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9 Monitor Michael A. Maily

10 **UNITED STATES DISTRICT COURT**  
11 **NORTHERN DISTRICT OF CALIFORNIA**

12 SECURITIES AND EXCHANGE  
13 COMMISSION,

14 Plaintiff,

15 v.

16 JOHN B. BIVONA; SADDLE RIVER  
17 ADVISERS, LLC; SRA  
18 MANAGEMENT ASSOCIATES, LLC;  
19 FRANK GREGORY MAZZOLA

20 Defendants.

Case No. 3:16-cv-1386

**NOTICE OF LODGING OF  
INDEPENDENT MONITOR'S  
FINAL REPORT TO THE  
COURT**

Date: N/A

Time: N/A

Judge: Edward M. Chen

21 The Independent Monitor in the above matter, Michael A. Maily (“the  
22 Monitor”) pursuant to this Court’s TRO of March 25, 2016, has been charged  
23 with the filing of a final report which contains a preliminary accounting for  
24 Saddle River, SRA Management, the SRA Funds and Clear Sailing for the  
25 limited purpose of (i) determining what assets the SRA Funds own and whether  
26 the SRA Funds own the shares of pre-IPO companies to which investors are  
27 entitled; and (ii) a recommendation of how to wind down the SRA Funds that  
28 would minimize investor harm. Attached hereto as Exhibit A is the

1 Independent Monitor's Final Report to the Court regarding his analysis and  
2 recommendations on the issues set forth in the previous sentence.

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Dated: May 10, 2016

GARTENBERG GELFAND HAYTON  
LLP

By: /s/ John W. Cotton  
John W. Cotton  
Special Counsel to the Monitor

# Exhibit A



Michael A. Maily  
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Hon. Edward M. Chen  
United States District Court  
Northern District of California  
Courtroom 5  
United States Courthouse  
450 Golden Gate Ave.  
San Francisco, California 94102

In re: Securities and Exchange Commission v. John V. Bivona, et al., Case No. 16-cv-01386-EMC

Hon. Edward M. Chen:

Attached please find the Report of the Independent Monitor in the matter of the Securities and Exchange Commission v. John V. Bivona, et al., Case No. 16-cv-01386-EMC.

Please note that this Report is based upon financial and other information provided to the Independent Monitor by the Manager of Saddle River Advisors, LLC, SRA Management Associates, LLC, SRA I, LLC, SRA II, LLC, SRA III, LLC, Clear Sailing Group IV, LLC, Clear Sailing Group V, LLC, and Felix Investments, LLC. The Independent Monitor has not audited or reviewed the books and records of these entities, and accordingly expresses no opinion on the financial statements referenced.

This Report has been prepared under the terms of Order Granting Temporary Restraining Order, Appointment of Independent Monitor, and Other Preliminary Relief dated March 25, 2016.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael A. Maily".

Michael A. Maily  
Independent Monitor  
Chief Executive Officer  
Sherwood Partners, Inc.  
May 10, 2016

**Securities and Exchange Commission v. John V. Bivona et al, Civil Action No. 3:16-cv-01386**  
**Report of Independent Monitor**  
**May 10, 2016**

**Matter:** *Securities and Exchange Commission v. John V. Bivona et al.*, Civil Action No. 3:16-01386 is an action filed on March 22, 2016 in the United States District Court, Northern District of California (the “Court”) which names as defendants: John V. Bivona, a registered representative of Felix Investments, LLC and the control person of the other entity defendants; Saddle River Advisors, LLC, which formerly conducted business as Felix Advisors, LLC and was a registered investment adviser but now is an exempt reporting adviser and is the adviser to the SRA Funds; SRA Management Associates, LLC, which provides services to the SRA Funds; and Frank Mazzola, Mr. Bivona’s nephew, who was formerly a registered representative at Felix Investments and was an official of the two entity defendants prior to being barred from the securities business by the Securities Exchange Commission (“SEC”) and Financial Industry Regulatory Authority. Mr. Bivona and his controlled entities are alleged to have raised over \$53 million since late 2013 in the SRA Funds’ pre-IPO funds consisting chiefly of technology companies. Investors were promised that their investment funds would be invested in the shares of specific privately held technology companies. It is alleged by the SEC that the funds were diverted to paying investors in earlier funds and that money was also misappropriated.

The complaint alleges violations of Exchange Act Sections 10(b) and 15(a), Securities Act Sections 5(a), 5(c) and 17(a) and the Investment Advisers Act Sections 203(f), 206(1), 206(2) and 206(4) along with the violation of the bar order against Mr. Mazzola.

**Independent Monitor:** On March 25, 2016 the Court ordered the appointment of an Independent Monitor for Saddle River Advisors, LLC (“Saddle River”), and SRA Management Associates, LLC (“SRA Management”); SRA I, LLC, SRA II, LLC, and SRA III, LLC (collectively, the “SRA Funds” and together with Saddle River and SRA Management, the “SRA Entities”); Clear Sailing Group IV, LLC and Clear Sailing Group V, LLC (together, “Clear Sailing”); and Felix Investments, LLC (“Felix Investments”). Under the Order, the Independent Monitor and his designated representatives (collectively, the “Monitor”) have been empowered to i) enter the offices of the SRA Entities and Clear Sailing, ii) have access to all their personnel and records, iii) review and monitor all securities purchases, transfers of money or assets, and potential payments, iv) locate all assets, v) identify all investors and confirm their interests, vi) identify all debts/liabilities, and vi) request compliance with the Order.<sup>1</sup>

**Report to Court:** Per the Order, the Monitor shall submit a written report to the Court prior to May 12, 2016 containing (1) a preliminary accounting for the SRA Entities and Clear Sailing for the limited

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<sup>1</sup> The detail points of the order are attached as Exhibit A

purpose of determining what assets the SRA Funds own and whether the SRA Funds own the shares of pre-IPO companies to which investors are entitled and (2) a recommendation for how to wind down the SRA Funds that minimizes investor harm. The following is the written report of the Monitor responding to the Court's request.

**Information Access:** the Monitor's staff has been on site at the offices of the SRA Funds, located at 600 E. Crescent, Suite 205, Upper Saddle River, NJ. The Monitor has met the following individuals retained by the SRA Entities:

- John V. Bivona, Manager of the SRA Entities and Clear Sailing
- Susan Diamond, Chief Compliance Officer
- Christine Caridi, administration and documentation
- Antonina Dazzo, Executive Assistant to Mr. Bivona
- Vito Fredella, IT and technical support

The Manager and his staff have been generally cooperative with the Monitor, responding to inquiries and supplying documents. A listing of the documents supplied to the Monitor and the production date is attached to this report as Exhibit B.

**Review of Holdings and Assets:** The Monitor anticipated that upon arrival at the offices of the SRA Funds, a standard set of formal documents detailing the holdings of the SRA Entities and Clear Sailing would be readily available. Instead, the Monitor quickly learned that much of that information was maintained on manual spreadsheets that needed to be updated before being presented to the Monitor or had to be compiled and generated for the Monitor's review. Further, after reviewing the manual spreadsheets and identifying issues, the Manager would often modify the manual spreadsheets to include additional information previously omitted. The Monitor observed an ongoing pattern and trend in the modification of the manual spreadsheets after additional requests were made by the Monitor. In some cases, the modifications made by the Manager did not have backup documentation or quantifiable explanation.

In the view of the Monitor and his counsel, to best understand the conceptual difficulty encountered in comprehending the defendant's business model (and difficulty in record keeping), it is helpful to compare it to a simple market-making role, matching investors (buyers) with privately held company share owners (sellers). In that process, the business goal is to have a sufficient and matched inventory of privately held company securities at all times, where each buyer would own a precise number of securities that are purchased (or in the process of being purchased) from a seller with an exact and corresponding number of those securities. However, unlike listed securities where the market-maker can readily transfer the stock interest from the seller to the buyer, the defendants' business model "warehoused" the privately held company securities in separate entities such as Clear Sailing or EAC, and then assigned each buyer a percentage interest in the total holdings Clear Sailing or EAC in that

specific security (i.e. instead of owning 100 shares directly, the buyer would own 10% of 1,000 total shares in that company). Moreover, as with traditional market makers, the defendants (i.e. Clear Sailing) could, if the seller's price (the bid) was less than the buyers agreed price (the ask), pocket the positive difference in value (the spread) to themselves. This of course would create a further "mismatch" between the value of the shares the buyers (investors) purchased and the corresponding value of the shares held by the warehouse, Clear Sailing or EAC.

