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7 *Attorneys for the Debtors and*  
8 *Debtors in Possession*

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

12 In re:  
13 LEFEVER MATTSON, a California  
14 corporation, *et al.*,<sup>1</sup>  
15 Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**DECLARATION OF BRADLEY D.  
SHARP IN SUPPORT OF MOTION OF  
DEBTORS TO ESTABLISH  
PROCEDURES FOR REAL PROPERTY  
SALES (SOCOTRA COLLATERAL)**

**Date:** April 16, 2025

**Time:** 11:00 a.m. (Pacific Time)

**Place:** (In Person or Via Zoom)

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

26 <sup>1</sup> The last four digits of LeFever Mattson’s tax identification number are 7537. Due to the  
27 large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the  
28 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 I, Bradley D. Sharp, hereby declare pursuant to 28 U.S.C. § 1746:

2 1. I am the President and Chief Executive Officer of Development Specialists, Inc.  
3 (“DSI”), a leading provider of management consulting and financial advisory services, including  
4 turnaround consulting, fiduciary roles, and financial restructuring services, with numerous offices  
5 throughout the country.

6 2. I am the Chief Restructuring Officer of the Debtors in these Chapter 11 Cases.

7 3. I submit this Declaration in further support of the Debtors’ *Motion of Debtors to*  
8 *Establish Procedures for Real Property Sales (Socotra Collateral)* (the “Motion”), filed on March  
9 26, 2025.<sup>2</sup>

10 4. Except as otherwise indicated, all facts set forth in this declaration are based upon  
11 my personal knowledge; information supplied to me by other members of the Debtors’  
12 management, employees, and professionals; information learned from my review of relevant  
13 documents; or my opinion given my experience and my knowledge of the Debtors’ operations and  
14 financial condition. If called upon to testify, I could and would testify competently to the facts set  
15 forth herein. I am authorized by the Debtors to submit this declaration.

16 5. As I noted in my First Day Declaration, these Chapter 11 Cases were necessitated  
17 by, among other things, Mr. Kenneth Mattson’s purported sales of equity interests in numerous of  
18 the Debtors to hundreds of investors through transactions that were not recorded in the books and  
19 records of LeFever Mattson or the appropriate Debtor.

20 6. The various Debtors hold a highly diversified real estate portfolio of approximately  
21 176 properties (each, a “Property” and collectively, the “Properties”), comprised of commercial,  
22 residential, office, and mixed-use real estate, as well as vacant land, located throughout California,  
23 primarily in Sonoma, Sacramento, and Solano Counties. Debtor LeFever Mattson is the general  
24 partner of each of the Debtor limited partnerships (the “LPs”) and the managing member of each  
25 of the Debtor limited liability companies (the “LLCs”), and has the authority to sell properties held  
26

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

1 by the LPs and LLCs. A schedule of the Properties including their addresses, assessor's parcel  
2 numbers and owners is attached hereto as Exhibit 1.

3 7. Socotra is a "hard money lender," meaning that it makes short term loans where  
4 traditional lenders, such as banks and credit unions, will not. Because they are riskier than  
5 traditional mortgages, hard money loans typically have significantly higher interest rates than bank  
6 loans and usually mature in months, not years. Socotra also differs from traditional mortgage  
7 lenders in that it is comprised of a collection of affiliated loan funds. I understand that under those  
8 funds' governance rules, once Socotra receives proceeds from the sale of a Socotra Property, it  
9 will distribute those proceeds to the fund's investors.

10 8. Socotra holds deeds of trust and assignments of rents on sixty (60) properties held  
11 by the Debtors with approximately \$75 million in total loans. This represents about one-third of  
12 the Debtors' total secured debt, making Socotra the Debtors' largest secured creditor.  
13 Substantially all the Socotra Properties were originally purchased by KS Mattson Partners, LP  
14 ("KSMP"), an entity controlled by Mr. Mattson, who was also the chief executive officer of  
15 LeFever Mattson and in control of the Debtors during this period.

16 9. On information and belief, after purchasing the Socotra Properties, Mr. Mattson  
17 encumbered the properties with high-interest loans and caused KSMP to convey the properties to  
18 various Debtors. In at least two instances, it appears that Mr. Mattson used the Debtors' property  
19 to cross-collateralize KSMP properties. The Debtors have also uncovered evidence that, over the  
20 course of seven years, Mr. Mattson transferred approximately \$20 million from a LeFever Mattson  
21 bank account to Socotra—yet these payments appear to have been made for the benefit of  
22 Mr. Mattson or KSMP, not any of the Debtors.

23 10. Because Socotra was the counterparty to so many apparently self-interested  
24 transactions by Mr. Mattson, the Committee has spearheaded an investigation to determine  
25 whether the Debtors' estates hold any claims against Socotra. I am informed that the Committee's  
26 investigation will remain ongoing for a number of months.

