

**KELLER BENVENUTTI KIM LLP**

TOBIAS S. KELLER (Cal. Bar No. 151445)

(tkeller@kbbkllp.com)

DAVID A. TAYLOR (Cal. Bar No. 247)

(dtaylor@kbbkllp.com)

THOMAS B. RUPP (Cal. Bar No. 2780)

(trupp@kbbkllp.com)

425 Market Street, 26th Floor

San Francisco, California 94105

Telephone: (415) 496-6723

Facsimile: (650) 636-9251

Signed and Filed: October 17, 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**

In re:

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

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**FINAL ORDER ESTABLISHING  
ADEQUATE ASSURANCE  
PROCEDURES WITH RESPECT TO  
THE DEBTORS' UTILITY  
PROVIDERS****Date:** October 15, 2024**Time:** 1:30 p.m.**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' 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 *Motion of Debtors for Interim and Final Orders Establishing Adequate Assurance Procedures with Respect to the Debtors' Utility Providers* (the "Motion"),<sup>2</sup> 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 on a final basis.
2. Subject to the procedures described below, no Utility Company, including any Subsequently Added Utility, may (a) alter, refuse, terminate, or discontinue utility services to, and/or discriminate against, the Debtors on the basis of the commencement of the Chapter 11 Cases or on account of outstanding prepetition invoices or (b) require additional assurance of payment, other than the Proposed Adequate Assurance, as a condition to the Debtors receiving such utility services.
3. A deposit equal to two weeks of fees based on the average over the prior year for each account shall constitute adequate assurance if so requested by the applicable Utility Company (the "Proposed Adequate Assurance").

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

4. Subject to the Adequate Assurance Procedures set forth below, the Proposed Adequate Assurance constitutes sufficient adequate assurance of future payment to the Utility Companies to satisfy the requirements of section 366 of the Bankruptcy Code.

5. The following Adequate Assurance Procedures are approved in all respects:

ADEQUATE ASSURANCE PROCEDURES

(a) Any Utility Company desiring assurance of future payment for utility service must serve a request (an “Adequate Assurance Request”) at the following addresses for the Debtors: (i) LeFever Mattson, 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621 (Attn: Mark Bennett), (ii) DSI Consulting, 333 South Grand Avenue, Los Angeles, CA 90071 (Attn: Bradley D. Sharp), (iii) Keller Benvenuti Kim LLP, 425 Market Street, 26th Floor, San Francisco, CA 94105 (Attn: Thomas B. Rupp), and (iv) Pachulski Stang Ziehl & Jones LLP, One Sansome Street, 34th Floor, Suite 3430, San Francisco, CA 94104 (Attn: Jason H. Rosell) (collectively, the “Notice Parties”).

(b) Any Adequate Assurance Request must: (i) be made in writing; (ii) specify the amount and nature of assurance of payment that would be satisfactory to the Utility Company; (iii) set forth the locations for which utility services are provided and the relevant account number(s); (iv) describe any deposits, prepayments or other security currently held by the requesting Utility Company; (v) describe any payment delinquency or irregularity by the Debtors for the postpetition period, if any; and (vi) if not requesting only the Proposed Adequate Assurance, explain why the requesting Utility Company believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.

(c) If a Utility Company fails to serve on the Notice Parties an Adequate Assurance Request, such Utility Company shall be (i) deemed to have waived its right to receive adequate assurance of payment “satisfactory” to such Utility Company pursuant to section 366 of the Bankruptcy Code, and (ii) prohibited from discontinuing, altering, or refusing service to, or discriminating against, the Debtors on account of the commencement of the Debtors’ Chapter 11 Cases or any unpaid prepetition charges and from requiring additional assurance.

(d) If an Adequate Assurance Request is delivered upon the Notice Parties, the Debtors shall have the greater of (i) twenty-one (21) days from receipt of such Adequate Assurance Request or (ii) thirty-five (35) days from the Petition Date (such greater period, the “Resolution Period”) to negotiate with the requesting Utility Company to resolve its Adequate Assurance Request. The Resolution Period may be extended by agreement of the Debtors and the applicable Utility Company without application to or approval of the Court.

