

**KELLER BENVENUTTI KIM LLP**  
TOBIAS S. KELLER (Cal. Bar No. 151445)  
(tkeller@kblkllp.com)  
DAVID A. TAYLOR (Cal. Bar No. 247433)  
(dtaylor@kblkllp.com)  
THOMAS B. RUPP (Cal. Bar No. 278041)  
(trupp@kblkllp.com)  
425 Market Street, 26th Floor  
San Francisco, California 94105  
Telephone: (415) 496-6723  
Facsimile: (650) 636-9251

*Proposed Attorneys for the Debtors and  
Debtors in Possession*

**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.*,<sup>1</sup>

Debtors.

Lead Case No. \_\_ - \_\_\_\_ (CN)

(Joint Administration Requested)

Chapter 11

**MOTION OF DEBTORS FOR  
INTERIM AND FINAL ORDERS  
AUTHORIZING PAYMENT OF  
CERTAIN PREPETITION TAXES  
AND ASSESSMENTS AND  
GRANTING RELATED RELIEF**

**Date:** TBD

**Time:** TBD

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

<sup>1</sup> 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.



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(a),  
 4 363(b), and 507(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 6003  
 5 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for the entry of  
 6 interim and final orders, in substantially the forms attached hereto as **Exhibit A** and **Exhibit B**,  
 7 respectively, authorizing, but not directing, the Debtors to pay prepetition taxes, assessments, fees,  
 8 and other charges in the ordinary course of business, including any such taxes, assessments, fees,  
 9 and charges subsequently determined upon audit, or otherwise, to be owed (collectively, the  
 10 “Taxes and Assessments”), and granting related relief.

11 The Debtors also request that the Court authorize, but not direct, banks and other financial  
 12 institutions (collectively, the “Banks”) to receive, process, honor, and pay all checks presented for  
 13 payment and electronic payment requests relating to the foregoing to the extent the Debtors have  
 14 sufficient funds standing to their credit with such institutions, whether such checks were presented  
 15 or electronic requests were submitted before or after the Petition Date (as defined below), and that  
 16 all such financial institutions be authorized to rely on the Debtors’ designation of any particular  
 17 check or electronic payment request as appropriate pursuant to this Motion without any duty of  
 18 further inquiry and without liability for following the Debtors’ instructions.

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

24 **MEMORANDUM OF POINTS AND AUTHORITIES**

25 **I. JURISDICTION AND VENUE**

26 This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334,  
 27 the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24  
 28

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1 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules. This is a core proceeding pursuant  
2 to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3 **II. BACKGROUND**

4 **A. General Background**

5 On the date hereof (the "Petition Date"), LeFever Mattson and the other Debtors filed  
6 voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to  
7 operate their businesses and manage their properties as debtors in possession pursuant to sections  
8 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee of  
9 unsecured creditors has been appointed in any case of the Debtors.

10 **B. LeFever Mattson**

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

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

20 LeFever Mattson also has ownership interests in four California corporations: Debtor  
21 Home Tax Service of America, Inc., dba LeFever Mattson Property Management, which provides  
22 property management services, including to those properties owned by the LPs and the LLCs;  
23 Debtor California Investment Properties, a California corporation (a real estate brokerage), and  
24 non-debtors Pineapple Bear, a California corporation (which offers hospitality and catering  
25  
26

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27 <sup>2</sup> Two LPs have not yet filed chapter 11 petitions.  
28

1 services), and Harrow Cellars, a California corporation (which operates a winery and related  
2 businesses).

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

### 7 **C. The Debtors' Taxes and Assessments**

8 In the ordinary course of operating their businesses, the Debtors incur a variety of Taxes  
9 and Assessments that they remit periodically to various federal, state, and local taxing, licensing,  
10 and other governmental authorities. As set forth in further detail below, the Debtors generally pay  
11 the Taxes and Assessments semi-annually or annually, as required by applicable laws. As of the  
12 Petition Date, the Debtors estimate that an aggregate amount of approximately \$219,059 in Taxes  
13 and Assessments are due and owing to the various taxing authorities (the "Taxing Authorities"),  
14 the entire amount of which relates to the prepetition period.

