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

**TWENTY-THIRD 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, MILLER
KAPLAN ARASE LLP, AND
SCHINNER & SHAIN, LLP FROM
JULY 1, 2024 THROUGH SEPTEMBER
30, 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, Miller Kaplan
8 Arase LLP, and Schinner & Shain, LLP for the period of July 1, 2024 through September 30,
9 2024 (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 July 1, 2024 through September 30, 2024
13 (“Motion Period”) in the following amounts:

14 Receiver: Fees \$23,622.00.²

15 Raines Feldman Littrell LLP (“Raines Feldman”): Fees \$12,038.40.

16 Miller Kaplan Arase LLP (“Miller Kaplan”): Fees \$2,367.60.

17 Schinner & Shain LLP (“Schinner”): Fees \$3,219.75.

18 This Motion is supported by the Declarations of the Receiver, Nicholas Sanchez of
19 Miller Kaplan, and Frederick Koenen of Schinner.

20 **II. CASE STATUS**

21 The Court approved the Receiver’s Plan of Distribution (“Plan”) on May 25, 2020
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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 (\$4,724.40) and therefore
requests authority to pay \$18,897.60.

1 (Dkt. No. 613). The estate has now either distributed or sold all of its publicly traded
2 securities.

3 In the third quarter 2024, the Receiver continued to evaluate options for disposition of
4 the remaining three pre-IPO securities and will continue to do so throughout 2024. The
5 Receiver spent a large amount of time performing due diligence and negotiating terms of the
6 sale of the estate's Addepar, Inc. ("Addepar") shares. The Receiver drafted a motion for
7 Court approval of the sale of the estate's Addepar shares, and it was filed in October 2024
8 (Dkt. No. 744). The Court granted the motion on October 16, 2024 and authorized the
9 Receiver to engage a broker to sell 1,029,298 shares of Addepar and to pay a commission of
10 4% of the gross sales price following a sale of the Addepar shares (Dkt. No. 748). The
11 Receiver is currently working on finalizing the sale.

12 The Receiver and her advisers filed a tax return for 2023 in second quarter 2024, and
13 the Receiver paid estimated taxes for 2024. In third quarter 2024, the Receiver paid estimated
14 tax payments of \$85,000.00 to the IRS and \$20,000.00 to the California Franchise Tax
15 Board.

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

17 As of September 30, 2024, the receivership estate has cash on hand as follows:

18 Anne Bivona Funds	\$571,304.00
19 Plan Fund Account	\$4,786,342.37
20 Tax Holding Account	\$207,688.25
21 Palantir Administrative Reserve	\$14,406,477.09
22 MongoDB Administrative Reserve	\$172,305.41
Airbnb Administrative Reserve	\$127,489.07
Evernote Reserve	\$410,702.35
Bloom Energy Reserve	\$711,780.36
23 Cloudera Reserve	\$133,051.00
24 Dropbox Reserve	\$117,236.38
Lyft Reserve	\$71,456.34
25 Pinterest Reserve	\$3,575.43
26 Snap Reserve	\$283,877.42
Candi Controls Reserve	\$1,673,267.33
27 Practice Fusion Reserve	\$1,129,766.01
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Total Cash on Hand	\$24,806,318.81
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There are known accrued and unpaid expenses of \$41,247.75 through September 30, 2024 for third quarter fees, and holdbacks of \$289,724.77. Attached to the Declaration of the Receiver as Exhibit “1” is a financial summary showing the cash status of the estate as of September 30, 2024. Funds in the amount of \$34,321.60 representing first quarter 2024 fees were disbursed during this period because the Order granting the fee application for that period was entered in July (Dkt. No. 741).

The Standardized Fund Accounting Report required by the SEC for the third quarter 2024 (“SFAR”) is attached to the Receiver’s Declaration as Exhibit “2.” This report shows the amount of interest each of the above accounts earned during the third quarter 2024 starting at Line 4.³ The estate has been earning substantial interest, with total interest earned by the estate in 2024 through third quarter of \$825,226.63. The inflows to the estate have been exceeding the outflows, with total interest earned by the estate in the third quarter 2024 of \$ \$275,621.28 and professional fees and estimated taxes paid in the same quarter amounting to \$139,321.60. *See* SFAR at Line 10.

