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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re: LEFEVER MATTSON, Consolidated Debtor.[1]	Case No. 24-10545 (HLB) (Substantively Consolidated) Chapter 11 **PLAN RECOVERY TRUSTEE'S MOTION FOR ENTRY OF AN ORDER ENFORCING PLAN INJUNCTION PROVISIONS AND DIRECTING (1) DISMISSAL OF STATE COURT ACTION, AND (2) WITHDRAWAL OF LIS PENDENS** Date: November 5, 2026 Time: 2:00 p.m. (Pacific Time) Place: *Via Zoom or In Person* United States Bankruptcy Court 450 Golden Gate Ave, 16th Floor Courtroom 19 San Francisco, CA 94102 **Objection Deadline: October 22, 2026**

[1] On March 6, 2026, the Bankruptcy Court entered an *Order Substantively Consolidating Consolidated Debtor and KSMP Investment Entities and Granting Related Relief* [Docket No. 3914] (the "Substantive Consolidated Order"), which substantively consolidated the estates of LeFever Mattson, a California corporation and its affiliated debtors (the "LFM Debtors"), KS Mattson Partners, LP ("KSMP"), and three-KSMP affiliated entities (Perris Freeway Plaza, LP, Specialty Properties Partners, LP and Treehouse Investments, LP) (the "KSMP Investment Entities"). A list of the consolidated entities is attached to the Substantive Consolidation Order.

Michael Goldberg, in his capacity as the Plan Recovery Trustee ("Plan Recovery Trustee") under the *Third Amended Chapter 11 Plan of Liquidation, as Modified* (the "Plan," Docket No. 4151),[2] hereby moves for an order enforcing the terms of the Plan and directing dismissal of the state court action entitled, *Bolden, et al. v. Melick, et al.,* Sacramento Superior Court, Case No. 26-CV-019064 ("Bolden Action") and withdrawal of any recorded list pendens against real property at 5701/5703 Orange Avenue, Sacramento, California 95823.

I. INTRODUCTION

Ericka Cooper ("Cooper") is a former tenant at 5703 Orange Avenue, Sacramento, California, a two-unit residential property owned by the Consolidated Debtor, who was evicted from the property by writ of possession entered by the Sacramento Superior Court, case number 25-UD-006079, in April 2026. Cooper unsuccessfully pursued three motions for relief from the state court judgment and is concurrently pursuing an adversary proceeding in this Bankruptcy Court that is the subject of a motion to dismiss. In a renewed effort to reverse the eviction, now Cooper's roommates (believed to be her daughter and boyfriend) have commenced the Bolden Action in state court alleging wrongful eviction and damages against Home Tax Service of America d/b/a LeFever Mattson Property Management ("Home Tax").

The Bolden Action – wrapped up with plaintiff shopping and forum shopping – is a knowing violation of the Plan's injunction provisions and should be dismissed. Jacob Bolden and Amarra Mott (collectively, "Bolden") have not sought or received permission to sue Home Tax under the Plan. Bolden repeats many of the same allegations of wrongful eviction pled by Cooper, including defective service of the eviction on Bolden as occupants of the property. Counsel for the Plan Recovery Trustee gave notice of the Plan provisions and requested that Bolden voluntarily dismiss the Bolden Action, and simultaneously filed a Notice of Stay of Proceedings based on the Plan. Nothing in the Bolden complaint rises to the level of gross negligence, intentional fraud, or willful misconduct that would permit Bolden to sue an exculpated party under the Plan – and

[2] Capitalized terms not defined herein shall have the meanings ascribed in the Plan.

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thereby cause the Plan Recovery Trust to incur extraordinary legal fees and costs to the detriment of creditors holding allowed claims.

The Bolden Action has gone horribly awry, as the plaintiffs have somehow convinced a different Sacramento County judge to issue a lis pendens clouding the title to real property subject to the Plan.

To date, the Plan Recovery Trustee has not been served with the Bolden Action or made an appearance therein. The Plan Recovery Trustee reserves all rights to assert applicable claims and defenses in the Bolden Action absent a dismissal.

II. RELEVANT BACKGROUND

The Bankruptcy Plan.

The Court confirmed the Plan by order entered April 23, 2026 (the "Confirmation Order," Docket No. 4225). The Plan became effective May 14, 2026 (the "Effective Date"). Home Tax is part of the Consolidated Debtor under the Plan. Plan, Exhibit C.

