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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION**

KELLER BENVENUTTI KIM LLP
425 MARKET STREET, 26TH FLOOR
SAN FRANCISCO, CALIFORNIA 94105

In re:

LEFEVER MATTSON, a California
corporation, *et al.*,¹

Debtors.

Lead Case No. 24-10545 (CN)

Chapter 11 (Jointly Administered)

**DEBTORS' MOTION FOR ORDER
AUTHORIZING (I) THE RETENTION AND
EMPLOYMENT OF DEVELOPMENT
SPECIALISTS, INC.; (II) THE DESIGNATION
OF BRADLEY D. SHARP AS CHIEF
RESTRUCTURING OFFICER; AND (III) THE
DESIGNATION OF RISHI JAIN AND LANCE
MILLER AS INDEPENDENT DIRECTORS, AS
OF THE PETITION DATE**

Date: October 15, 2024
Time: 1:30 p.m. (Pacific Time)
**Place: (Tele/Videoconference
Appearances Only)**
United States Bankruptcy Court
450 Golden Gate Avenue
Courtroom 17, 16th Floor
San Francisco, CA 94102

Response Deadline: October 8, 2024

¹ The last four digits of LeFever Mattson's tax identification number are 7537. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://veritaglobal.net/LM>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.



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1 LeFever Mattson, a California corporation (“LeFever Mattson”), and certain of its affiliates
 2 that are debtors and debtors in possession (the “Debtors”) in the above-captioned chapter 11 cases
 3 (the “Chapter 11 Cases”), hereby move (the “Motion”) this Court pursuant to sections 105 and 363
 4 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 6004 of the Federal Rules
 5 of Bankruptcy Procedure, (the “Bankruptcy Rules”) for entry of an order, substantially in the form
 6 attached hereto as **Exhibit A** (the “Proposed Order”), authorizing (i) the retention and employment
 7 of Development Specialists, Inc. (“DSI”); (ii) the designation of Bradley D. Sharp of DSI as Chief
 8 Restructuring Officer (the “CRO”) of the Debtors; and (iii) the designation of Rishi Jain and Lance
 9 Miller as independent directors of the Board of Directors of LeFever Mattson (the “Board”), all
 10 effective as of the Petition Date.

11 The facts and circumstances supporting this Motion are set forth in the Declarations of Mr.
 12 Sharp (the “Sharp Declaration”), Mr. Jain (the “Jain Declaration”), and Mr. Miller (the “Miller
 13 Declaration”), all filed contemporaneously herewith and incorporated by reference herein.

14 **MEMORANDUM OF POINTS AND AUTHORITIES**

15 **I. JURISDICTION AND VENUE**

16 This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334,
 17 the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24
 18 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court
 19 for the Northern District of California. This is a core proceeding pursuant to 28 U.S.C. § 157(b).
 20 Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

21 **II. BACKGROUND**

22 **A. General Background**

23 On September 12, 2024 (the “Petition Date”), LeFever Mattson and the other Debtors filed
 24 voluntary petitions for relief under chapter 11 of the Bankruptcy Code.² The Debtors continue to
 25 operate their businesses and manage their properties as debtors in possession pursuant to sections
 26 1107(a) and 1108 of the Bankruptcy Code. The Chapter 11 Cases are being jointly administered

27 _____
 28 ² One Debtor, Windscape Apartments, LLC, filed its voluntary chapter 11 petition on August 6, 2024.

1 for procedural purposes only. No trustee, examiner, or official committee of unsecured creditors
2 has been appointed in the Chapter 11 Cases.

3 **B. LeFever Mattson³**

4 LeFever Mattson manages a large real estate portfolio. Timothy LeFever and Kenneth W.
5 Mattson each own 50% of the equity in LeFever Mattson.