The defendants' business model structure above created numerous, inherent record keeping difficulties such as tracking the cash paid by the buyer; the cash paid to the "warehouse" which was reduced by the Manager for fees and expense reimbursements; the cash paid to the seller of the securities by the "warehouse" which may or may not equal the price the investor agreed to pay; and the spread kept by the defendants in these different steps; the varying prices paid and received over time by buyers and sellers for their private securities; the values of obligations to investors and values of the securities inventory in the "warehouse" and the effect of early redemptions, to name a few. Without an automated, reliable and fully functioning accounting and tracking system, it would be difficult under the best of circumstances to ensure that at any point in time the defendant market-makers knew precisely the number of private securities that were due to all buyers, past and present, and that those securities were properly held in the "warehouse" of Clear Sailing or EAC. Likewise the defendant market makers could not readily determine at the push of a keystroke, the variance in dollar values between what was owed, and what was theirs. Indeed, since there was no one overarching accounting system linking buyers, sellers, bank accounts, and the warehouse, the problems discussed below prevented any comfort in the accuracy or reliability of the Monitor's efforts to report back to the Court on whether the SRA Funds "own" the shares of pre-IPO companies to which investors (the buyers) are entitled, much less whether there was sufficient "value" owed to investors held in the warehouse and the defendants many bank accounts.

Investment Structure: As detailed in the Monitor's First Interim Report, the structure of the investment process is designed as follows:

- An investor is given a Subscription Booklet containing a Private Placement Memorandum, a fund Operating Agreement, a Subscription Agreement, and ancillary documents that relate to confirmation requirements for investor accreditation and status.
- Each of the SRA Funds hold a beneficial interest in a group of private company securities as follows (see attached Exhibit C for more detail):
  - SRA I holds a beneficial interest in 21 different series of securities in privately held companies with 63 individual tranches or "sub-series".<sup>2</sup>

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<sup>2</sup> The Monitor understands from the Manager that the sub-series relate to purchases of different blocks of private company stock offered to investors (i.e. for the individual privately held company Palantir, the SRA I had 63 sub-series, designated as Palantir Series E-1(SA) through Palantir Series E-63 (SA)).

- SRA II holds a beneficial interest in 16 different series of securities in privately held companies with 42 individual sub-series.
- SRA III holds a beneficial interest in 17 different series of securities in privately held companies with 56 individual sub-series.
- The Subscription Agreement signature page is to be completed when an investor transfers money to a fund.<sup>3</sup>
- The specific SRA fund then makes arrangements for the purchase of a number of shares of private company equity and when the securities purchase is closed, the subscriber is issued a Welcome Letter.<sup>4</sup>
- EAC or Clear Sailing (collectively the “Purchase Funds”) purchase securities of the privately held company to support each sub series and the specific SRA fund is granted a corresponding membership interest in the pool of all shares in that privately held company owned by the Purchase Funds. One exception is the securities of Addepar, Inc. which, are held directly by the individual SRA Funds, rather than the Purchase Funds.<sup>5</sup> The Purchase Funds<sup>6</sup> also sell membership interests to other funds<sup>7</sup>, including the NYPA Funds (I and II), the Felix Multi Opportunity Funds (I & II), the Silverback Funds (I and II), the Fortuna Fund I and Capital Truth Holdings, LLC (the “Other Funds”). The Monitor expected that ownership of each membership interest would be well documented, possibly including certificates or similar formal documents created at the time of the purchase. Instead, the Manager provided the manually updated Purchase Spreadsheet which was revised on multiple occasions during the Monitor’s investigation.<sup>8 9</sup>

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<sup>3</sup> Each Agreement identifies the specific SRA fund, the sub-series (i.e. Palantir E-1(SA)), the amount of capital contribution being remitted for the series interest and a signature confirmation page signed by both the investor making the purchase and the specific SRA fund manager

<sup>4</sup> The Welcome Letter details the capital contribution, the percentage of membership interest in the sub-series, the number of shares in the private company to which the membership interest applies, and the purchase price per share. It also details any deductions from the capital contribution for management fees, expense reimbursements, placement fees or due diligence fees before the private company shares are purchased

<sup>5</sup> The membership interest for the specific SRA Fund is equal to the cash received from that SRA Fund to pay for the purchase by the Purchase Fund of the private company shares.

<sup>6</sup> The Purchase Spreadsheet was recently updated again by the Manager and a new party named “Solis” was added as a buyer of Bloom Energy; the Monitor has not been provided with any information regarding this entity.

<sup>7</sup> Of the 27 different privately held company securities held by Clear Sailing and EAC, only the beneficial interest in DropBox and Mongo DB are 100% owned by the SRA Funds.

<sup>8</sup> To document the membership interest, each SRA Fund signed a general Joinder Agreement at the founding of that SRA Fund (less than one page in length) with each of the Purchase Funds. The Joinder Agreements do not include any detail documenting actual holdings or percentage interests by the members.

At the beginning of the Monitor's appointment, the Monitor expected to find a master document tracking each investor's capital contribution and the specific shares that were purchased with those funds, but the Monitor was told that no such document exists.

Investor Interests: As a result of this finding, the Monitor needed to expand the scope of his work and developed an alternative two-step approach to attempt to assess if the total number of shares of each private company security held in the Purchase Funds was equal to or exceeded<sup>10</sup> the number of shares attributed to all investors in the SRA Funds.

The first step was to attempt to validate the total investment by individual investors into the SRA Funds by tracing the investor capital contributions and series purchases. To document this, the Manager maintains a spread sheet for each SRA Fund ("Investor Master List") which contains tabs for each series (i.e. Palantir) of purchases that have not been redeemed or sold. Each tab includes a listing by the specific sub-series (i.e. Palantir E-1 (SA)) of the investor.<sup>11</sup> To confirm the total capital contributions from the records provided, the Monitor reviewed the recent bank deposits against the Investor Master List.<sup>12</sup>

The Monitor had expected each Investor Master List would contain a complete listing of all capital contributions by each investor and any sales, redemptions, conversions or other disposition of each position. Instead, the list only contains the current investors and their current holdings and did not detail any of the historic transactions or dispositions. Without a complete listing the Monitor is concerned that membership interests could be inaccurate or may have been inappropriately deleted, regardless if such activity was intentional or inadvertent.

According to the Investor Master List, the SRA Funds currently hold beneficial interests in the shares of 26 different private companies. During the review of the Welcome Letters against the Investor Master List, the Monitor encountered minor discrepancies in approximately one quarter of the private company investments. After identifying these issues, the Manager provided additional information to correct the discrepancies related to investment amounts. Other discrepancies observed by the Monitor appeared

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<sup>9</sup> The Clear Sailing Operating Agreement references a Schedule A which is to list the percentage ownership for each of the SRA Funds in each series of private company securities but, according to the Manager of the SRA Funds (who is also the co-Manager of Clear Sailing), Schedule A of the Operating Agreement showing the allocation of all the private company shares held by Clear Sailing has not been updated for approximately a year and a half.

<sup>10</sup> In the case where other funds such as NYPA hold a membership interest in Clear Sailing for that same private company security.

<sup>11</sup> Each listing includes the number of private company shares purchased, the type of investor (accredited investors vs. qualified purchasers), the capital contribution (gross amount of investment), the net amount of investment (after fees), the date of purchase, the date of the close, the percentage of the sub series, the price per share, the shares required (to match the percentage of the sub series) and the investor's contact information.

<sup>12</sup> So as not to duplicate efforts already expended by the SEC in its original work matching capital contributions collected by the SRA Funds through the end of October 2015, the Monitor only reviewed the bank statements provided by the Manager for the current period (November 1, 2015 to February 29, 2016) to confirm if any additional capital contributions have been made.

to be inadvertent clerical errors. Such discrepancies included erroneous percentages of ownership of particular investors within a sub-series due to errors in the formulas, inaccurate purchase dates, missing closing dates, etc.

From this review, the Monitor identified one investor that was not listed in the SRA III, LLC Investor Master List. The name of the investor is Gus E. The Monitor was able to identify deposits in the SRA III, LLC bank account from Gus E. but his name was omitted in the SRA III, LLC Investor Master List. The Manager explained that while this investor's money had been received and the corresponding shares purchased, the investor had failed to execute the Accredited Investor Status form, Entity Subscription document, and Sustainability Questionnaire and as a result, the Manager did not include the capital contribution of Gus E. in the Investor Master list.

