

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

KELLER BENVENUTTI KIM LLP
 TOBIAS S. KELLER (Cal. Bar No. 151445)
 (tkeller@kbbkllp.com)
 DAVID A. TAYLOR (Cal. Bar No. 247433)
 (dtaylor@kbbkllp.com)
 THOMAS B. RUPP (Cal. Bar No. 278041)
 (trupp@kbbkllp.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

In re:

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

Debtors.

Lead Case No. 24-10545 (CN)

(Joint Administration Requested)

Chapter 11

***EX PARTE* MOTION OF DEBTORS
 PURSUANT TO B.L.R. 9006-1
 REQUESTING ORDER
 SHORTENING TIME FOR HEARING
 ON FIRST DAY MOTIONS**

[No hearing requested]

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 submit this Motion (the “Motion”), pursuant to Rule 9006-1 of the Bankruptcy Local Rules for the Northern District of California (the “Bankruptcy Local Rules”) for entry of an order shortening time for a hearing (the “First Day Hearing”) on September 17, 2024, at 1:30 p.m. (Pacific Time) or as soon thereafter as is convenient for the Court, on the following Motions (the “First Day Motions”), which were filed contemporaneously herewith:

1. “**Joint Administration Motion.**” Motion of Debtors for Entry of an Order (i) Directing the Joint Administration of the Debtors’ Chapter 11 Cases and (ii) Granting Certain Related Relief [Docket No. 6].
2. “**Creditor Matrix and Notice of Commencement Motion.**” 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 [Docket No. 9].
3. “**Motion to Extend Time to File Statements and Schedules.**” Motion of Debtors for Entry of an Order Extending Time to File Schedules of Assets and Liabilities and Statements of Financial Affairs [Docket No. 10].
4. “**Application to Appoint Claims Agent.**” Application of Debtors for Entry of an Order (i) Authorizing and Approving the Appointment of Kurtzman Carson Consultants, LLC dba Verita Global as Claims and Noticing Agent, and (ii) Granting Related Relief [Docket No. 7]. This motion is further supported by the Declaration of Evan Gershbein (the “Gershbein Declaration”) [Docket No. 8].
5. “**Cash Collateral Motion.**” Motion of Debtors for Interim and Final Orders Authorizing Debtors to Use Cash Collateral [Docket No. 17].
6. “**Cash Management Motion.**” Motion of Debtors for Interim and Final Orders (i) Approving Continued Use of the Debtors’ Cash Management System and Bank Accounts; (ii) Authorizing the Debtors to Open and Close Bank Accounts; and (iii) Authorizing Banks to Honor Certain Prepetition Transfers [Docket No. 13].
7. “**Employee Wages and Benefits Motion.**” Motion of Debtors for Interim and Final Orders Authorizing the Debtors to (a) Pay Prepetition Employee Wages, Benefits, and Related Items; and (b) Continue Certain Employee Compensation and Benefit Programs in the Ordinary Course [Docket No. 16].
8. “**Insurance Motion.**” Motion of Debtors for Interim and Final Orders Authorizing the Debtors to Maintain Insurance Programs and Pay Obligations with Respect Thereto [Docket No. 14].

9. **“Tax Motion.”** Motion of Debtors for Interim and Final Orders Authorizing Payment of Certain Prepetition Taxes and Assessments and Granting Related Relief [Docket No. 15].

10. **“Utilities Motion.”** Motion of Debtors for Interim and Final Orders Establishing Adequate Assurance Procedures with Respect to the Debtors’ Utility Providers [Docket No. 12].

A proposed form of order granting the relief requested herein is annexed hereto as **Exhibit A** (the **“Proposed Order”**).

The facts and circumstances supporting this Motion are set forth in the *Declaration of Bradley D. Sharp in Support of Chapter 11 Petition 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 August 6, 2024, Debtor Windscape Apartments, LLC, filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On September 12, 2024 (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.

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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.

III. SHORTENING TIME FOR HEARING ON THE FIRST DAY MOTIONS IS WARRANTED

Pursuant to Bankruptcy Local Rule 9014-1(c)(2), absent the relief requested herein, a hearing on the First Day Motions would require at least twenty-one (21) days’ notice. Bankruptcy Local Rule 9006-1(a) provides that, except as set forth therein, “approval of the Court is required

² Two LPs have not yet filed chapter 11 petitions.

to enlarge or to shorten time to perform any act or file any paper pursuant to the Federal Rules of Civil Procedures, the Bankruptcy Rules, or these Bankruptcy Local Rules.” B.L.R. 9006-1(a).

