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Debtors' claims and noticing agent at https://veritaglob Case: 24-10545 Doc# 2924 Filed: 11/26/25 Entered: 11/2

address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. 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

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LeFever Mattson, a California corporation ("LeFever Mattson"), and certain of its affiliates that are debtors and debtors in possession (the "Debtors")<sup>2</sup> in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), hereby submit this motion (the "Motion") pursuant to Rules 9006(b) and 9027 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 9006-1 of the Bankruptcy Local Rules for the Northern District of California (the "Bankruptcy Local Rules") for entry of an order, in substantially the form attached hereto as Exhibit A, for an extension of time, pursuant to Clause (A) of Bankruptcy Rule 9027(a)(2), for the Debtors to file notices of removal of the civil actions and proceedings (the "Removal Deadline") to which the Debtors are parties (collectively, the "Civil Actions") through and including April 30, 2026, without prejudice to the Debtors' right to seek additional extensions of such period.

In support of this Motion, the Debtors submit the *Declaration of Bradley D. Sharp in Support of Debtors' Motion for Order Further Extending the Time to File Notices of Removal of Related Proceedings* (the "Sharp Declaration"), filed contemporaneously herewith.

### MEMORANDUM OF POINTS AND AUTHORITIES

### I. <u>JURISDICTION AND VENUE</u>

The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### II. <u>BACKGROUND</u>

### A. The Chapter 11 Cases

As described in the *Declaration of Bradley D. Sharp in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration") [Dkt. No. 5], the Chapter 11 Cases were necessitated by, among other things, Mr. Kenneth Mattson's purported sales of equity interests in many of the Debtors to hundreds of investors through transactions that were not recorded in the books and records of LeFever Mattson or the appropriate Debtor. Debtor Windscape Apartments,

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Unless otherwise indicated, "Debtors" as used herein excludes KSMP.

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LLC, filed its chapter 11 petition on August 6, 2024. Fifty-eight Debtors, including LeFever Mattson, filed their chapter 11 petitions on September 12, 2024. Debtors Pinewood Condominiums, LP, and Ponderosa Pines, LP, filed their chapter 11 petitions on October 2, 2024.

The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The United States Trustee appointed an official committee of unsecured creditors (the "Committee") in the Chapter 11 Cases on October 9, 2024 [Dkt. No. 135], amended the appointment on November 25, 2024 [Dkt. No. 368], and amended the appointment again on August 26, 2025 [Dkt. No. 2104]. No trustee or examiner has been appointed in these Chapter 11 Cases.

Since the filing of the Chapter 11 Cases, the Debtors' new management and professionals not only have continued the Debtors' pre-petition business of operating nearly two hundred commercial and residential rental properties but have also worked tirelessly to investigate the Debtors' financial situation and develop a resolution that can provide for a fair and equitable distribution to creditors, including the hundreds of investors whose financial lives have been upended.

### B. The Previous Extensions of the Removal Deadline

On November 27, 2024, the Debtors filed their first motion to extend the time for the Debtors to file notices of removal of the civil actions and proceedings through February 28, 2025 (the "First Request") [Dkt. No. 372], unifying the multiple deadlines created by the 61 jointly administered Debtors' filing of voluntary petitions on three separate dates in a two-month span. On December 9, 2024, the Court granted the First Request without prejudice to the rights of the Debtors to seek additional extensions [Dkt. No. 445].

On January 31, 2025, the Debtors filed their second motion to extend time for the Debtors to file notices of removal through May 30, 2025 (the "Second Request") [Dkt. No. 705]. On February 24, 2025, the Court granted the Second Request without prejudice to the rights of the Debtors to seek additional extensions [Dkt. No. 928].

On May 2, 2025, the Debtors filed their third motion to extend time for the Debtors to file notices of removal through September 5, 2025 (the "Third Request") [Dkt. No. 1390]. On May

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28, 2025, the Court granted the Third Request without prejudice to the rights of the Debtors to seek additional extensions [Dkt. No. 1523].

On August 1, 2025, the Debtors filed their fourth motion to extend time for the Debtors to file notices of removal through December 31, 2025 (the "Fourth Request") [Dkt. No. 1910]. On August 26, 2025, the Court granted the Fourth Request without prejudice to the rights of the Debtors to seek additional extensions [Dkt. No. 2099].