Overall, after reviewing the records of the SRA Funds and the protocols used by the Manager, the Monitor continues to be concerned that not all investors may be included in the Investor Master Lists. The basis for this concern, beyond the Monitor's continuing concerns regarding the Manager's record keeping practices is: (i) the discovery that the investment of Gus E. had not been included in the Investor Master List and the Manager not acknowledging this situation until it was brought to his attention by the Monitor (ii) the historic use of non SRA Fund bank accounts (such as defendant Bivona's attorney trust accounts) to collect investor capital contributions and other funds, (iii) the lack of comprehensiveness of the records and documentation provided by the Manager and (iv) the failure to track all capital contributions made by each investor and the results of any dispositions or redemptions .

Because these records provide no direct linkage between investor capital contributions and the purchase of specific shares, the second step of the Monitor's activity has been to assess and confirm the total number of shares held by the Purchased Funds.<sup>13</sup> The Monitor has compared this information to the Purchase Spreadsheet which contains the holdings of the Purchased Funds in each private company as well as a summary allocation of those beneficial interests to the SRA Funds and the Other Funds. After completing such analysis and comparison, the Monitor prepared confirmation letters addressed to all the different private companies or sellers (in the event of a forward contract) to further verify the Purchase Funds' share holdings.<sup>14</sup> Unfortunately, after receiving the initial manually generated Purchase

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<sup>13</sup> Assessed through a review of purchase agreements, stock transfer agreements, interest sale agreements, assignment and assumption agreements, promissory notes, stock certificates, binding purchase agreements, restricted stock purchase agreements, membership interest purchase agreements, adoption agreements, non-recourse promissory notes, buy/sell agreements, forward purchase and sale of securities agreements, side letters, notice of stock option grants, bill of sales and lateral sales (collectively the "Purchase Agreements") relating to the holdings of the Purchase Funds. The Manager provided Purchase Agreements and the Monitor has conducted a comprehensive review of the Purchase Agreements to verify and confirm the name of the seller (typically an employee of a private company), the name of the purchaser (EAC, Clear Sailing or the individual SRA Fund), the amount of shares being sold, the price per share, the date of the transaction and the type of shares (common stock or preferred stock).

<sup>14</sup> Confirmation letters for Clear Sailing and the SRA Funds were mailed by the Monitor on Friday, April 8, 2016 and confirmation letters for EAC were mailed by the Monitor on Wednesday, April 13, 2016 after being signed by the Manager. The Monitor prepared and mailed a total of three confirmation letters for the SRA Funds, 17

Spreadsheet and including the number of shares listed in the confirmation letters, the Monitor received an updated Purchase Spreadsheet showing an additional 868,600 shares for Palantir, the largest holding in the Purchase Funds,<sup>15</sup> along with a previously undisclosed purchase agreement dated November 10, 2011.

In addition, the Monitor recently received correspondence from the Manager indicating that, according to the Manager's calculations, the Clear Sailing IV is short 138,608 Palantir shares needed to cover the beneficial interest of the SRA Funds in Clear Sailing's Palantir holdings. This analysis contradicts information previously provided to the Monitor in the updated Purchase Spreadsheet. The Purchase Spreadsheet shows no deficiency and indicates that Clear Sailing and EAC hold of a total of 6,734,297 shares of Palantir. The same spreadsheet indicates only of 6,564,289 of the 6,734,297 shares have been allocated to the SRA Funds, Felix Investments, NYPA Funds (I and II), Silver Backs Funds (I and II), the Fortuna Fund I, and Capital Truth Holdings, LLC, generating an excess of 170,008 as opposed to a deficit of 138,608 shares. The Monitor is still in the process of reviewing these discrepancies and confirming with the Manager the reason for the Manager's determination of a shortfall, and an understanding of how and when the Manager was able to determine that such a shortfall existed. Lacking these, the Monitor is highly skeptical of the reliability of any of the Purchase Spreadsheets.

Similarly for Bloom Energy, the initial Purchase Spreadsheet listed that Clear Sailing Group IV, LLC was the holder of 86,000 shares common stock and the Monitor prepared the confirmation letter based on this information and mailed it to Bloom Energy. A representative of Bloom Energy responded to the confirmation letter and stated that Clear Sailing Group IV, LLC was the holder of 136,000 shares of common stock instead of 86,000 shares. The Manager subsequently revised the Purchase Spreadsheet to include the additional 50,000 shares confirmed by Bloom Energy and, as noted in footnote number nine above, the Manager also added a new party "Solis" as the holder of 84,967 additional shares of Bloom Energy. The Monitor has not been able to confirm these additional shares under "Solis". As with the Palantir Purchase Spreadsheet, the Monitor is highly skeptical of the reliability of the Purchase Spreadsheets for Bloom Energy. A summary and status of the confirmation letters as of the date of this Report is attached as Exhibit D.

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confirmation letters for Clear Sailing and nine confirmation letters for EAC. The Monitor also made follow up calls to the different private companies or sellers that had not responded to the confirmation letters.

<sup>15</sup> In the case of Palantir, the Monitor reviewed the Purchase Spreadsheet provided by the Manager purportedly documenting all the holdings of Clear Sailing and EAC and all the stock transfer agreements associated with the purchase of Palantir shares. Upon the completion of this review, the Monitor drafted four confirmation letters for Palantir (two confirmation letters for Clear Sailing and two confirmation letters for EAC). For Clear Sailing, one confirmation letter was sent to Palantir and the second was sent to Palantir's legal counsel. Similarly for EAC, one confirmation letter was sent to Palantir and the second was sent to Palantir's legal counsel. As of the date of this Report, the Monitor has received only one of the four confirmation letters from Palantir. The confirmation letter came from Palantir's legal counsel for the holdings of Clear Sailing. Based on documentation provided by the Manager, the Monitor had requested confirmation of 4,632,616 shares of Palantir; however, Palantir's legal counsel indicated that Clear Sailing is the record holder of 5,422,600 shares of Palantir.

The Monitor reviewed the purchase documents provided by the Manager to support the total number of shares held in each private company by the Purchase Funds.<sup>16</sup> To the extent that the number of shares held by the Purchase Funds is less than the shares attributed to the investors in the SRA Funds, this would indicate the SRA Funds would be short at the time of liquidation. Unfortunately, to the extent that the number of shares held by the Purchase Funds is greater than the shares attributed to the investors in the SRA Funds, this would be an inconclusive finding because the current Court Order covering the Monitor's role in this investigation does not anticipate the validating of all the investments in the Purchase Funds by the Other Funds. The Manager has provided the Monitor with the current Investor Master List for the NYPA Funds (I and II), the Felix Multi Opportunity Funds (I & II)<sup>17</sup>, but the Monitor has been told that neither John V. Bivona nor Frank Mazzola are currently involved in or the Manager of the Silverback Funds<sup>18</sup> (I and II), the Fortuna Fund I or Capital Truth Holdings, LLC. Further, the Court Order does not reference EAC or its holdings. Without a validation of all of the investments in the Purchase Funds by the Other Funds, the Monitor will not be in a position to determine if the total amount of shares that the Purchase Funds hold would be required to own to satisfy all investors.

Accounting Records: The Monitor requested several standard financial reports for the SRA Entities and Clear Sailing from the Manager, including current financial statements, deposit reports, check register reports and other rudimentary financial information. In a properly run company, the financial reports requested would be readily available and easily produced from the accounting system with little effort. The SRA funds use QuickBooks, a rudimentary accounting platform, from which standard reporting should be easily generated. Such standard reports, however, were not available at the time of the request. The Monitor observed that the staff did not have the system knowledge or training to produce such reports without the Monitor's assistance demonstrating how to retrieve and report the information from the system. As a result, the Monitor requested backup copies of the QuickBooks accounting source data files which retain the formal accounting information for the SRA Funds and SRA Management so that the Monitor could generate the necessary reports the Manager's staff was unable to produce. The Monitor learned that QuickBooks is used for the SRA Funds and SRA Management, but there was no automated accounting platform maintained for Saddle River or Clear Sailing. According to the staff, the QuickBooks accounting system and financial records for the SRA Funds and SRA Management had previously been maintained by a staff person with an accounting background, but he had resigned in 2012. After the departure of this staff person, the responsibility was transitioned to

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<sup>16</sup> Purchase agreements, forward contracts, and lateral sales to validate the total amount of private securities that the Purchase Funds hold. In addition, to further verify ownership, the Monitor independently sent confirmation letters to all the private companies to verify the number of shares held by Purchase Funds for purchased shares. To verify the shares held under forward contracts, the Monitor is sending confirmation letters to the holders of the shares subject to the forward contracts to confirm the number of shares and the existence of the agreement.

