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

In re

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

Debtors.

Case No. 24-10545 CN (Lead Case)

(Jointly Administered)

Chapter 11

<sup>1</sup> The last four digits of LeFever Mattson's ("LFM") tax identification number are 7537. Due to the large number of debtor entities in the above-captioned chapter 11 cases of LFM and its affiliates (the "LFM Cases"), a complete list of such Debtors (collectively, the "LFM 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 LFM 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 In re

2 KS MATTSON PARTNERS, LP,<sup>2</sup>

3 Debtor.

**JOINT MOTION FOR THE ENTRY OF AN  
ORDER APPROVING SETTLEMENT  
PROCEDURES WITH RESPECT TO  
INVESTOR CLAIMS**

**Hearing Date:**

Date: November 19, 2025

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

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

Judge: Honorable Charles Novack

8 The Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned  
9 debtors and debtors in possession (collectively, the “Debtors” and together with the Committee, the  
10 “Movants”) and the Debtors hereby submit this joint motion (the “Motion”), pursuant to sections  
11 105(a) of Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 9019 of the Federal  
12 Rules of Bankruptcy Procedures (the “Bankruptcy Rules”), for the entry of an order approving  
13 settlement procedures with respect to the allowance of Investor Claims (as defined below). In  
14 support of this Motion, the Movants respectfully state as follows:

15 **PRELIMINARY STATEMENT**

16 On September 5, 2025, the LFM Debtors, KSMP, and the Committee (the “Plan  
17 Proponents”) filed the *Joint Chapter 11 Plan of Liquidation* [Docket No. 2226] (the “Plan”),<sup>3</sup> which  
18 provides for a global settlement (the “Global Settlement”) resolving the complex issues in these  
19 Chapter 11 Cases, including (a) the substantive consolidation of the Debtors and (b) the treatment  
20 of Investor Claims in the context of a Ponzi scheme.

21 Specifically, the Plan provides that all assets and liabilities of each Debtor are pooled  
22 together for distribution purposes and, pursuant to applicable Ninth Circuit law, all Investors are  
23 treated the same, as holders of tort claims, regardless of the type of documentation or instrument  
24 held. This treatment reflects the fact that all Investors are unwilling participants in a fraudulent Ponzi  
25 scheme and have a claim for restitution (*i.e.*, the return of their investment). *See Donell v. Kowell*,

26  
27 <sup>2</sup> The last four digits of KS Mattson Partners, LP’s (“KSMP”) tax identification number are 5060. KSMP’s mailing  
address is c/o Stapleton Group, 514 Via de la Valle, Suite 210. Solana Beach, CA 92075.

28 <sup>3</sup> A capitalized term used but not defined herein shall have the meaning ascribed to it in the Plan.

1 533 F. 3d 762, 767, 775 (9th Cir. 2008) (“when Kowell and the other innocent victims gave money  
2 to Wallenbrock, they were not actually investors, but rather tort creditors with a fraud claim for  
3 restitution equal to the amount they gave.”); *Scholes v. Lehmann*, 56 F.3d 750, 755 (7th Cir. 1995)  
4 (defrauded Ponzi scheme investors are actually tort creditors); *In re Petters Co.*, 499 B. R. 342, 352  
5 (Bankr. D. Minn. 2013) (“Through the hindsight of equitable principles, this rebranding is imposed  
6 even where the participation was facially structured as equity investment under documentation and  
7 through transaction.”).

8         The Plan further contemplates that, in accordance applicable Ponzi scheme case law,  
9 Investor claims will be “netted” to make sure Investors are treated fairly as possible under the  
10 circumstances. Plan at § 3.1. Specifically, pursuant to the Global Settlement, each Investor will  
11 receive (a) a claim for money (or value of property) it invested in the Debtors over time *less* any  
12 distributions the Investor received over the seven years prior to September 12, 2024 (the “Tranche  
13 1 Claim”) and (b) a claim for the distributions deducted (the “Tranche 2 Claim”). Plan at § 3.9. The  
14 Plan provides that Investors will first receive their *pro rata* distribution of available assets on  
15 account of their Tranche 1 Claim. After each Investor’s Tranche 1 Claim is paid in full, Investors  
16 will then receive their *pro rata* distribution of available assets on account of their Tranche 2 Claim.  
17 Plan at § 5.3.10; *see Donell v. Kowell*, 533 F.3d at 771; *In re EPD Investment Company, LLC*, 114  
18 F.4th 1148 (9th Cir. 2024); *Gowan v. Amaranth Advisers L.L.C. (In re Dreier LLP)*, 2014 Bankr.  
19 LEXIS 11, \*45 (Bankr. S.D.N.Y. 2014) (citations omitted) (“Once a Ponzi scheme has been  
20 established, application of the net investment method involves two steps. First, the amounts  
21 transferred to the transferee during the course of the scheme are netted against the amounts invested  
22 at any time in the Ponzi scheme. Second, if the transfers to the defendant exceed the investment, the  
23 trustee may recover these net profits up to the amount transferred to the defendant within the  
24 applicable period of limitations. If the investor acted in good faith, the amount of the recovery is  
25 limited to the net profit.”).