15 The Debtors operate numerous investment properties throughout Northern California and  
16 pay annual taxes to various Taxing Authorities on account of the Debtors' real property  
17 (collectively, the "Real Property Taxes"). As of the Petition Date, the Debtors owe approximately  
18 \$173,581 in Real Property Taxes, which were due as of September 30, 2024, and which will be  
19 delinquent if not paid by that date, and therefore are all due and payable within the interim period.  
20 The Debtors therefore seek to be authorized, but not directed, to pay, on both an interim and final  
21 basis, an amount not to exceed \$219,059 in prepetition Real Property Taxes. The Debtors will  
22 also pay postpetition Real Property Taxes as they come due, subject to any agreement or order  
23 with respect to cash collateral.

### 24 **III. RELIEF REQUESTED**

25 The Debtors seek authority to pay, in their discretion, the Taxes and Assessments, in order  
26 to, among other things, prevent the Taxing Authorities from taking actions that may interfere with  
27 the administration of these Chapter 11 Cases and impede the Debtors' ability to successfully sell  
28

1 properties, including, in some instances, asserting liens on the Debtors' property and imposing  
2 penalties and/or significant interest on past-due taxes.

3 Ample authority and cause exist to authorize the payment of the Taxes and Assessments,  
4 as requested herein, including, without limitation, that: (i) certain of the Taxes and Assessments  
5 may be entitled to priority status pursuant to section 507(a)(8) of the Bankruptcy Code or result in  
6 the imposition of liens on the Debtors' property if unpaid, and (ii) interest and penalties may accrue  
7 on certain unpaid Taxes and Assessments, even after the Petition Date. Further, the Court has  
8 authority to grant the relief requested in the Motion pursuant to section 363(b) and 105(a) of the  
9 Bankruptcy Code.

10 **IV. AUTHORITY FOR RELIEF REQUESTED**

11 **A. The Taxes and Assessments Are Priority Claims**

12 Many, if not all, of the Taxes and Assessments are afforded priority status under section  
13 507(a)(8) of the Bankruptcy Code. *See* 11 U.S.C. § 507(a)(8). These include any property tax  
14 incurred before the Petition Date and last payable without penalty after one year before the Petition  
15 Date. Obligations labeled as fees or charges may also be entitled to priority status as taxes. *See*  
16 *LTV Steel Co., Inc. v. Shalala (In re Chateaugay Corp.)*, 53 F.3d 478, 498 (2d Cir. 1995).  
17 Regardless of their statutory characterization as fees or charges, many, if not all, of the Taxes and  
18 Assessments qualify for priority under section 507(a)(8) of the Bankruptcy Code.

19 As priority claims, Taxes and Assessments must be paid in full before any general  
20 unsecured obligations of the Debtors may be satisfied. Accordingly, the relief requested herein  
21 will only affect the timing of the payment of the Taxes and Assessments and will not prejudice the  
22 rights of general unsecured creditors or other parties in interest.

23 **B. Interest and Penalties May Accrue on Certain Unpaid Real Property Taxes**

24 Pursuant to applicable state and local law, as is common across many taxing authorities,  
25 interest and penalties may accrue for nonpayment of certain Real Property Taxes due and owing.  
26 Additionally, under applicable state and local law, obligations to pay Real Property Taxes can be  
27 secured by a lien on the subject property for which the taxes are incurred. *See, e.g.*, Cal. Rev. &  
28 Tax Code § 2189 *et seq.*

1 Furthermore, Section 506(b) of the Bankruptcy Code provides that:

2 To the extent that an allowed secured claim is secured by property  
3 the value of which, after any recovery under subsection (c) of this  
4 section, is greater than the amount of such claim, there shall be  
5 allowed to the holder of such claim, interest on such claim, and any  
reasonable fees, costs, or charges provided for under the agreement  
or State statute under which such claim arose.

6 11 U.S.C. § 506(b). Thus, with respect to all or much of the Debtors’ Real Property Taxes, interest  
7 and penalties assessed under applicable state and local law may continue to accrue even after the  
8 Petition Date. *See U.S. v. Ron Pair Enterprises, Inc.*, 489 U.S. 235, 238-49 (1989) (holding that  
9 section 506(b) entitles a creditor to receive post-petition interest on a nonconsensual oversecured  
10 claim allowed in a bankruptcy case). Because interest and penalties may accrue on certain Taxes  
11 and Assessments if they are not paid when due, paying such obligations as requested in this Motion  
12 will conserve resources and is in the best interests of the Debtors’ estates and all parties in interest.

