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12 *Attorneys for the Debtors and*  
13 *Debtors in Possession*

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

17 In re:

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

20 Debtors.

21 Case No. 24-10545 (CN) (Lead Case)  
22 (Jointly Administered)  
23 Chapter 11

24 **DECLARATION OF BRADLEY D. SHARP IN**  
25 **SUPPORT OF MOTION OF DEBTORS FOR**  
26 **ORDER (I) AUTHORIZING CERTAIN**  
27 **DEBTORS TO ENTER INTO POST-**  
28 **PETITION INTERCOMPANY AGREEMENT**  
**WITH PINEAPPLE BEAR; (II) GRANTING**  
**ADMINISTRATIVE EXPENSE CLAIMS; AND**  
**(III) GRANTING RELATED RELIEF**

**Date:** April 16, 2025

**Time:** 11:00 a.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.



1 I, Bradley D. Sharp, hereby declare as follows:

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 submit this declaration pursuant to 28 U.S.C. § 1746 in support of the *Declaration*  
7 *of Bradley D. Sharp in Support of Motion of Debtors for Order (I) Authorizing Certain Debtors to*  
8 *Enter into Post-petition Intercompany Agreement with Pineapple Bear; (II) Granting*  
9 *Administrative Expense Claims; and (III) Granting Related Relief* (the “Motion”) filed  
10 concurrently herewith.<sup>2</sup>

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

17 4. LeFever Mattson is the sole shareholder of Pineapple Bear.

18 5. Pineapple Bear operates various hospitality-related businesses, including dining,  
19 lodging, and special events, on the premises of six properties in Sonoma owned by the Pineapple  
20 Bear Debtors.

21 6. Pineapple Bear operates its businesses under a number of trade names, including  
22 Sonoma’s Best Hospitality Group.

23 7. From the commencement of the Chapter 11 Cases, Pineapple Bear has required  
24 cash infusions from LeFever Mattson to meet its operating expenses, including its payroll  
25 obligations.

26  
27  
28 <sup>2</sup> Capitalized terms used but not defined herein have the meanings given to them in the Motion.

1           8.       Despite great efforts by the Debtors' management and advisors to cut costs and  
2 streamline the operations of Pineapple Bear, it continues to require additional cash to operate in  
3 the near term.

4           9.       Based on my discussions with the Debtors' managers and advisors, I believe that,  
5 although Pineapple Bear itself is not currently profitable, its operations at the Pineapple Bear  
6 Properties have contributed to preserving their value, and their values would sharply diminish were  
7 Pineapple Bear to cease operations.

8           10.      Because LeFever Mattson is preserving the Pineapple Bear Debtors' estates  
9 through its financial support of Pineapple Bear, I believe that the Pineapple Bear Agreement is  
10 necessary to recognize this support as administrative claims owed by the Pineapple Bear Debtors  
11 to LeFever Mattson.

12           11.      The Debtors manage a portfolio of approximately 176 properties, comprised of  
13 commercial, residential, office, and mixed-use real estate, as well as vacant land, located  
14 throughout Northern California, primarily in Sonoma, Sacramento, and Solano Counties. Most of  
15 these properties are encumbered by at least one deed of trust held by a secured lender. The secured  
16 lenders range from institutional banks, to private hard-money lenders, to individuals. The Debtors  
17 generate income from their properties through rents and use the proceeds to fund their operations.  
18 Debtor Home Tax Service of America, Inc., dba LeFever Mattson Property Management, provides  
19 property management services to the properties owned by the Debtors, including the Pineapple  
20 Bear Properties.

21           12.      Since the beginning of these Chapter 11 Cases, the Debtors, in cooperation with the  
22 Committee, have pursued several complementary goals: (1) completing the necessary reporting  
23 and transparency requirements necessary in any chapter 11 case, and particularly vital in these  
24 Chapter 11 Cases where allegations of fraud preceded their commencement, (2) formulating a  
25 responsible strategy for monetizing the Debtors' properties to yield the maximum recovery for the  
26 estates, and (3) investigating the financial transactions that led to the Chapter 11 Cases.