The Debtors request relief in order to prevent disruptions with respect to their ongoing operations and to meet certain immediate obligations under the Bankruptcy Code. As set forth in the Sharp Declaration, each of the First Day Motions seeks relief that is narrowly tailored but critically important to ensure that the Debtors’ operations continue uninterrupted and allow for and promote a smooth transition into chapter 11. Specifically, the relief requested in the First Day Motions is necessary to, among other things, protect the interests of the Debtors’ tenants and residents, to maintain the cash management system, to approve the Debtors’ use of cash collateral, and to approve certain procedures during the pendency of the Chapter 11 Cases. The relief requested in the First Day Motions is designed to prevent unnecessary disruptions in the operations of the Debtors’ businesses generally, and all of such relief is necessary to preserve and maximize the value of the Debtors’ estates and operations for the benefit of all parties in interest. The relief requested by each of the First Day Motions is summarized below:

1. **Joint Administration Motion.** Pursuant to this motion, the Debtors seek joint administration of their Chapter 11 Cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b), designating LeFever Mattson (Case No. 24-10545) as the lead case. Joint administration will avoid the preparation, replication, service, and filing of duplicative notices, applications, and orders in each of the Chapter 11 Cases, thereby saving the Debtors’ estates considerable expense and resources and simplifying the supervision of the administration of these cases by the United States Trustee.
2. **Creditor Matrix and Notice of Commencement Motion.** Pursuant to this motion, the Debtors seek 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 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; and (iii) granting related relief. The procedures set forth in this motion will ensure that creditors and other parties in interest receive adequate notice of the commencement of these Chapter 11 Cases, as well as other key dates and information, and ensure for the efficient and orderly administration of the Chapter 11 Cases.
3. **Motion to Extend Time to File Statements and Schedules.** Pursuant to this motion, the Debtors seek entry of an order extending the period by which the

Debtors must file their schedules of assets and liabilities, statements of financial affairs, and lists of equity security holders to October 28, 2024, to allow the Debtors a total of forty-six (46) days after the Petition Date to file their Schedules and Statements and the time and resources necessary to assemble the required information. The relief sought includes a further extension of time for Debtor Windscape Apartments, LLC. Considering the number of Debtors and the complexity of their businesses and finances, coupled with the limited time and personnel available to the Debtors and the substantial work involved in operating the Debtors' businesses, the requested extensions will allow the Debtors to prepare these documents at the same time, saving the Debtors' estates time and money.

4. **Application to Appoint Claims Agent.** By this motion, the Debtors seek entry of an order appointing Verita Global as claims and noticing agent in the Debtors' Chapter 11 Cases. As set forth in the motion, to ensure the efficient and orderly administration of the Chapter 11 Cases, the Debtors request entry of an order appointing Verita Global as the claims and noticing agent for the Debtors and their Chapter 11 Cases, including assuming full responsibility for the distribution of notices, the maintenance of a website, and the processing and docketing of proofs of claim filed in the Debtors' Chapter 11 Cases.
5. **Cash Collateral Motion.** By this motion the Debtors seek entry of interim and final orders authorizing the Debtors to use cash collateral of certain of the Debtors' secured lenders who appear to hold deeds of trust and assignments of rents on certain of the Debtors' units of real property. The Debtors further seek authority to provide adequate assurance to such lenders who free sufficient cash collateral for the Debtors to manage their affairs until the final hearing on this motion. The success of these Chapter 11 Cases depends on the Debtors' ability to minimize disruptions to the operation of their businesses, which requires the use of cash collateral.
6. **Cash Management Motion.** By this motion, the Debtors seek entry of an order, on an interim and final basis, allowing them to continue using their Cash Management System, Bank Accounts, and Business Forms. Such allowance will benefit the Debtors' estates by maintaining consistency in their receipt of Rents and prevent disruption for their tenants and creditors, aiding the consistency of the Debtors' cash flow as they begin these Chapter 11 Cases. The Debtors' ability to continue to use their Cash Management System in the ordinary course of business is essential to their operations. If forced to abandon or modify their Cash Management System, the Debtors would have to significantly alter their business operations.
7. **Employee Wages and Benefits Motion.** By this motion, the Debtors seek entry of interim and final orders authorizing the Debtors to continue and to honor their Prepetition Employee Obligations up to the Section 507 Cap so as to minimize the disruption to their employees. The Debtors further request that the Court authorize the Banks to receive, honor, process, and pay any and all checks drawn, or electronic fund transfers requested or to be requested, on the disbursement accounts to the extent that such checks or electronic fund transfers relate to any Prepetition Employee Obligations. Granting the relief requested in this motion is critical to

employee continuity and will help minimize the adverse effects of the commencement of the Chapter 11 Cases.

8. **Insurance Motion.** Pursuant to this motion, the Debtors seek interim and final orders authorizing the Debtors to (i) pay the Insurance Obligations (as defined therein); (ii) maintain the Insurance Programs (as defined therein); and (iii) modify the automatic stay imposed by section 362 of the Bankruptcy Code to permit employees to proceed with their claims under Debtors' programs established in compliance with applicable workers' compensation requirements. The ongoing maintenance and integrity of the Debtors' insurance and workers compensation coverage is not only required, but a critical element in the Debtors' liquidation efforts. This will allow the Debtors to continue to use cash to manage their real estate properties and sustain its business, maximizing the value of their estates for the benefit of creditors.