13 **C. The Court Has Authority Pursuant to Sections 363(b) and 105(a) of the**  
14 **Bankruptcy Code to Grant the Relief Requested**

15 Section 363(b) of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor], after  
16 notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property  
17 of the estate . . . .” 11 U.S.C. § 363(b)(1). Under section 363 of the Bankruptcy Code, a court  
18 may authorize a debtor to pay certain prepetition claims where a sound business purpose exists for  
19 doing so. *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). The  
20 business judgment rule is satisfied where a company’s directors acted on an informed basis, in  
21 good faith, with the honest belief that the actions taken were in the best interests of the company.  
22 *See, e.g., F.D.I.C. v. Castetter*, 184 F.3d 1040, 1043 (9th Cir. 1999) (the business judgment rule  
23 “requires directors to perform their duties in good faith and as an ordinarily prudent person in a  
24 like circumstance would”). “Where the debtor articulates a reasonable basis for its business  
25 decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not  
26 entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related Litigants v.*  
27 *Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986).  
28 Courts construing California law have consistently declined to interfere with corporate decisions  
absent a showing of bad faith, self-interest, or gross negligence, and have upheld a board’s

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425 MARKET STREET, 26TH FLOOR  
SAN FRANCISCO, CALIFORNIA 94105

1 decisions as long as such decisions were made in good faith. *Scouler & Co., LLC v. Schwartz*, No.  
2 11-cv-06377 NC, 2012 U.S. Dist. LEXIS 62252, at \*8-10 (N.D. Cal. Apr. 23, 2012); *Berg & Berg*  
3 *Enterprises, LLC v. Boyle*, 178 Cal. App. 4th 1020, 1046 (2009).

4         The Court may also rely on its equitable powers under section 105 of the Bankruptcy Code  
5 to grant the relief requested in this Motion. Section 105(a) of the Bankruptcy Code empowers the  
6 Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the  
7 provisions of this title.” 11 U.S.C. § 105(a). Under section 1107(a) of the Bankruptcy Code “the  
8 debtor in possession has the same fiduciary duties and liabilities as a trustee. When the debtor is  
9 a corporation, corporate officers and directors are considered to be fiduciaries both to the corporate  
10 debtor in possession and to the creditors.” *In re Anchorage Nautical Tours, Inc.*, 145 B.R. 637,  
11 643 (B.A.P. 9th Cir. 1992); *see also In re Curry & Sorensen, Inc.*, 57 B.R. 824, 828 (B.A.P. 9th  
12 Cir. 1986). Numerous courts have acknowledged that payment of prepetition obligations,  
13 irrespective of statutory priorities, may be necessary to realize the objectives of the Bankruptcy  
14 Code, such as the preservation and enhancement of the value of a debtor’s estate for the benefit of  
15 all creditors and other stakeholders. *See, e.g., Gordon v. Hines (In re Hines)*, 147 F.3d 1185, 1191  
16 (9th Cir. 1998) (applying “essentially a doctrine of necessity” to provide for the payment of the  
17 fees of a debtor’s counsel in chapter 7 cases because without this right the “entire [chapter 7]  
18 system would suffer a massive breakdown”). Accordingly, the Court may authorize the Debtors  
19 to continue to make payments with respect to the Taxes and Assessments, as well as to pay any  
20 prepetition amounts with respect thereto, because such relief is necessary for the Debtors to carry  
21 out their fiduciary duties under sections 1107(a) of the Bankruptcy Code.

22         Furthermore, courts within this district have granted relief substantially similar to that  
23 sought herein. *See, e.g., In re Shift Technologies, Inc., et al.*, Case No. 23-30687 (HLB) (Bankr.  
24 N.D. Cal. Nov. 9, 2023) (approving motion to pay certain prepetition taxes and assessments); *In*  
25 *re PG&E Corporation*, Case No. 19-30088 (DM) (Bankr. N.D. Cal. Jan. 31, 2019) (same); *In re*  
26 *Los Gatos Hotel Corporation*, Case No. 10-63135 (Bankr. N.D. Cal. Jan. 28, 2011) (same).

