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@kbkllp.com
dtaylor@kbkllp.com
trupp@kbkllp.com

Counsel to LeFever Mattson, the Consolidated Debtor

Debra I. Grassgreen (CA Bar No. 169978)
Jason H. Rosell (CA Bar No. 269126)
Steven W. Golden (*Pro Hac Vice*)
PACHULSKI STANG ZIEHL & JONES LLP
One Sansome Street, Suite 3430
San Francisco, CA 94104
Telephone: (415) 263-7000
E-mail: dgrassgreen@pszjlaw.com
jrosell@pszjlaw.com
sgolden@pszjlaw.com

Counsel to the Official Committee of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION

In re:

LEFEVER MATTSON,

Consolidated Debtor.

Case No.: 24-10545 (CN)

(Substantively Consolidated)

Chapter 11

NOTICE OF FILING OF EXPERT REPORT OF THOMAS P. JEREMIASSEN IN SUPPORT OF CONFIRMATION OF THE THIRD AMENDED CHAPTER 11 PLAN OF LIQUIDATION, AS MODIFIED

Hearing
Date: April 14, 2026 at 10:00 a.m.
Place: United States Bankruptcy Court
1300 Clay Street, Courtroom 215
Oakland, CA 94612
Judge: Hon. Charles Novack

The Plan Proponents hereby file the attached *Expert Report of Thomas P. Jeremiassen, CPA/CFF, CIRA.*

Dated: April 7, 2026

KELLER BENVENUTTI KIM LLP

By: */s/ Thomas B. Rupp*
Tobias S. Keller
David A. Thomas
Thomas B. Rupp

Counsel to the Consolidated Debtor

PACHULSKI STANG ZIEHL & JONES LLP

By: */s/ Steven W. Golden*
Debra I. Grassgreen
Jason H. Rosell
Steven W. Golden

Counsel to the Committee

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, *et al.*,[1] Debtors.	Case No.: 24-10545 (CN) (Jointly Administered) Chapter 11 Case No.: 24-10715 (CN)
In re KS MATTSON PARTNERS, LP, Debtor.	

EXPERT REPORT OF THOMAS P. JEREMIASSEN, CPA/CFF, CIRA

[1] The last four digits of LeFever Mattson's tax identification number are 7537. Due to the large number of debtor entities in the above-captioned 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.

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I. INTRODUCTION AND SCOPE

1. Development Specialists, Inc. ("DSI") was retained by LeFever Mattson, a California corporation ("LFM"), and various of its affiliates (collectively with LFM, the "LFM Debtors") to provide restructuring support services in connection with the LFM Debtors' jointly administered chapter 11 bankruptcy cases. This report was prepared for use in the confirmation of the chapter 11 plan of liquidation (the "Plan") proposed jointly by the LFM Debtors, KS Mattson Partners, LP ("KSMP," and collectively with the LFM Debtors, the "Debtors"),[2] and the Official Committee of Unsecured Creditors (the "Committee").

2. On January 8, 2026, the Debtors and the Committee asked me to provide my expert opinions concerning whether attributes common to a Ponzi scheme were evident in the Debtors' consolidated activities prior to the Debtors' chapter 11 bankruptcy filings.[3]

II. EXPERIENCE, QUALIFICATIONS AND COMPENSATION

3. My qualifications and professional experience are detailed in the resume attached as **Exhibit A**. A brief summary of my experience and qualifications is as follows:

a. I am a Senior Managing Director at DSI with over 30 years of experience providing services in bankruptcy, forensic/investigative accounting, and litigation support.

b. I received a Bachelor of Science in Accounting from Pepperdine University in 1995.

c. I am a Certified Public Accountant, Certified in Financial Forensics, and a Certified Insolvency and Restructuring Advisor.

d. During my professional career, I have provided forensic and investigative accounting services in several dozens of matters, including investment

[2] For purposes of this report, the term "Debtors" is intended to include the KSMP Investment Entities (as defined in the Plan), which are (a) Specialty Properties Partners, LP; (b) Treehouse Investments, LP; and (c) Perris Freeway Plaza, LP.

[3] My analysis is largely limited to the period 2017 to the Petition Date due to the lack of earlier information. *See* footnote 8 below.

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operators that were deemed to have been Ponzi schemes. Among these matters are Reed Slatkin, EPD Investment Company, and Woodbridge Group of Companies.

4. Within the past four years, I have testified as an expert at trial or deposition in the following cases:

a. *Michael Goldberg v. Kenneth Halbert,* Adversary Case No. 19-51027, In re: Woodbridge Group of Companies, LLC, *et al.*, United States Bankruptcy Court, District of Delaware, Case No. 17-12560. Expert for plaintiff in litigation for avoidance and recovery of transfers made from the debtors to defendant.

b. *In re: Meridien Energy, LLC*, United States Bankruptcy Court, Eastern District of Virginia, Richmond Division, Case No. 23-31377. Expert for creditor, MarkWest Liberty Midstream & Resources, LLC, in its opposition to debtor's proposed plan of reorganization.

c. *Route Four LLC v. Brandon Burkhart, et al.*, Superior Court of California, County of Orange, Case No. 30-2020-01129185. Expert for plaintiff in litigation for breach of contract claims against defendants.

d. *Newage Garden Grove, LLC vs. Wells Fargo Bank, N.A., et al.*, Supreme Court of the State of New York, County of New York, Index No. 653775/2022. Expert for defendant in loan dispute.