<sup>17</sup> At this time, the Monitor has not been provided with or attempted to perform any validation of the investors, subscription agreements and capital contributions for these funds, as this work would be beyond the scope of the current Court Order.

<sup>18</sup> According to the Manager, Mr. Mazzola was initially involved as a sales person with the Silverback offshore funds after departing from the SRA Entities; however, the Monitor has been informed that Mr. Mazzola is no longer involved in Silverback.

another staff person who did not have an accounting background and had primarily been tasked with handling other administrative duties and documentation requirements. Finally, since September 2015, the Chief Compliance Officer of the SRA Funds, assumed the responsibility of maintaining the books and records in QuickBooks.

To comply with the Monitor's request for financial information, additional time was required. The Monitor was advised that this time was required to update the financial records in the accounting system which included entering deposits, disbursements and cash reconciliation for multiple months. The QuickBooks files track financial activity (banking, payments, deposits, etc.), but upon reviewing the files, the Monitor observed that the records did not include detailed information on inventory (securities holdings) by the different funds or the specific securities held by the individual subscribers. The Monitor also observed a lack of notes and memos that are expected with some basic transactions such as deposits and disbursements. After a preliminary review of the QuickBooks records, the Monitor was able to confirm and reconcile certain amounts against bank statements for the SRA Funds and for SRA Management. Activity in the QuickBooks files and bank statements for the different entities was minimal as the volume of transactions has not been significant from November 1, 2015 through February 29, 2016.

Cash: The Monitor has been presented with the bank statements for Saddle River, SRA Management, the SRA Funds and Clear Sailing IV for recent periods. Surprisingly, for the primary payment account, the SRA General Account, checks are manually written and there is not automated check register<sup>19</sup> to calculate the current balance. According to the statements, the current bank balance for SRA Management, and the SRA Funds bank accounts as of March 31, 2016 showed a total available cash balance of \$96,775.33, which includes \$21,481.84 in the SRA Management account, \$7,284.11 in the Saddle River account, \$67,699.45<sup>20</sup> in the SRA I account, \$174.11 in the SRA II account and \$135.81 in the SRA III account. The bank balance on the statements only reflects the amount of cash currently in the account, but has not been reduced for outstanding, but uncashed checks. The total book balance for these accounts (cash in the bank less outstanding checks), according to the SRA Entities' books and records, is not known at this time, as the QuickBooks check registers do not reflect all current activity and the bank reconciliations have not been completed. The Manager has estimated the consolidated book balance for all SRA Entities is near zero as of May 1, 2016.

Securities Inventory: The Manager has provided the Monitor a schedule that purportedly lists extra securities held by Clear Sailing and Equity Acquisition Company, Ltd. ("EAC") that are owned by Clear Sailing and EAC, and not allocated to any membership interest (the "Inventory Spreadsheet") or attributable to capital contributions of any investor. The Monitor has reviewed this schedule against a

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<sup>19</sup> Rather than tracking this account in QuickBooks and creating an automated register, payment checks are prepared by hand and the account is then funded with an amount equal to the estimated total of the checks written.

<sup>20</sup> According to the Manager, in early February 2016 there had been a distribution to investors and there were still several checks outstanding.

separate spreadsheet prepared by the Manager which purportedly lists all the purchases by Clear Sailing and EAC of privately held company stock in the SRA Funds and allocates these securities among all the funds that invested in the series of privately held company stock (the "Purchase Spreadsheet"). Comparing the Inventory and Purchase Spreadsheets prepared by the Manager, the Monitor identified several variances, including expected Inventory of 6,792 shares of Bloom Energy, which appears to be fully allocated with no excess inventory on the Purchase Spreadsheet, and 2,923 shares of Pinterest on the Inventory Spreadsheet versus 25,440 unallocated shares on the Purchase Spreadsheet. If the records were accurate, the Inventory and Purchase Spreadsheets should be match. Further, in reviewing the Purchase Spreadsheet, the Monitor expected to find additional inventory of unallocated shares, including 415 shares for Airbnb, 264,403 shares for Badgerville, 3,000 shares for Lookout, 170,008 shares for Palantir, 68 shares of Practice Fusion, 6,008 shares of Square and 33 shares of Uber, but did not find these excess securities listed in the Inventory Spreadsheet. The discrepancies in the Inventory Spreadsheet raise concerns regarding the underlying information of both purchases and investor contributions.

**Review of Current Transactions:** Per the Court order the Monitor is to review and monitor all contemplated transfers of money or assets, purchases, sales, or expenditures by the SRA Entities, Clear Sailing, and Felix Investments<sup>21</sup>.

As of this Report, 11 requests totaling \$22,467.09 have been submitted for review. The Monitor has reviewed all requests and made no objection to their payments. A listing of the payments is attached as Exhibit E. As noted in the Second Interim Report, the Monitor found that many of these expenses are in the name Felix Investments and not Saddle River Advisors, which is problematic for assessing to whom the obligations should be applied.

**Owner Loans to Entities:** In the Plaintiff Securities and Exchange Commission's Ex Parte Motion for Temporary Restraining Orders, Asset Freezes, Appointment of a Monitor, the motion details payments from the SRA Entities to Anne F. Bivona. In the Second Interim Report, the Monitor provided an overview of the loan documentation and transactions provided to the Monitor by the Manager. Following the Second Interim Report, the Manager provided additional information.

For the \$1,400,000 Loan to SRA Management Associates by Anne F. Bivona on November 17, 2014, LLC, the additional information provided by the Manager included a portion of a monthly bank statement for the second half of the month of January 2015 of a previously undisclosed SRA III Fund bank account at

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<sup>21</sup> Felix Investments was a broker dealer active in the early years to source private company securities for the various funds. According to Mr. Bivona (the "Manager"), it did not hold securities/assets for individuals or other entities and ceased operating and withdrew its broker-dealer registration in June 2014. The Monitor understands, but has not verified, that all bank accounts have been closed and no assets remain.

Maxim Group<sup>22</sup>, which received \$1,300,000 on January 16, 2015 and a transfer out \$1,299,972.86 on January 29, 2015 to an unnamed account at Valley Bank<sup>23</sup>. Further review is required to document the transfer and use of these funds, as according to the Manager. The money was transferred back to the John V. Bivona Escrow Accounts and then \$1,000,000 was sent in February 2015 to a new previously undisclosed account at Maxim Group in the name of Clear Sailing IV; \$495,669.69 of which was used to buy additional Alibaba stock and the balance was purportedly transferred back to a Clear Sailing V account which, was then transferred to the John V. Bivona Escrow Account. On March 17, 2015 a check for this balance was given to Anne Bivona. The Manager has informed the Monitor that the primary need for this loan was to purchase shares of Alibaba stock in the open market. According to the Manager, these shares were purchased to replace securities that had previously been committed to Clear Sailing IV on a forward contract which the seller later refused to honor thereby, creating a deficiency of 6,004 shares.

Regarding the other loans for \$210,000 and \$350,000 to Clear Sailing made in December 2015, the Monitor has not been able to confirm that these monies were used to pay for the purchase of Practice Fusion and Uber securities as stated by the Manager. Further, since share purchases are historically funded by investor capital contributions, it is unclear to the Monitor why Clear Sailing would need outside funds to purchase securities, since the SRA Funds had stopped soliciting new investors and there would be no need to create inventory for future investment. Further, the Purchase Spreadsheet does not show an excess inventory of Practice Fusion or Uber securities that would equate to these purchases.

