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UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF CALIFORNIA SANTA ROSA DIVISION

Debtors. In re: KS MATTSON PARTNERS, LP, Debtor.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

DECLARATION OF BRADLEY D. SHARP IN SUPPORT OF MOTION OF DEBTORS TO ABANDON ESTATE CAUSES OF ACTION AGAINST JENNIFER ANN **CASTILLO**

Date: November 12, 2025

Time: 11:00 a.m.

Place: United States Bankruptcy Court

1300 Clay Street, Courtroom 215

Oakland, CA 94612

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The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 9562. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglol

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

- I am the President and Chief Executive Officer of Development Specialists, Inc. ("DSI"), a leading provider of management consulting and financial advisory services, including turnaround consulting, fiduciary roles, and financial restructuring services, with numerous offices throughout the country.
 - 2. I am the Chief Restructuring Officer of the Debtors in these Chapter 11 Cases.
- 3. I submit this Declaration in support of the Motion of Debtors to Abandon Estate Causes of Action Against Jennifer Ann Castillo (the "Motion") filed concurrently herewith.²
- 4. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge; information supplied to me by other members of the Debtors' management, employees, and professionals; information learned from my review of relevant documents; or my opinion given my experience and my knowledge of the Debtors' operations and financial condition. If called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized by the Debtors to submit this declaration.
- 5. Ms. Castillo is a former tenant of the Riverview Shopping Center, located at 9463 North Fort Washington, Suite 101, Fresno, California, which is jointly owned by the two Riverview Debtors. Ms. Castillo's lease term expired on July 31, 2025; however, she abandoned the premises on or about November 30, 2023. The total value of rent for which Ms. Castillo is liable through the expiration of the lease term is calculated at \$74,680.60 (without consideration of any applicable defenses such as mitigation). In May 2024, the Riverview Debtors filed a breach of lease action in the State Court against Ms. Castillo. A copy of the Riverview Debtors' operative complaint in the Castillo Action (without its exhibits) is attached hereto as **Exhibit A**.
- 6. Alison Geddes of Weintraub Tobin is counsel of record for the Riverview Debtors in the Castillo Action. A trial in the Castillo Action is currently set for January 26, 2026. A trial readiness conference is set for January 23, 2026, and a mandatory settlement conference is set for

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Case:

Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Motion.

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December 18, 2025. Corresponding discovery deadlines, such as the fact discovery cut-off, are set for late November 2025.

- 7. Earlier this year, Ms. Castillo, through her former counsel, had conducted settlement discussions with counsel for the Riverview Debtors. However, Ms. Castillo fired her counsel, substituted herself pro se into the Castillo Action, and thereafter ceased all communication with counsel for the Riverview Debtors. Counsel for the Riverview Debtors made efforts to communicate with Ms. Castillo regarding settlement or continuing the litigation, which went unanswered. While there had been limited discovery in the Castillo Action, that effectively ceased after Ms. Castillo terminated her counsel.
- 8. The Riverview Debtors believe that judgment enforcement against Ms. Castillo will be difficult and costly. I am informed that Ms. Castillo works as a hair stylist. Counsel for the Riverview Debtors has conducted an asset search of Ms. Castillo, which did not reveal any real property currently owned. Ms. Castillo therefore has no real property assets to which a judgment lien could attach.
- 9. In light of the foregoing, the Riverview Debtors' options are to either (i) dismiss the Castillo Action and abandon the underlying claims or (ii) prepare for trial in January 2026 and possibly also seek judgment through terminating sanctions for Ms. Castillo's failure to comply with discovery obligations. The costs of trial are self-evident, and even obtaining a judgment through terminating sanctions would incur significant attorneys' fees, as it would require the Riverview Debtors to serve meet-and-confer letters regarding alternative dispute resolution, send out written discovery, and, if no responses (or inadequate responses) are provided, going through the meet-and-confer and motion to compel process repeatedly and ultimately seeking terminating sanctions.
- 10. Counsel of record in the Castillo Action has advised me that, while difficult to predict with certainty, proceeding to trial with the minimum amount of work would incur at least \$20,000 in fees, and is expected to be even higher. If the Riverview Debtors were to proceed with more of a scorched-earth approach in attempt to get terminating sanctions, they could incur closer to a minimum of \$30,000 in attorneys' fees and costs.