5. My current hourly billing rate is $745. My compensation is not dependent on the content of the opinions that I form or on the outcome of this matter.

6. Attached as **Exhibit B** is a list of documents and information that I considered in conducting my analysis and forming the opinions set forth in this report. My opinions are based upon my personal review of these materials and my years of experience, education and training. I have no legal training, and I do not offer any legal opinions in this report. All of the opinions expressed in this report are provided to a reasonable degree of accounting certainty.

7. I have utilized and instructed professionals at DSI to assist me in conducting my analyses. This report summarizes my opinions and the bases for those opinions. The opinions and findings expressed herein are based upon our work to date and upon facts that we observed in our examination and the information currently available. I reserve the right to supplement, update, or otherwise modify this report and my opinions based on the discovery of new information or further analysis.

III. ASSUMPTIONS AND SUMMARY OF OPINIONS

8. I was asked to make the following assumptions for purposes of formulating my opinions:

a. The Debtors will be substantively consolidated.

b. The Debtors' investors were promised distributions equal to at least 6% of their invested capital each year (without interest), with such distributions paid in equal monthly installments.

9. In accordance with the primary bases and reasons detailed herein, I have formed the following opinions with respect to the Debtors' consolidated activities relating to attributes that are common to a Ponzi scheme:

a. Revenues from the Debtors' operations were insufficient to cover expenses, debt service, and promised distributions to investors.

b. Extensive intercompany transfers among the Debtors (and their predecessors in interest) were utilized in order to meet the Debtors' obligations, including promised distributions to investors.

c. Funds raised from investors were commingled and misused, including new investor funds being used to pay old investors.

d. Investors did not receive what they were led to believe they purchased and were provided false financial information to conceal the deception.

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IV. BACKGROUND OF THE DEBTORS

A. The LFM Debtors

10. LFM is owned by Timothy LeFever (50%) and Kenneth Mattson (50%). For the past more than 30 years, LFM has been in the business of owning investment real estate ("Properties"), initially as sole owner or as a tenant in common with other investors ("TICs"). The business model evolved, first through the creation of limited liability companies, and later, limited partnerships, to purchase Properties ("Entities," and collectively with TICs, "Investment Vehicles"). LFM purportedly sold interests in the Entities to investors and typically retained an ownership interest in the Entity as general partner or managing member.

11. Currently, LFM controls and has direct or indirect ownership interests in the other 60 LFM Debtors, which consist of the following: (i) 58 Entities, (ii) Home Tax Service of America, Inc. dba LeFever Mattson Property Management ("LMPM"), which provides property management services; and (iii) California Investment Properties, which is a real estate brokerage.

12. As of their chapter 11 bankruptcy filings, which occurred during August, September, and October of 2024, the LFM Debtors collectively owned (in whole or in part) approximately 175 Properties.

13. Of the LFM Debtors, only LMPM has employees. LMPM provides property management services for the Properties. LMPM holds bank accounts in trust for Properties and Investment Vehicles (the "Trust Accounts") and maintains the books and records for the LFM Debtors except for nine LFM Debtors that are purportedly maintained, in whole or in part, by Kenneth Mattson or KSMP (the "Mattson Maintained Debtors") and for LFM itself.[4] Among the cash activities in the Trust Accounts were the following: (i) deposits for Property-related

[4] The Mattson Maintained Debtors are: Apan Partners, LLC; Bay Tree, LP; Bishop Pine, LP; Butcher Road Partners, LLC; Golden Tree, LP; Ponderosa Pines, LP; Spruce Pine, LP; Watertree I, LP; and Windtree, LP.

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revenues; (ii) disbursements for Property-related expenses; (iii) monthly distribution payments to investors who were record owners of Entities ("Record Investors") that owned the underlying Properties; and (iv) cash transfers to and from other bank accounts, including Trust Accounts.

B. KSMP

14. KSMP was formed in 1999 to manage and develop Kenneth Mattson's family assets. It is owned by Kenneth Mattson (49%), his wife Stacy Mattson (49%) and K S Mattson Company, LLC (2%). An involuntary chapter 11 petition was filed against KSMP in November 2024.

15. The Plan also seeks to substantively consolidate three non-Debtor entities related to KSMP – (i) Specialty Properties Partners, L.P.; (ii) Treehouse Investments, L.P.; and (iii) Perris Freeway Plaza, L.P.

V. OVERVIEW OF AVAILABLE BOOKS AND RECORDS

A. Yardi

16. Since 2000, LMPM has utilized the accounting software Yardi to maintain the financial records for Properties under the LFM umbrella. Yardi is a sophisticated system that specializes in real estate management. LMPM maintains accounting on a Property-by-Property basis; however, separate ledgers are also maintained for certain Entities that own multiple Properties. Generally, the accounting for all the Properties and LFM Debtors are maintained by LMPM in Yardi, with the following notable exceptions: (i) the Mattson Maintained Debtors and (ii) LFM, including a bank account in the name of LFM described further below.