**Conclusion:** Per the Court order, the Monitor has been asked to submit a written report to the Court containing (1) a preliminary accounting for the Saddle River, SRA Management, the SRA Funds and Clear Sailing for the limited purpose of determining what assets the SRA Funds own and whether the SRA Funds own the shares of pre-IPO companies to which investors are entitled and (2) a recommendation for how to wind down the SRA Funds that minimizes investor harm. Unfortunately, when initially appointed by the Court, the Monitor had anticipated that the SRA Entities and Clear Sailing would be able to easily produce a standard set of formal documents detailing the holdings of the SRA Entities and Clear Sailing. Instead, the Monitor found an organization with weak documentation practices, inconstant procedures, and a widespread lack of internal controls. The Monitor understands that there has been turnover in the personnel of the SRA Entities and the lack of current personnel familiar with the systems and record maintenance procedures which may account for some of the issues; but, the manually prepared spreadsheets tracking activities are not integrated into the documentation processes or financial systems. The absence of such integration has the potential to continuously compound the

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<sup>22</sup> According to Mr. Bivona, Maxim Group is the clearing firm for Pershing LLC, the party listed on the John V. Bivona, Esq. Attorney's Escrow bank account as being sent this payment.

<sup>23</sup> Previously, the Manager had provided the Monitor with bank statements for a SRA III account at Valley Bank that received a wire transfer for the same amount on the same date.

negative effect on the accuracy and integrity of the records. This resulted in the review taking substantially more time, consuming more effort than originally estimated and challenged the Monitor's confidence in the underlying information.

Regarding the Monitor's comfort in the tracking of investor contribution, the Monitor remains concerned that even if the Monitor can confirm that all monies received by the SRA Funds have the corresponding proper documentation to identify the investor and the amount invested, not all investors may be accounted for. This discomfort is based on the Monitor's continuous concerns regarding the Manager's record keeping practices, the discovery of an investor that had not been included in the Investor Master List (and not initially acknowledged by the Manager), and the longstanding and inappropriate use of non SRA Fund bank accounts to collect investor capital contributions and other funds. Throughout this report, the Court will find examples of discrepancies that should raise concerns regarding the record keeping practices of the Manager and the ability to rely on such information. In addition, the structure of the funds and the use of the Purchase Entities as nominees that also sell beneficial interests to other funds that are not covered by the Court's Order, including funds controlled by the Manager, such as the NYPA Funds (I and II) and the Felix Multi Opportunity Funds (I & II), and funds purportedly not controlled by the Manager,<sup>24</sup> including Silverback Funds (I and II), the Fortuna Fund I and Capital Truth Holdings, LLC, makes verifying that the same securities are not pledged to multiple parties very challenging. While further work is still required to confirm the number of shares of privately held company stock that the Purchase Entities, without confirmation from all other members of the Purchase Entities of their holdings, the Monitor will not be able to ensure that there are enough shares to support the beneficial ownership of all the members. In sum, the Monitor cannot at this time determine with any amount of confidence, whether the SRA Funds own the shares of pre-IPO companies to which investors are entitled.

As to a recommendation regarding the wind down of the SRA Funds, until the Monitor can confirm the holdings of the Purchase Entities, only a preliminary recommendation can be made at this time. Overall, the Monitor believes that the Court should continue to supervise the SRA Entities either through the appointment of a Receiver or the continued involvement of an independent monitor until the SRA Funds are wound down to ensure that investors are protected, given the recordkeeping concerns raised in this Report.

Based on the Monitor's expertise and knowledge of pre-IPO technology companies, the Monitor does not recommend immediately attempting to liquidate the securities, due to the potential negative impact to investors. The underlying securities held by the Purchase Entities are illiquid and any distribution of the securities directly to individual investors is restricted (i.e. prohibited), so beneficial interests in privately held company securities would need to be sold for the benefit of investors rather than

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<sup>24</sup> The Monitor did not find evidence that the Manager controlled Silverback Funds (I and II), the Fortuna Fund I or Capital Truth Holdings, LLC, but the Monitor has been told that former employees of the SRA Entities work for and/or control (or have worked for) these other funds and, as a result, likely have similar investors and possibly similar policies, procedures and systems.

transferred directly to those investors. Further, sales of large blocks of privately held company securities into the marketplace prior to a liquidation event (i.e. an IPO or company sale) would likely be heavily discounted. Instead, the Monitor recommends that the securities be retained for a reasonable period and subject to the Court's supervision, until: (i) it can be determined that a liquidation event is forthcoming or that it is appropriate to sell the shares into the private markets due to heavy demand at a higher price, (ii) there is confirmation that a majority of the investors would like the securities liquidated or (iii) it is deemed that the liquidation event will not occur for an extended period. To the extent a liquidation event occurs during this period, the Monitor would seek the Court's guidance as to the proper distribution. Since questions remain regarding an accurate, comprehensive list of investors, a conservative solution may include confirmation by all known investors plus broad noticing to the market place, such as notices in financial publications like the *Wall Street Journal*, in an attempt to ensure that all investors have an opportunity to be properly accounted for and repaid.

**Exhibit A – Independent Monitor’s Role By Order of the Court**

1. Have full and complete access to Saddle River, SRA Management, the SRA Funds, and Clear Sailing’s books and records;
2. Have full and complete access to Saddle River’s, SRA Management’s, the SRA Funds’, and Clear Sailing’s principals, officers, employees, agents, consultants, or anyone else who is otherwise associated with those entities to carry out the Independent Monitor’s assignment;
3. Review and monitor all proposed purchases and sales of securities or interests in securities by Saddle River, SRA Management, the SRA Funds, Clear Sailing and to object to any purchase or sale that the Monitor determines is not in the best interests of the SRA Funds and its investors;
4. Enter into the offices and premises of Saddle River, SRA Management, the SRA Funds, or Clear Sailing;
5. Review and monitor all proposed transfers of money or assets by Saddle River, SRA Management, the SRA Funds, or Clear Sailing and to object to any transfer of money or assets that the Monitor determines is not in the best interests of the SRA Funds and its investors;
6. Identify and locate all money, assets, securities and interests in securities held by, or for the benefit of, Saddle River, SRA Management, the SRA Funds or Clear Sailing;
7. Identify all investors in the SRA Funds and determine whether those investors have received the securities or economic interests in securities that the investors have paid for;
8. Identify all debts, accounts payable, liabilities and unpaid obligations of the SRA Funds;
9. Review and monitor all bills or invoices sent to Saddle River, SRA Management, the SRA Funds, or Clear Sailing and expenditures that Saddle River, SRA Management, the SRA Funds, or Clear Sailing intends to make and to object to any expenditure that the Monitor determines is not in the best interests of the SRA Funds and its investors;
10. Apply to the Court for an order compelling compliance with this Order or seeking a modification of this Order.

**Exhibit B – Document Production**

<b><u>Document Name</u></b>	<b><u>Production Date</u></b>
SRA I Investment Master List	March 28, 2016
SRA II Investment Master List	March 28, 2016
SRA III Investment Master List	March 28, 2016
SRA I Bank Statements -8804 (November 1, 2015 to February 29, 2016)	March 28, 2016
SRA II Bank Statements -8797 (November 1, 2015 to February 29, 2016)	March 28, 2016
SRA III Bank Statements -8789 (November 1, 2015 to February 29, 2016)	March 28, 2016
SRA Management Associates Bank Statements -8711 (November 1, 2015 to February 29, 2016)	March 28, 2016
Saddle River General Account Statements -8846 (November 1, 2015 to February 29, 2016)	March 28, 2016
John V. Bivona, Esq. Attorney Escrow -6785 (October 11, 2015 to March 11, 2016)	March 28, 2016
Saddle River General Account checks #1176 to 1286 (November 1, 2015 to February 29, 2016)	March 28, 2016
SRA Management Quick Books Back Up file	March 29, 2016
SRA Bank Account List	March 29, 2016
Bivona Related Fund List	March 29, 2016
SRA I Amended and Restated PPM Exhibit A Revised June 14, 2015	March 30, 2016
SRA II Amended and Restated PPM Exhibit A Revised June 14, 2015	March 30, 2016
SRA III Subscription dated June 4, 2015	March 30, 2016
SRA III Palantir Investment Letter	March 30, 2016
SRA III Advisor Accredited Investor Confirmation Template	March 30, 2016
Saddle River Advisors Investor Suitability Questionnaire	March 30, 2016
SRA III Individual and Joint Subscription Document	March 30, 2016
SRA III Entity Subscription Document	March 30, 2016
SRA I Quick Books Check Register (November 2, 2015 to January 13, 2016)	March 30, 2016
SRA I Quick Books Deposits List (November 3, 2015)	March 30, 2016
SRA II Quick Books Check Register (November 2, 2015 to February 24, 2016)	March 30, 2016