27         Payment of the Taxes and Assessments is an exercise of sound business judgment and  
28 necessary to facilitate generation of value in these Chapter 11 Cases. Moreover, most, if not

1 substantially all, of the Taxes and Assessments constitute priority claims and, in certain instances,  
 2 payment thereof will avoid the imposition of liens and the accrual of unnecessary interest and other  
 3 charges.

4 **D. The Banks Should Be Authorized to Receive, Process, Honor, and Pay**  
 5 **Checks Issued and Transfers Requested to Pay the Taxes and Assessments**

6 The Debtors further request that the Court authorize, but not direct, the Banks to receive,  
 7 process, honor, and pay, to the extent of funds on deposit, any and all checks issued or to be issued  
 8 and electronic funds transfers requested or to be requested by the Debtors relating to the Taxes and  
 9 Assessments. The Debtors also seek authority, but not direction, to issue new postpetition checks  
 10 or effect new postpetition electronic funds transfers in replacement of any checks or transfer  
 11 requests on account of any prepetition Taxes and Assessments dishonored or rejected as a result  
 12 of the Chapter 11 Cases.

13 **V. RESERVATION OF RIGHTS**

14 Nothing contained herein is intended to be or shall be construed as (i) an admission as to  
 15 the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any appropriate party  
 16 in interest's rights to dispute any claim, or (iii) an approval or assumption of any agreement,  
 17 contract, program, policy, or lease under section 365 of the Bankruptcy Code. Likewise, if the  
 18 Court grants the relief sought herein, any payment made pursuant to the Court's order is not  
 19 intended to be and should not be construed as an admission to the validity of any claim or a waiver  
 20 of the Debtors' rights to dispute such claim subsequently.

21 **VI. REQUEST FOR IMMEDIATE RELIEF AND WAIVER OF STAY**

22 Bankruptcy Rule 6003 provides that, to the extent relief is necessary to avoid immediate  
 23 and irreparable harm, a Bankruptcy Court may issue an order granting "a motion to use, sell, lease,  
 24 or otherwise incur an obligation regarding property of the estate, including a motion to pay all or  
 25 part of a claim that arose before the filing of the petition" before twenty-one (21) days after filing  
 26 of the petition. As described herein and in the Sharp Declaration, failure to pay Taxes and  
 27 Assessments may interfere with the Debtors' reorganization efforts and will inevitably increase  
 28 the scope of secured claims held by the applicable Taxing Authorities against the Debtors' estates.



1 Accordingly, the Motion satisfies the requirements for immediate entry of an order granting the  
2 relief requested herein pursuant to Bankruptcy Rule 6003. Similarly, the Debtors request a waiver  
3 of the notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the  
4 relief requested herein pursuant to Bankruptcy Rule 6004(h). As explained above, the relief  
5 requested herein is necessary to avoid immediate and irreparable harm to the Debtors.  
6 Accordingly, cause exists to justify the waiver of the notice requirements under Bankruptcy Rule  
7 6004(a) and the fourteen day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice  
8 requirements and stay apply.

9 **VII. NOTICE**

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

17 **WHEREFORE**, the Debtors respectfully request that the Court enter interim and final  
18 orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, granting the relief  
19 requested herein.

20 Dated: September 12, 2024

**KELLER BENVENUTTI KIM LLP**

21  
22 By: /s/ Thomas B. Rupp

23 Thomas B. Rupp

24 *Proposed Attorneys for the Debtors and*  
25 *Debtors in Possession*  
26  
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**Exhibit A**  
**(Proposed Interim Order)**

1 **KELLER BENVENUTTI KIM LLP**  
2 TOBIAS S. KELLER (Cal. Bar No. 151445)  
3 (tkeller@kbbkllp.com)  
4 DAVID A. TAYLOR (Cal. Bar No. 247433)  
5 (dtaylor@kbbkllp.com)  
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9 San Francisco, California 94105  
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11 Facsimile: (650) 636-9251