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28 ///

1           11. In consultation with FTI Consulting, Inc. and FTI Consulting Realty, Inc. (jointly,  
2 “FTI”) and the Committee, the Debtors created the Original Sale Procedures, which were approved  
3 in the Original Sale Procedures Order.

4           12. The schedule of Properties appended to the Original Sale Procedures Motion  
5 included the fifty-nine (59) Socotra Properties.<sup>3</sup> Subsequently, pursuant to an agreement between  
6 the Debtors and Socotra to resolve Socotra’s objection to the Original Sale Procedures Motion, the  
7 Socotra Properties were removed from the Original Sale Procedures.

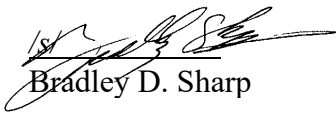
8           13. It is my business judgment that the Socotra Sale Procedures will create a  
9 streamlined process for the value-maximizing sale of Properties. The proposed Socotra Sale  
10 Procedures are identical to the Original Sale Procedures with one exception – Socotra will not be  
11 paid at the close of escrow. Instead, the Debtors will maintain sufficient sale proceeds to satisfy  
12 the outstanding amount of Socotra’s loans, plus six (6) months of interest and fees, in a segregated,  
13 interest-bearing account until the Debtors and Committee have concluded their Socotra  
14 investigations.

15           14. I am concerned that if Socotra is allowed to disburse the sale proceeds to its  
16 investors, recovering those funds for the benefit of the estate will become far more difficult, if not  
17 impossible. Accordingly, the Debtors have built into the Socotra Sale Procedures a delay in the  
18 payment of Socotra’s loans to allow sufficient time for the investigation to be completed and  
19 preserve the Debtors’ ability, if necessary, to make a meaningful recovery from Socotra.

20           15. It is my business judgement, based on consultations with the Debtors’  
21 professionals, the Committee, and FTI, that the Socotra Sale Procedures will encourage fair market  
22 offers for the Socotra Properties while preventing sales from being impeded by long delays in the  
23 bankruptcy proceedings.

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27 <sup>3</sup> Socotra has liens on sixty (60) of the Properties; however, one is held by a Debtor as a  
28 tenant-in-common with a non-debtor. That Property was excluded from both the Original Sale  
Procedures Motion and this Motion.

1 I declare under penalty of perjury that the foregoing is true and correct. Executed  
2 March 26, 2025.

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**EXHIBIT 1**  
**(Schedule of Real Property)**