6 LeFever Mattson directly or indirectly controls or has ownership interests in 50 limited
7 partnerships (collectively, the “LPs”) and eight limited liability companies (collectively, the
8 “LLCs”), almost all of which are Debtors.⁴ LeFever Mattson invests in real estate primarily
9 through the LLCs and the LPs. LeFever Mattson also owns a small number of properties directly.
10 This structure has allowed LeFever Mattson to pool capital by selling limited partnership or
11 membership interests to outside investors, while typically reserving an ownership interest for itself
12 as general partner or managing member.

13 LeFever Mattson also has ownership interests in four California corporations: Debtor
14 Home Tax Service of America, Inc., dba LeFever Mattson Property Management, which provides
15 property management services, including to those properties owned by the LPs and the LLCs;
16 Debtor California Investment Properties, a California corporation (a real estate brokerage), and
17 non-debtors Pineapple Bear, a California corporation (which offers hospitality and catering
18 services), and Harrow Cellars, a California corporation (which operates a winery and related
19 businesses).

20 Prior to the Petition Date, the Board was comprised of Mr. LeFever, Mr. Mattson, and Scott
21 Smith, who was also the Corporate Secretary and General Counsel of LeFever Mattson. As of the
22 Petition Date, Mr. LeFever, Mr. Mattson, and Mr. Smith have resigned from any director or officer
23 positions with any of the Debtors.

24
25 ³ Additional background information is provided in the *Declaration of Bradley D. Sharp in*
26 *Support of Chapter 11 Petitions and First Day Motion* [Dkt. No. 5] which is incorporated by
reference herein.

27 ⁴ Two LPs have not yet filed chapter 11 petitions.
28

1 In light of those resignations, and to help ensure that the Chapter 11 Cases proceed
2 smoothly and efficiently and are designed to maximize value for the Debtors' stakeholders, the
3 Board appointed Mr. Sharp as CRO of the Debtors, and the shareholders of LeFever Mattson
4 appointed Mr. Jain and Mr. Miller to the Board as independent directors, all effective as of the
5 Petition Date.

6 **III. RELIEF REQUESTED**

7 The Debtors seeks entry of the Proposed Order authorizing (i) the retention and
8 employment of DSI; (ii) the designation of Mr. Sharp as the CRO of the Debtors; and (iii) the
9 designation of Mr. Jain and Mr. Miller as independent directors of the Board, all effective as of
10 the Petition Date.

11 **IV. BASIS FOR RELIEF REQUESTED**

12 **A. DSI and Mr. Sharp**

13 **1. Qualifications**

14 DSI is a restructuring and turnaround management firm whose professionals have a wealth
15 of experience in providing financial advisory services and enjoy an excellent reputation for
16 services they have rendered on behalf of debtors throughout the United States. DSI has substantial
17 experience in matters of this size and complexity and has acted as Chief Restructuring Officer in
18 many large bankruptcy cases. A schedule of certain of DSI's prior CRO engagements is attached
19 to the Sharp Declaration as Exhibit 1.

20 **2. Services to Be Provided**

21 Pursuant to a Retention and Letter of Engagement dated September 9, 2024 (the "DSI
22 Engagement Letter"), which is attached to the Sharp Declaration as Exhibit 2, the Debtors seek to
23 retain DSI to provide, among other things, the following professional services, if and to the extent
24 requested:

25 1. Mr. Sharp will serve as the Debtors' CRO, and in that capacity will provide the
26 following services (the "CRO Services")⁵:

27
28 ⁵ This Motion is without prejudice to the right and authority of the Board to name Mr. Sharp
to other officer roles with the Debtors, besides CRO, for governance or compliance purposes.

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- (a) Manage and direct the Chapter 11 Cases, subject to the oversight of the Board.
- (b) Report directly to the Board and comply with the Debtors' corporate governance requirements.
- (c) Manage and direct the implementation and prosecution of the Chapter 11 Cases, including negotiations with creditors, reconciliation of claims asserted by creditors, investigation into and pursuit of claims against third parties, and confirmation of a Chapter 11 plan, subject to the oversight of the Board.
- (d) Perform such other service not inconsistent with the role of a CRO and not duplicative of services provided by other professionals in the Chapter 11 Cases.
- (e) Supervise the existing financial professionals, including accountants, forensic advisors, and forensic accountants.
- (f) Supervise the Debtors' legal professionals.
- (g) Oversee the investigation into allegations against the Debtors.
- (h) Establish and manage professional fee budgets, including review of invoices and preparation of budget to actual reporting.