SRA II Quick Books Deposits List (January 22, 2016 to January 27, 2016)	March 30, 2016
SRA III Quick Books Check Register (November 2, 2015 to February 17, 2016)	March 30, 2016
SRA III Quick Books Deposits List (November 3, 2015 to February 11, 2016)	March 30, 2016
SRA Management Quick Books Check Register (November 10, 2015 to November 19, 2015)	March 30, 2016
SRA Management Quick Books Deposits List (November 10, 2015 to November 13, 2015)	March 30, 2016
John V Bivona, Esq FBO Attorney Escrow -6793 (October 11, 2015 to March 11, 2016)	March 30, 2016
Clear Sailing and EAC Stock Purchase Spreadsheet for Addepar, AriBnb, Bloom Energy, Cloudera, DropBox, Evernote, Glam Media, Jawbone, Lookout, Lyft, Mongo DB, Palantir, Pinterest, Practice Fusion, Snapchat, Square, Uber, Virtual Instruments and ZocDoc	March 31, 2016
SRA I Investor Welcome Letters and Subscription Agreement signature pages for Addepar, AirBnb, Badgerville, Bloom Energy, Candi Controls, Cloudera, DropBox, Evernote, Glam Media, Jawbone, Lookout, Lyft, Mongo DB, Palantir, Pinterest, Practice Fusion, Snapchat, Square, Uber, and Series X	March 31, 2016
SRA II Investor Welcome Letters and Subscription Agreement signature pages for Addepar, AirBnb, Badgerville, Candi Controls, Cloudera, DropBox, Evernote, Jawbone, Lookout, Lyft, Mongo DB, Palantir, Pinterest, Practice Fusion, Snapchat, and Square	March 31, 2016
SRA III Investor Welcome Letters and Subscription Agreement signature pages for Addepar, AirBnb, Badgerville, Bloom Energy, Candi Controls, Cloudera, DropBox, Evernote, Jawbone, Lookout, Lyft, Mongo DB, Palantir, Pinterest, Practice Fusion, Snapchat, and Square	March 31, 2016
Alibaba, Box, Check, Flurry and Twitter Stock Distribution Schedules	April 1, 2016
Stock Distribution Schedules for Alibaba, Box, Check, Flurry and Twitter	April 1, 2016
Clear Sailing IV Bank Statements -9076 (November 1, 2015 to February 29, 2016)	April 4, 2016
Clear Sailing IV Second Amended and Restate Operating Agreement dated May 22, 2012 - without schedules or exhibits	April 4, 2016
Clear Sailing V Amended and Restate Operating Agreement dated June 22, 2012 - without schedules or exhibits	April 4, 2016
Clear Sailing and EAC Stock Inventory Listing	April 4, 2016
Contact Information of Entities for the Preparation of Confirmation Letters	April 4, 2016
Additional Contact Information of Entities for the Preparation of Confirmation Letters	April 5, 2016
Additional Executed Purchase Agreements and Explanations for Addepar, Badgerville, Jawbone, Palantir, Pinterest, Square and Virtual Instruments	April 6, 2016

Form ADV – Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Advisers	April 8, 2016
John V Bivona, Esq Attorneys Escrow Bank Statements - 6793 (November 1, 2015 to February 29, 2016)	April 13, 2016
List of Checks Issued out of the Saddle River General account – 8846 (March 2016)	April 13, 2016
Fortuna Management Associates Bank Statements – 9307 (January 2016 to March 2016)	April 13, 2016
Clear Sailing V Bank Statements -2096 (November 1, 2015 to February 29, 2016)	April 15, 2016
FMOF I Investor Master List	April 20, 2016
FMOF II Investor Master List	April 20, 2016
NYPA I Investor List	April 20, 2016
NYPA II Investor List	April 20, 2016
Revised Purchase Spreadsheet for CSG IV and EAC	April 20, 2016
Stock Transfer Agreement between Clear Sailing IV and third party for purchase of 868,600 of Palantir on November 10, 2011	April 21, 2016
Revised Purchase Spreadsheet for CSG IV and EAC showing allocations to other funds	April 27, 2016
Correspondence and unsigned documentation between SRA III and Gus E. (investor)	April 27, 2016
Additional Stock Transfer Agreement between EAC and third parties for purchase of 30,000 and 10,500 shares of Palantir on March 30, 2016 and April 20, 2016	April 21, 2016
Additional documentation relating to loans between Anne Bivona and the SRA Entities	May 2, 2016
Revised Purchase Spreadsheet for CSG IV and EAC showing specific allocations to other funds For shares of Bloom Energy, Practice Fusion, Square and ZocDoc between nominee funds	May 5, 2016
Email from John V. Bivona documenting shortfall of 138,608 shares of Palantir	May 5, 2016

**EXHIBIT C – SECURITIES HELD BY FUND****(Generated From Master Investor List Provided by Manager)****SRA I – Holdings**

Entity	Deal	Series
Addepar	SRA I LLC	Series D-1(SA) through Series D-3(SA)
Airbnb	SRA I LLC	Series W-1(SA) through Series W-2(SA)
Badgeville	SRA I LLC	Series H-1(SA) through Series H-6(SA)
Bloom Energy	SRA I LLC	Series Q-1(SA) through Series Q-3(SA)
Candi Controls	SRA I LLC	Series G-1(SA)
Cloudera	SRA I LLC	Series UU-1(SA) through Series UU-4(SA)
Dropbox	SRA I LLC	Series JJ-1(SA) through Series JJ-2(SA)
Evernote	SRA I LLC	Series V-1(SA) through Series V-4(SA)
Glam	SRA I LLC	Series AA-1(SA)
Jawbone	SRA I LLC	Series FF-1(SA) through Series FF-7(SA)
Lookout	SRA I LLC	Series L-1(SA) through Series L-7(SA)
Lyft	SRA I LLC	Series LY-1(SA) through Series LY-3(SA)
Mongo DB	SRA I LLC	Series II-1(SA) through Series II-4(SA)
Palantir	SRA I LLC	Series E-1(SA) through Series E-63(SA)
Pinterest	SRA I LLC	Series Z-1(SA) through Series Z-5(SA)
Practice Fusion	SRA I LLC	Series EE-1(SA) through Series EE-13(SA)
SnapChat	SRA I LLC	Series SN-1(SA)
Square	SRA I LLC	Series CC-1(SA) through Series CC-18(SA)
Uber	SRA I LLC	Series UB-1(SA)
Big TEN	SRA I LLC	Series 10
- Badgeville	SRA I LLC	Series 10
- Bloom Energy	SRA I LLC	Series 10
- Box	SRA I LLC	Series 10
- Dropbox	SRA I LLC	Series 10
- Glam Media	SRA I LLC	Series 10
- oDesk	SRA I LLC	Series 10
- Palantir	SRA I LLC	Series 10
- Square	SRA I LLC	Series 10
- Twitter	SRA I LLC	Series 10
- Zocdoc	SRA I LLC	Series 10
Series X	SRA I LLC	Series X
- Addepar	SRA I LLC	Series X
- Bloom Energy	SRA I LLC	Series X
- Box	SRA I LLC	Series X
- Check	SRA I LLC	Series X

- Dropbox	SRA I LLC	Series X
- Flurry	SRA I LLC	Series X
- Glam Media	SRA I LLC	Series X
- Jawbone	SRA I LLC	Series X
- Mongo DB	SRA I LLC	Series X
- oDesk	SRA I LLC	Series X
- Practice Fusion	SRA I LLC	Series X
- Square	SRA I LLC	Series X
- Virtual Instruments	SRA I LLC	Series X

**SRA II – Holdings**

Entity	Deal	Series
Addepar	SRA II LLC	Series D-1(SB) through Series D-2(SB)
Airbnb	SRA II LLC	Series W-1(SB) through Series W-2(SB)
Badgeville	SRA II LLC	Series H-1(SB) through Series H-7(SB)
Candi Controls	SRA II LLC	Series G-1(SB) through Series G-2(SB)
Cloudera	SRA II LLC	Series UU-1(SB) through Series UU-3(SB)
Dropbox	SRA II LLC	Series JJ-1(SB) through Series II-5(SB)
Evernote	SRA II LLC	Series V-1(SB) through Series V-3(SB)
Jawbone	SRA II LLC	Series FF-1(SB) through Series FF-10(SB)
Lookout	SRA II LLC	Series L-1(SB) through Series L-5(SB)
Lyft	SRA II LLC	Series LY-1(SB)
Mongo DB	SRA II LLC	Series II-1(SB) through Series II-5(SB)
Palantir	SRA II LLC	Series E-1(SB) through Series E-42(SB)
Pinterest	SRA II LLC	Series Z-1(SB) through Series Z-2(SB)
Practice Fusion	SRA II LLC	Series EE-1(SB) through Series EE-16(SB)
SnapChat	SRA II LLC	Series SN-1(SB)
Square	SRA II LLC	Series CC-1(SB) through Series CC-17(SB)

