

Tobias S. Keller (CA Bar No. 151445)  
 David A. Taylor (CA Bar No. 247433)  
 Thomas B. Rupp (CA Bar No. 278041)  
 KELLER BENVENUTTI KIM LLP  
 101 Montgomery Street, Suite 1950  
 San Francisco, CA 94104  
 Telephone: (415) 496-6723  
 E-mail: tkeller@kbbkllp.com  
 dtaylor@kbbkllp.com  
 trupp@kbbkllp.com

*Counsel to LeFever Mattson and Its  
 Affiliated Debtors and Debtors in Possession*

Debra I. Grassgreen (CA Bar No. 169978)  
 John D. Fiero (CA Bar No. 136557)  
 Jason H. Rosell (CA Bar No. 269126)  
 PACHULSKI STANG ZIEHL & JONES LLP  
 One Sansome Street, Suite 3430  
 San Francisco, CA 94104  
 Telephone: (415) 263-7000  
 E-mail: dgrassgreen@pszjlaw.com  
 jfiero@pszjlaw.com  
 jrosell@pszjlaw.com

*Counsel to the Official  
 Committee of Unsecured Creditors*

Richard L. Wynne (CA Bar No. 120349)  
 Erin N. Brady (CA Bar No. 215038)  
 Edward J. McNeilly (CA Bar No. 314588)  
 HOGAN LOVELLS US LLP  
 1999 Avenue of the Stars, Suite 1400  
 Los Angeles, California 90067  
 Telephone: (310) 785-4600  
 Email: richard.wynne@hoganlovells.com  
 erin.brady@hoganlovells.com  
 edward.mcneilly@hoganlovells.com

*Counsel to KS Mattson Partners, LP*

**UNITED STATES BANKRUPTCY COURT**

**NORTHERN DISTRICT OF CALIFORNIA**

**SANTA ROSA DIVISION**

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

In re  
 KS MATTSON PARTNERS, LP,  
 Debtor.

Case No. 24-10545 CN (Lead Case)

(Jointly Administered)

Chapter 11

**NOTICE OF FILING OF PLAN SUMMARY**

**Status Conference Hearing Date:**

Date: January 23, 2026

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

Place: *Via Zoom or In-Person at:*

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

Judge: Honorable Charles Novack



1       **PLEASE TAKE NOTICE** that, on December 10, 2025, the Court entered its *Order (I) Approving*  
2 *the Plan Summary and Approving Disclosure Statement; (II) Scheduling Status Conference on*  
3 *Confirmation of Plan and Approving the Form and Manner of Service of the Confirmation Notice; (III)*  
4 *Establishing Procedures for the Solicitation and Tabulation of Votes on Plan; (IV) Estimating Investor*  
5 *Claims and Interests Solely for Voting Purposes; and (V) Approving Related Matters* [Docket No. 3105]  
6 (the “Solicitation Procedures Order”).

7       **PLEASE TAKE FURTHER NOTICE** that, on December 11, 2025, the above-captioned debtors  
8 and debtors in possession and the Official Committee of Unsecured Creditors filed the (a) *Third Amended*  
9 *Joint Chapter 11 Plan of Liquidation (Solicitation Version)* [Docket No. 3108] and (b) *Third Amended*  
10 *Disclosure Statement in Support of the Third Amended Joint Chapter 11 Plan of Liquidation (Solicitation*  
11 *Version)* [Docket No. 3109].

12       **PLEASE TAKE FURTHER NOTICE** that, attached hereto as Exhibit A, is the *Plan Summary*  
13 that will be included in the Solicitation Packages for Investors in Class 5 in accordance with the  
14 Solicitation Procedures Order.

15 Dated: December 11, 2025

**PACHULSKI STANG ZIEHL & JONES LLP**

16  
17 By: /s/ Jason H. Rosell

18 Debra Grassgreen  
19 John D. Fiero  
20 Jason H. Rosell

21 *Counsel to the Committee*  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT A**  
**Plan Summary**

## PLAN SUMMARY FOR INVESTORS

LeFever Mattson, a California corporation (“LFM”), its affiliated debtors and debtors in possession (collectively, the “LFM Debtors”), KS Mattson Partners, LP (“KSMP” and together with the LFM Debtors, the “Debtors”), and the Official Committee of Unsecured Creditors of the Debtors (the “Committee” and together with the Debtors, the “Plan Proponents”), have jointly proposed the *Third Amended Joint Chapter 11 Plan of Liquidation* (as may be amended or modified, the “Plan”).<sup>1</sup>