26         A key consideration of the Global Settlement is that rather than net distributions from the  
27 suspected Ponzi start date (more than a decade ago), the Tranche 1 Claim will be calculated based  
28 on payments made to Investors *seven years* prior to September 12, 2024. In other words, under the

1 Global Settlement, an Investor that has received distributions from the Debtors for more than 15  
2 years will have its claim reduced by the amount of distributions over the last seven years, not the  
3 full 15 years. The Plan Proponents believe this results in a fair compromise among all Investors, as  
4 it is designed to provide legacy Investors, who may be retired and have no other source of income,  
5 with a claim, where otherwise their claim may be zero after 15 years of netting. In addition, it would  
6 be a time consuming and expensive undertaking to net more than seven years ago due to the limited  
7 financial records available. As a result, the compromise conserves estate resources and thereby  
8 increases the overall size of the pool of funds available for distribution to Investors.

9 Pursuant to this Motion, the Plan Proponents seek to establish claims allowance and  
10 settlement procedures (the “Investor Claim Settlement Procedures”) – parallel to solicitation of the  
11 Plan – that implement the terms of the Global Settlement with respect to the allowance of Investor  
12 Claims. This parallel process will enable the Plan Proponents to make progress on the allowance of  
13 Investor Claims in advance of the hearing on confirmation of the Plan and thus expedite distributions  
14 to Investors.

15 The Movants submit that the proposed Investor Claim Settlement Procedures are in the best  
16 interests of creditors, including Investors, as such procedures will streamline the process of allowing  
17 Investor Claims, minimize the cost to the estates associated with resolving Investor Claims, and  
18 ensure that all Investors are treated fairly and provided with the same settlement options.

### 19 **JURISDICTION**

20 This Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core  
21 proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§  
22 1408 and 1409.

### 23 **PROPOSED INVESTOR CLAIM SETTLEMENT PROCEDURES**

24 The proposed Investor Claim Settlement Procedures are designed to resolve Investor Claims  
25 as efficiently and cost effectively as possible, thereby (a) avoiding protracted and expensive  
26 litigation, (b) maximizing Investor recoveries, and (c) expediting an initial distribution to Investors  
27 as soon as reasonably practicable after confirmation of the Plan. However, as set forth in further  
28 detail below, the ultimate allowance of Investor Claims pursuant to the Investor Claim Settlement

Procedures are conditioned upon the Plan being confirmed and ultimately going effective in accordance with its terms.

The Investor Claim Settlement Procedures are as follows:

a. Definitions.

Term	Definition
<b>Petition Date</b>	September 12, 2024
<b>Ponzi Start Date</b>	September 12, 2017
<b>Amount Invested</b>	Actual amount invested by or on behalf of an Investor as of the Petition Date. This amount includes the value of initial investments in the Debtors via section 1031 exchanges but excludes appreciated investment roll-overs.
<b>Extraordinary Withdrawals Prior to Ponzi Start Date</b>	Transfers to an Investor as a return on invested capital prior to the Ponzi Start Date. For example, this includes amounts distributed to an Investor as part of a cash-out refinancing or property sale prior to the Ponzi Start Date.
<b>Total Amount Invested</b>	Amount Invested <i>less</i> Extraordinary Withdrawals Prior to Ponzi Start Date. This is the starting point for calculating an Investor Claim.
<b>Prepetition Ponzi Distributions</b>	Distributions and other regular payments transferred to an Investor between the Ponzi Start Date and the Petition Date ( <i>e.g.</i> , monthly distributions).
<b>Extraordinary Withdrawal After Ponzi Start Date</b>	Transfers to an Investor as a return on invested capital between the Ponzi Start Date and the Petition Date. For example, this includes amounts distributed to an Investor as part of a cash-out refinancing or property sale between the Ponzi Start Date and the Petition Date.
<b>Total Prepetition Ponzi Payments</b>	Sum of all Prepetition Ponzi Distributions and Extraordinary Withdrawals After Ponzi Start Date.
<b>Proposed Tranche 1 Claim</b>	Total Amount Invested <i>minus</i> Total Prepetition Ponzi Payments (or \$0 if negative).
<b>Proposed Tranche 2 Claim</b>	Prepetition Ponzi Distributions

b. Settlement Offer Letters.