**SRA III – Holdings**

Entity	Deal	Series
Addepar	SRA III LLC	Series D-1(SA3) through Series D-2(SA3)
Airbnb	SRA III LLC	Series W-1(SA3) through Series W-3(SA3)
Badgeville	SRA III LLC	Series H-1(SA3) through Series H-2(SA3)
Bloom Energy	SRA III LLC	Series Q-1(SA3)
Candi Controls	SRA III LLC	Series G-1(SA3)
Cloudera	SRA III LLC	Series UU-1(SA3) through Series UU-2(SA3)

Dropbox	SRA III LLC	Series JJ-1(SA3) through Series JJ-3(SA3)
Evernote	SRA III LLC	Series V-1(SA3) through Series V-4(SA3)
Jawbone	SRA III LLC	Series FF-1(SA3) through Series FF-8(SA3)
Lookout	SRA III LLC	Series L-1(SA3) through Series L-6(SA3)
Lyft	SRA III LLC	Series LY-1(SA3)
Mongo DB	SRA III LLC	Series II-1(SA3) through Series II-3(SA3)
Palantir	SRA III LLC	Series E-1(SA3) through Series E-56(SA3)
Pinterest	SRA III LLC	Series Z-1(SA3) through Series Z-2(SA3)
Practice Fusion	SRA III LLC	Series EE-1(SA3) through Series EE-11(SA3)
SnapChat	SRA III LLC	Series SN-1(SA3)
Square	SRA III LLC	Series CC-1(SA3) through Series CC-17(SA3)

**EXHIBIT D – SUMMARY AND STATUS OF CONFIRMATION LETTERS**

SRA I, LLC								
Confirmation Letter								

SRA I	Mailed	Date Mailed	Returned Undelivered	Confirmation Received By (Email, Letter or Fax):	Follow Up Call	Number of Shares in Confirmation Letter	Amount of Shares Confirmed	Variance
Addepar, Inc. 1215 Terra Bella Avenue Mountain View, CA 94043	YES	04/08/16	NO	Fax on 4/12 by General Counsel of Addepar	N/A	427,077	427,077	-

SRA II, LLC									
Confirmation Letter									

SRA II	Mailed	Date Mailed	Returned Undelivered	Confirmation Received By (Email, Letter or Fax):	Follow Up Call	Number of Shares in Confirmation Letter	Amount of Shares Confirmed	Variance	Notes
Addepar, Inc. 1215 Terra Bella Avenue Mountain View, CA 94043	YES	04/08/16	NO	Fax on 4/12 by General Counsel of Addepar	N/A	152,527	-	(152,527)	1

**Notes**

1- Confirmation indicated that SRA II, LLC is not listed as holding any shares of Addepar, and SRA II is not on the cap table. Monitor needs to review further, but has been advised by the Manager that these shares were originally part of the Felix Multi Opportunity Funds ("FMOF"), but one investor's holdings (Mr. de Wit) were liquidated through a lateral sale of his Membership interest in FMOF, such that FMOF is still the holder on the cap table of Addepar.

SRA III, LLC									
Confirmation Letter									

SRA III	Mailed	Date Mailed	Returned Undelivered	Confirmation Received By (Email, Letter or Fax):	Follow Up Call	Number of Shares in Confirmation Letter	Amount of Shares Confirmed	Variance	Notes
Addepar, Inc. 1215 Terra Bella Avenue Mountain View, CA 94043	YES	04/08/16	NO	Fax on 4/12 by General Counsel of Addepar	N/A	137,508	-	(137,508)	1

**Notes**

1- Confirmation indicated that SRA III, LLC is not listed as holding any shares of Addepar, and SRA III is not on the cap table. Monitor needs to review further, but has been advised by the Manager that these shares were originally part of the FMOF, but one investor's (Mr. Haveliwala) holdings were liquidated through a partial sale of 320,074 shares back to Addepar and a lateral sale of the balance of his Membership interest in FMOF (137,508 shares of Addepar), was sold to SRA III, such that FMOF is still the holder listed on the cap table.

Clear Sailing Group IV, LLC										
Confirmation Letters										
CSG IV	Mailed	Date Mailed	Returned Undelivered	Confirmation Received BY (Email, Letter or Fax):	Follow Up Call/Email	Number of Shares in Confirmation Letter	Amount of Shares Confirmed	Variance	Notes	
Badgeville, Inc. 805 Veterans Boulevard # 307 Redwood City, California 94063	YES	04/08/16			YES, on 4/15, left DVM	631,578	-	N/A	1	
Bloom Energy Corporation 1299 Orleans Drive Sunnyvale, California 94089	YES	04/08/16	NO	Email on 4/18 by Giovanna M.	YES, on 4/15, left DVM	86,000	136,000	50,000	2	
Cloudera, Inc. 1001 Page Mill Road Building 2 Palo Alto, California 94304	YES	04/08/16			YES, on 4/15, left DVM	19,166	-	N/A	3	
Dropbox, Inc. 185 Berry Street Suite 400 San Francisco, California 94107	YES	04/08/16			YES, on 4/15, left DVM	69,000	-	N/A	4	
Evernote Corporation 305 Walnut Street Redwood City, California 94063	YES	04/08/16	NO	Email on 4/11 by Jose P.	Not Necessary	100,000	100,000	-		
Mode Media Corporation (f/k/a Glam Media, Inc.) 2000 Sierra Point Parkway Suite 100, 10th Floor Brisbane, California 94005	YES	04/08/16			YES, on 4/15, left DVM	210,000	-	N/A		
AliphCom Corporation (d/b/a Jawbone) c/o Cooley, LLP 101 California Street 5th Floor San Francisco, California 94111 Attn: Ron M.	YES	04/08/16	NO	Email on 4/12 by Ron M.	Not Necessary	391,587	391,587	-		
AliphCom Corporation (d/b/a Jawbone) 99 Rhode Island Street San Francisco, California 94103	YES	04/08/16	NO	Email on 4/14 by David S.	Not Necessary	391,587	391,587	-		
Lookout, Inc. 1 Front Street # 2700 San Francisco, California 94107	YES	04/08/16			Phone # provided is not working and cannot find a # online	212,474	-	N/A	5	
MongoDB, Inc. 100 Forest Avenue Palo Alto, California 94301	YES	04/08/16	NO	Email on 4/18 by Minh Cannon	YES, on 4/15, talked to the operator and she will forward request to the right individual	52,500	40,000	(12,500)	6	
oDesk Corporation 901 Marshall Street Suite 200 Redwood City, California 94063	YES	04/08/16	YES		YES, on 4/15, left DVM	60,000	-	N/A		
Palantir Technologies, Inc. c/o Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP 1200 Seaport Boulevard Redwood City, California 94063 Attn: Paul S.	YES	04/08/16	NO	Fax on 4/15 from Michael I. at Gunderson Dettmer	YES, on 4/15, spoke to Paul S. and he stated that a confirmation letter/fax will be sent today (4/15)	4,632,616	5,422,600	789,984	7	
Palantir Technologies, Inc. 100 Hamilton Avenue Suite 300 San Francisco, California 94103	YES	04/08/16			YES, on 4/15, left DVM	4,632,616	-	N/A		
Practice Fusion, Inc. 650 Townsend Street San Francisco, California 94103	YES	04/08/16			YES, on 4/15, talked to operator and she took my information and will forward it to the right individual	1,595,000	-	N/A		
Snapchat, Inc. 63 Market Street Venice, California 90291	YES	04/08/16	NO	Email on 4/12 from Atul P.	Not Necessary	15,586	-	N/A	8	
Square, Inc. 1455 Market Street Suite 600 San Francisco, California 94103	YES	04/08/16			YES, on 4/15, was not able to speak to a live person and to leave a VM	47,507	-	N/A	9	
Virtual Instruments Corporation 25 Metro Drive San Jose, California 95110	YES	04/08/16			YES, on 4/15, left DVM to Jim K.	100,000	100,000	-		

