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7 Attorneys for the SRA Funds Investor Group

8 [Additional counsel appear on signature pages]

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 10 **UNITED STATES DISTRICT COURT**  
 11 **NORTHERN DISTRICT OF CALIFORNIA**  
 12 **SAN FRANCISCO DIVISION**

13 SECURITIES AND EXCHANGE  
14 COMMISSION,

15 Plaintiff,

16 vs.

17 JOHN V. BIVONA; SADDLE RIVER  
 ADVISORS, LLC; SRA MANAGEMENT  
 18 LLC; FRANK GREGORY MAZZOLA,

19 Defendants, and

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

23 Relief Defendants.

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

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 25 **STIPULATION AND [PROPOSED]**  
**ORDER MODIFYING BRIEFING AND**  
**HEARING SCHEDULE FOR THE JOINT**  
**MOTION OF THE SEC AND THE**  
**RECEIVER FOR APPROVAL OF**  
**PROPOSED JOINT DISTRIBUTION**  
**PLAN**

Date: August 31, 2017

Time: 1:30 p.m.

Courtroom: 5

Judge: Hon. Edward M. Chen

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 28 **STIPULATION AND [PROPOSED] ORDER MODIFYING BRIEFING AND HEARING**  
**SCHEDULE RE APPROVAL OF PROPOSED JOINT DISTRIBUTION PLAN**

1 Counsel for (i) plaintiff Securities and Exchange Commission (“Commission”), (ii)  
2 defendants John V. Bivona and Saddle River Advisors, LLC, (iii) the Receiver for the receivership  
3 entities, relief defendants and third-party affiliated entities, and (iv) the SRA Funds Investor Group<sup>1</sup>,  
4 along with pro per defendant Frank G. Mazzola and pro per relief defendant Michele J. Mazzola,  
5 hereby submit this Stipulation and [Proposed] Order to modify in part the briefing and hearing  
6 schedule on the Commission’s and the Receiver’s pending joint motion for approval of a proposed  
7 joint distribution plan in this action.

8 **STIPULATION**

9 On May 31, 2017, the Commission and the Receiver, with the agreement of the defendants  
10 and relief defendants, proposed a schedule to the Court for the briefing and hearing on the  
11 Commission’s and the Receiver’s anticipated motion for approval of a proposed distribution plan  
12 for the assets of the receivership estate. The proposed schedule called for the motion to be filed by  
13 June 29, 2017, with any opposition papers, objections or proposed amendments filed by July 27,  
14 2017, and reply papers filed by August 17, 2017. The hearing on the motion was proposed for  
15 August 31, 2017. See Dkt. No. 186. The proposed schedule was adopted by the Court on June 6,  
16 2017. See Dkt. No. 191.

17 On June 2, 2017, Pritzker Levine LLP filed a Notice of Appearance and Intent to be Heard  
18 on behalf of 92 individuals and entities (collectively the “SRA Funds Investor Group”) that have  
19 purchased and continue to own membership interests in one or more of the SRA Funds that are at  
20 issue in this litigation. See Dkt. No. 189. On June 22, 2017, a Supplemental Notice of Appearance  
21 was filed on behalf of 27 additional individuals and entities that joined the SRA Funds Investor  
22 Group subsequent to the June 2, 2017 Notice of Appearance being filed.<sup>2</sup> See Dkt. No. 193.

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24 <sup>1</sup> For the purposes of this Stipulation only, the term “parties” refers to the Commission, Mr. Bivona  
25 and Saddle River Associates, the Receiver, and the SRA Funds Investor Group.

26 <sup>2</sup> The SRA Funds Investor Group currently includes 124 individuals and entities with about \$38.25  
27 million still invested in the SRA Funds.

1 On June 29, 2017, the Commission and the Receiver filed their Joint Motion for Approval  
2 of the Proposed Joint Distribution Plan. See Dkt. Nos. 196 – 201.

3 Since the filing of the Joint Motion, counsel for the SRA Funds Investor Group has  
4 conferred with the Commission, the Receiver, and counsel for certain other parties to exchange and  
5 discuss information concerning the management and operation of the SRA Funds and the proposed  
6 joint distribution plan.<sup>3</sup> The Commission and the Receiver have been fully cooperative with counsel  
7 for the SRA Funds Investor Group in the exchange of requested information. Counsel for the SRA  
8 Funds Investor Group has also been working with the individual members of the Group to analyze  
9 the Joint Motion and formulate a response on behalf of the Group.

10 In light of the volume of materials filed by the Commission and the Receiver in connection  
11 with the Joint Motion, the number of pre-IPO companies and investment funds involved for which  
12 information must be gathered and analyzed, the additional information still being analyzed and  
13 gathered by counsel to prepare a response to the Joint Motion, the number of investors in the SRA  
14 Funds Investor Group who must be consulted with respect to the response to the Joint Motion, and  
15 the complex nature of the distribution plan that the SRA Funds Investor Group is likely to propose  
16 to the Court as an alternative to the joint distribution plan proposed by the Commission and the  
17 Receiver<sup>4</sup>, additional time is needed by the SRA Funds Investor Group to prepare its response to  
18 the Joint Motion and to confer with the Commission and the Receiver about its alternative plan in  
19 advance of it being filed with the Court.

20 The parties have conferred and agree that in light of the foregoing facts, the SRA Funds  
21 Investor Group should have more time to submit its response to the joint distribution plan proposed

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23 <sup>3</sup> In addition, on July 20, 2017, the Receiver hosted a conference call for interested SRA investors  
to provide information about the Commission’s and Receiver’s proposed joint distribution plan.