B. The 1059 Account

17. Mr. Mattson maintained and controlled a bank account in the name of LFM at BMO (formerly Bank of the West) that bears an account number ending in 1059 (the "1059

Account"). Few of the 1059 Account transactions were accounted for in Yardi.[5] The existence of any other accounting for the 1059 Account transactions is currently unknown. A database containing a record of each cash receipt into and cash disbursement from the 1059 Account from May 1, 2017 through July 31, 2024 (the "1059 Account Transaction Database")[6] has been compiled from documents obtained from BMO,[7] including monthly bank statements, copies of canceled checks, copies of deposit detail, wire transfer reports, and electronic payment and receipt reports.[8] Each transaction has been categorized based on the memo field and/or payee/payer.

C. KSMP

18. No accounting for any KSMP transactions or transactions of Entities for which KSMP or Mr. Mattson purportedly maintained financial records has been provided to date. KSMP received documents from BMO related to a KSMP bank account ending in 1380 (the "1380 Account"), which appears to be the primary account that KSMP utilized, beginning in July 2025. PwC, the Committee's financial advisers, prepared a database of the 1380 Account cash receipts and disbursements since August 2017; however, details for some of the 1380 Account transactions have not been compiled due to illegible handwriting on the checks and the poor quality of the images provided by the bank.

[5] A limited number of checks (approximately 3% of the total checks that cleared the 1059 Account during the period examined) were cut from, and thus recorded in, Yardi.

[6] The 1059 Account Database bears the Bates number LM_02032093.

[7] These documents (the "1059 Account Records") bear Bates numbers BMOBANK_00000001 through BMOBANK_00015042.

[8] BMO's retention period is seven years; therefore, complete records for the 1059 Account prior to May 2017 have not been produced and are currently unavailable.

VI. PRIMARY BASES AND REASONS FOR OPINIONS

A. Revenues from the Debtors' Operations Were Insufficient to Cover Expenses, Debt Service, and Promised Distributions to Investors

19. Below in **Chart 1** is a summary of the yearly revenues, expenses, debt service payments, and the promised distributions to Record Investors for all Investment Vehicles for the years 2017 through 2024,[9] as reflected in the Yardi system.[10]

Chart 1
Investor Returns Analysis *(in thousands)*

Year	Revenues	Expenses	Net Income	Debt Service	Adj. Cashflow	Promised Inv Dist's	Surplus (Deficit)
2017	$48,696	($38,751)	$9,945	($2,840)	$7,105	($9,115)	($2,010)
2018	$64,172	($56,488)	$7,684	($2,771)	$4,913	($9,606)	($4,693)
2019	$51,848	($43,848)	$8,000	($2,796)	$5,204	($10,766)	($5,562)
2020	$42,546	($39,528)	$3,018	($2,507)	$511	($12,675)	($12,164)
2021	$43,908	($32,885)	$11,023	($2,733)	$8,290	($14,694)	($6,404)
2022	$42,460	($34,191)	$8,269	($2,748)	$5,521	($18,060)	($12,539)
2023	$43,117	($33,400)	$9,717	($2,584)	$7,133	($20,218)	($13,085)
2024	$72,106	($18,403)	$53,703	($1,579)	$52,124	($13,446)	$38,678
Totals	**$408,853**	**($297,494)**	**$111,359**	**($20,558)**	**$90,801**	**($108,580)**	**($17,779)**

20. The promised distributions to Record Investors in Chart 1 for each year is a calculation equal to 6% of the yearly average consolidated balance of the owner capital accounts recorded in Yardi for all Investment Vehicles.[11] For each year prior to 2024, the profits generated by the LFM-associated Investment Vehicles, adjusted for debt service payments, were

[9] For 2024, the figures are for the period prior to September 12, 2024, the date of the filing of chapter 11 petitions by 58 LFM Debtors.

[10] Chart 1, therefore, relates only to the LFM Debtors (except for the Mattson Maintained Debtors).

[11] As of the September 12, 2024 bankruptcy filings, the collective balance of the capital accounts, as reflected in Yardi, totaled approximately $310 million. According to PwC's analysis of claims filed by investors, the total amount invested, net of returns of principal, totaled approximately $327 million.

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insufficient to cover the promised distributions to investors.[12] Not included in the capital figures are any amounts deposited into other accounts controlled by Mr. Mattson (*i.e.*, the 1059 and 1380 Accounts) from investors who did not receive a recorded ownership in the Investment Vehicle that they purportedly purchased ("Non-Record Investors"). Inclusion of those amounts would increase the annual deficits.[13]

B. Extensive Intercompany Transfers Among the Debtors (and Their Predecessors in Interest) Were Utilized in Order to Meet Obligations, Including Promised Distributions to Investors

21. LFM routinely caused cash to be transferred among the Investment Vehicles through use of "interproperty" loans, as well as loans between the Investment Vehicles, on one hand, and LFM and other related Entities, on the other. Interest often accrued on the loans; however, no known written agreements formalizing them exist. **Chart 2** summarizes over 3,000 accounting entries recorded in Yardi since 2017 for the "interproperty" and other loans among the Investment Vehicles, LFM, KSMP, and other related Entities amounting to approximately $500 million.[14]

[12] 2024 was the exception because the Debtors sold eleven Properties leading up to the chapter 11 filing, which yielded approximately $36 million of gains.

[13] Annual payments to investors from the 1059 Account ranged from approximately $8.3 million to $13.1 million during the period from 2018 through 2023.