IV. PREVIOUS FEE MOTIONS AND HOLDBACKS

Fees and expenses have previously been granted as set forth in Exhibit “3” to the Receiver’s Declaration. As of September 30, 2024, there are outstanding fee holdbacks from the prior fee applications for \$289,724.77 as follows: (i) Sherwood Partners, the former receiver, in the amount of \$144,627.50; (ii) the Receiver in the amount of \$108,980.07 when she was employed by Diamond McCarthy LLP; and (iii) the Receiver in the amount of \$36,117.20 for her employment at Raines Feldman. These amounts did not change from the last fee application because no professional fees were disbursed in second quarter 2024.

V. THE RECEIVER’S FEE REQUEST

As detailed in the Declaration of the Receiver, pursuant to the Receiver’s proposal for

³ The Standardized Fund Accounting Reports previously filed also contained this information.

1 her appointment, and in recognition of the efficiencies and benefits to the estate, the Receiver
 2 has established separate billing categories for services provided. For services provided with
 3 respect to legal issues, the Receiver has discounted her hourly rate of \$760.00 to \$465.00,
 4 thereby generating significant savings to the estate. The Receiver has agreed to charge
 5 \$160.00 per hour for herself and her assistants for administrative services. The billing
 6 statements itemizing the services provided and expenses incurred are contained in Exhibit
 7 “4” attached to the Declaration of the Receiver. The Receiver performed services for each
 8 category as follows:

9 Category	Hours	Fees
10 Case Administration (B110)	9.00	\$4,185.00
11 Asset Analysis and Recovery (B120)	41.80	\$19,437.00
12 TOTAL	50.80	\$23,622.00

13 During the Motion Period, the Receiver continued to take actions to manage the
 14 administration of the case, coordinated with the SEC and with her advisers and tax counsel in
 15 managing the estate and tax payments, prepared the status report for the second quarter of
 16 2024, continued to evaluate options for disposition of the remaining three pre-IPO securities,
 17 engaged in numerous discussions and emails with three brokers regarding the sale of
 18 Addepar shares, negotiated extensively for the sale of the Addepar shares, communicated
 19 with in house counsel for Addepar, drafted a motion to approve the sale of the Addepar
 20 shares, drafted a memo regarding distribution schedules and deficiency claims, and
 21 communicated with investors.

22 VI. RAINES FELDMAN’S FEE REQUEST

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

Category	Hours	Fees
Case Administration (B110)	11.90	\$4,712.40
Asset Disposition (B130)	18.50	\$7,326.00
TOTAL	30.40	\$12,038.40

7 During the Motion Period, Raines Feldman assisted the Receiver in drafting the
 8 second quarter 2024 status report and preparing the affiliated cash disbursement schedules
 9 and the Standard Fund Accounting Report for the SEC, drafting a motion to approve the sale
 10 of the Addepar shares, conducting research and drafting a motion to shorten time for hearing
 11 on the motion to approve the sale of Addepar shares, and communicating with investors.

12 **VII. MILLER KAPLAN’S FEE REQUEST**

13 As detailed in the Declaration of Nicholas Sanchez and the billing statement attached
 14 as Exhibit “6” to his Declaration, Miller Kaplan has incurred fees at discounted rates in the
 15 amount of \$2,367.60 during the Motion Period in connection with providing tax services to
 16 the Receiver. The services performed by Miller Kaplan were necessary in preparing the
 17 2023 tax return, in assisting the Receiver with preparing the correct quarterly estimated tax
 18 payments, and conducting research to advise the Receiver on tax issues related to the sale of
 19 the estate’s Addepar shares.

20 **VIII. SCHINNER’S FEE REQUEST**

21 As detailed in the Declaration of Frederick Koenen and the billing statement attached
 22 as Exhibit “7” to his Declaration, Schinner has incurred fees in the amount of \$3,577.50
 23 during the Motion Period in connection with advising the Receiver on federal securities laws
 24 related to the disposition of the receivership estate’s Addepar shares. Schinner provided
 25 necessary and beneficial securities law services to the Receiver. The attorneys at Schinner
 26 have reduced their hourly rates by 10%, and therefore, Schinner seeks compensation in the
 27 amount of \$3,219.75.

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

Dated: November 14, 2024

RAINES FELDMAN LITTRELL LLP

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