2. DSI will also provide other personnel of DSI (the "Additional Personnel") to provide restructuring support services (the "Additional Services") as requested or required, which may include but are not limited to:

- (a) Assisting the Debtors in the preparation of financial disclosures required by the Bankruptcy Code, including the Schedules of Assets and Liabilities, the Statements of Financial Affairs and Monthly Operating Reports.
- (b) Assisting the Debtors in the development of cash flow forecasts and other financial analysis as required.
- (c) Advising and assisting the Debtors, the Debtors' legal counsel, and other professionals in responding to third party requests.
- (d) Attending meetings and assisting in communications with parties in interest and their professionals, including any official committee(s) appointed pursuant to the Bankruptcy Code, by the Office of the United States Trustee for the Northern District of California (the "U.S. Trustee").
- (e) Providing litigation advisory services with respect to accounting matters, along with expert witness testimony on case related issues.

- 1 (f) Rendering such other general business consulting services or other
 2 assistance as the Debtors may deem necessary and which are
 3 consistent with the role of a financial advisor and not duplicative of
 4 services provided by other professionals in this case.

3. No Duplication of Services

5 The services provided by Mr. Sharp and DSI personnel will complement, and not duplicate,
 6 the services to be rendered by other professionals retained in these Chapter 11 Cases. Considering
 7 DSI and Mr. Sharp's substantial experience and the complex nature of the Debtors' assets and
 8 financial affairs, the Debtors believe that DSI and Mr. Sharp are well-qualified to advise the
 9 Debtors in these Chapter 11 Cases. Mr. Sharp and DSI personnel have been, and will remain, in
 10 communication with the Debtors' professionals to ensure that there is no duplication of services.

4. DSI's Compensation

11 DSI has requested that it be compensated at a rate of \$50,000 per month for the CRO
 12 Services, and at the hourly rates ranging from \$495 per hour to \$625 per hour for the Additional
 13 Services. DSI has additionally requested that the Debtors reimburse it for its reasonable costs and
 14 expenses, including charges for messenger services, photocopying, travel expenses, long distance
 15 telephone charges, postage, and other charges customarily invoiced by consulting firms. The
 16 Debtors respectfully submit that DSI's rates are competitive and comparable to the rates that its
 17 competitors charge for similar services. Indeed, the Debtors conducted a review and competitive
 18 comparison of other firms before deciding to retain DSI and designate Mr. Sharp as CRO. The
 19 Debtors believe that DSI's rates are reasonable given the quality of DSI's services and its
 20 professionals' bankruptcy expertise.

21
 22 Upon approval of the relief requested, DSI will not be employed as a professional under
 23 section 327 of the Bankruptcy Code,⁶ and it will not submit fee applications pursuant to
 24

25 ⁶ An officer of a debtor corporation is not a "professional person" within the meaning of
 26 section 327(a) of the Bankruptcy Code. *See In re All Seasons Indus., Inc.*, 121 B.R. 822, 825
 27 (Bankr. N.D. Ind. 1990) (existing management is not subject to 11 U.S.C. § 327). Management
 28 and turnaround specialists who are engaged by a debtor corporation to serve as officers likewise
 fall outside the scope of section 327(a) of the Bankruptcy Code. *See In re eToys, Inc.*, 331 B.R.
 176, 195, 201-02 (Bankr. D. Del. 2005) (turnaround specialist hired post-petition as president and
 CEO of debtor-in-possession was not a "professional person" pursuant to 11 U.S.C. § 327(a)); *In*
re Phoenix Steel Corp., 110 B.R. 141, 142 (Bankr. D. Del. 1989) (workout specialists who served
 as "professional persons" pursuant to 11 U.S.C. § 327(a) in other cases were not "professional