- i. The Committee will send letters to all holders of Investor Claims, in substantially the form attached hereto as Exhibit A (each a “Settlement Offer Letter”), setting forth the Proposed Tranche 1 Claim and Proposed Tranche 2 Claim. Each Settlement Offer Letter will provide an Investor with an opportunity to either (a) accept the Proposed Tranche 1 Claim and Proposed Tranche 2 Claim or (b) reject the settlement offer.
- ii. To accept the settlement offer, an Investor must sign the Settlement Offer Letter and return it via email to [LMCommittee@pszjlaw.com](mailto:LMCommittee@pszjlaw.com) or mail it to counsel to the Committee.

c. Dispute Procedures.

- i. If an Investor disagrees with the Proposed Tranche 1 Claim or the Proposed Tranche 2 Claim, such Investor may email [LMCommittee@pszjlaw.com](mailto:LMCommittee@pszjlaw.com) and

request to meet and confer with counsel for the Committee to discuss the contents of the Settlement Offer Letter, including the calculations contained therein.

ii. After meeting and conferring with an Investor, the Committee may, in consultation with the Debtors and without further order of the Court, in its sole discretion, re-issue a Settlement Offer Letter to an Investor with modified proposed allowed claim amounts, which may be accepted by such Investor within seven (7) calendar days of issuance of the modified Settlement Offer Letter.

iii. An Investor that does not accept an original or modified Settlement Offer Letter will have its Investor Claim deemed disputed for purposes of the Plan. The Plan Proponents anticipate that the Plan Supplement will set forth proposed procedures for the Plan Recovery Trust to resolve any such remaining disputes post-confirmation.

d. Timeline.

i. **December 3, 2025.** Deadline for the Committee to send Settlement Offer Letters to Investors via email and mail if no email address is available.

ii. **January 7, 2026.** Deadline for Investors to return Settlement Offer Letters to the Committee via email or mail.

iii. **January 28, 2026.** Deadline for Committee and Investors to meet and confer regarding a resolution of any discrepancies contained in a Settlement Offer Letter.

e. Court Approval.

i. A settlement will be final upon timely acceptance by the Investor, subject to the Plan's confirmation and effectiveness.

ii. An order confirming the Plan shall approve the accepted Settlement Offer Letters pursuant to Bankruptcy Rule 9019.

iii. The Proposed Tranche 1 Claims and Proposed Tranche 2 Claims will be treated in accordance with the Plan.

iv. Upon the Effective Date of the Plan, the Claims Agent shall be authorized to amend the claims register to reflect the accepted Proposed Tranche 1 Claims and Proposed Tranche 2 Claims (while continuing to maintain all confidentiality protocols).

f. Exceptions. Investors that are Insiders or Excluded Parties shall not be entitled to the benefits of the settlements discussed herein and shall not receive a Settlement Offer Letter.

1 **RELIEF REQUESTED**

2 By this Motion, the Movants request the entry of an order, in substantially the form attached  
3 hereto as Exhibit B, approving the Investor Claim Settlement Procedures.

4 **BASIS FOR RELIEF REQUESTED**

5 **A. The Court Is Authorized to Establish the Investor Claim Settlement Procedures**

6 Section 105(a) of the Bankruptcy Code provides the Court with broad equitable powers to  
7 “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of  
8 [the Bankruptcy Code].” 11 U.S.C. § 105(a). This authority allows the Court to implement practical  
9 procedures and mechanisms that facilitate the administration of the bankruptcy estate and promote  
10 the fair and efficient resolution of claims. Courts have consistently recognized that section 105(a)  
11 may be used to authorize procedures, such as the Investor Claim Settlement Procedures requested  
12 here, when such procedures are consistent with the Bankruptcy Code and serve to further its  
13 objectives.