(e) The Debtors are authorized to resolve, in their discretion, any Adequate Assurance Request by mutual agreement with the requesting Utility Company without further order of the Court and, in connection with any such agreement and in their discretion, may provide the requesting Utility Company with alternative adequate assurance of payment including cash deposits, prepayments, or other forms of security.

(f) If the parties are not able to resolve an Adequate Assurance Request during the Resolution Period, the Debtors will request a hearing before the Court to

determine the adequacy of assurances of payment made to the requesting Utility Company (the “Determination Hearing”), pursuant to section 366(c)(3)(A) of the Bankruptcy Code.

(g) Pending the resolution of the Adequate Assurance Request at a Determination Hearing, the Utility Company making such a request may not discontinue, alter, or refuse service to the Debtors on account of unpaid charges for prepetition services or an alleged lack of adequate assurance of payment.

(h) Absent compliance with the Adequate Assurance Procedures and the terms of the order granting the relief requested herein, the Debtors’ Utility Companies are prohibited from altering, refusing, or discontinuing service on account of the commencement of these Chapter 11 Cases and/or any unpaid charges for prepetition services provided to any of the Debtors and are deemed to have received adequate assurance of payment in accordance with section 366 of the Bankruptcy Code.

(i) If the Debtors identify additional Utility Companies—or determine that a company was improperly designated as a Utility Company—the Debtors seek authority, in their discretion, to add or remove parties from the Utility Service List. The Debtors promptly will serve on any Utility Company that is subsequently added to the Utility Service List (a “Subsequently Added Utility”) a copy of the Court’s order regarding Utility Services, including the Adequate Assurance Procedures. The terms of these Adequate Assurance Procedures shall apply to any Subsequently Added Utility.

(j) Upon receipt of an Adequate Assurance Request, the Debtors shall then have the Resolution Period to resolve any Subsequently Added Utility’s Additional Assurance Request by mutual agreement without further order of this Court, or to schedule a Determination Hearing with this Court.

(k) If any utility account with a Utility Company is closed or terminated during the course of these Chapter 11 Cases, without the need for further order of this Court or notice to any parties except as otherwise provided herein, the Utility Company shall be authorized and directed to immediately return any deposits made by the Debtors pursuant to the Adequate Assurance Procedures.

6. All Utility Companies shall be deemed to have adequate assurance of payment under section 366 of the Bankruptcy Code unless and until: (a) the Debtors, in their discretion, agree to provide the Utility Company with (i) the Proposed Adequate Assurance or (ii) an alternative assurance of payment with the Utility Company during the Resolution Period; or (b) this Court enters an order at any Determination Hearing requiring that additional adequate assurance of payment be provided.

7. To the extent that the procedures set forth herein are not in technical compliance with certain time periods set forth in section 366 of the Bankruptcy Code, the Debtors have

1 demonstrated good cause for the extension of the thirty-day and twenty-day protective time periods  
2 under sections 366(c)(2) and 366(b) of the Bankruptcy Code, respectively.

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4 8. Nothing herein constitutes a finding that any entity is or is not a Utility Company  
5 hereunder or under section 366 of the Bankruptcy Code, whether or not such entity is listed on the  
6 Utility Service List.

7 9. The relief granted herein is for all Utility Companies providing Utility Services to  
8 the Debtors and is not limited to those parties or entities listed on the Utility Service List.

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

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

18 12. The Debtors will mail or otherwise expeditiously cause a copy of this Order to be  
19 served on each company on the Utility Service List within three (3) business days after entry of  
20 this Order.

21 13. The Debtors are authorized to take all steps necessary or appropriate to carry out  
22 this Order.

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

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

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COURT SERVICE LIST

*All ECF Participants*