Sections 11.3 and 11.4 of the Plan state in bold letters:

> **11.3 Exculpation**
>
> **On the Effective Date, to the maximum extent permitted by law, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Claim, interest, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, remedy, or liability to any Person or Entity**, including to any Holder of a Claim or Equity Interest, for any claim (including, but not limited to, any claim for breach of any fiduciary duty or any similar duty), for any act or omission in connection with, relating to, or arising out of the Chapter 11 Cases, including the formulation, negotiation, preparation, dissemination, solicitation of acceptances, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created, executed, or contemplated **in connection with the Plan, or the administration of the Plan, or the administration of the Chapter 11 Cases, or the operation of the Debtors' businesses during the Chapter 11 Cases, or the disposition of property and cash to be distributed during the Chapter 11 Cases or to be distributed under the Plan**; *provided*, *however*, that the exculpation provisions of this Section 11.3 shall only apply, with respect to the Responsible Individual and its Professionals, to acts or omissions occurring after the Order for Relief Date**; *provided*, *further*, that the exculpation provisions of this Section 11.3 shall not apply to acts or omissions constituting gross negligence, intentional fraud, or willful**

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> **misconduct by such Exculpated Party as determined by a Final Order.** For purposes of the foregoing, it is expressly understood that any act or omission effected with the approval of the Bankruptcy Court will be conclusively presumed not to constitute intentional fraud or willful misconduct unless the approval of the Bankruptcy Court was obtained by intentional fraud or intentional misrepresentation, and the Exculpated Parties shall be entitled in all respects to rely on the written advice of counsel with respect to their duties and responsibilities under, or in connection with, the Chapter 11 Cases, the Plan, and administration thereof. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability.
>
> **11.4 Injunctions Related to Releases and Exculpation**
>
> **All Persons and Entities are permanently enjoined from: commencing** or prosecuting, whether directly, derivatively, or otherwise, any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, or liabilities released or exculpated pursuant to this Plan. **Prior to commencing an action against an Exculpated Party in any way related to or connected with the Chapter 11 Cases, any Person or Entity must first seek a determination that the claims asserted in such action are excluded from the exculpation provisions herein and permission from the Bankruptcy Court to prosecute such action.** The Bankruptcy Court shall retain exclusive jurisdiction to determine the scope and effect of any release or exculpation provided herein. (Emphasis added.)

Home Tax is a Debtor and an Exculpated Party as defined by the Plan. *See* Plan, Exh. A (Defined Terms), ¶ 66.

Under the Substantive Consolidation Order, all property of the LFM Debtors, KSMP, and KSMP Investment Vehicles vested in the Consolidated Debtor. *See* Substantive Consolidation Order, ¶ 4. On the Effective Date of the Plan, the individual debtors, including Home Tax, dissolved automatically, without requiring corporate action. *See* Plan, § 5.2.2. All beneficial ownership in the Plan Recovery Trust Assets transferred to and vested in the Plan Recovery Trust, with the Plan Recovery Trustee appointed as the exclusive trustee of the Plan Recovery Trust. *See* Plan, §§ 5.3.1 and 5.3.3. The "Excluded Assets" – including the real properties that were not sold as of the Effective Date and any causes of action related to such properties – remained vested in the Consolidated Debtor with the Plan Recovery Trustee as its sole officer and director. *See* Plan §5.2.1 and Exh. A (Defined Terms), ¶¶ 64, 108, 128, and 135. Accordingly, after the Effective

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Date, the estate's real property remains vested in the Consolidated Debtor subject to the authority of the Plan Recovery Trustee. *Id.*

The Bolden Action.

On August 4, 2026, Bolden commenced the Bolden Action in Sacramento Superior Court by filing an initial complaint. A copy of the online docket of the Bolden Action (the "Bolden Docket") is attached as **Exhibit A** to the Greenwood Declaration, filed herewith.

On August 21, 2026, counsel for the Plan Recovery Trustee sent a letter to Bolden advising that the Bolden Action violated the Plan and requesting that the plaintiffs voluntarily dismiss the lawsuit to avoid further litigation. A copy of the Plan Recovery Trustee's letter is attached as **Exhibit B** to the Greenwood Declaration.

On August 21, 2026, counsel for the Plan Recovery Trustee filed with the Sacramento Superior Court a Notice of Stay of Proceedings, attaching a copy of the Confirmation Order. A copy of the filed-Notice of Stay is attached as **Exhibit C** to the Greenwood Declaration.

On the same day, August 21, 2026, Bolden filed a *First Amended Verified Complaint – Declaratory & Injunctive Relief; Wrongful Eviction (CCP §1174.3); Forcible Entry/Detainer; Civ. Code § 789.3; Conversion; Trespass to Chattels; Negligence* ("Complaint"). *See* Docket at p. 4, *supra.*

On August 26, 2026, Cooper emailed counsel for the Plan Recovery Trustee with a copy of the Complaint and summons, under a subject line that reads: "nice try! service on home tax dated aug 24th 2026 certified." A copy of the email and the Complaint is attached as **Exhibit D** to the Greenwood Declaration.

The Complaint is 114 pages, including exhibits.[3] Bolden did not seek or obtain this Court's permission to file the Complaint. The Complaint names as defendants: Home Tax, Kristina Melick aka Kristina Fox, and Does 1-50.