14 **B. The Investor Claim Settlement Procedures Are Appropriate**

15 The Investor Claim Settlement Procedures are particularly appropriate in these Chapter 11  
16 Cases given the complexity and scale of the alleged fraud, the number of affected investors, and the  
17 need for an efficient and equitable resolution process. These procedures provide a structured  
18 framework for addressing and resolving Investor Claims in a manner that minimizes the costs,  
19 delays, and uncertainties associated with protracted claims resolution and related litigation. By  
20 enabling Investor Claim settlements to be reached in parallel to confirmation of the Plan, the  
21 procedures promote judicial and estate economy and ensure that distributions to Investors can be  
22 made as soon as possible after confirmation of the Plan.

23 Although final approval of the settlements embodied in the Investor Claim Settlement  
24 Procedures are subject to confirmation of the Plan, the Movants submit that such settlements are  
25 appropriate under Bankruptcy Rule 9019.

26 Bankruptcy Rule 9019(a) authorizes the Court to approve a compromise on motion of a  
27 trustee. The decision as to whether a trustee should be authorized to enter into a compromise lies  
28 within the sound discretion of the Court. *In re Carson*, 82 B.R. 847, 852 (Bankr. S.D. Ohio 1987).



1 In considering proposed settlements, courts should apply the standard that was applied under the  
2 former Bankruptcy Act. *Matter of Carla Leather, Inc.*, 44 B.R. 457, 466 (Bankr. S.D.N.Y. 1984).  
3 As stated by the Supreme Court in *Protective Committee for Individual Stockholders of TMT Trailer*  
4 *Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968), under the Bankruptcy Act, in order to approve a  
5 proposed settlement, a court must have found that the settlement was “fair and equitable” based on  
6 an “educated estimate of the complexity, expense, and likely duration of . . . litigation, the possible  
7 difficulties of collecting on any judgment which might be obtained and all other factors relevant to  
8 a full and fair assessment of the wisdom of the proposed compromise.” *Id.* at 425.

9 The Ninth Circuit has held that, in considering a proposed compromise, the Court must  
10 evaluate (i) the probability of success in the litigation; (ii) the difficulties, if any, to be encountered  
11 in the matter of collection; (iii) the complexity of the litigation involved, and the expense,  
12 inconvenience, and delay necessarily attending to it; and (iv) the paramount interest of the creditors  
13 and a proper deference to their reasonable views in the premises. *In re A & C Properties*, 784 F.2d  
14 1377, 1381 (9th Cir. 1986). *See also In re Lion Capital Group*, 49 B.R. 163, 175 (Bankr. S.D.N.Y.  
15 1985); *Matter of Marshall*, 33 B.R. 42, 43 (Bankr. D. Conn. 1983).

16 A court, moreover, should not substitute its own judgment for the judgment of the trustee or  
17 debtor in possession. *Carla Leather*, 44 B.R. at 465. A court, in reviewing a proposed settlement, is  
18 not “to decide the numerous questions of law and fact but rather to canvass the issues and see  
19 whether the settlement falls below the lowest point in the range of reasonableness.” *In re W. T.*  
20 *Grant & Co.*, 699 F.2d 599, 608 (2d Cir. 1983), *cert. denied*, 464 U.S. 822 (1983). A “mini-trial”  
21 on the merits of the underlying cause of action is not required and should not be undertaken by the  
22 Court. *In re Walsh Construction, Inc.*, 669 F.2d 1325, 1328 (9th Cir. 1982); *In re Blair*, 538 F.2d  
23 849, 851-52 (9th Cir. 1976).

24 In the Movants’ business judgment, the Investor Claim Settlement Procedures establish a  
25 settlement framework that meets the *A & C* factors, which will be briefed further in connection with  
26 confirmation of the Plan. However, the Movants submit at this time that the settlements embodied  
27 in the Investor Claim Settlement Procedures (a) avoid the cost and expense of filing individual claim  
28 objections or fraudulent transfer actions; (b) are guided by well-established Ninth Circuit case law



1 regarding the netting of investor claims and the recovery of fraudulent transfers in a Ponzi setting;  
2 and (c) the paramount interests of creditors are served by avoiding expensive and protracted  
3 litigation with hundreds of investors.

4 **CONCLUSION**

5 For the foregoing reasons, Movants respectfully request that the Court grant the relief  
6 requested and approve the Investor Claim Settlement Procedures.