1 Bankruptcy Code sections 330 and 331. DSI will, however, file with the Court and provide reports
 2 of compensation earned and expenses incurred on a monthly basis (the “Compensation Reports”)
 3 to: (a) the U.S. Trustee; (b) counsel to any future claimants’ representative appointed by the Court;
 4 and (c) counsel to any statutory committee appointed in these Chapter 11 Cases. The
 5 Compensation Reports shall summarize the services provided and identify the compensation
 6 earned and expense incurred by DSI personnel. The foregoing parties shall have ten days after
 7 each Compensation Report is served upon them to file an objection with the Court and notice such
 8 objection for hearing under the applicable Bankruptcy Local Rule, and the portion of the
 9 compensation and expenses objected to will be subject to Court review.

10 Additionally, under the terms of the DSI Engagement Letter, the Debtors have agreed to
 11 indemnify, defend, and hold harmless those persons serving as executive officers on the same
 12 terms as provided to the Debtors’ other officers and directors under the Debtors’ corporate bylaws
 13 and applicable state law, along with insurance coverage under the Debtors’ D&O policies. The
 14 Debtors believe that such an indemnification obligation is customary, reasonable, and necessary
 15 to retain the services of a CRO in these Chapter 11 Cases.

16 **5. Disinterestedness**

17 Although DSI is not subject to the “disinterested persons” provision of section 327(a) of
 18 the Bankruptcy Code (because section 327(a) does not apply), the Debtors have disclosed to DSI
 19 their officers, directors, shareholders, and creditors to determine any prior or present representation
 20 of any creditors or parties-in-interest. From its initial review up to and including the preparation
 21 of this Motion, DSI has continued to review the information provided by the Debtors to determine
 22 any previous or present representations of creditors or parties-in-interest. DSI will conduct an
 23 ongoing review to ensure that no disqualifying circumstances arise, and if any new relevant facts
 24 or relationships are discovered, DSI will supplement its disclosure to the Court.

25 Pursuant to Rule 2014(a) of the Bankruptcy Rules, except as otherwise disclosed in the

26 _____
 27 persons” where they were employed as officers of the debtor); *In re Midland Capital Corp.*, 82
 28 B.R. 233, 234-35, 239 (Bankr. S.D.N.Y. 1988) (individuals first employed as consultants and
 thereafter appointed officers and directors were not subject to section 327(a) of the Bankruptcy
 Code).

1 Sharp Declaration or set forth in this Motion, DSI does not have any connections with the Debtors,
2 their creditors, any other party in interest, their respective attorneys or accountants, the United
3 States Trustee for the Northern District of California, or any person employed by the U.S. Trustee.
4 Further, DSI's retention will not be adverse to the Debtors' estates.

5 **B. Mr. Jain**

6 **1. Qualifications**

7 Mr. Jain is a restructuring and turnaround professional with substantial experience as an
8 independent director of debtors, including in cases involving allegations of fraud. A schedule of
9 certain of Mr. Jain's prior independent director engagements is attached to the Jain Declaration as
10 Exhibit 1.

11 **2. Services to Be Provided**

12 Pursuant to an Independent Director Retention and Indemnification Agreement effective
13 as of September 12, 2024 (the "Jain Engagement Letter"), which is attached to the Jain Declaration
14 as Exhibit 2, the Debtors seek to retain Mr. Jain as an independent director of the Board.

15 **3. No Duplication of Services**

16 The services provided by Mr. Jain will complement, and not duplicate, the services to be
17 rendered by the professionals retained in these Chapter 11 Cases. Considering Mr. Jain's
18 substantial experience and the complex nature of the Debtors' assets and financial affairs, the
19 Debtors believe that Mr. Jain is well-qualified to serve as an independent director in these Chapter
20 11 Cases. Mr. Jain has been, and will remain, in communication with the Debtors' professionals
21 to ensure that there is no duplication of services.