The Plan provides for a global settlement (the “Global Settlement”) of the outstanding Claims asserted against, and Equity Interests asserted in, the Debtors. The Global Settlement embodied in the Plan resolves the complex issues in these Chapter 11 Cases, including (a) substantive consolidation of the Debtors and the KSMP Investment Entities, (b) the Ponzi Finding (discussed further below), and (c) the allowance and treatment of Investor Claims. Under the Plan, all assets and liabilities of all Debtors and KSMP Investment Entities will be pooled and consolidated for distribution purposes, through substantive consolidation. The Global Settlement provides for a “**single pot**,” such that all assets and liabilities of the Debtors and KSMP Investment Entities are pooled and consolidated for distribution purposes. Pursuant to applicable case law, all Investors are treated the same, as holders of tort claims, regardless of the type of documentation or instrument held. Pursuant to the Global Settlement, each Investor will receive a claim for money (or value of property) it invested in the Debtors or KSMP Investment Entities over time less any distributions the Investor received over the seven years prior to the Petition Date. This claim will receive a *pro rata* distribution of available assets and, only after such claim is paid in full, will there be any recovery on claims for expected profits, pursuant to the principles of “netting” in Ponzi scheme cases. However, as part of the Global Settlement, rather than netting from the suspected Ponzi scheme start date, the Plan provides that only payments made to Investors seven years prior to September 12, 2024, will be netted in calculating Investor Claims.

As discussed further below, in the Disclosure Statement, and in the comprehensive discussion of the facts and circumstances supporting the Global Settlement separately filed with the Court at Docket No. 2568 (the “Investigation Report”),<sup>2</sup> the Global Settlement takes into account the extensive evidence supporting the determination that (i) the Debtors and KSMP Investment Entities are hopelessly entangled and should be substantively consolidated; and (ii) the Debtors and KSMP Investment Entities were operated as a Ponzi scheme (the “Ponzi Finding”). These two conclusions flow directly from the wrongdoing that led to these Chapter 11 Cases: for decades, Kenneth W. Mattson (“Mattson”), former principal of the Debtors and KSMP Investment Entities, controlled the Debtors and KSMP Investment Entities as a single enterprise—disregarding their separate corporate forms—and caused them to engage in numerous fraudulent activities and transactions (collectively, the “Mattson Transactions”). The Mattson Transactions took many forms, including the sale of fictitious interests in many of the Debtors; the transfer of vast sums of money between and among LFM, KSMP, KSMP

---

<sup>1</sup> A capitalized term used but not defined herein shall have the meaning ascribed to it in the Plan. The Plan, Disclosure Statement, Investigation Report, and other filed documents are available for review, at no charge, at <https://www.veritaglobal.net/LM>.

<sup>2</sup> The Investigation Report can be accessed free of charge at <https://veritaglobal.net/LM>.

Investment Entities, and other Debtors; and the transfer among the Debtors and KSMP Investment Entities of properties encumbered with high-interest loans.

The Debtors and the Committee, through months of open cooperation, information gathering, and negotiation for the benefit of all Investors, have reached the Global Settlement aimed at: (i) mitigating the damage inflicted by the Debtors' Ponzi scheme run by Mattson and potentially others; and (ii) developing a level playing field that treats all aggrieved Investors fairly, uniformly, and expeditiously. The Plan treats Investors and creditors fairly without incurring the considerable professional fees and costs (likely **in excess of \$10 million**) that would be necessary to attempt to disentangle the Debtors and KSMP Investment Entities, which were operated prepetition together, as a Ponzi scheme by Mattson. Critically, given the incomplete and deficient state of the Debtors' books and records, even if such funds were expended, it is possible, and even likely, that the disentanglement would be unsuccessful.

The Plan provides for **one class of Investor Claims – Class 5**. Voting on the Plan will allow the Investor community to have a significant voice in the outcome of this case. If Class 5 accepts the Plan (determined without counting Class 5 Claims held by Insiders), the Debtors and Committee will move forward with confirmation of the Plan. However, if Class 5 rejects the Plan (determined without counting Class 5 Claims held by Insiders), the Debtors and the Committee will **not** move forward with the Plan.