7  
8 Dated: September 17, 2025

KELLER BENVENUTTI KIM LLP

9 By: /s/ Thomas B. Rupp

10 Tobias S. Keller  
11 David A. Taylor  
12 Thomas B. Rupp

13 Counsel to the LFM Debtors  
14 and Debtors in Possession

PACHULSKI STANG ZIEHL & JONES LLP

15 By: /s/ Jason H. Rosell

16 Debra Grassgreen  
17 John D. Fiero  
18 Jason H. Rosell  
19 Steven W. Golden

20 Counsel to the Official  
21 Committee of Unsecured Creditors

HOGAN LOVELLS US LLP

22 By: /s/ Erin N. Brady

23 Richard L. Wynne  
24 Erin N. Brady  
25 Edward J. McNeilly  
26 Todd M. Schwartz

27 Counsel to Debtor KS Mattson Partners, LP  
28

**EXHIBIT A**

**Form of Settlement Offer Letter**

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

In re  LEFEVER MATTSON, a California corporation, <i>et al.</i> ,  Debtors.	Case No. 24-10545 CN (Lead Case)  (Jointly Administered)  Chapter 11
In re  KS MATTSON PARTNERS, LP,  Debtor.	<b>INVESTOR CLAIM SETTLEMENT OFFER LETTER</b>

This Settlement Offer Letter (the “Letter Agreement”), dated as of November \_\_, 2025, is made by and among the above-captioned debtors (the “Debtors”), the Official Committee of Unsecured Creditors (the “Committee” and together with the Debtors, the “Plan Proponents”), and \_\_\_\_\_ (“Investor”).

This Agreement is being sent to you in accordance with the Bankruptcy Court’s *Order Approving Settlement Procedures with Respect to Investor Claims* [Docket No. \_\_\_\_] (the “Settlement Procedures Order”), a copy of which is enclosed herewith. The Settlement Procedures Order established a framework (the “Investor Claim Settlement Procedures”) for the consensual resolution of investor Tranche 1 Claims and Tranche 2 Claims (each defined below).

On September 5, 2025, the Plan Proponents filed the *Joint Chapter 11 Plan of Liquidation* [Docket No. 2226] (the “Plan”). The Plan contemplates that, in accordance applicable Ponzi scheme case law, Investor claims will be “netted” to make sure Investors are treated as fairly as possible under the circumstances. Specifically, each Investor will receive (a) a claim for money (or value of property) it invested in the Debtors over time *less* any returns of principal *less* monthly distributions the Investor received over the seven (7) years prior to September 12, 2024 (the “Tranche 1 Claim”) and (b) a claim for the monthly distributions deducted in calculating the Tranche 1 Claim (the “Tranche 2 Claim”).

The Plan provides that Investors will first receive their *pro rata* distribution of the Plan Recovery Trust’s available assets on account of their Tranche 1 Claim. After each Investor’s Tranche 1 Claim is paid in full, Investors will then receive their *pro rata* distribution of available assets on account of their Tranche 2 Claim.

The purpose of this Letter Agreement is to consensually resolve your Tranche 1 Claim and Tranche 2 Claim. This will facilitate an initial distribution to you as soon as reasonably possible after confirmation of the Plan. **Please note that any resolution of your Tranche 1 Claim and Tranche 2 Claim pursuant to the Investor Claim Settlement Procedures is conditioned on confirmation of the Plan.**

The table below was prepared by the Committee's financial advisors (PwC) and sets forth the Committee's calculation of your proposed Tranche 1 Claim and Tranche 2 Claim. Attached hereto as Schedule 1 is a detailed calculation of the amounts set forth in the table below.

Proposed Investor Claim	
Proposed <u>Tranche 1</u> Claim:	\$(X)
Proposed <u>Tranche 2</u> Claim:	\$(X)

If you **ACCEPT** the above calculated Investor Claim for purposes of distribution under the Plan, then you must sign this Letter Agreement below and return it via email to [LMCommittee@pszjlaw.com](mailto:LMCommittee@pszjlaw.com) or by mail, so it is received by [DATE] to:

**Pachulski Stang Ziehl & Jones LLP**  
**Attention: Brooke Wilson**  
**One Sansome Street, Suite 3430**  
**San Francisco, CA 94141**

If you **DO NOT ACCEPT** the above calculated Investor Claim, you do not have to do anything. However, if you would like to attempt to meet and confer with the Committee and attempt to consensually resolve the amount of your Investor Claim, please email [LMCommittee@pszjlaw.com](mailto:LMCommittee@pszjlaw.com) and we will schedule a time to meet with you via Zoom as soon as reasonably possible.