12 *Proposed Attorneys for the Debtors and*  
13 *Debtors in Possession*

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

17 In re:

18 LEFEVER MATTSON, a California  
19 corporation, *et al.*,<sup>1</sup>

20 Debtors.

21 Lead Case No. \_\_ - \_\_\_\_ (CN)

22 (Jointly Administered)

23 Chapter 11

24 **[PROPOSED] INTERIM ORDER**  
25 **AUTHORIZING PAYMENT OF**  
26 **CERTAIN PREPETITION TAXES**  
27 **AND ASSESSMENTS AND**  
28 **GRANTING CERTAIN RELATED**  
**RELIEF**

<sup>1</sup> 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 *Motion of Debtors for Interim and Final Orders Authorizing*  
2 *Payment of Certain Prepetition Taxes and Assessments and Granting Certain Related Relief* (the  
3 “Motion”),<sup>2</sup> filed by the above-captioned debtors and debtors in possession (the “Debtors”); the  
4 Court having reviewed the Motion and the Sharp Declaration and having considered the statements  
5 of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the  
6 “Hearing”); and the Court having found that (i) the Court has jurisdiction to consider the Motion  
7 and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring*  
8 *Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a)  
9 of the Bankruptcy Local Rules for the Northern District of California; (ii) venue is proper in this  
10 district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28  
11 U.S.C. § 157(b); (iv) notice of the Motion and the Hearing was sufficient under the circumstances;  
12 and (v) good cause exists to waive the requirements imposed by Bankruptcy Rule 6003, to the  
13 extent it is applicable; and after due deliberation the Court having determined that the relief  
14 requested in the Motion is (i) in the best interests of the Debtors, their estates, and their creditors  
15 and (ii) necessary to prevent immediate and irreparable harm to the Debtors and their estate; and  
16 good and sufficient cause having been shown;

17           **IT IS HEREBY ORDERED THAT:**

- 18           1.       The Motion is granted on an interim basis.
- 19           2.       The Debtors are authorized, but not directed, pursuant to sections 105(a), 363, and  
20 507(a) of the Bankruptcy Code, to pay the Taxes and Assessments currently due or coming due  
21 within thirty (30) days of the Petition Date, whether relating to the period prior or subsequent to  
22 the Petition Date, including any Taxes and Assessments subsequently determined on audit or  
23 otherwise; provided that the prepetition amounts authorized shall not exceed \$219,059 for  
24 prepetition Real Property Taxes, pending the final hearing on the Motion.
- 25           3.       The Banks and financial institutions are authorized, but not directed, at the Debtors’  
26 request, to receive, process, honor, and pay, to the extent of funds on deposit, any and all checks  
27

28           <sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

1 issued or to be issued or electronic funds transfers requested or to be requested by the Debtors  
2 relating to the payment of the Taxes and Assessments as authorized herein.

3 4. The Debtors are authorized, but not directed, to issue new postpetition checks, or  
4 effect new electronic funds transfers on account of the Taxes and Assessments to replace any  
5 prepetition checks or electronic funds transfer requests that may be lost, dishonored, or rejected as  
6 a result of the commencement of the Chapter 11 Cases.

7 5. Nothing contained in the Motion or this Order is intended to be or shall be construed  
8 as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors'  
9 or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any  
10 claim against the Debtors; (iii) a waiver of any claims or causes of action that may exist against  
11 any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any  
12 agreement, contract, lease, program, or policy between the Debtors and any third party under  
13 section 365 of the Bankruptcy Code.

14 6. Notwithstanding entry of this Order, nothing herein shall create, nor is intended to  
15 create, any rights in favor of or enhance the status of any claim held by any party.

16 7. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

17 8. The requirements of Bankruptcy Rule 6004(a) are waived.

18 9. Notwithstanding the provisions of Bankruptcy Rules 6004(h), this Order shall be  
19 immediately effective and enforceable upon its entry.

20 10. A hearing to consider the relief requested in the Motion on a final basis is set for  
21 [\_\_\_\_], 2024, at [\_\_\_\_] (Pacific Time). Any objections to granting the relief requested on  
22 a final basis must be filed with the Court and served on counsel for the Debtor by [\_\_\_\_], 2024.

