary timeframe. Delays could affect the ability to transact under the same terms and  
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1 may cause the buyers to look elsewhere for a more favorable position, as the markets are  
2 fluid and can move in either direction at the expense of the buyer or seller.

3 Additionally, the Receiver seeks to close these transactions before year end so that the  
4 taxable transactions can be reported on the 2024 return, to trigger the commencement of the  
5 tax review period earlier, thereby enabling distribution to investors sooner. The Receiver is  
6 advised that the transactions will take at least 35 days to close following court approval.

7 In an effort to best preserve the estate's position and maximize returns for the  
8 investors, the Receiver believes that proceeding on a shortened time basis in the best interest  
9 of all interested parties. The Receiver is not aware of any opposition to the proposed sale  
10 transaction and does not believe that any interested party will suffer any prejudice from  
11 shortened time.

12 The Receiver requests a shortened notice period and suggests a hearing date of  
13 October 24, 2024, or earlier. The Addepar Motion was filed on October 11, 2024.

14 A proposed order on this Administrative Motion has been lodged concurrently  
15 herewith. The Receiver suggests the following schedule relating to the Addepar Motion:

- 16 1. The hearing be set for October 24, 2024, or earlier.
- 17 2. Any opposition to the Addepar Motion must be filed and served no later than  
18 4 days prior to the hearing date.
- 19 3. Any reply to any opposition to the Addepar Motion shall be submitted at the  
20 time of hearing on the Addepar Motion.

21  
22 **WHEREFORE**, the Receiver respectfully seeks entry of an order granting this  
23 Motion to shorten time for notice on the Addepar Motion and for all other appropriate relief.

24 Dated: October 11, 2024

RAINES FELDMAN LITRELL LLP

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By: /s/ Kathy Bazoian Phelps  
Kathy Bazoian Phelps  
Successor Receiver

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