[14] The accounting entry for the Entity transferring funds was an increase to its receivable (asset) account, or, if it was for repayment of a prior loan, a decrease to its payable (liability) account. The accounting entry for the Entity receiving the funds was an increase to its payable (liability) account, or, if it was for repayment of a prior loan, a decrease to its receivable (asset) account.

Chart 2

Summary of Intercompany Transfers *(in thousands)*

	Inflows		Outflows	
Year	**Number**	**Value**	**Number**	**Value**
2017	616	$61,564	624	($60,735)
2018	340	$149,844	341	($140,907)
2019	441	$69,863	463	($73,171)
2020	225	$25,224	235	($28,965)
2021	399	$37,460	423	($42,060)
2022	440	$76,611	463	($64,756)
2023	569	$52,938	694	($55,477)
2024	356	$27,657	445	($22,762)
Totals	**3,386**	**$501,161**	**3,688**	**($488,833)**

22. Generally, transfers were made to Investment Vehicles that needed cash to meet their obligations, including making distributions to Record Investors, from other Investment Vehicles that had available cash. The following charts (**Chart 3**, **Chart 4**, **Chart 5**, **Chart 6,** and **Chart 7**) are examples of Properties that illustrate that consistent pattern.

Chart 3

Salvio Pacheco Square Cash Flow Summary *(in thousands)*

Year	Net Operating Inc (Loss)	Debt Service/ Interco Int/ Other	Adj Cash Flow	Net Interco Transfers	Owner Distributions	Net Cash Flow
2018	$1,690	($940)	$750	$0	($787)	($37)
2019	$1,163	($967)	$196	$255	($787)	($336)
2020	$1,120	($950)	$170	$647	($787)	$30
2021	$1,248	($1,004)	$244	$571	($787)	$28
2022	$933	($1,075)	($142)	$886	($787)	($43)
2023	$1,147	($1,252)	($105)	$869	($764)	$0
2024	$827	($967)	($140)	$233	($67)	$26
Totals	$8,128	($7,155)	$973	$3,461	($4,764)	($330)

23. The Salvio Pacheco Square Property was purchased at the end of 2017.[15] Cash that was reserved and available following the purchase was fully used by 2019, at which time, and each year after, net cash was transferred from related Entities that enabled promised distributions to be made to Record Investors.

Chart 4
Shelfield Apartments Cash Flow Summary *(in thousands)*

Year	Net Operating Inc (Loss)	Debt Service/ Interco Int/ Other	Adj Cash Flow	Refi Proceeds	Net Interco Transfers	Owner Distributions	Net Cash Flow
2017	$172	($742)	($570)		$645	($93)	($18)
2018	$143	($416)	($273)		$389	($93)	$23
2019	$103	($161)	($58)		$156	($93)	$5
2020	$181	($151)	$30		$85	($93)	$22
2021	$243	($906)	($663)	$2,838	($2,046)	($93)	$36
2022	$200	($240)	($40)		$83	($89)	($46)
2023	$81	($321)	($240)		$320	($97)	($17)
2024	$164	($221)	($57)		$75	($17)	$1
Totals	$1,287	($3,158)	($1,871)	$2,838	($293)	($670)	$4

24. In each year since 2017, Shelfield Apartments' cash flow from operations, debt service and other expenses were insufficient to make the promised distributions to investors.[16] During 2021, the Property received net proceeds totaling approximately $2.8 million from a refinancing of its third-party debt, the majority of which was promptly transferred to related Entities to repay intercompany loans, as well as make new intercompany loans to other Investment Vehicles.

[15] As of the Petition Date, Salvio Pacheco Square was owned by Debtors Autumn Wood I, LP (49.5%), Pinewood Condominiums, LP (22.9%), and Vaca Valla Apartments, LP (27.6%).

[16] As of the Petition Date, Shelfield Apartments was owned by Debtor Scotch Pine, LP.

Chart 5
Walnut Crest Apartments Cash Flow Summary *(in thousands)*

Year	Net Operating Inc (Loss)	Debt Service/ Interco Int/ Other	Adj Cash Flow	Refi Proceeds	Net Interco Transfers	Owner Distributions	Net Cash Flow
2017	$61	($402)	($341)		$383	($45)	($3)
2018	$123	($203)	($80)		$139	($45)	$14
2019	$94	($92)	$2		$37	($45)	($6)
2020	$146	($163)	($17)		$64	($45)	$2
2021	$81	($130)	($49)		$97	($45)	$3
2022	$70	($327)	($257)	$1,508	($1,207)	($45)	($1)
2023	$124	($119)	$5		$40	($46)	($1)
2024	$77	($92)	($15)		$41	($11)	$15
Totals	$776	($1,528)	($752)	$1,508	($406)	($329)	$22

25. Similar to Shelfield Apartments, Walnut Crest Apartments had insufficient adjusted cash flow to make promised distributions to investors in each year.[17] Distributions to Record Investors were paid by virtue of net cash transfers from other Investment Vehicles each year except for 2022, when Shelfield Apartments' debt was refinanced, thereby enabling it to repay its intercompany loans and make new loans to other Investment Vehicles that needed cash.

[17] As of the Petition Date, Walnut Crest Apartments was owned by Debtor Chestnut Oak, LP.