To effectuate distributions to Investors, the Plan provides for the creation of the **Plan Recovery Trust**, which will own the Debtors' and KSMP Investment Entities' assets that are not sold during the course of the Chapter 11 Cases, will sell or otherwise dispose of those remaining assets to generate cash, and will distribute that (and other) cash to Investors. The Plan Recovery Trust also will own any viable litigation claims against third parties, including Mattson and others such as Timothy LeFever ("LeFever"), and may generate cash through prosecution or settlement of those claims. Cash will be distributed by the Plan Recovery Trust to Investors and other creditors over time (as the Plan Recovery Trust collects on or otherwise monetizes the Plan Recovery Trust Assets).<sup>3</sup>

The Debtors and the Committee understand the uncertain and devastating financial position that many Investors are in as a result of the Ponzi scheme, and believe that the Global Settlement reflected in the Plan represents the best outcome of these unfortunate circumstances, and importantly, provides the best prospect for Investors and other creditors to ***receive distributions as soon as reasonably possible***. Confirmation of the Plan in the most expeditious manner is of paramount importance to the Investor community and the Plan Proponents believe is in the best interests of the estates and all creditors.

---

<sup>3</sup> Investors will also receive *pro rata* distributions from the Investor Forfeiture Fund in the event that there is any Forfeiture Property obtained by the DOJ, the SEC, or another Governmental Unit.

In brief, during these Chapter 11 Cases, the Debtors and the Committee have conducted a comprehensive joint investigation into the prepetition conduct of the Debtors and their principals and their affiliates (the “Joint Investigation”). As a result of the Joint Investigation, as explained further in the Investigation Report filed with the Court, the Debtors and the Committee have made the following material conclusions relevant to the Plan and confirmation thereof:

1. The Debtors and KSMP Investment Entities operated as a **Ponzi scheme**, a primary feature of which was a bank account maintained and primarily controlled by Mattson.

2. The Debtors’ books and records are in many ways **unreliable** and **incomplete**, and determining with absolute certainty the ownership structure of any Debtor in which LFM, KSMP, KSMP Investment Entity, or any other Debtor purported to sell ownership interests (collectively, the “Subsidiary Debtors”) would be cost prohibitive.

3. The Debtors’ prepetition operations created a **tangled web of intercompany loans and transfers** among the Subsidiary Debtors that would be cost prohibitive to untangle.

4. The Debtors **routinely moved real estate from one entity to another entity** for no apparent purpose other than to facilitate a 1031 like-kind exchange (under Sec. 1031 of the Internal Revenue Code), which may have also artificially inflated the book value of such property.

**Under the circumstances, the Debtors and the Committee believe it is in the best interests of the Investors and creditors to propose the Global Settlement to be effectuated through the proposed Plan, that treats all Investors as fairly as possible, without incurring further professional fees related to the Joint Investigation and the issues raised thereby.**

## **I. WHAT DOES THE PLAN PROPOSE?**

The key terms of the Plan are summarized below. Among other things, these terms will govern: (1) how claims against the Debtors and KSMP Investment Entities are divided into classes in order of priority under the Bankruptcy Code; (2) how claims in each class will be treated; and (3) what becomes of the Debtors’ and KSMP Investment Entities’ assets and how they will generate cash for the benefit of Investors. This summary is provided as an **overview**, and is not meant to provide all of the information investors should rely on when considering whether to vote to accept or reject the Plan. That information can be found in the “Disclosure Statement” available at <https://www.veritaglobal.net/LM>.

The Plan generally provides for all of the Debtors’ and KSMP Investment Entities’ assets, including the Debtors’ real properties and litigation claims against third parties, to be owned and governed by a single trust – the Plan Recovery Trust. The Plan Recovery Trustee will be selected by the Committee (subject to Court approval). Additionally, an oversight board (the “Oversight Board”), composed of members selected by the Committee, will have certain duties and rights and give direction concerning material decisions, as the Plan Recovery Trustee

attempts to best monetize the Plan Recovery Trust's assets and pursues third party litigation claims.