22 **4. Mr. Jain's Compensation**

23 Mr. Jain has requested that he be compensated for his services at a rate of \$15,000 per
24 month. The Debtors believe that Mr. Jain's rate is reasonable given the quality of his services and
25 his bankruptcy expertise. Additionally, Mr. Jain will seek reimbursement from the Debtors for
26 reasonable expenses in accordance with the terms of the Jain Engagement Letter.

27 Upon approval of the relief requested, Mr. Jain will not be employed as a professional
28 under section 327 of the Bankruptcy Code, and he will not submit fee applications pursuant to

1 sections 330 and 331 of the Bankruptcy Code.

2 Additionally, under the terms of the Jain Engagement Letter, the Debtors have agreed to
3 indemnify, defend, and hold harmless Mr. Jain to the fullest extent permitted by law, along with
4 insurance coverage under the Debtors' D&O policies. The Debtors believe that such an
5 indemnification obligation is customary, reasonable, and necessary to retain the services of an
6 independent director in these Chapter 11 Cases.

7 **5. Disinterestedness**

8 Although Mr. Jain is not subject to the "disinterested persons" provision of section 327(a)
9 of the Bankruptcy Code (because section 327(a) does not apply), the Debtors have disclosed to
10 Mr. Jain their officers, directors, shareholders, and creditors to determine any prior or present
11 representation of any creditors or parties-in-interest. From his initial review, up to and including
12 the preparation of this Motion, Mr. Jain has continued to review the information provided by the
13 Debtors to determine any previous or present representations of creditors or parties-in-interest.
14 Mr. Jain will conduct an ongoing review to ensure that no disqualifying circumstances arise, and
15 if any new relevant facts or relationships are discovered, Mr. Jain will supplement his disclosures
16 to the Court.

17 Pursuant to Rule 2014(a) of the Bankruptcy Rules, except as otherwise disclosed in the
18 Jain Declaration or set forth in this Motion, Mr. Jain does not have any connections with the
19 Debtors, their creditors, any other party in interest, their respective attorneys or accountants, the
20 United States Trustee for the Northern District of California, or any person employed by the U.S.
21 Trustee. Further, Mr. Jain's retention will not be adverse to the Debtors' estates.

22 **C. Mr. Miller**

23 **1. Mr. Miller's Qualifications**

24 Mr. Miller has 20 years of restructuring experience in many different roles, including as
25 Financial Advisor, Independent Director, Chief Restructuring Officer, and court-appointed
26 Receiver. A schedule of certain of his prior independent director engagements is attached as
27 Exhibit 1 to the Miller Declaration.

28

2. Services to Be Provided

Pursuant to an Independent Director Retention and Indemnification Agreement effective as of September 12, 2024 (the “Miller Engagement Letter”), which is attached to the Miller Declaration as Exhibit 2, the Debtors seek to retain Mr. Miller as an independent director of the Board.

3. No Duplication of Services

The services provided by Mr. Miller will complement, and not duplicate, the services to be rendered by the professionals retained in these Chapter 11 Cases. Considering Mr. Miller’s substantial experience and the complex nature of the Debtors’ assets and financial affairs, the Debtors believe that Mr. Miller is well-qualified to serve as an independent director in these Chapter 11 Cases. Mr. Miller has been, and will remain, in communication with the Debtors’ retained professionals to ensure that there is no duplication of services.

4. Mr. Miller’s Compensation

Mr. Miller has requested that he be compensated for his services at a rate of \$15,000 per month. The Debtors believe that Mr. Miller’s rate is reasonable given the quality of his services and his bankruptcy expertise. Additionally, Mr. Miller will seek reimbursement from the Debtors for reasonable expenses in accordance with the terms of the Miller Engagement Letter.

Upon approval of the relief requested, Mr. Miller will not be employed as a professional under section 327 of the Bankruptcy Code, and he will not submit fee applications pursuant to sections 330 and 331 of the Bankruptcy Code.

Additionally, under the terms of the Miller Engagement Letter, the Debtors have agreed to indemnify, defend, and hold harmless Mr. Miller to the fullest extent permitted by law, along with insurance coverage under the Debtors’ D&O policies. The Debtors believe that such an indemnification obligation is customary, reasonable, and necessary to retain the services of an independent director in these Chapter 11 Cases.