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Chart 6
Gold Oak Apartments Cash Flow Summary *(in thousands)*

Year	Net Operating Inc (Loss)	Debt Service/ Interco Int/ Other	Adj Cash Flow	Refi Proceeds	Net Interco Transfers	Owner Distributions	Net Cash Flow
2017	$120	($257)	($137)		$170	($63)	($30)
2018	$100	($298)	($198)		$300	($63)	$39
2019	($2)	($147)	($149)		$186	($63)	($26)
2020	$147	($210)	($63)		$143	($63)	$17
2021	$177	($126)	$51		($1)	($63)	($13)
2022	$217	($404)	($187)	$1,765	($1,461)	($63)	$54
2023	$151	($164)	($13)		$17	($63)	($59)
2024	$189	($163)	$26		$17	($16)	$27
Totals	$1,099	($1,769)	($670)	$1,765	($629)	($455)	$11

26. Gold Oak Apartments exhibited a nearly identical pattern as the prior examples – borrowing money from other Investment Vehicles in order to pay the promised distributions to investors and making new loans to Investment Vehicles upon a refinancing of its debt.[18]

Chart 7
Sharis Apartments Cash Flow Summary *(in thousands)*

Year	Net Operating Inc (Loss)	Debt Service/ Interco Int/ Other	Adj Cash Flow	Refi Proceeds	Net Interco Transfers	Owner Distributions	Net Cash Flow
2017	$242	($607)	($365)		$461	($97)	($1)
2018	$165	($317)	($152)		$261	($97)	$12
2019	$270	($334)	($64)	$2,242	($1,920)	($97)	$161
2020	$175	($230)	($55)		$48	($97)	($104)
2021	$180	($250)	($70)		$215	($97)	$48
2022	$294	($229)	$65		$35	($97)	$3
2023	$221	($241)	($20)		$100	($97)	($17)
2024	$181	($182)	($1)		$54	($9)	$44
Totals	$1,728	($2,390)	($662)	$2,242	($746)	($691)	$143

[18] As of the Petition Date, Gold Oak Apartments was owned by Debtor Red Oak, LP.

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27. As shown in Chart 7, like the other examples set forth above, Sharis Apartments also relied on intercompany transfers and debt refinancing proceeds to pay the investor distributions.[19]

28. The Investment Vehicles did not generate sufficient cash flows from their operations to make the promised distributions to Record Investors, much less the Record Investors and Non-Record Investors. The Investment Vehicles required cash transfers from other Investment Vehicles' Trust Accounts, cash transfers from LFM, and proceeds from new or refinanced debt to sustain the distributions that were made.

C. Funds Raised from Investors Were Commingled and Misused, Including New Investor Funds Being Used to Pay Old Investors

29. From May 2017 through July 2024, approximately $255 million flowed in and out of the 1059 Account through more than 50,000 transactions.[20] **Chart 8** summarizes the receipts and disbursements by category:

[19] As of the Petition Date, Sharis Apartments was owned by Foxtail Pine, LP.

[20] Prior to the bankruptcy filings, LFM retained the consulting firm BPM to reconstruct the 1059 Account transactions since no known accounting exists. From documents obtained from BMO (*i.e.*, monthly statements, canceled checks, and check deposits for the period May 2017 through April 2024), BPM compiled information for the transactions through a combination of data extraction software and manual data entry. BPM's compilation of the transactions was not complete when it stopped working for LFM. After being retained by LFM, DSI obtained BPM's compilations of the 1059 Account transactions. Pursuant to the Committee's subpoena, BMO produced additional 1059 Account documents necessary for DSI to complete the reconstruction of the transactions. DSI's reconstruction included compilation of information from transactions that were not included in BPM's compilation, corrections to various items in BPM's compilation, reconciliation to the bank statements, and categorization of each transaction.

Chart 8
Summary of 1059 Account for May 2017 through July 2024 *(in thousands)*

Category	Receipts	Disbursements	Net
Investors	$104,572	($70,174)	$34,398
Related Entities:			
KSMP	$51,400	($39,638)	$11,762
LMF/LMPM	$35,352	($3,248)	$32,104
Specialty Sales Classics	$17,068	($22,591)	($5,523)
Pineapple Bear	$2,091	($10,422)	($8,331)
Other Related Entities	$4,599	($4,001)	$598
Property Sales/Purchases/Exchanges	$38,006	($35,315)	$2,691
Property-Related Income/Expenses	$499	($22,786)	($22,287)
Socotra		($20,425)	($20,425)
Other Lenders		($12,338)	($12,338)
Credit Cards		($7,157)	($7,157)
Other/Unknown	$1,165	($6,919)	($5,754)
Totals	**$254,752**	**($255,014)**	**($262)**

30. As described above, Mr. Mattson controlled the 1059 Account, and virtually none of its activity is reflected in Yardi.[21] The primary source of funds into the 1059 Account was from Non-Record Investors, who were led to believe that they were purchasing interests in Investment Vehicles. Instead, their funds were deposited into the 1059 Account (rather than Trust Accounts in the name of Investment Vehicles that were maintained by LMPM), and commingled with other investors' funds and those of related Entities (most notably, KSMP and Specialty Sales Classics, which was a Mattson-affiliated car dealership), and used for the benefit of Mattson/KSMP, including payments to Socotra, a lender on loans for which KSMP (and not LFM or any of the other LFM Debtors) was the borrower.

[21] At all times since May 2017 (the earliest available bank statement), the mailing address for the 1059 Account was a post office box in Vacaville, California, to which, upon information and belief, only Mr. Mattson had access. Of the approximately 43,000 checks, over 41,500 (or, more than 96%) were signed by Mr. Mattson.

