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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**

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

In re:

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

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**FINAL ORDER (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**

Date: October 15, 2024

Time: 1:30 p.m.

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' 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 Order (I) Approving Continued Use of*
2 *the Debtors' Cash Management System and Bank Accounts; (II) Authorizing the Debtors to Open*
3 *and Close Bank Accounts; and (III) Authorizing Banks to Honor Certain Prepetition Transfers*
4 (the "Motion"),² filed by the above-captioned debtors and debtors in possession (the "Debtors");
5 the Court having reviewed the Motion and the Sharp Declaration and having considered the
6 statements of counsel and the evidence adduced with respect to the Motion at a hearing before the
7 Court (the "Hearing"); and the Court having found that (i) the Court has jurisdiction to consider
8 the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order*
9 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule
10 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
11 District of California; (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409;
12 (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) notice of the Motion and the
13 Hearing was sufficient under the circumstances; and after due deliberation the Court having
14 determined that the relief requested in the Motion is in the best interests of the Debtors, their
15 estates, and their creditors; and good and sufficient cause having been shown;

16 **IT IS HEREBY ORDERED THAT:**

- 17 1. The Motion is granted on a final basis as set forth herein.
- 18 2. The Debtors are authorized, but not directed, to maintain the Cash Management
19 System in substantially the same form as described in the Motion.
- 20 3. The Debtors are authorized, but not directed, to maintain their current Cash
21 Management System and Bank Accounts and without interruption.
- 22 4. The Debtors shall designate the Bank Accounts as debtor-in-possession accounts.
- 23 5. The Debtors are further authorized to (i) designate, maintain, and continue to use
24 any or all of their existing Bank Accounts, including those listed on the Schedule of Bank Accounts
25 attached as Exhibit 3 to the Sharp Declaration, with the account numbers existing immediately
26 before the Petition Date, (ii) deposit funds in, and withdraw funds from, such accounts by all usual

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

1 means, including, without limitation, checks, wire transfers, ACH transfers, and other debits, and
2 (iii) pay any bank fees or other charges associated with the Bank Accounts, whether arising before
3 or after the Petition Date.

4 6. With the exception of the Unauthorized Depository Accounts, the Debtors are not
5 required to (a) close existing Bank Accounts and open new debtor-in-possession accounts
6 (provided that such Bank Accounts are designated as debtor-in-possession accounts) or
7 (b) establish specific Bank Accounts for tax payments. The Debtors may transfer funds into, out
8 of, and through the Cash Management System using ordinary transfer methods in accordance with
9 the Debtors' prepetition practice. The Debtors shall continue to maintain records with respect to
10 all transfers of cash so that all transactions may be readily ascertained, traced, and recorded
11 properly.

12 7. Notwithstanding anything to the contrary contained in the Motion or this Order,
13 except as provided for in this Paragraph, the Debtors are not authorized to transfer (or otherwise
14 direct) funds to non-Debtor subsidiaries or affiliates without further order of this Court. For the
15 avoidance of doubt, the Debtors are not authorized to pay any obligations of non-Debtors (arising
16 prepetition or postpetition) without further order of this Court, except for amounts necessary to
17 meet payroll obligations of wholly-owned non-Debtor subsidiaries, not to exceed \$450,000 from
18 the entry of this Order through November 30, 2024, unless otherwise agreed to between the
19 Debtors and the Committee.

20 8. The Debtors are authorized to continue engaging in inter-Debtor transactions and
21 transfers in connection with the Cash Management System in the ordinary course of business,
22 *provided that* the Debtors maintain accurate and detailed records of all such inter-Debtor
23 transactions and transfers so that all such transactions and transfers may be readily traced,
24 ascertained, and recorded properly on applicable inter-Debtor accounts. The Debtors shall provide
25 the Committee with a detailed report of any such inter-Debtor transactions and transfers on a
26 monthly basis.

27 9. The Debtors are authorized, but not directed, to pay and/or reimburse the Banks in
28 the ordinary course of business for any Cash Management Fees arising prior to or after the Petition

1 Date, and the Banks are authorized to charge and offset against credits owing to the Debtors any
2 Cash Management Fees.

3 10. The Debtors are authorized, but not directed, to continue to use their existing
4 Business Forms without alteration or change and without the designation “Debtor-in-Possession”
5 imprinted upon them.

6 11. The Banks are authorized to accept and hold, or invest, the Debtors’ funds in
7 accordance with the Debtors’ instructions, provided, in each case, that the Bank shall not have any
8 liability to any party for relying on such representations. Nothing contained herein is intended to
9 or shall modify the Debtor’s obligations under section 345 of the Bankruptcy Code.

10 12. The Banks are authorized, but not directed, to accept and honor all representations
11 from the Debtors regarding which checks, drafts, wires, or ACH transfers should be honored or
12 dishonored consistent with any order of this Court, whether such checks, drafts, wires, or ACH
13 transfers are dated prior to, on, or subsequent to the Petition Date; provided, however, that to the
14 extent the Debtors direct the Banks to dishonor any disbursements or the Banks inadvertently
15 dishonor any disbursements, the Debtors may issue replacement disbursements consistent with the
16 orders of this Court. The Banks shall not be liable to any party on account of: (i) following the
17 Debtors’ instructions or representations as to any order of this Court; (ii) honoring any prepetition
18 check or item in a good faith belief that the Court has authorized such prepetition check or item to
19 be honored; or (iii) an innocent mistake made despite implementation of reasonable item-handling
20 procedures.

21 13. The Banks are further authorized to: (i) honor the Debtors’ directions with respect
22 to the opening and closing of any Bank Accounts and (ii) accept and hold, or invest, the Debtors’
23 funds in accordance with the Debtors’ instructions, provided, in each case, that the Banks shall not
24 have any liability to any party for relying on such representations.

25 14. Nothing contained in the Motion or this Order is intended to be or shall be construed
26 as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors’
27 or any appropriate party in interest’s rights to dispute the amount of, basis for, or validity of any
28 claim against the Debtors; (iii) a waiver of any claims or causes of action that may exist against

1 any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any
2 agreement, contract, lease, program, or policy between the Debtors and any third party under
3 section 365 of the Bankruptcy Code.

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

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

8 ** END OF ORDER **

9 APPROVED AS TO FORM:

10 TRACY HOPE DAVIS
11 UNITED STATES TRUSTEE

12 By: /s/ Jared A. Day
13 Jared A. Day
14 Trial Attorney for United States Trustee

15 PACHULSKI STANG ZIEHL & JONES LLP

16 By: /s/ Jason H. Rosell
17 Jason H. Rosell
18 Proposed Attorneys for the
19 Official Committee of Unsecured Creditors
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All ECF Participants