5. Disinterestedness

Although Mr. Miller is not subject to the “disinterested persons” provision of section 327(a) of the Bankruptcy Code (because section 327(a) does not apply), the Debtors have disclosed

1 to Mr. Miller their officers, directors, shareholders, and creditors to determine any prior or present
2 representation of any creditors or parties-in-interest. From his initial review, up to and including
3 the preparation of this Motion, Mr. Miller has continued to review the information provided by the
4 Debtors to determine any previous or present representations of creditors or parties-in-interest.
5 Mr. Miller will conduct an ongoing review to ensure that no disqualifying circumstances arise, and
6 if any new relevant facts or relationships are discovered, Mr. Miller will supplement his disclosures
7 to the Court.

8 Pursuant to Rule 2014(a) of the Bankruptcy Rules, except as otherwise disclosed in the
9 Miller Declaration or set forth in this Motion, Mr. Miller does not have any connections with the
10 Debtors, their creditors, any other party in interest, their respective attorneys or accountants, the
11 United States Trustee for the Northern District of California, or any person employed by the U.S.
12 Trustee. Further, Mr. Miller's retention will not be adverse to the Debtors' estates.

13 **D. Authority for Relief Requested**

14 The Debtors seek to (i) retain and employ DSI; (ii) designate Mr. Sharp of as CRO of the
15 Debtors; and (iii) designate Mr. Jain and Mr. Miller as independent members of the Board,
16 effective as of the Petition Date, pursuant to sections 105 and 363 of the Bankruptcy Code.

17 Section 363 of the Bankruptcy Code provides, in relevant part, that a debtor in possession,
18 "after notice and a hearing, may use, sell or lease, other than in the ordinary course of business,
19 property of the estate." 11 U.S.C. § 363(b). Under applicable case law in this and other Circuits,
20 if a debtor's proposed use of its assets pursuant to section 363(b) of the Bankruptcy Code
21 represents reasonable business judgment on the part of the debtor, such use should be approved.
22 *See, e.g., Walter v. Sunwest Bank (In re Walter)*, 83 B.R. 14, 17 (B.A.P. 9th Cir. 1988) ("The
23 bankruptcy court has considerable discretion in deciding whether to approve or disapprove the use
24 of estate property by a debtor in possession, in the light of sound business justification."); *In re*
25 *240 North Brand Partners*, 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996) (citing *In re Lionel Corp.*,
26 722 F.2d 1063, 1070 (2d Cir. 1983)).

27 Bankruptcy courts in this District and elsewhere have found it an appropriate exercise of a
28 debtor's business judgment to employ corporate restructuring officers, advisors, and professionals

1 under section 363. *See, e.g., In re MedCision LLC*, Case No. 17-31272 HB (Bankr. N.D. Cal.
2 March 22, 2018); *In re PopExpert, Inc.*, Case No. 16-30390 HB (Bankr. N.D. Cal. June 6, 2016);
3 *In re NewZoom, Inc.*, Case No. 15-31141-HB (Bankr. N.D. Cal. Jan. 20, 2016); *In re California*
4 *Indep. Petroleum Assn.*, Case No. 21-23169-B-11, (Bankr. E.D. Cal. Jan. 18, 2022); *In re Westcliff*
5 *Med. Labs., Inc.*, Case No. 10-16743 (Bankr. C.D. Cal. June 25, 2010); *In re Fairfield Residential*
6 *LLC*, Case No. 09-14378 (Bankr. D. Del. Jan. 13, 2010); *In re Motor Coach Indus. Int'l, Inc.*, Case
7 No. 08-12136 (Bankr. D. Del Oct. 15, 2008).