9. **Tax Motion.** Pursuant to this motion, the Debtors seek authority, on an interim and final basis, to pay certain prepetition taxes, assessments, fees, and other charges in the ordinary course of business to the relevant taxing authorities. The Debtors further request that the Court authorize the Banks to receive, process, honor, and pay, to the extent of the funds on deposit, any and all checks issued or to be issued and electronic funds transfers requested or to be requested by the Debtors relating to the payment of the taxes. The taxes constitute priority claims. Moreover, under applicable state and local law, interest and penalties may accrue for nonpayment of many of the taxes and assessments at issue due and owing, and obligations to pay such taxes and assessments can be secured by a lien on the subject property for which the taxes are incurred. Therefore, paying such obligations as requested in the motion will conserve resources and is in the best interests of the Debtors' estates and all parties in interest.

10. **Utilities Motion.** Pursuant to this motion, the Debtors request an order (i) authorizing the Debtors to establish procedures for addressing any requests that a utility company may make for adequate assurance of payment; (ii) prohibiting the utility companies from altering, refusing, or discontinuing services to, or discriminating against the Debtors; and (iii) other related relief. Any temporary or permanent discontinuation of utility services could irreparably disrupt the orderly administration of these cases, damage the Debtors' assets, and, as a result, diminish recoveries to the Debtors' stakeholders.

As stated, the relief requested in the First Day Motions is essential to avoid the disruption of operations and to promote the Debtors' smooth transition into chapter 11 for the benefit of all parties in interest. Accordingly, the Debtors submit that sufficient cause exists for the Court to grant the relief requested in this Motion.

IV. **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*

1 *Largest Unsecured Claims and Are Not Insiders*; and (iv) those persons who have formally
2 appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002.
3 Based on the urgency of the circumstances surrounding this Motion and the nature of the relief
4 requested herein, the Debtors respectfully submit that no further notice is required.

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

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8 Dated: September 13, 2024

KELLER BENVENUTTI KIM LLP

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10 By: /s/ Thomas B. Rupp

11 Thomas B. Rupp

12 *Proposed Attorneys for the Debtors and*
13 *Debtors in Possession*
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Exhibit A
(Proposed Order)

KELLER BENVENUTTI KIM LLP
TOBIAS S. KELLER (Cal. Bar No. 151445)
(tkeller@kbbkllp.com)
DAVID A. TAYLOR (Cal. Bar No. 247433)
(dtaylor@kbbkllp.com)
THOMAS B. RUPP (Cal. Bar No. 278041)
(trupp@kbbkllp.com)
425 Market Street, 26th Floor
San Francisco, California 94105
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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)

(Joint Administration Requested)

Chapter 11

**[PROPOSED] ORDER PURSUANT TO
B.L.R. 9006-1 SHORTENING TIME
FOR HEARING ON FIRST DAY
MOTIONS**

[No Hearing Requested]

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.

Upon consideration of the *Ex Parte Motion of Debtors Pursuant to B.L.R. 9006-1 Requesting Order Shortening Time for Hearing on First Day Motions* (the “Motion”),² filed by the above-captioned debtors and debtors in possession (the “Debtors”); the Court having reviewed the Motion, the Sharp Declaration, and the First Day Motions; 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; and (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and after due deliberation the Court having determined that the relief requested in the Motion is (a) in the best interests of the Debtors, their estates, and their creditors and (b) necessary to prevent immediate and irreparable harm to the Debtors and their estates; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. A hearing on the First Day Motions shall be held on September 17, 2024, at 1:30 p.m. (Pacific Time) (the “Hearing”).
3. The Debtors shall promptly serve the First Day Motions, the Sharp Declaration, the Gershbein Declaration, and notice of the Hearing (the “Notice”) on (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*; (iv) any other parties listed in the notice provisions of the applicable First Day Motion; and (v) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002.
4. The Debtors shall serve the First Day Motions, the Sharp Declaration, the Gershbein Declaration, and the Notice by overnight mail or delivery, and by electronic mail or electronic service through the Court’s CM/ECF system, where available.

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

1 5. Any opposition or response to the relief requested in the First Day Motions must
2 be in writing and shall be filed with the Bankruptcy Court and served on the counsel for the Debtors
3 by e-mail at the above-referenced address no later than September 17, 2024, at 10:00 a.m. (Pacific
4 Time).

5 6. The Debtors are authorized to take all steps necessary or appropriate to carry out
6 this Order.

7 7. This Court shall retain jurisdiction to hear and determine all matters arising from
8 or related to the implementation, interpretation, or enforcement of this Order.

9 ** END OF ORDER **

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