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small amount at issue and the limited prospects for collections do not justify the continued time and expense. Notwithstanding Ms. Castillo's absence from the proceedings, the Riverview Debtors are faced with discovery and trial deadlines that will require substantial expenses to be incurred by their counsel. A decision now needs to be made. This is minor rent-collection litigation against an individual who previously rented space in the Riverview shopping center. Because the Riverview Debtors understand that Ms. Castillo has limited assets, even if a judgment is obtained, collection would be a long and speculative process. Based on information gathered from the Riverview Debtors' counsel of record in the Castillo Action, the low ceiling on collection appears to be offset by the potential attorneys' fees to obtain the judgment and pursue collections efforts. Considering all this information, pursuing the litigation to a judgment and then further collection efforts does not seem to be worth using estate resources. The Debtors therefore believe that the claims against Ms. Castillo are burdensome to the estates of the Riverview Debtors and of inconsequential value and benefit to those estates.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on October 24, 2025.

/s/ Bradley D. Sharp
Bradley D. Sharp

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KELLER BENVENUTTI KIM LLP

101 MONTGOMERY STREET, SUITE 1950 SAN FRANCISCO, CALIFORNIA 94104

Exhibit A

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1	ALISON GEDDES (SBN 233029) RUBY I. BITZER (SBN 330766)					
2	weintraub tobin chediak coleman grodin Law Corporation					
3	400 Capitol Mall, 11th Floor					
4	Sacramento, California 95814 Telephone: 916.558.6000	E-FILED				
5	Facsimile: 916.446.1611 Email: ageddes@weintraub.com	5/16/2024 12:58 PM Superior Court of California				
6	rbitzer@weintraub.com	County of Fresno By: Rebecca Ayala , Deputy				
7 8	Attorneys for Plaintiff RIVERVIEW SHOPPING CENTER 1, LLC and RIVERVIEW SHOPPING CENTER 2, LLC					
9						
10	SUPERIOR COURT OF THE STATE OF CALIFORNIA					
11	COUNTY OF FRESNO					
12	RIVERVIEW SHOPPING CENTER 1, LLC, a	24CECG02087 Case No.				
13	Delaware limited liability company; and RIVERVIEW SHOPPING CENTER 2, LLC, a	COMPLAINT FOR BREACH OF				
14	Delaware limited liability company,	LEASE				
15	Plaintiff,	Unlimited Civil Action				
16	V.					
17	JENNIFER ANN CASTILLO, an individual,					
18	doing business as THE NINES SALON AND SPA; and DOES 1 through 20, inclusive,					
19						
20	Defendants.					
21						
22	Plaintiff alleges:					
23	1. Plaintiff RIVERVIEW SHOPPING CENTER 1, LLC, is, and at all times herein					
24	mentioned was, a limited liability company in good standing, organized and existing under the laws					
25	of the State of Delaware and registered to transact intrastate business in California.					
26	2. Plaintiff RIVERVIEW SHOPPING CENTER 2, LLC, is, and at all times herein					
27	mentioned was, a limited liability company in good standing, organized and existing under the laws					
28	of the State of Delaware and registered to transact intrastate business in California.					
	/	1				
\sim 1	Jan 24 10545 Dague 2041 1 FGOMPLAINT FOR	BREACH OF LEASE 1212 1212 1 1 2 2 2 2 2				