31. Given the magnitude of the funds received from, and disbursed to, investors (over 40% of total receipts and nearly 30% of total disbursements since May 2017), the absence of meaningful operating revenues, and the churning of funds among related Entities, I conclude that the distributions made to investors from the 1059 Account would not have been possible without the influx of new investor deposits. In each year from 2017 through 2023, the amounts deposited by investors were greater than the amounts disbursed to investors from the 1059 Account. **Chart 9** summarizes, by year, the receipts from investors, net non-investor activity, and disbursements to investors:

Chart 9
1059 Account Annual Summary by Category *(in thousands)*

		Receipts (Disbursements)			
Year	Beginning Cash Balance	Receipts from Investors	Non-Investor Net Activity	Distributions to Investors	Ending Cash Balance
2017	$262	$8,412	($1,954)	($5,585)	$1,135
2018	$1,135	$12,374	($2,862)	($9,453)	$1,194
2019	$1,194	$16,514	($7,889)	($8,497)	$1,322
2020	$1,322	$15,904	($8,668)	($8,313)	$245
2021	$245	$12,052	($1,141)	($10,825)	$331
2022	$331	$19,290	($6,932)	($12,098)	$591
2023	$591	$18,464	($5,937)	($13,125)	($7)
2024	($7)	$1,562	$723	($2,278)	$0
Totals	**$262**	**$104,572**	**($34,660)**	**($70,174)**	**$0**

32. Given the negative cash flow from non-investor activities, the returns to investors from the 1059 Account could not have been made without the infusion of new funds from investors into the 1059 Account.

33. Due to the fungibility of cash, the relatively significant balances that were frequently maintained in the 1059 Account, and the frequency of cash transfers to and from

related Entities, it is often difficult to determine the precise uses of particular cash deposits.[22] However, below, in **Chart 10**, are examples of material investor funds received at times when the cash balance in the 1059 Account was relatively low, allowing for the ability to definitively trace how the proceeds were used. Each example illustrates that new investor proceeds were used to pay distributions to other investors.

[22] During the period examined, there were over 2,500 related entity cash transfers to and from the 1059 Account.

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Chart 10
1059 Account Cash Tracing Examples

Period: Oct. 4, 2017 to Oct. 6, 2017	
Beginning bank balance	**($1,160)**
Cash receipts from:	
Investors	$386,785
Other	$200,000
Cash disbursements to:	
Investors	($419,268)
Other	($155,438)
Ending bank balance	**$10,919**

Period: May 22, 2019 to May 30, 2019	
Beginning bank balance	**$88,447**
Cash receipts from:	
Investors	$513,000
Other	$18,000
Cash disbursements to:	
Investors	($250,175)
Other	($279,566)
Ending bank balance	**$89,706**

Period: May 23, 2023 to May 30, 2023	
Beginning bank balance	**$9,999**
Cash receipts from:	
Investors	$528,500
Other	$20,450
Cash disbursements to:	
Investors	($273,099)
Other	($262,204)
Ending bank balance	**$23,646**

Period: July 7, 2023 to July 10, 2023	
Beginning bank balance	**($1,335)**
Cash receipts from:	
Investors	$180,000
Other	$3,000
Cash disbursements to:	
Investors	($126,265)
Other	($21,536)
Ending bank balance	**$33,865**

Period: July 14, 2023 to July 25, 2023	
Beginning bank balance	**$41,312**
Cash receipts from:	
Investors	$995,000
Other	$105,739
Cash disbursements to:	
Investors	($466,162)
Other	($624,895)
Ending bank balance	**$50,994**

Period: Oct. 31, 2023 to Nov. 1, 2023	
Beginning bank balance	**($2,994)**
Cash receipts from:	
Investors	$225,000
Other	$121,558
Cash disbursements to:	
Investors	($251,016)
Other	($69,111)
Ending bank balance	**$23,437**

34. As for KSMP's 1380 Account, PwC's compilation of the transactions reveals that approximately $254 million flowed in and out of the account from August 2017 to December 2024 through more than 37,000 transactions. As noted above, many of the details for the transactions have not been compiled; however, there appears to be a significant amount of investor activity, including at least 18,000 checks made payable to purported investors.

D. Investors Did Not Receive What They Were Led to Believe They Purchased and Were Provided False Financial Information to Conceal the Deception

35. As described in the preceding section, Mr. Mattson solicited new investments in purported Investment Vehicles from existing and new investors. These Non-Record Investors paid for such investments, and the funds were deposited into accounts controlled by Mr. Mattson outside of the Yardi umbrella (*i.e.*, the 1059 and 1380 Accounts); however, the Non-Record Investors did not receive the record ownership interest in the Investment Vehicle that they were led to believe was being purchased.

36. The Non-Record Investors received the promised distributions on their investments, not from the Trust Account for the purported Investment Vehicle in which they believed they were purchasing interests, but from other Mattson-controlled bank accounts – primarily the 1059 and 1380 Accounts. Also, Mr. Mattson provided fraudulent tax documents (*i.e.*, IRS Schedule K-1s) to Non-Record Investors.