Sincerely,

\_\_\_\_\_  
Brooke Wilson

PACHULSKI STANG ZIEHL & JONES LLP  
One Sansome Street, Suite 3430  
San Francisco, CA 94141

*Counsel to the Official  
Committee of Unsecured Creditors*

**I, [NAME], ACCEPT THE PROPOSED INVESTOR CLAIM AMOUNT SET FORTH IN THIS LETTER.**

**By signing below, I declare under penalty of perjury, to the best of my knowledge, that the information contained in Schedule 1 is true and correct and discloses all Extraordinary Withdrawals.**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Schedule 1 to Settlement Offer Letter

### Detailed Calculation of Your Investor Claim

KEY TERMS	
Term	Definition
Petition Date	September 12, 2024
Ponzi Start Date	September 12, 2017
Amount Invested	Actual amount invested by or on behalf of an Investor as of the Petition Date. This amount includes the value of initial investments in the Debtors via section 1031 exchanges but excludes appreciated investment roll-overs.
Extraordinary Withdrawals Prior to Ponzi Start Date	Transfers to an Investor as a return on invested capital prior to the Ponzi Start Date. For example, this includes amounts distributed to an Investor as part of a cash-out refinancing or property sale prior to the Ponzi Start Date.
Total Amount Invested	Amount Invested <i>less</i> Extraordinary Withdrawals Prior to Ponzi Start Date. This is the starting point for calculating an Investor Claim.
Prepetition Ponzi Distributions	Distributions and other regular payments transferred to an Investor between the Ponzi Start Date and the Petition Date ( <i>e.g.</i> , monthly distributions).
Extraordinary Withdrawal After Ponzi Start Date	Transfers to an Investor as a return on invested capital between the Ponzi Start Date and the Petition Date. For example, this includes amounts distributed to an Investor as part of a cash-out refinancing or property sale between the Ponzi Start Date and the Petition Date.
Total Prepetition Ponzi Payments	Sum of all Prepetition Ponzi Distributions and Extraordinary Withdrawals After Ponzi Start Date.
Proposed Tranche 1 Claim	Total Amount Invested <i>minus</i> Total Prepetition Ponzi Payments (or \$0 if negative).
Proposed Tranche 2 Claim	Prepetition Ponzi Distributions.

			A	B	C = A + B	D	E	F = D + E
Investor	Claim	Debtor	Amount Invested	Extraordinary Withdrawals Prior to Ponzi State Date	Total Amount Invested	Prepetition Ponzi Distributions	Extraordinary Withdrawals After Ponzi Start Date	Total Prepetition Ponzi Payments
TOTAL								
Proposed Tranche 1 Claim (Tranche 1 Claim = C – D – E)								
Proposed Tranche 2 Claim (Tranche 2 Claim = D)								

**EXHIBIT B**

**Proposed Order**



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

In re  
LEFEVER MATTSON,  
a California corporation, *et al.*,  
Debtors.

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

In re  
KS MATTSON PARTNERS, LP,  
Debtor.

**ORDER APPROVING SETTLEMENT  
PROCEDURES WITH RESPECT TO  
INVESTOR CLAIMS**

Upon consideration of the *Joint Motion for the Entry of an Order Approving Settlement Procedures With Respect to Investor Claims* [Docket No. \_\_] (the “Motion”)<sup>1</sup> filed by the above-captioned debtors and debtors in possession (the “Debtors”) and the Official Committee of Unsecured Creditors (the “Committee”) appointed in the above-captioned chapter 11 cases (the “Chapter 11 Cases”); the Court having reviewed the Motion 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;

<sup>1</sup> A capitalized term used but not defined herein shall have the meaning ascribed to it in the Motion.

1           **IT IS HEREBY ORDERED THAT:**

2           1.       The Motion is **GRANTED**.

3           2.       The Investor Claim Settlement Procedures are approved and the Debtors and  
4 Committee are authorized to implement the Investor Claim Settlement Procedures.

5           3.       The form of the Settlement Offer Letter, attached to the Motion as Exhibit A, is  
6 approved and the Debtors and Committee are authorized to transmit the Settlement Offer Letter to  
7 Investors in accordance with the Investor Claim Settlement Procedures.

8           4.       The Debtors and Committee are authorized to agree with an Investor to jointly  
9 modify the Investor Claim Settlement Procedures, including the deadlines set forth therein, in  
10 individual instances, in each instance without the need for further order of this Court.

11          5.       The Debtors and Committee are authorized to take all necessary actions to effectuate  
12 the relief granted pursuant to this Order.

13          6.       This Court shall retain jurisdiction to hear and determine all matters arising from or  
14 related to the implementation, interpretation, or enforcement of this Order.

15                               **\*\* END OF ORDER \*\***