Investors, placed in Class 5 (Investor Claims) under the Plan, will, in exchange for their allowed Investor Claims against the Debtors, become beneficiaries of the Plan Recovery Trust and will be entitled to distributions on their allowed claims (proportionally based on the total aggregate claims amount divided by the aggregate amount of cash available for distribution)<sup>4</sup> from the net cash proceeds generated by the Plan Recovery Trust either directly or indirectly primarily from (1) operation of the properties, (2) real estate sales, and (3) litigation recoveries.

**(1) *Is this a “single pot” plan?*** Yes. The Plan consolidates all of the Debtors' and KSMP Investment Entities' assets into the Plan Recovery Trust on the Effective Date of the Plan. Litigation claims will go directly into the Plan Recovery Trust. After the Plan is confirmed and becomes effective, creditors of any of the Debtors and KSMP Investment Entities, including Investors, will be treated as if they have a claim against the entire corporate enterprise of the Debtors and KSMP Investment Entities, rather than a particular entity. This is referred to in the Plan as “substantive consolidation.”

To effectuate distributions to Investors, the Plan provides for the creation of the Plan Recovery Trust, which will own the Estates' assets and will sell or otherwise dispose of those assets to generate cash, and will distribute that (and other) cash to Investors. The Plan Recovery Trust also will own litigation claims against third parties, including Mattson and others, and may generate cash through prosecution or settlement of those claims. Cash will be distributed by the Plan Recovery Trust to Investors and other creditors over time (as the Plan Recovery Trust collects on or otherwise monetizes the Plan Recovery Trust Assets).

**(2) *Is there a “premium” or other benefit provided to certain types of Investors based on the type of investment they held?*** No. Under the Plan, each investment, regardless of its form, will ultimately give rise to an “Investor Claim” which will be exchanged under the Plan for a beneficial interest in the Plan Recovery Trust. Each Investor's claim will be calculated in the same manner, without regard to the type of

---

<sup>4</sup> Specifically, the Plan provides for a Plan Recovery Trust Waterfall in relation to Investor Claims, the amounts of which are divided into tranches: Holders of Investor Tranche 1 Claims entitled to receive Class A Plan Recovery Trust Units (in the Plan Recovery Trust); Holders of Investor Tranche 2 Claims entitled to receive Class B Plan Recovery Trust Units; and Holders of Contributed Claims (if applicable) entitled to receive Class C Plan Recovery Units. Contributed Claims are Causes of Action of a contributing Investor that the Investor has against any Person that is not a Debtor or related to a Debtor, its predecessors and affiliates, and Excluded Parties, including, without limitation, all Causes of Action based on, arising out of, or related to the marketing, sale, and issuance of any investments related to the Debtors, all Causes of Action for unlawful dividend, fraudulent conveyance, or other avoidance claims under state or federal law, all Causes of Action based on or relating to the misrepresentation of the Debtors' financial information and operations, all Causes of Action based on or related to any failure to disclose, or actual coverup of any of the wrongful conduct described in the Disclosure Statement, and all Causes of Action based on aiding or abetting or otherwise supporting torts committed by the Debtors and their agents. An Investor will be a Contributing Claimant, contributing its Contributed Claims to the Plan Recovery Trust, if it (a) votes to accept the Plan on its Ballot and (b) does not opt-out of the Contributed Claim Election on the Ballot, provided that the Investor's Causes of Action are not on the Schedule of Disclaimed Contributed Assets, in which case such Causes of Action will not be Contributed Claims.



investment held, and each Investor will receive a proportional recovery from the Plan Recovery Trust based on such Investor's allowed claim amount (after netting and any claw backs are taken into account). *Section III, below, provides additional information regarding how Investor Claims will be calculated.*

**(3) *How much am I projected to receive on account of my Investor Tranche 1 Claim under the Plan?*** The Debtors are projecting that Investors will receive between 19.7% and 35.9% on account of their Investor Tranche 1 Claim. **THE PROJECTED RECOVERY IS AN ESTIMATE ONLY AND ACTUAL RECOVERIES MAY DIFFER.**

## **II. HOW DOES THE PLAN GET CONFIRMED?**

The Plan has been jointly proposed by the Debtors and the Committee. However, it is ultimately the votes of Investors (placed in Class 5) and the Bankruptcy Court that will decide whether the Plan is "confirmed."