37. One such example is a Non-Record Investor that purportedly was sold an interest in the Investment Vehicle Live Oak Investments, LP ("Live Oak"). Included in the proof of interest that was filed by Non-Record Investor were copies of K-1s that it received, which were not attached to the actual federal income tax return filed by Live Oak.[23] Following, in **Chart 11**, is a comparison of the collective K-1s attached to the 2022 federal income tax return that was filed by Live Oak and the 2022 Schedule K-1 received by the Non-Record Investor:

[23] Claim #1050 filed on February 13, 2025.

Chart 11
Summary of Live Oak Schedule K-1s for 2022

	K-1s Attached to Tax Return	K-1 Received by Off-Book Investor
LP Tax ID No.	*xx-xxx* 6181	*xx-xxx* 6181
LP Name	Live Oak Investments LP	Live Oak LP
LP Address	6359 Auburn Blvd Ste B	410 Buck Av
Ownership %	100%	6.142%
Income	$362,988	$12,080
Distributions	($129,720)	($12,000)
Distributions as % of Income	36%	99%

38. The tax identification number for Live Oak listed on the Non-Record Investor's K-1 is the only information that is consistent with the legitimate K-1s attached to the filed tax return. The name of the entity listed on the Non-Record Investor's K-1 reads "Live Oak LP." No such entity is known to exist. The address listed on the legitimate K-1s is LMPM's address in Citrus Heights, CA. The address listed on the Non-Record Investor's K-1 is the address of the Property owned by Live Oak.[24] The Non-Record Investor's K-1 lists an ownership percentage of over 6%, but, as would be expected, the cumulative percentages on the K-1s attached to the tax return account for the full ownership. Not surprisingly, the $12,000 of distributions listed on the Non-Record Investor's K-1 matches the disbursements from the 1059 Account that were made to it during 2022; however, the income listed bears no relationship to the income listed on the tax return, which, again as expected, matches the cumulative amounts listed on the K-1s attached to it.

39. A sampling of other proofs of interest revealed several other fraudulent K-1s provided to Non-Record Investors, summarized in **Chart 12** below.

[24] Live Oak owned Southwood Place Apartments in Vacaville, California.

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Chart 12
Summary of Fraudulent K-1s Attached to Sample Proofs of Interest

Debtor	No. of Non-Record Investors	Collective Ownership %	Range of Years
Autumn Wood I, LP	3	12.656%	2020-2023
Bishop Pine, LP	1	2.676%	2020-2022
Country Oaks I, LP	15	21.425%	2013-2023
Hagar Properties, LP	7	6.914%	2017-2022
Heacock Park Apartments, LP	5	13.690%	2014-2023
Monterey Pine, LP	1	6.215%	2021-2022
Nut Pine, LP	1	5.322%	2019-2022
Pinewood Condominiums, LP	1	4.068%	2019-2022
River Birch, LP	2	7.705%	2022
River Tree Partners, LP	18	35.906%	2019-2023
Tradewinds Apartments, LP	1	5.263%	2022
Valley Oak Investments, LP	8	23.361%	2021-2023

40. In total, from the sampling reviewed, there were 63 instances related to 12 Debtors where at least one K-1 attached to each of the Non-Record Investor's proof of interest was fraudulent, and, although the tax identification numbers for the Debtors were correct, the K-1s provided to (and filed by) the Non-Record Investors were not attached to the actual tax return filed by the applicable Debtor. The K-1s attached to the tax returns were issued to Record Investors and accounted for 100% of each Debtor's ownership. The names listed on certain of the K-1's did not match the actual names of the Debtor.[25]

VII. DISCLOSURES AND LIMITATIONS

41. This report has been prepared solely in connection with the proposed Plan and is intended for no other use. I have not performed an audit of any financial statements in accordance with Generally Accepted Auditing Standards, nor have I performed a review or

[25] The following Entity names listed on the fraudulent K-1's differed from the actual Entity name: (i) "Bishop Pines LP" instead of Bishop Pine, LP; (ii) "Country Oaks LP" instead of Country Oaks I, LP; (iii) "Valley Oaks Investments LP" instead of Valley Oak Investments, LP.

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compilation of the financial statements in accordance with the standards promulgated by the American Institute of Certified Public Accountants. Accordingly, I make no representation, nor do I express any opinion regarding the accuracy or reasonableness of said information.

Thomas P. Jeremiassen, CPA/CFF, CIRA — Date: 2/19/2026

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Exhibit A

Resume for Thomas P. Jeremiassen

Thomas P. Jeremiassen, Senior Managing Director

Summary

Tom Jeremiassen is a Senior Managing Director in DSI's Los Angeles office with over 30 years of experience providing services in bankruptcy, forensic/investigative accounting, and litigation support.

Mr. Jeremiassen has served as a fiduciary in bankruptcy and other matters, including roles as chapter 11 trustee, chapter 7 trustee, liquidating trustee, plan administrator, disbursing agent and receiver. He has served as an accountant and financial advisor for chapter 11 trustees, chapter 7 trustees, debtors, creditor committees, examiners, liquidating trustees and receivers in dozens of insolvency matters. He has also been involved in numerous engagements in which he provided expert witness, litigation support, consulting and investigative accounting services related to fraud, embezzlement, mismanagement, breach of contract, and other disputes.

