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*Proposed Attorneys for the Debtors and
 Debtors in Possession*

**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. ____ - ____ (CN)
 (Joint Administration Requested)

Chapter 11

**MOTION OF DEBTORS FOR ENTRY OF
 AN ORDER (I) AUTHORIZING THE
 DEBTORS TO (A) FILE A
 CONSOLIDATED LIST OF CREDITORS
 IN LIEU OF SUBMITTING A SEPARATE
 MAILING MATRIX FOR EACH DEBTOR,
 (B) FILE A CONSOLIDATED LIST OF
 THE DEBTORS' THIRTY LARGEST
 UNSECURED CREDITORS;
 (II) IMPLEMENTING CERTAIN
 PROCEDURES FOR THE NOTICE OF
 COMMENCEMENT; AND
 (III) GRANTING RELATED RELIEF**

Date: TBD

Time: TBD

Place: United States Bankruptcy Court
 1300 Clay Street, Courtroom 215
 Oakland, CA 94612

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' proposed 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.



LeFever Mattson, a California corporation (“LeFever Mattson”), and certain of its affiliates that are debtors and debtors in possession (the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), hereby move (the “Motion”) this Court pursuant to sections 105, 342, and 521 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 1007 and 2002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for the entry of an order, in substantially the form attached hereto as **Exhibit A**, (i) authorizing the Debtors to (a) file a consolidated list of creditors in lieu of submitting a separate mailing matrix for each Debtor, and (b) file a consolidated list of the Debtors’ thirty (30) largest unsecured creditors in lieu of filing a separate top twenty creditor list for each Debtor; (ii) implementing certain procedures for the mailing of the notice announcing the commencement of these Chapter 11 Cases and the meeting of creditors to be held pursuant to section 341 of the Bankruptcy Code (the “Notice of Commencement”); and (iii) granting related relief.

The facts and circumstances supporting this Motion are set forth in the *Declaration of Bradley D. Sharp in Support of Chapter 11 Petitions and First Day Motions* (the “Sharp Declaration”), filed contemporaneously herewith and incorporated by reference herein. Capitalized terms used but not defined herein have the meanings given to them in the Sharp Declaration.

MEMORANDUM OF POINTS AND AUTHORITIES

I. JURISDICTION AND VENUE

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

II. BACKGROUND

A. General Background

On the date hereof (the “Petition Date”), LeFever Mattson and the other Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections

1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee of unsecured creditors has been appointed in any case of the Debtors.

B. LeFever Mattson

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

LeFever Mattson directly or indirectly controls or has ownership interests in 50 limited partnerships (collectively, the “LPs”) and eight limited liability companies (collectively, the “LLCs”), almost all of which are Debtors.² LeFever Mattson invests in real estate primarily through the LLCs and the LPs. LeFever Mattson also owns a small number of properties directly. This structure has allowed LeFever Mattson to pool capital by selling limited partnership or membership interests to outside investors, while typically reserving an ownership interest for itself as general partner or managing member.

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

As of the Petition Date, Bradley D. Sharp has been appointed the Chief Restructuring Officer of the Debtors. Since Mr. Sharp’s engagement on July 18, 2024, he has worked closely with the Debtors in their efforts to maximize enterprise value in the wake of what, in retrospect and on information and belief, was a decade or more of financial misconduct by Mr. Mattson.

C. The Debtors’ Consolidated Operations

The Property Manager handles operations for nearly all of the Debtors. It uses a single

² Two LPs have not yet filed chapter 11 petitions.

software program, Yardi Systems, to manage all of the Properties owned by the Debtors. The Debtors use many of the same vendors and suppliers for the Properties. While the Debtors are able to separate their creditors by entity, due to the consolidated nature of the Debtors' operations, a significant number of their creditors overlap among the various LLCs and LPs. It would be unduly burdensome to create a mailing matrix for each of the nearly 60 debtors.

III. RELIEF REQUESTED

By this Motion, the Debtors seek entry of an Order, substantially in the form attached hereto as **Exhibit A**, (i) authorizing the Debtors to (a) file a consolidated list of creditors in lieu of submitting a separate mailing matrix for each Debtor (the "**Creditor Matrix**"), and (b) file a consolidated list of the Debtors' thirty (30) largest unsecured creditors in lieu of filing a separate top twenty creditor list for each Debtor (the "**Top 30 List**"); (ii) implementing certain procedures for the mailing of the Notice of Commencement; and (iii) granting related relief.

IV. AUTHORITY FOR RELIEF REQUESTED

A. Cause Exists to Authorize the Debtors to File a Consolidated Creditor Matrix in Lieu of Filing a Separate Mailing Matrix for Each Debtor.

Bankruptcy Code section 521(a)(1)(A) requires a debtor to file a list of creditors. There are nearly 60 debtors in these Chapter 11 Cases, comprised of LeFever Mattson and its affiliates. The Debtors operate in many ways as an integrated business and share cash management and operational systems. The Debtors submit that permitting them to maintain a single consolidated Creditor Matrix, in lieu of maintaining a separate creditor matrix for each Debtor, is warranted. Requiring the Debtors to segregate and convert their computerized records to a Debtor-specific creditor matrix format would be an unnecessarily burdensome task and would result in duplicate mailings. Instead, the Debtors, in consultation with Verita, their proposed claims and noticing administrative agent, have determined that utilizing their existing records to generate a consolidated Creditor Matrix is in the best interests of the estates and will not prejudice the Debtors' creditors. Accordingly, the Debtors seek authority to maintain a single, consolidated Creditor Matrix.