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- 3. Plaintiffs are informed and believe and thereon allege that Defendant JENNIFER ANN CASTILLO, is, and at all relevant times herein mentioned was, an individual doing business in Fresno County as THE NINES SALON AND SPA.
- 4. Plaintiff is ignorant of the true names and capacities of Defendants sued herein as DOES 1 through 20, inclusive, and therefore sues these Defendants by such fictitious names. Plaintiff will amend this Complaint to allege their true names and capacities when ascertained. Plaintiff is informed and believes and based thereon alleges that each of the fictitiously named Defendants is responsible in some manner for the occurrences herein alleged, and Plaintiff's damages, as herein alleged, were proximately caused by such Defendants.
- 5. Plaintiff is informed and believes and based thereon alleges that each of the Defendants was the agent, employee or assignee of each of the remaining Defendants and, in doing the acts alleged herein, was acting within the course and scope of such agency, employment or assignment.
- 6. On or about December 2, 2019, Plaintiff leased to Defendants JENNIFER ANN CASTILLO and DOES 1 through 10, certain premises commonly known as 9463 North Fort Washington, Suite 101, Fresno, California 93730 ("Premises"), for a term of 65 months, commencing on or about March 1, 2020, and expiring July 31, 2025, pursuant to the terms of a written Lease, including all Addenda thereto, a true and correct copy of which is attached hereto as **Exhibit A** and incorporated herein by reference.
- 7. Defendants entered into possession of the Premises pursuant to the terms of the Lease and continued to occupy the same until Defendants abandoned the Premises on or about approximately November 30, 2023.
 - 8. Plaintiff has performed all of the conditions of the Lease to be performed on its part.
- 9. By the terms of the Lease, Defendants were required to pay to Plaintiff minimum rent, subject to increase and adjustment, along with other charges, as more particularly set forth in the Lease.

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10. Defendants have not paid the following leasehold obligations and the same are now due and unpaid:

Base Rent for November 2023-February 2024 \$10,096.00 (\$2,524.00 x 4 months) Base Rent for March 2024-May 2024 (\$2,600.00 x 3 \$7,800.00 months) CAM charges December 2023-May 2024 (\$978.30 x 6 \$5,869.80 months) Late Fee November 2023 (10% Pursuant to Section \$126.20 2.01 of the Lease) TOTAL \$23,892.00

- 11. Leasehold obligations will continue to accrue at the rates specified in the Lease until date of judgment.
- 12. Section 21.02 of the Lease permits Plaintiff to recover damages pursuant to section 1951.2 of the Civil Code. The Lease was for a period of sixty-five months (65) months, commencing March 1, 2020, and expiring July 31, 2025. Pursuant to Section 21.02 of the Lease, Plaintiff has been damaged in a sum equal to the worth at the time of award of the amount by which the unpaid leasehold obligations for the balance of the term after the time of award exceeds the amount of such rental loss that the lessee proves could be reasonably avoided, together with that sum necessary to compensate Plaintiff for all the detriment proximately caused by Defendants' failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom, which sum is estimated to be in excess of \$60,600.00, the exact amount to be proven at trial.
- 13. Section 2.01 of the Lease provides that in the event any payment of rent or other sum due from Defendants is not received by lessor when due, a late charge equal to ten percent (10%) of such overdue amount shall be paid, no portion of which has been paid by Defendants.
- 14. Sections 2.01 and 21.02 of the Lease provides that in the event any payment of rent or other sum due is not timely paid, such delinquent sums shall accrue interest at the rate of ten percent (10%) per annum, no portion of which has been paid by Defendants.

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- 15. Section 21.03 of the Lease provides that in the event an action or proceeding is brought to enforce any provision of the Lease, the losing party shall pay the successful party a reasonable sum for attorneys' fees and costs.
- 16. As a result of Defendants' acts as alleged herein, Plaintiff has incurred, and will continue to incur, attorneys' fees and costs in an amount according to proof.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays judgment against Defendants, and each of them, as follows:

- 1. For damages in the sum of \$23,892.00, together with interest thereon at the contract rate from and after the dates due;
- 2. For leasehold obligations which accrue through the date of judgment, including late charges, together with interest thereon at the contract rate;
- 3. For damages pursuant to section 1951.2 of the Civil Code for the worth at the time of the award of the amount by which the unpaid leasehold obligations for the balance of the term after the date of judgment exceeds the amount of such rental loss that the lessee proves could be reasonably avoided, together with that amount necessary to compensate Plaintiff for all the detriment proximately caused by Defendants' failure to perform their obligations under the Lease, which sum Plaintiff alleges is in excess of \$60,600.00, the exact amount to be proven at trial;
 - 4. For reasonable attorneys' fees;
 - 5. For costs of suit herein incurred; and
 - 6. For such other and further relief as this Court may deem just and proper.

Dated: May 16, 2024

weintraub tobin chediak coleman grodin

LAW CORPORATION

By:

RUBY BITZER Attorney for Plaintiff

RIVER VIEW SHOPPING CENTER 1, LLC and RIVER VIEW SHOPPING CENTER 2,

LLC

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