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

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

27 \*\* END OF ORDER \*\*  
28

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**Exhibit B**  
**(Proposed Final Order)**

1 **KELLER BENVENUTTI KIM LLP**  
2 TOBIAS S. KELLER (Cal. Bar No. 151445)  
3 (tkeller@kbbkllp.com)  
4 DAVID A. TAYLOR (Cal. Bar No. 247433)  
5 (dtaylor@kbbkllp.com)  
6 THOMAS B. RUPP (Cal. Bar No. 278041)  
7 (trupp@kbbkllp.com)  
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9 San Francisco, California 94105  
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11 Facsimile: (650) 636-9251

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14 **UNITED STATES BANKRUPTCY COURT**  
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22 Lead Case No. \_\_ - \_\_\_\_ (CN)

23 (Jointly Administered)

24 Chapter 11

25 **[PROPOSED] FINAL ORDER**  
26 **AUTHORIZING PAYMENT OF**  
27 **CERTAIN PREPETITION TAXES**  
28 **AND ASSESSMENTS AND**  
**GRANTING CERTAIN RELATED**  
**RELIEF**

<sup>1</sup> 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 *Motion of Debtors for Interim and Final Orders Authorizing*  
2 *Payment of Certain Prepetition Taxes and Assessments and Granting Certain Related Relief* (the  
3 “Motion”),<sup>2</sup> filed by the above-captioned debtors and debtors in possession (the “Debtors”); the  
4 Court having reviewed the Motion and the Sharp Declaration and having considered the statements  
5 of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the  
6 “Hearing”); and the Court having found that (i) the Court has jurisdiction to consider the Motion  
7 and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring*  
8 *Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a)  
9 of the Bankruptcy Local Rules for the Northern District of California (the “Bankruptcy Local  
10 Rules”); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a  
11 core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) notice of the Motion and the Hearing was  
12 sufficient under the circumstances; and after due deliberation the Court having determined that the  
13 relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors;  
14 and good and sufficient cause having been shown;

15           **IT IS HEREBY ORDERED THAT:**

- 16           1.       The Motion is granted on a final basis.
- 17           2.       The Debtors are authorized, but not directed, pursuant to sections 105(a), 363, and  
18 507(a) of the Bankruptcy Code, to pay the Taxes and Assessments, including any Taxes and  
19 Assessments subsequently determined on audit or otherwise; provided that the prepetition amounts  
20 authorized shall not exceed \$219,059 for prepetition Real Property Taxes.
- 21           3.       Banks and financial institutions are authorized, but not directed, at the Debtors’  
22 request, to receive, process, honor, and pay, to the extent of funds on deposit, any and all checks  
23 issued or to be issued or electronic funds transfers requested or to be requested by the Debtors  
24 relating to the payment of the Taxes and Assessments as authorized herein.
- 25           4.       The Debtors are authorized, but not directed, to issue new postpetition checks, or  
26 effect new electronic funds transfers on account of the Taxes and Assessments to replace any

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28 <sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in  
the Motion.



1 prepetition checks or electronic funds transfer requests that may be lost, dishonored, or rejected as  
2 a result of the commencement of the Chapter 11 Cases.

3 5. Nothing contained in the Motion or this Order is intended to be or shall be construed  
4 as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors'  
5 or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any  
6 claim against the Debtors; (iii) a waiver of any claims or causes of action that may exist against  
7 any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any  
8 agreement, contract, lease, program, or policy between the Debtors and any third party under  
9 section 365 of the Bankruptcy Code.

10 6. Notwithstanding entry of this Order, nothing herein intended to create, and nothing  
11 herein shall create, any rights in favor of or enhance the status of any claim held by any party.

12 7. The requirements of Bankruptcy Rule 6004(a) are waived.

13 8. Notwithstanding the provisions of Bankruptcy Rules 6004(h), this Order shall be  
14 immediately effective and enforceable upon its entry.

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

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

19 \*\* END OF ORDER \*\*  
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**KELLER BENVENUTTI KIM LLP**  
425 MARKET STREET, 26TH FLOOR  
SAN FRANCISCO, CALIFORNIA 94105