## Notes

- 1 - After further review, the purchase of Badgeville shares is under a forward contract; therefore, the Monitor needs to send a confirmation letter to the seller (Kris D.) to verify the holdings of these shares.
- 2 - Per confirmation letter and voice message received from Giovanna M. from Bloom Energy on 4/18, Clear Sailing Group IV, LLC holds a total of 136,000 shares instead of 86,000 shares outlined in the confirmation letter. The Monitor needs to review further.
- 3 - After further review, the purchase of Cloudera shares is under a forward contract; therefore, the Monitor needs to send a confirmation letter to the seller (Chasm Capital) to verify the holdings of these shares.
- 4 - After further review, the purchase of Dropbox shares is under a forward contract; therefore, the Monitor needs to send a confirmation letter to the seller (Lars F.) to verify the holdings of these shares.
- 5 - After further review, the purchase of Lookout shares is under a forward contract; therefore, the Monitor needs to send a confirmation letter to the seller (Chasm Capital) to verify the holdings of these shares.
- 6 - MongoDB's records show that Clear Sailing Group IV, LLC is the record holder of 40,000 shares instead of 52,500 listed in the confirmation letter. The difference appears to be a forward contract with Ben S. The Monitor needs to send confirmation letter to Ben S.
- 7 - According to the records of Gunderson Dettmer, Clear Sailing Group IV, LLC is the record holder of 5,422,600 shares of Palantir Class A Common Stock instead of 4,632,616 shares listed in the confirmation letter.
- 8 - Received confirmation that Clear Sailing Group IV, LLC is not a record holder of shares for Snapchat. After further review, the purchase of Snapchat shares is under a forward contract; therefore, the Monitor needs to send a confirmation letter to the seller (Christopher P.) to verify the holdings of this shares.
- 9 - After further review, the purchase of Square shares are under a forward contracts; therefore, the Monitor needs to send a confirmation letter to the sellers (Ryan G., Jared F., Greg K. and Andrew B.) to verify the holdings of these shares.

Clear Sailing Group IV, LLC									
Confirmation Letters - Forward Contracts									
CSG IV	Mailed	Date Mailed	Returned Undelivered	Confirmation Received BY (Email, Letter or Fax):	Follow Up Call/Email	Number of Shares in Confirmation Letter	Amount of Shares Confirmed	Variance	Notes
Kris Duggan (Badgeville, Inc.) 840 Homer Avenue Palo Alto, California 94301 kris@betterworks.com					YES, on 5/05 (email)	631,578		N/A	
Chasm Capital Management, LLC (Cloudera) 375 Park Avenue Suite 2607 New York, New York 10152 Attn: Akshay Rustagi ar@chasmcap.com					YES, on 5/05 (email)	19,166		N/A	
Lars Fjeldsoe-Nielsen (Dropbox, Inc.) 580 Van Buren Street Los Altos, California 94022 larsfjeldsoe@gmail.com					YES, on 5/05 (email)	69,000		N/A	
Chasm Capital Group, LLC (Lookout, Inc.) 375 Park Avenue Suite 2607 New York, New York 10152 Attn: Akshay Rustagi ar@chasmcap.com					YES, on 5/05 (email)	212,474		N/A	
Ben Sabrin (MongoDB, Inc.) 9608 Tavares Cove Austin, Texas 78733 bsabrin@gmail.com				Email on 5/03 by Ben S.	YES, on 5/05 (email)	12,500	12,500	-	
Christopher Paulicka (Snapchat, Inc.) 3400 Pacific Avenue Apartment 204 Marina Del Rey, California 90292 paulicka@twiceborn.com					YES, on 5/05 (email)	15,586		N/A	
Ryan Gilbert (Square, Inc.) 132 Hillside Avenue Piedmont, California 94611 rgoffice@gmail.com				Email on 5/03 by Ryan G.	YES, on 5/05 (email)	6,500	65,000	(58,500)	1
Gregg Kidd (Square, Inc.) 66 Starbuck Drive Muir beach, California 94965 gregkidd@gmail.com					YES, on 5/05 (email)	10,000		N/A	
Jared Fliesler (Square, Inc.) 3566 17th Street Unit 1 San Francisco, California 94110 jareds@gmail.com					YES, on 5/05 (email)	11,007		N/A	
Andrew Borovsky (Square, Inc.) 146 South 4th Street Brooklyn, New York 11211 andrew@gmail.com andrew@cadre.com					YES, on 5/05 (email)	20,000		N/A	
<b>Notes</b>									
1 - Ryan G. confirmed that he is the holder of 65,000 (sixty five thousand) shares. The initial holding of 6,500 (six thousand five hundred) was subject to a 1 for 10 stock split.									

Equity Acquisition Company, Ltd.									
Confirmation Letters									
EAC	Mailed	Date Mailed	Returned Undelivered	Confirmation Received BY (Email, Letter or Fax):	Follow Up Call/Email	Number of Shares in Confirmation Letter	Amount of Shares Confirmed	Variance	Notes
Monroe Labouisse (Airbnb) 1305 Hayne Road Hillsborough, California 94010 monroe.labouisse@gmail.com	YES	04/13/16	NO	Email on 5/03 by Monroe L. sent to Carsten K. and Sue D.	YES, on 5/03 sent from Monroe L. to Carsten K.	12,500	12,500	-	1
Lyft, Inc. 548 Market Street Suite 68514 San Francisco, California 94104	YES	04/13/16	NO	Email on 5/05 by Christopher R.	YES, on 4/20, left DVM	15,000	15,000	-	
Palantir Technologies, Inc. c/o Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP 1200 Seaport Boulevard Redwood City, California 94063 Attn: Paul S.	YES	04/13/16			YES, on 4/20, left DVM	1,192,581	-	N/A	
Palantir Technologies, Inc. 100 Hamilton Avenue Suite 300 San Francisco, California 94103	YES	04/13/16			YES, on 4/20, left DVM. YES on 5/09, DVM.	1,192,581	-	N/A	
Chasm Capital Management, LLC (Pinterest) 375 Park Avenue Suite 2607 New York, New York 10152 Attn: Akshay Rustagi ar@chasmcap.com	YES	04/13/16			YES, on 4/20, left DVM. Yes, 5/05 (email)	30,500	-	N/A	
Practice Fusion, Inc. 650 Townsend Street San Francisco, California 94103	YES	04/13/16			YES, on 4/20, left DVM	835,000	-	N/A	
Patrick Burke (Square) 4897 Kingbook Drive San Jose, California 95124 pkburke@mac.com	YES	04/13/16	NO	Email on 5/09 by Patrick B.	YES, on 5/03 (email)	80,000	80,000	-	
Lars Fjeldsoe-Nielsen (Uber) 580 Van Buren Street Los Altos, California 94022 larsfnielsen@gmail.com	YES	04/13/16			YES, on 5/03 (email)	70,000	-	N/A	
ZocDoc, Inc. 568 Broadway 9th Floor New York, New York 10012	YES	04/13/16			YES, on 4/20, left DVM	34,000	-	N/A	
<b>Notes</b>									
1 - Received email from Monroe L. stating that she mailed confirmation letter and that she is still the holder of 12,500 shares of Airbnb shares.									

**EXHIBIT E – REQUESTED PAYMENTS**

<b><u>Vendor (Invoiced Party<sup>25</sup>)</u></b>	<b><u>Amount</u></b>	<b><u>Use</u></b>
BAE Systems (FI)	\$ 3,073.14	email archiving
Horizon Blue Cross Blue Shield of NJ (FI)	\$ 10,636.47	Medical insurance
Windstream (FI)	\$ 2,648.23	Telephone
Verizon (FI)	\$ 560.86	Cable
bcm one (JVB)	\$ 249.00	Telephone
Arkadin (SRA)	\$ 81.77	Conference calling
Borough of Upper Saddle River	\$ 100.00	Fire safety fee
Hartford Casualty Insurance Co. (SRA)	\$ 239.92	Workers' compensation
Safeguard (SRA)	\$ 71.00	Checks
Susan Diamond	\$ 3,359.65	Employee expense; travel
Weeks Lerman (SRA)	\$ <u>1,447.05</u>	Office supplies
	\$ <u>22,467.09</u>	

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<sup>25</sup> SRA = Saddle River Advisors, LLC; FI = Felix Investments, LLC; JVB = John V. Bivona, Esq.