Common Name	APN	Address	City	State	LP / LLC Ownership Name	Lender
Cottage Inn & Spa	018-171-019; 018-171-031	302 304 310 1st Street East	Sonoma	CA	Sienna Pointe, LLC	Socotra
An Inn to Remember	018-202-051	171 West Spain Street	Sonoma	CA	Sienna Pointe, LLC	Socotra
Thornsberry Single Family	127-192-056	1870 Thornsberry Road	Sonoma	CA	RT Capitol Mall, LP	Socotra
Coco Planet	128-082-011	921 Broadway	Sonoma	CA	RT Capitol Mall, LP	Socotra
635 Broadway	018-301-010	635 Broadway	Sonoma	CA	Ginko Tree LP / Buckeye, LP	Socotra
Broadway Square	018-301-009	645-651 Broadway/10 Maple Street	Sonoma	CA	Ginko Tree LP / Buckeye, LP	Socotra
The Broadway	128-181-029	1161-1167 Broadway	Sonoma	CA	Ginko Tree LP / Buckeye, LP	Socotra
Broadway Office	128-181-028	1151 Broadway	Sonoma	CA	Ginko Tree LP / Buckeye, LP	Socotra
596 3rd Street East	018-271-037	596 3rd Street East	Sonoma	CA	Ginko Tree LP	Socotra
Sonoma Farmhouse Townhouses / Yellow Farmhouse Vacation Rental	018-201-003	446 3rd Street West	Sonoma	CA	Red Spruce Tree LP	Socotra
Sonoma Farmhouse Townhouses / Red Farmhouse Vacation Rental	018-201-004	454 3rd Street West	Sonoma	CA	Red Spruce Tree LP	Socotra
789 Cordilleras Drive	023-010-069	789 Cordilleras Drive	Sonoma	CA	Black Walnut, LP	Socotra
19450 Old Winery Road	127-242-049	19450 Old Winery Road	Sonoma	CA	RT Capitol Mall, LP	Socotra
222-226 West Spain Street	018-151-005	222-226 West Spain Street	Sonoma	CA	RT Capitol Mall, LP	Socotra
24265 Arnold Drive (The 'Circus' House)	128-484-009	24265 Arnold Drive	Sonoma	CA	Fire Tree I, LP	Socotra
24321 Arnold Drive (The 'Water Tower' House)	128-484-010	24321 Arnold Drive	Sonoma	CA	Fire Tree I, LP	Socotra
786-790 Broadway SFR	018-352-043	786 Broadway	Sonoma	CA	Fire Tree I, LP	Socotra
786-790 Broadway SFR	018-352-044	790 Broadway	Sonoma	CA	Fire Tree I, LP	Socotra
17700 Highway 12	056-303-025	17700 Sonoma Highway	Sonoma	CA	Fire Tree III, LP	Socotra
377 West Spain Street	018-192-028	377 West Spain Street	Sonoma	CA	Beach Pine, LP	Socotra
20564 Broadway	128-321-008	20564 Broadway	Sonoma	CA	Black Walnut, LP	Socotra
653 3rd Street West	018-283-005	653 3rd Street West	Sonoma	CA	Black Walnut, LP	Socotra
391-455 Oak Street and 19173 Railroad Avenue	052-402-022	391-455 Oak Street and 19173 Railroad Avenue	Sonoma	CA	Black Walnut, LP	Socotra
Sojourn Tasting Room	018-261-006	141-145 East Napa Street	Sonoma	CA	Sienna Pointe, LLC	Socotra
Tank House Farms Meat Processing	128-461-009; 128-471-012	23250 Maffei Road	Sonoma	CA	Sienna Pointe, LLC	Socotra
925-927 Broadway Street	128-082-015	925-927 Broadway	Sonoma	CA	Sienna Pointe, LLC	Socotra
Meadowlark/Arnold	128-484-013	101 Meadowlark Lane	Sonoma	CA	Sienna Pointe, LLC	Socotra
Fruit Basket	128-484-003	24101 Arnold Drive	Sonoma	CA	Sienna Pointe, LLC	Socotra
Meadowlark/Arnold	128-484-024	24151 Arnold Drive	Sonoma	CA	Sienna Pointe, LLC	Socotra
Meadowlark/Arnold	128-484-014	310 Meadowlark Lane	Sonoma	CA	Sienna Pointe, LLC	Socotra
Meadowlark/Arnold	128-484-033; 128-484-034	201 Meadowlark Lane	Sonoma	CA	Fire Tree II, LP	Socotra
16721 Sonoma Highway	056-662-020	16721 Sonoma Highway	Sonoma	CA	Buckeye Tree LP	Socotra
Perris Properties on Wilkerson	310-061-023	333 Wilkerson Avenue	Perris	CA	Windtree, LP	Socotra
Perris Properties on Wilkerson	310-070-078	371 Wilkerson Avenue	Perris	CA	Windtree, LP	Socotra
Perris Properties on Wilkerson	310-081-012	411 Wilkerson Avenue	Perris	CA	Windtree, LP	Socotra
19340 7th Street East	127-242-025	19340 7th Street East	Sonoma	CA	Golden Tree, LP	Socotra
Pinyon Creek II - 107 Quail Court	107-170-035	107 Quail Court	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 109 Quail Court	107-170-036	109 Quail Court	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10306 Badger Lane	107-170-003	10306 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10308 Badger Lane	107-170-004	10308 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10328 Badger Lane	107-170-007	10328 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10328 Badger Lane	107-170-008	10328 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10334 Badger Lane	107-170-009	10334 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10336 Badger Lane	107-170-010	10336 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10342 Badger Lane	107-170-011	10342 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10344 Badger Lane	107-170-012	10344 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10393 Badger Lane	107-170-026	10393 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
Pinyon Creek II - 10395 Badger Lane	107-170-025	10395 Badger Lane	Truckee	CA	LeFever Mattson	Socotra
430 West Napa Street	018-193-048	430 West Napa Street	Sonoma	CA	Windscape Apartments, LLC	Socotra
446-462 West Napa Street	018-193-041	446 West Napa Street	Sonoma	CA	Windscape Apartments, LLC	Socotra
446-462 West Napa Street	018-193-040	454 West Napa Street	Sonoma	CA	Windscape Apartments, LLC	Socotra
446-462 West Napa Street	018-193-039	462 West Napa Street	Sonoma	CA	Windscape Apartments, LLC	Socotra
24160 Turkey Road, 24237 Arnold Drive	128-484-066; 128-484-067	24160 Turkey Road, 24237 Arnold Drive	Sonoma	CA	Windscape Apartments, LLC	Socotra
Fence Post	126-032-037	1025 Napa Road	Sonoma	CA	Windscape Apartments, LLC	Socotra
900 East Napa Street	127-231-040	900 East Napa Street	Sonoma	CA	Windscape Apartments, LLC	Socotra
424 2nd Street W	018-202-002	424 2nd Street West	Sonoma	CA	Windscape Apartments, LLC	Socotra
The Post (Fly Fishing Venue)	128-461-029	24120 Arnold Drive	Sonoma	CA	Windscape Apartments, LLC	Socotra
Ravenswood Winery	127-051-073; 127-051-074	18701 Gehricke Road	Sonoma	CA	Windscape Apartments, LLC	Socotra
1045 Bart Road (Adjacent to Ravenswood Winery)	127-051-059	1045 Bart Road	Sonoma	CA	Windscape Apartments, LLC	Socotra