8 Additionally, section 105(a) of the Bankruptcy Code, which codifies a bankruptcy court's
9 inherent equitable powers to "issue any order, process, or judgment that is necessary or appropriate
10 to carry out the provisions in this title," provides this Court with the power to grant the relief
11 requested herein. *See also United States v. Energy Resources Co.*, 495 U.S. 545, 549 (1990);
12 *Rosson v. Fitzgerald (In re Rosson)*, 545 F.3d 764 (9th Cir. 2008); *Martin v. United States (In re*
13 *Martin)*, 150 B.R. 43, 47 (Bankr. S.D. Cal. 1993) (noting the Court's "broad" powers under Section
14 105).

15 The decisions to retain DSI, employ Mr. Sharp as CRO with the assistance of DSI
16 personnel, and employ Mr. Jain and Mr. Miller as independent directors should be authorized
17 because they reflect the sound exercise of the Debtors' business judgment. Given the Debtors'
18 pre-petition circumstances, the Debtors recognized the need for changes at the Board and executive
19 levels upon the commencement of the Chapter 11 Cases. After substantial Board-level discussion
20 and investigation of qualified candidates, the Debtors concluded that Mr. Sharp and DSI, Mr. Jain,
21 and Mr. Miller were well qualified for retention. As set forth in their respective Declarations, these
22 professionals have extensive experience as senior officers and directors of companies undertaking
23 restructuring efforts, and the DSI personnel are well qualified and equipped to assist in CRO duties.
24 These professionals will provide services that are in the best interests of all parties in interest in
25 these Chapter 11 Cases.

26 **V. REQUEST FOR WAIVER OF STAY AND MODIFIED NOTICE**

27 By this Motion, the Debtors seek (i) a modification of the notice requirement of Bankruptcy
28 Rule 6004(a), and (ii) a waiver of any stay of the effectiveness of an order granting this Motion

1 pursuant to Bankruptcy Rule 6004(h). Postponement of the retention of DSI, the CRO, and the
 2 Board will create uncertainty as to the governance of the Debtors during this critical transition
 3 period. The notice provided herein is reasonably calculated to provide the Debtors' key creditors
 4 and parties in interest with notice of the relief requested. Accordingly, the Debtors submit that
 5 ample cause exists to justify (i) a waiver of the notice requirement of Bankruptcy Rule 6004(a),
 6 and (ii) a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent that it
 7 applies.

8 **VI. NOTICE**

9 Notice of this Motion will be provided to (i) the United States Trustee; (ii) the Debtors'
 10 secured lenders; (iii) the parties listed on the Debtors' consolidated *List of Creditors Who Have*
 11 *the 30 Largest Unsecured Claims and Are Not Insiders*; and (iv) those persons who have formally
 12 appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002.
 13 Based on the urgency of the circumstances surrounding this Motion and the nature of the relief
 14 requested herein, the Debtors respectfully submit that no further notice is required.

15 **WHEREFORE**, the Debtors respectfully request that the Court enter an order,
 16 substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein.

19 Dated: September 24, 2024

KELLER BENVENUTTI KIM LLP

21 By: /s/ Thomas B. Rupp

22 Thomas B. Rupp

23 *Proposed Attorneys for the Debtors and*
 24 *Debtors in Possession*

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Exhibit A
(Proposed Order)

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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California
corporation, *et al.*,¹

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**[PROPOSED] ORDER
AUTHORIZING (I) THE RETENTION
AND EMPLOYMENT OF
DEVELOPMENT SPECIALISTS,
INC.; (II) THE DESIGNATION OF
BRADLEY D. SHARP AS CHIEF
RESTRUCTURING OFFICER; AND
(III) THE DESIGNATION OF RISHI
JAIN AND LANCE MILLER AS
INDEPENDENT DIRECTORS, AS OF
THE PETITION DATE**

¹ The last four digits of LeFever Mattson's tax identification number are 7537. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://veritaglobal.net/LM>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