[3] Numerous exhibits are not what they purport to be in the alleged Index of Exhibits or are not attached. Exhibit 2, for example, is addenda to the residential lease. Addendum Three does not "continue" to list Bolden as occupants; the record tenants as of November 2022 were Cooper and Major Mott III; under a paragraph for Other Occupants, the addendum expressly states, "No persons other than those listed above may reside in the premises" and any other residents are in violation of the rental agreement.

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On August 27, 2026, Amarra Mott filed an application for authority to file a notice of lis pendens against 5701/5703 Orange Avenue in Sacramento, California and, together with Jacob Bolden, filed a response and objection to the Notice of Stay ("Stay Response"). *See* Bolden Docket. A copy of the Stay Response is attached as **Exhibit E** to the Greenwood Declaration.

On September 22, 2026, the state court issued an *Order Granting Application of Plaintiff Amarra Mott for Court Approval to Record Notice of Pendency of Action* ("Lis Pendens Order"). A copy of the Lis Pendens Order is attached as **Exhibit F** to the Greenwood Declaration.

The Plan Recovery Trustee did not appear in the Bolden Action by filing a Notice of Stay. Indeed, counsel has advised the plaintiffs that she is not authorized to accept service on behalf of any defendant. *See, e.g., Great Western Casinos, Inc. v. Morongo Band of Mission Indians,* 74 Cal. App. 4th 1407, 1419 n. 2 (1999) (request for stay of litigation is not a general appearance). Cal. Rule of Court 3.650 and judicial council form CM-180 recognize that a stay may be requested by a party that "has not appeared, or is not subject to the jurisdiction of the court." Simply put, the filing of the judicial council form is ministerial and does not incur a first appearance fee as would be the case for a demurrer.

A. The Court Should Order Dismissal of the Complaint Under Sections 11.3 and 11.4 of the Plan and Paragraph 22 of the Confirmation Order.

Section 11.4 of the Plan requires that "prior to commencing an action against an Exculpated Party" must "first seek a determination that the claims asserted in such action are excluded from the exculpation provisions herein and permission from the Bankruptcy Court to prosecute such action." Plan, §11.4.

Home Tax is an Exculpated Party under the Plan. To the extent that any Bolden Action plaintiff wants to bring suit against Home Tax (or the Consolidated Debtor in its place) they must first obtain this Court's permission by a final order determining that the stated claims are excluded from exculpation and injunction on the grounds that the alleged acts or omissions constitute "gross negligence, intentional fraud, or willful misconduct by such Exculpated Party." Plan, §11.3.

Paragraph 22 of the Confirmation Order independently and permanently enjoins "commencing or prosecuting... any Claims... released or exculpated pursuant to the Plan," and

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provides that "[p]rior to commencing an action against an Exculpated Party in any way related to or connected with" the Chapter 11 Case, a claimant "must first seek a determination that the claims asserted in such action are excluded from the exculpation provisions... and permission from the Bankruptcy Court to prosecute such action." Confirmation Order ¶ 22.

Exculpated Parties are broadly protected from actions, not just in connection with or relating to the Chapter 11 Cases, but in connection with the operation of the Debtors' businesses during the Chapter 11 Cases. The reason is practical. Hundreds of investor creditors have already been waiting for approximately two years to recover from the Consolidated Debtor for pre-petition debts; and post-petition administrative expenses are narrowly construed by statute to conserve assets for the benefit of creditors. *See, e.g.,* Bankr. Code §503(b)(1)(A) (administrative claim is limited to actual, necessary costs and expenses of preserving the estate). A confirmed plan can properly exculpate parties and acts taken during the bankruptcy case in order to limit future liabilities and ongoing expenses. *See Blixseth v. Credit Suisse,* 961 F.3d 1074, 1084 (9th Cir. 2020) ("[T]he bankruptcy court here had the authority to approve an exculpation clause intended to trim subsequent litigation over acts taken during the bankruptcy proceeding and so render the Plan viable."). In this case, the Plan protects estate assets by exculpating actions during the administration of the estate and enjoining claims against the Consolidated Debtor unless those claims meet a very high bar of gross negligence, intentional fraud, or willful misconduct. Plan, §§ 11.3 and 11.4.

The Court should enter an order directing the plaintiffs to dismiss the Bolden Action unless and until the plaintiffs obtain a final order authorizing claims that have been vetted by the Bankruptcy Court as required by the Plan.

B. The Court Should Order Dismissal of the Complaint Because Bolden Has Not Pleaded Facts to this Court Demonstrating Gross Negligence, Intentional Fraud, or Willful Misconduct.

For the same reasons addressed in the Plan Recovery Trustee's motion to dismiss Cooper's adversary proceeding, the Complaint in the Bolden Action fails to allege acts or omissions by Home Tax during the eviction proceeding that could possibly rise to the level of gross negligence, intentional fraud, or willful misconduct.