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1           13.     The Debtors and the Committee have obtained the joint retention of FTI Consulting,  
2 Inc. and FTI Consulting Realty, Inc. (collectively, “FTI”) to provide certain real estate and tax  
3 advisory services in these Chapter 11 Cases.

4           14.     At the joint direction of myself and the Committee, FTI has been charged with  
5 developing a strategy for the monetization of the Properties.

6           15.     FTI has advised both the Debtors and the Committee that orderly sales of the  
7 Properties with adequate market exposure and sufficient opportunities to solicit overbids where  
8 necessary will yield the greatest return on the assets.

9           16.     A list of the Pineapple Bear Properties and their ownership is attached to the  
10 Pineapple Bear Agreement as Schedule 1. One property, Seven Branches, is jointly owned by  
11 Firetree II, LP and LeFever Mattson.

12           17.     There are no formal agreements among the Debtors regarding Pineapple Bear’s  
13 operations at the Properties.

14           18.     I am informed and believe that the regular practice varied by property, but in some  
15 instances, Pineapple Bear would pay the operating expenses and/or debt service related to each  
16 Pineapple Bear Property.

17           19.     From time to time prior to and since the commencement of the Chapter 11 Cases,  
18 LeFever Mattson has advanced funds to Pineapple Bear to provide it with necessary liquidity to  
19 operate its Businesses.

20           20.     LeFever Mattson intends to use a portion of the loan proceeds from the DIP Facility  
21 to continue to provide liquidity to Pineapple Bear so that it can continue to operate at the Pineapple  
22 Bear Properties and support the value of these properties.

23           21.     Between the Petition Date and the filing of this Motion, LeFever Mattson has  
24 advanced \$892,000 to support the operations of Pineapple Bear.

25           22.     At my direction, the Debtors’ management and professionals have reviewed  
26 Pineapple Bear’s operations and attempted to reduce expenses and streamline operations wherever  
27 possible, including closing one restaurant and enacting reductions in its workforce.

28

1           23.     Among the Pineapple Bear Properties are a restaurant, an inn, and various event  
2 spaces.

3           24.     I am informed and believe that the Pineapple Bear Properties are widely known by  
4 their names, *e.g.*, General's Daughter, Seven Branches, and the Depot.

5           25.     Pineapple Bear does not currently operate its businesses at any locations other than  
6 the Pineapple Bear Properties.

7           26.     The Debtors and Committee have been advised by FTI that, if operations were to  
8 cease at the locations (particularly those that serve as event and wedding venues), the reputational  
9 damage to those properties would be significant, and the value of the properties would decline  
10 sharply.

11          27.     The locations that host special events (mainly weddings) would suffer the  
12 additional reputational damage of having to cancel numerous planned events.

13          28.     Based on my discussions with the Debtors' management and professionals, I  
14 believe that Pineapple Bear's continued operation of its various businesses at the Pineapple Bear  
15 Properties is preserving the value of the Pineapple Bear Debtors' estates.

16          29.     The Pineapple Bear Agreement provides a simple framework by which LeFever  
17 Mattson's financing of Pineapple Bear's operations can be attributed among the Pineapple Bear  
18 Debtors.

19          30.     Under the Pineapple Bear agreement, costs tied directly to each Pineapple Bear  
20 Property and a pro rata share of Pineapple Bear's overhead expenses will be allocated among  
21 LeFever Mattson's administrative claims against the Pineapple Bear Debtors.

22          31.     The Pineapple Bear Agreement also provides for regular reporting to the  
23 Committee to provide an external review and validation of the claims being recognized.

24          32.     Notably, none of the administrative claims contemplated by the Pineapple Bear  
25 Agreement are to be paid without further order of the Court or pursuant to a confirmed plan of any  
26 of the Pineapple Bear Debtors. Nothing in this Motion or the Pineapple Bear Agreement is  
27 intended to affect the validity, extent, or priority of any party's lien against the Pineapple Bear  
28 Properties or their proceeds.

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

3  
4 /s/Bradley D. Sharp  
Bradley D. Sharp

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