1 Upon consideration of the Debtors’ Motion for Order Authorizing (I) the Retention and
 2 Employment of Development Specialists, Inc.; (II) the Designation of Bradley D. Sharp as the
 3 Chief Restructuring Officer of the Debtors; and (III) the Designation of Rishi Jain and Lance
 4 Miller as Independent Members of the Board of Directors, as of the Petition Date (the “Motion”),²
 5 filed by the above-captioned debtors and debtors in possession (the “Debtors”) in the Chapter 11
 6 Cases, for entry of an order pursuant to pursuant to sections 105 and 363 of title 11 of the United
 7 States Code (the “Bankruptcy Code”) and Rule 6004 of the Federal Rules of Bankruptcy
 8 Procedure, (the “Bankruptcy Rules”); and the Court having reviewed the Motion, the Sharp
 9 Declaration, the Jain Declaration, the Miller Declaration, all other filings in support of the Motion,
 10 and the arguments made at the hearing on the Motion (the “Hearing”); and the Court having found
 11 that (i) the Court has jurisdiction to consider the Motion and the relief requested therein pursuant
 12 to 28 U.S.C. §§ 157 and 1334, and the Order Referring Bankruptcy Cases and Proceedings to
 13 Bankruptcy Judges, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the
 14 United States District Court for the Northern District of California (the “Bankruptcy Local Rules”);
 15 (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core
 16 proceeding pursuant to 28 U.S.C. § 157(b); (iv) notice of the Motion and the Hearing was sufficient
 17 under the circumstances; and (v) good cause exists to waive the requirements imposed by
 18 Bankruptcy Rules 6004(a) and 6004(h), to the extent either is applicable; and after due deliberation
 19 the Court having determined that the relief requested in the Motion is in the best interests of the
 20 Debtors, their estates, and their creditors; and good and sufficient cause having been shown;

21 **IT IS HEREBY ORDERED THAT:**

- 22 1. The Motion is granted.
- 23 2. The Debtors are authorized to employ and retain Development Specialists, Inc.
 24 (“DSI”) and designate Bradley D. Sharp as Chief Restructuring Officer (the “CRO”) under
 25 sections 363(b) and 105(a) of the Bankruptcy Code, effective as of the Petition Date, under the
 26 terms of the DSI Engagement Letter.

27 _____
 28 ² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

1 3. The Debtors are authorized to employ and retain Rishi Jain as an independent
2 member of the Board of Directors of LeFever Mattson, under sections 363(b) and 105(a) of the
3 Bankruptcy Code, effective as of the Petition Date, under the terms of the Jain Engagement Letter

4 4. The Debtors are authorized to employ and retain Lance Miller as an independent
5 member of the Board of Directors of LeFever Mattson, under sections 363(b) and 105(a) of the
6 Bankruptcy Code, effective as of the Petition Date, under the terms of the Miller Engagement
7 Letter.

8 5. The terms of the DSI Engagement Letter, the Jain Engagement Letter, and the
9 Miller Engagement Letter (collectively, the “Engagement Letters”), including the compensation
10 and indemnification provisions, are reasonable terms and conditions of employment and are hereby
11 approved.

12 6. DSI, Mr. Jain, and Mr. Miler will not be employed as professionals under section
13 327 of the Bankruptcy Code, and they need not submit fee applications pursuant to sections 330
14 and 331 of the Bankruptcy Code.

15 7. DSI shall file with the Court and provide reports of compensation earned and
16 expenses incurred on a monthly basis (the “Compensation Reports”) to: (a) the U.S. Trustee;
17 (b) counsel to any future claimants’ representative appointed by the Court; and (c) counsel to any
18 statutory committee appointed in these Chapter 11 Cases. The Compensation Reports shall
19 summarize the services provided and identify the compensation earned and expense incurred by
20 DSI personnel. The foregoing parties shall have ten days after each Compensation Report is served
21 upon them to file an objection with the Court and notice such objection for hearing under the
22 applicable Bankruptcy Local Rule, and the portion of the compensation and expenses objected to
23 will be subject to Court review.

24 8. Upon employment and retention by Debtors, Mr. Sharp shall be empowered and
25 authorized to carry out all duties and responsibilities as CRO, and Mr. Jain and Mr. Miller shall be
26 empowered and authorized to carry out all duties and responsibilities of members of the Board of
27 Directors of LeFever Mattson.

28