The thrust of the Complaint is that (1) Amarra Mott was once identified as an "occupant," and the unlawful detainer action was therefore improper because it did not name or serve her or Bolden, notwithstanding numerous written legal objections raised throughout the proceeding (Complaint, ¶10), (2) Home Tax did not own the property (*id.,* ¶11), and (3) Home Tax's authority was "extinct" by the time Mott and Bolden were locked out (*id.,* ¶12).[4] The Plan Recovery Trustee disputes these allegations, both factually and legally; moreover, procedurally he should not be forced to respond to these matters at the expense of allowed creditors' recovery.

If the foregoing allegations had been presented to this Court for a determination of whether the alleged conduct is excepted from the Plan's exculpation provisions, which did not occur, the Plan's "gate" would remain closed. The allegations of the Complaint do not evidence acts or omissions by Home Tax (or the Consolidated Debtor) that constitute gross negligence, intentional fraud, or willful misconduct. Procedural detours and asserted missteps in the eviction process do not evidence intentional fraud and should not expose the Plan Recovery Trust to ongoing and extensive litigation.[5] This is particularly true where the Sacramento Superior Court entered the writ of possession (Complaint, Exhibit 8) against Cooper after being made aware of all of the facts alleged by Bolden in connection with her repeated motions to set aside the effect of the judgment. *See* Motion to Dismiss Cooper's First Amended Complaint, filed concurrently herewith.

The focus of the Complaint is on the underlying unlawful detainer action. In essence, the Bolden Action is an end-run attempt to set aside, reconsider, or appeal the eviction judgment entered against Cooper in the Sacramento Superior Court case number 25-UD-006079. The Bolden Action was filed as a separate action, before a different state court judge, in an apparent effort to sow confusion and in contravention of the Plan.

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[4] Plaintiff's allegations regarding the property ownership and an inactive licensed fictitious name border on incomprehensible.

[5] The Plan Recovery Trustee is frankly unsure how to prevent this coordinated group of tenant plaintiffs from continuing to diminish the pool of funds available to the victims of the Ponzi scheme that spawned the Consolidated Debtor's cases. Suffice it to say the pitfalls and harms of artificial intelligence are on full display here.

This Court should enter an order directing the Bolden Action plaintiffs to dismiss the Bolden Action and withdraw the lis pendens because they violate the gatekeeping provisions of the Plan. If Bolden did not understand the effect of the Confirmation Order attached to the Notice of Stay, the Court should make its effect clear now: the Bolden Action is enjoined unless and until the plaintiffs obtain written permission by final order of the Bankruptcy Court authorizing a lawsuit against Home Tax, the Consolidated Debtor, or the Plan Recovery Trustee.

C. The Court Should Order Bolden to Withdraw Any Recorded Lis Pendens.

For reasons the Plan Recovery Trustee does not fully understand, the Sacramento Superior Court judge assigned to the Bolden Action granted Amarra Mott's application to record a notice of lis pendens. *See* Greenwood Decl., Exhibit F. The Consolidated Debtor cannot effectively market and sell the property if there is a cloud on title.

For the reasons discussed above, the Bolden Action is in contravention of the Plan's exculpation provisions and any lis pendens arising from the Bolden Action is likewise in contravention of the Plan's provisions and should be ordered withdrawn. Bolden and Cooper are well aware of the terms of the bankruptcy plan confirmation order and should not be permitted to breach the Plan's provisions at will in an effort to reverse the state court's eviction judgment. *Walls v. Wells Fargo Bank, N.A.,* 276 F.3d 502, 507 (9th Cir. 2002) (violation of discharge injunction may be subject to a contempt order); *In re Krow,* 2016 WL 5922305, *4 (Bankr. N.D. Cal. Oct. 11, 2016) (awarding damages and attorneys' fees and costs for violation of discharge injunction).

The plaintiffs clearly have notice of the Court's Plan and Confirmation Order, including the exculpation and injunction provisions. *See* Exhibits B, C, E. This Court should enforce the terms of the Plan by entering an order directing each Bolden Action plaintiff to record a withdrawal of any lis pendens recorded against the Orange Avenue property.

V. CONCLUSION

For the foregoing reasons, the Court should enter an order (1) directing the Bolden Action plaintiffs to dismiss of the Bolden Action as a violation of the Plan's provisions at sections 11.3 and 11.4, (2) directing withdrawal of any lis pendens recorded against 5701/5703 Orange Avenue

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in Sacramento, California under the same provisions, and (3) granting such other relief as may be just and proper to protect the estate from unwarranted litigation. In the event of continued litigation, the Plan Recovery Trustee reserves the right to move for civil contempt and damages for violation of the Plan provisions.

Dated: October 6, 2026

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