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U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA



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Signed and Filed: September 26, 2024

DENNIS MONTALI
U.S. Bankruptcy Judge

*Proposed Attorneys for the Debtors and
Debtors in Possession*

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

KELLER BENVENUTTI KIM LLP
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SAN FRANCISCO, CALIFORNIA 94105

<p>In re:</p> <p>LEFEVER MATTSON, a California corporation, <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>Lead Case No. 24-10545 (CN)</p> <p>(Jointly Administered)</p> <p>Chapter 11</p> <p>ORDER AUTHORIZING DEBTORS TO USE CASH COLLATERAL ON AN INTERIM BASIS</p>
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Upon consideration of the *Motion of Debtors for Interim and Final Orders Authorizing Debtors to Use Cash Collateral* (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

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.

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



1 and having considered the statements of counsel and the evidence adduced with respect to the
2 Motion at a hearing before the Court (the “Hearing”); and the Court having found that (i) the Court
3 has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C.
4 §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy*
5 *Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States
6 District Court for the Northern District of California; (ii) venue is proper in this district pursuant
7 to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b);
8 (iv) notice of the Motion and the Hearing was sufficient under the circumstances; and (v) good
9 cause exists to waive the requirements imposed by Bankruptcy Rules 6003 or 4001(b)(2), to the
10 extent either is applicable; and after due deliberation the Court having determined that the relief
11 requested in the Motion is in the best interests of the Debtors, their estates, and their creditors and
12 is necessary to prevent immediate and irreparable harm to the Debtors and their estate; and good
13 and sufficient cause having been shown;

14 **IT IS HEREBY ORDERED THAT:**

- 15 1. The Motion is granted on an interim basis.
- 16 2. The Debtors may use Cash Collateral as set forth in the Property Budget on an
17 interim basis to pay Property Level Expenses only.
- 18 3. The Debtors are authorized to provide Accepting Lenders with adequate protection
19 in the form of (A) monthly debt service payments in accordance with pre-filing practices,
20 (B) paying Property Level Expenses in order to maintain the value of the Property or Properties
21 subject to such Accepting Lender’s mortgage(s), and (C) providing continuing reporting consistent
22 with pre-filing practices.
- 23 4. No Lender will receive additional or replacement liens.
- 24 5. Cash generated by the Properties may be maintained in a concentration account in
25 accordance with past and continuing practices of the Property Manager, and the Property Manager
26 shall continue to maintain the Debtors’ books and records such that cash in such account can be
27 reconciled with amounts held by each Debtor.

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1 6. The Debtors do not have authority to use the Cash Collateral of Nonaccepting
2 Lenders, unless and except to the extent that such Nonaccepting Lender consents to such use in
3 writing, in which case the Debtors may use Cash Collateral to pay Property Level Expenses if and
4 to the extent permitted by the Nonconsenting Lender. For the avoidance of doubt, Socotra Capital,
5 Inc. (“Socotra”) and Umpqua Bank are Nonaccepting Lenders, and the Debtors are not authorized
6 to use Cash Collateral of either entity. The Debtors’ right to supplement the Motion upon an
7 evidentiary presentation demonstrating that such Nonaccepting Lender is adequately protected is
8 hereby reserved, and the rights of any Nonaccepting Lender to object are also reserved; *provided*
9 that nothing contained in this Order shall be interpreted to shorten or otherwise affect notice that
10 must be provided to any such Nonaccepting Lender.

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

19 8. With respect to the properties against which Socotra holds a mortgage (the “Socotra
20 Properties”), the Property Manager will provide (a) reporting by property that indicates the
21 beginning cash balance, cash receipts, cash disbursements and the ending cash balance for that
22 property, all beginning on the Petition Dates³ (the “Socotra Cash Collateral Reporting”) and
23 (b) bank statements for each account in which Socotra’s cash collateral is held. The Socotra Cash
24 Collateral Reporting will be provided at a frequency to be determined but the first reporting will
25 be provided no later than October 10, 2024.

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28 ³ “Petition Dates” means August 6, 2024 and September 12, 2024.

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Court Service List

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