B. Cause Exists to File a Consolidated Top 30 General Unsecured Creditor List in Lieu of Submitting a Separate Top 20 Creditor List for Each Debtor.

Bankruptcy Rule 1007(d) requires the debtors to “file with [each] petition a list containing the name, address and claim of the creditors that hold the 20 largest unsecured claims, excluding insiders” (a “Top 20 List”). Fed. R. Bankr. P. 1007(d). The Top 20 List is primarily used by the United States Trustee (the “U.S. Trustee”) to evaluate the types and amounts of unsecured claims against a debtor and identify potential candidates to serve on an official committee of unsecured creditors appointed pursuant to section 1102 of the Bankruptcy Code.

The Debtors request authority to file a single list of their thirty largest non-insider unsecured creditors on a consolidated basis. Because most of the Debtors are LPs and LLCs directly or indirectly controlled or owned by LeFever Mattson and holding properties operated by the Property Manager, with overlapping claimants and claims for investment returns, the Top 20 Lists of the Debtors would inevitably overlap across the Debtors. In addition, certain Debtors have fewer than twenty significant unsecured creditors. Accordingly, the Debtors submit that filing separate Top 20 Lists for each Debtor would be of limited utility, and, instead, the exercise of compiling separate Top 20 Lists for each Debtor would be no more than an unnecessary expenditure of the Debtors’ limited time and resources. Further, the Debtors believe that a single, consolidated list of the Debtors’ 30 largest unsecured creditors will aid the United States Trustee in its efforts to communicate with these creditors.

Accordingly, the Debtors submit that filing a consolidated list of their thirty largest unsecured creditors is necessary for the efficient and orderly administration of these Chapter 11 Cases, appropriate under the facts and circumstances, and in the best interests of the Debtors’ estates.

C. The Commencement Notice Procedures Are Necessary and Appropriate to Carry Out the Debtors’ Fiduciary Duties Under the Bankruptcy Code.

Concurrently with this Motion, the Debtors have filed an application to employ Verita as claims and noticing agent in these Chapter 11 Cases. Pursuant to section 156(c) of title 28 of the United States Code, the Court is empowered to use outside facilities or services to provide notices

and other administrative information to parties in interest, if the costs are paid from the assets of the estates. The Debtors propose to furnish their consolidated Creditor Matrix to Verita so that Verita can mail the Notice of Commencement to creditors identified therein.

Bankruptcy Rule 2002(a) provides, in pertinent part, that the “clerk, or some other person as the court may direct, shall give the debtor, the trustee, all creditors and indenture trustees at least 21 days’ notice by mail of . . . the meeting of creditors under § 341 or § 1104(b) of the Code.” Fed. R. Bankr. P. 2002(a). Bankruptcy Rule 2002(f) provides that notice of the order for relief shall also be provided to all creditors by mail.

In light of the foregoing requirements, the Debtors propose the following procedures (the “Commencement Notice Procedures”) with respect to service of the Notice of Commencement.

(a) Verita will undertake the mailing of the Notice of Commencement to the creditors listed on the Debtors’ consolidated Creditor Matrix, and

(b) Verita will publish the Notice of Commencement on the website established for the Debtors’ Chapter 11 Cases.

V. NOTICE

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

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

Dated: September 12, 2024

KELLER BENVENUTTI KIM LLP

By: /s/ Thomas B. Rupp

Thomas B. Rupp

Proposed Attorneys for the Debtors and Debtors in Possession

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Exhibit A
(Proposed Order)

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Upon consideration of the *Motion of Debtors for Entry of an Order (I) Authorizing the Debtors to (A) File a Consolidated List of Creditors in Lieu of Submitting a Separate Mailing Matrix for Each Debtor, (B) File a Consolidated List of the Debtors' Thirty Largest Unsecured Creditors; (II) Implementing Certain Procedures for the Notice of Commencement; and (III) Granting Related Relief* (the "Motion"),² filed by the above-captioned debtors and debtors in possession (the "Debtors"); the Court having reviewed the Motion and the Sharp Declaration and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); and the Court having found that (i) the Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California; (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) notice of the Motion and the Hearing was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. The Debtors are authorized to file a consolidated Creditor Matrix.
3. The Debtors are authorized to file a consolidated list of the Debtors' thirty (30) largest unsecured creditors in lieu of filing a separate top twenty creditor list for each Debtor.
4. The Commencement Notice Procedures are Approved.
5. Nothing contained in the Motion or this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any

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

1 claim against the Debtors; (iii) a waiver of any claims or causes of action that may exist against
2 any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any
3 agreement, contract, lease, program, or policy between the Debtors and any third party under
4 section 365 of the Bankruptcy Code.

5 6. The Debtors are hereby authorized to take such actions and to execute such
6 documents as may be necessary to implement the relief granted by this Order.

7 7. The Court retains exclusive jurisdiction with respect to all matters arising from or
8 related to the implementation, interpretation, and enforcement of this Order.

9 ** END OF ORDER **
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