24 <sup>4</sup> The SRA Funds Investor Group is working on an alternative distribution plan that will allow  
25 investors to continue to maintain their investments in the pre-IPO companies on a going-forward  
26 basis, provide for the appointment of a new, independent manager for the funds (with an oversight  
board), and provide funds to pay accrued or future administrative fees of the receivership estate,  
along with other creditors.

1 in the pending Motion. The parties have conferred about how best to modify the schedule to provide  
2 the SRA Funds Investor Group with the time it needs to prepare and submit its response to the Joint  
3 Motion, while at the same time allowing some portions of the Joint Motion to move forward under  
4 the existing schedule.

5 The parties are in agreement, subject to Court approval, that the schedule and hearing on the  
6 Joint Motion should be bifurcated to allow the Court to make preliminary findings under the existing  
7 schedule while deferring to a later date any consideration of any proposed distribution plan or final  
8 action with respect to the status of the receivership entities and the management agreements in place  
9 to operate the SRA Funds. The parties believe that the Court's early consideration of the facts  
10 underlying the Joint Motion will assist all parties in their ongoing discussions about potential  
11 distribution plans that the Court may ultimately consider. The proposed bifurcated schedule would  
12 be as follows, subject to Court approval:

13 1. Any opposition or challenge to the Commission's and the Receiver's findings that  
14 (a) defendants commingled investor funds, (b) defendants diverted investor cash to themselves or  
15 otherwise violated provisions of the federal securities laws, and (c) defendants' conduct would  
16 justify the termination of the management agreements and the exclusion of defendants and certain  
17 specified insiders from recovery through the proposed distribution plan, must still be filed on or  
18 before July 27, 2017.<sup>5</sup>

19 2. If an opposition or challenge is filed, the Commission and the Receiver will still file  
20 their replies on or before August 17, 2017, and the Court will conduct a hearing on August 31, 2017,  
21 but only with respect to the three issues set forth in paragraph 1 above.

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24 <sup>5</sup> The SRA Funds Investor Group requests that the Court not take any action with respect to the  
25 management agreements until **after** all proposed distribution plans have been put before the Court,  
26 since the SRA Funds Investor Group's anticipated distribution plan will require that there be a  
27 management agreement in place on a going-forward basis. The Commission and the Receiver are  
28 agreeable to deferring final action on the management agreements until the proposed September 28,  
2017 hearing.



Partners, Inc.

Frank G. Mazzola (by email authorization)  
Defendant Frank G. Mazzola, in pro per

Michelle J. Mazzola (by email authorization)  
Relief Defendants Michelle J. Mazzola,  
in pro per

**~~PROPOSED~~ ORDER**

The Court hereby accepts the modified briefing and hearing schedule set forth in the Stipulation above and orders as follows:

1. Any opposition or challenge to the Commission's and the Receiver's findings that (a) defendants commingled investor funds, (b) defendants diverted investor cash to themselves, and (c) defendants' conduct would justify the termination of the management agreements, must be filed on or before July 27, 2017.

2. If an opposition or challenge is filed, the Commission and the Receiver will file their replies on or before August 17, 2017. The Court will conduct a hearing on August 31, 2017 with respect to the three issues set forth in paragraph 1 above. The Court will not take any action with respect to the management agreements or the receivership entities at the August 31, 2017 hearing.

3. If no opposition or challenge is filed on the three issues set forth in paragraph 1 above, the August 31, 2017 hearing date will be taken off calendar.

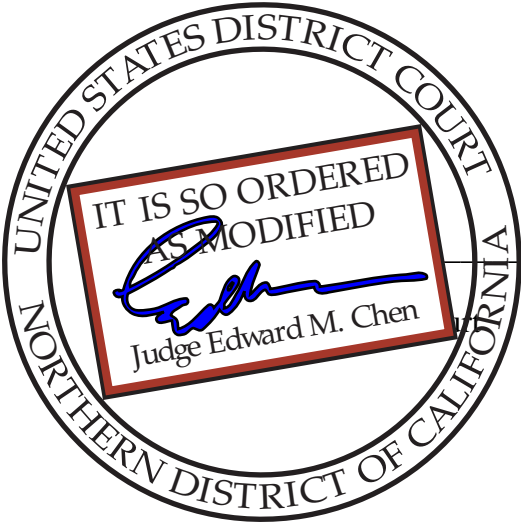
4. Any opposition papers, objections, alternative distribution plans or proposed amendments to the joint distribution plan proposed by the Commission and the Receiver shall be filed on or before August 24, 2017, with replies by the Commission and the Receiver to be filed on or before September 13, 2017.

5. A hearing will be held at 1:30pm on September 28, 2017 to consider (a) the Commission's and Receiver's proposed joint distribution plan, (b) any alternative distribution plans proposed by investors, (c) whether the management agreements with certain defendants should be

1 terminated and/or replaced, and (d) whether some or all of the receivership entities should be  
2 dissolved or replaced.

3 SO ORDERED

4 Dated: 7/25, 2017



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**ATTESTATION**

I, Jonathan K. Levine, am the ECF user whose ID and password are being used to file this document. In compliance with Local Rule 5-1(i)(3), I hereby attest that all other signatories listed have concurred in this filing.

/s/ Jonathan K. Levine  
Jonathan K. Levine