### **Voting – Acceptance & Rejection of Plan:**

Impaired investor and creditor classes will be given the chance to vote to "accept" or "reject" the Plan. In order for an investor's vote to be counted, that investor must return a ballot by the deadline established by the Bankruptcy Court. A class of claims accepts the Plan if (i) more than one-half in the number of creditors within a class who vote on the Plan vote to accept the Plan **and** (ii) at least two-thirds in amount of aggregate claims in the class who vote on the Plan vote to accept the Plan.<sup>5</sup>

The Plan Proponents must also show that the classification scheme under the Plan does not "unfairly discriminate" and that the Plan is "fair and equitable." Here, all concerned have worked diligently to make sure these tests are met. Finally, the Plan must respect bankruptcy priority rules such that no junior claims or interests may receive a distribution until the non-accepting senior class is paid in full. This Plan complies with this rule.

**(1) *How do I vote on the Plan?*** You, as an Investor, should receive a ballot to vote on the Plan, included with other Plan solicitation materials. On its Class 5 ballot, a holder of an Investor Claim will be entitled to vote the amount of such holder's Investor Tranche 1 Claim solely for voting purposes. What the Debtors and the Committee believe to be the amount of the Investor Tranche 1 Claim will be disclosed on each Investor's ballot and will be deemed temporarily allowed for voting purposes.<sup>6</sup> If the Investor class (Class 5) votes to reject the Plan, the Debtors and the Committee will **not** move forward with the Plan. In that case, the Debtors and Committee will need to incur additional fees and expenses to develop an alternative path forward.

<sup>5</sup> Generally even if a class votes to "reject" the Plan, it can still be confirmed if additional requirements under the Bankruptcy Code, known as "cram down," are met. To "cram down" the Plan on rejecting classes of claims, there must be at least one class of claims that is impaired that votes to accept the Plan.

<sup>6</sup> Pursuant to Bankruptcy Code section 502(c) and Bankruptcy Rule 3018(a), all Investor Claims will be estimated and temporarily allowed solely for purposes of voting on the Plan in the amount set forth in the applicable Class 5 Ballot.



(2) ***What am I voting on when I vote to accept or reject the Plan?*** Your vote relates to whether you approve of the overall compromise of a one pot plan in which Investors are all treated equally regardless of the form of their investments, and the creation of the trust as the structure to hold and monetize the assets and make distributions to Investors. The projected recoveries are merely estimates of potential recoveries and could be lower or higher in actuality, so those should not be the focus of how to vote on the Plan. One potential alternative to the Plan as proposed is a chapter 7 liquidation. The Debtors and the Committee believe that the recoveries in a chapter 7 liquidation will be less than the recoveries under the Plan. Accordingly, the Debtors and the Committee believe the Plan is in the best interests of the Investors and all stakeholders.

**Confirmation by the Court:**

If the Court approves the Plan, the Plan will be deemed “confirmed.” In order for the Plan to be confirmed, the Court must find that the Plan complies with the requirements of the Bankruptcy Code. The Court will also consider any objections to the Plan.

**III. HOW ARE INVESTOR CLAIMS BEING CALCULATED FOR DISTRIBUTION PURPOSES?**

For purposes of calculating distributions under the Plan, the Plan Recovery Trust and its professionals will perform a reconciliation to determine the final amounts for each Investor Claim, taking into account bankruptcy law that requires claims to be “netted” in a Ponzi situation. The actual netted Investor Claim amounts will determine the proportional share an Investor will receive as distributions under the Plan in relation to the claim amounts of other Investors.

**Example:**

Investor A invested \$100,000 in a Debtor on January 1, 2015. Investor A received 6% a year or \$500 per month until September 1, 2024.

Investor Lookback Period = September 12, 2017

Amount Invested = \$100,000

Prepetition Ponzi Distributions = \$42,000 (7 years x \$6,000)

**Investor Claim for distribution purposes on account of Investor Tranche 1 Claim = \$100,000 - \$42,000 = \$58,000**

**Investor Claim for distribution purposes on account of Investor Tranche 2 Claim (if all Investor Tranche 1 Claims are paid off) = \$42,000**

**IV. CONCLUSION**

The Debtors and the Committee, representing the best interests of Investors and other unsecured creditors, have diligently worked to ensure that the Plan being proposed to you meets their goals, from the outset of these cases, of treating Investors equally and fairly. **The Debtors and the Committee urge you to vote to accept the Plan.**