Notable Assignments at DSI and Predecessor Firms

Adelphia Communications, EPD Investment Co., Estate Financial, Inc., Fuhu, Inc., Girardi Keese, Girls Gone Wild, Le-Nature's, Inc., Mike Tyson, Rampage Retailing, Inc., Reed Slatkin, and Woodbridge Group of Companies, LLC.

Employment History

Prior to joining DSI in 2018, Mr. Jeremiassen was a Managing Director at Berkeley Research Group, LLC. Previously, he was a Director at LECG, LLC; and a Partner with Neilson Elggren LLP, following his prior employment at Arthur Andersen LLP and Neilson, Elggren, Durkin & Co.

Education

Mr. Jeremiassen received a Bachelor of Science in Accounting from Pepperdine University.

Professional Licenses, Certifications and Affiliations

Mr. Jeremiassen is a Certified Public Accountant, Certified in Financial Forensics, and a Certified Insolvency and Restructuring Advisor. His professional memberships include the American Institute of CPAs (AICPA), the American Bankruptcy Institute (ABI), the Association of Insolvency and Restructuring Advisors (AIRA), and the Los Angeles Bankruptcy Forum (LABF). He is a member of the board of directors of the AIRA. He has presented on bankruptcy and fraud topics at conferences and meetings sponsored by the ABI, AIRA, the California CPA Education Foundation, the Credit Managers Association, and Golden Gate University.

Exhibit B

Documents and Information Considered

Exhibit B
Documents and Information Considered

Description	Bates/Docket Nos.
Third Amended Disclosure Statement in Support of Third Amended Joint Chapter 11 Plan of Liquidation	Docket No. 3109
Notice of Filing Joint Investigation Report and Summary of Global Settlement	Docket No. 2568
General Ledger Extracts from Yardi for 2017 through 2024	LM_02031996 to LM_02032088
1059 Account Documents Produced by BMO	BMOBANK_00000001 to BMOBANK_00015096
DSI's Analysis of 1059 Account Transactions for the Period May 2017 to July 2024	LM_02032093
PwC's Analysis of 1380 Account Transactions for the Period September 2017 to December 2024	LFM-UCC_00000019
PwC's Analysis of Investor Claims	LFM-UCC_00000017
PwC's Report of Investors' Proofs of Interest with Possible K-1s Attached	LFM-UCC_00000018
2022 Autumn Wood I LP Income Tax Return	LM_00632598
2022 Country Oaks I LP Income Tax Return	LM_00634130
2022 Hagar Properties LP Income Tax Return	LM_00635106
2022 Heacock Park Properties LP Income Tax Return	LM_00635296
2022 Live Oak Investments LP Income Tax Return	LM_00635546
2022 Monterey Pine LP Income Tax Return	LM_00635696
2022 Nut Pine LP Income Tax Return	LM_00635857
2022 Pinewood Condominiums LP Income Tax Return	LM_02032094
2022 River Birch LP Income Tax Return	LM_00636614
2022 River Tree Partners LP Income Tax Return	LM_00636758
2022 Tradewinds Apartments LP Income Tax Return	LM_00637371
2022 Valley Oak Investments LP Income Tax Return	LM_00637550
2023 Autumn Wood I LP Income Tax Return	LM_00638767
2023 Bishop Pine LP Income Tax Return	LM_00639197
2023 Country Oaks I LP Income Tax Return	LM_00640555
2023 River Birch LP Income Tax Return	LM_00643246
2023 River Tree Partners LP Income Tax Return	LM_00643408
2023 Valley Oak Investments LP Income Tax Return	LM_00644365
Filed Proofs of Interest in LFM Cases Nos. 235, 236, 237, 239, 242, 252, 260, 337, 339, 357, 358, 364, 370, 415, 417, 446, 471, 473, 534, 541, 560, 565, 577, 610, 617, 619, 649, 679, 791, 797, 808, 849, 858, 884, 912, 976, 982, 1003, 1040, 1050 1071, 1072, 1092, 1095, 1101, 1126, 1133, 1497, 1656, 1720, 1738, 1741, 1835,1841	

Exhibit B
Documents and Information Considered

Description	Bates/Docket Nos.
Real Property Records for 453A Fleming Ave. E, Vallejo, CA	UCC-PROP_00004238 to UCC-PROP_00004317
Real Property Records for 2151 Salvio Street, Concord, CA	UCC-PROP_00004318 to UCC-PROP_00004957
Real Property Records for 5800 Fair Oaks Blvd., Carmichael, CA	UCC-PROP_00006025 to UCC-PROP_00006296
Real Property Records for 3310-3336 Cimmarron Rd., Cameron Park, CA	UCC-PROP_00008499 to UCC-PROP_00008732
Real Property Records for 3217 Walnut Ave., Carmichael, CA	UCC-PROP_00043830 to UCC-PROP_00043950
Title Report for 453A Fleming Ave, E, Vallejo, CA	UCC-PROP_00046169 to UCC-PROP_00046176
Title Report for 2151 Salvio Street, Concord, CA	UCC-PROP_00046186 to UCC-PROP_00046193
Title Report for 5800 Fair Oaks Blvd., Carmichael, CA	UCC-PROP_00046274 to UCC-PROP_00046285
Title Report for 3310-3336 Cimmarron Rd., Cameron Park, CA	UCC-PROP_00046416 to UCC-PROP_00046426
Title Report for 3217 Walnut Ave., Carmichael, CA	UCC-PROP_00046427 to UCC-PROP_00046435