### C. The Pending Actions and Involuntary Cases Against the Mattson Parties

The Debtors are parties to several known lawsuits pending in various California state courts and the United States District Court for the Northern District of California, which are listed in the schedules of assets and liabilities and statements of financial affairs for the Debtors [Dkt. Nos. 292–353, and as amended at Dkt. Nos. 2251–2291 and 2293–2305]. In most of these actions, the Debtors are defendants, and the claims against them are stayed pursuant to 11 U.S.C. § 362(a). In one particular action, pending in Sonoma County Superior Court as Case No. 24CV03485 (the "Sonoma County Action"), Debtors LeFever Mattson, Divi Divi Tree, L.P., and Windscape Apartments, LLC, are plaintiffs and Kenneth W. Mattson and KSMP are defendants (the two defendants together, the "Mattson Parties"). As described below, the Debtors' claims against both of the Mattson Parties in this action are currently stayed pursuant to section 362(a) of the Bankruptcy Code.

On November 22, 2024, Debtor LeFever Mattson filed an involuntary chapter 11 petition against Mr. Mattson in this Court (the "Mattson Involuntary Case"), and Debtors LeFever Mattson and Windtree, LP filed an involuntary chapter 11 petition against KSMP in this Court. The filing of these involuntary petitions caused any claims of the Debtors against the Mattson Parties to be stayed pursuant to section 362(a) of the Bankruptcy Code.

Subsequent to an agreement between KSMP and LeFever Mattson, the Court entered the Stipulated Order for Relief in an Involuntary Case on June 9, 2025 [Case No. 24-10715, Dkt. No. 131] (the "KSMP Order for Relief"). KSMP is a chapter 11 debtor in possession, and its case is jointly administered, for procedural purposes only, with those of the Debtors, pursuant to the Stipulated Bridge Order in Connection with the Motion to Substantively Consolidate the

Bankruptcy Estates of LeFever Mattson and KS Mattson Partners, LP, entered on July 29, 2025 [Dkt. 1887]. KSMP has retained an independent responsible individual, Ms. Robbin Itkin, and Mr. Mattson is no longer directing or operating KSMP. Due to the entry of the KSMP Order for Relief, the stay pursuant to section 362(a) of the Bankruptcy Code of any claims against KSMP remains in place.

In the Mattson Involuntary Case, on July 10, 2025, Mr. Mattson and LeFever Mattson entered into the *Stipulation Regarding Consent of Kenneth W. Mattson to Entry of Order for Relief* [Case No. 24-10714, Dkt. No. 114] (the "Mattson Stipulation"). The Court entered an order approving the Mattson Stipulation on July 14, 2025 [Case No. 24-10714, Dkt. No. 118]. An order for relief was entered on September 5, 2025 [Case No. 24-10714, Dkt. No. 127]. An order converting the case to chapter 7 was entered on September 22, 2025 [Case No. 24-10714, Dkt. No. 147]. The stay pursuant to section 362(a) of the Bankruptcy Code of any claims against Mr. Mattson remains in place.

### D. The Need to Further Extend the Removal Deadline

The Debtors are continuing to evaluate whether it would benefit their estates to remove any of the Civil Actions. To date, however, the Debtors have not determined which, if any, of the Civil Actions they may seek to remove. In particular, the automatic stays of the Mattson Parties have essentially halted the Sonoma County Action, and it would not be an efficient use of any estate's resources to litigate removal at this time. Given that the Debtors and their professionals have been actively engaged in operating their businesses, marketing their real property, investigating the financial transactions leading to the Chapter 11 Cases, and formulating a plan that will be acceptable to their creditors and other parties in interest, the Debtors require additional time to consider whether to file notices of removal of any of the Civil Actions.

Therefore, the Debtors believe that it is prudent to seek a further extension of the time prescribed under Bankruptcy Rule 9027(a) through and including April 30, 2026, to protect their right to remove those Civil Actions if they deem it to be appropriate.

### III. <u>RELIEF REQUESTED</u>

The Debtors request, pursuant to 28 U.S.C. § 1452 and Bankruptcy Rules 9006(b) and 9027, the entry of an order (i) extending the deadline by which the Debtors may file notices of removal for any action under Clause (A) of Bankruptcy Rule 9027(a)(2) through and including April 30, 2026, and (ii) granting related relief.

### IV. <u>AUTHORITY FOR RELIEF REQUESTED</u>

Section 1452 of title 28 of the United States Code provides for the removal of actions related to bankruptcy cases and provides that "[a] party may remove any claim or cause of action in a civil action . . . to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title." 28 U.S.C. § 1452(a).

Bankruptcy Rule 9027 sets forth the time periods for filing notices to remove claims or causes of action and provides, in pertinent part:

If the claim or cause of action in a civil action is pending when a case under the Code is commenced, a notice of removal may be filed only within the longest of (A) 90 days after the order for relief in the case under the Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under § 362 of the Code, or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief.

Fed. R. Bankr. P. 9027(a)(2). Under Bankruptcy Rule 9006, where the request to enlarge time is "made before the expiration of the period originally prescribed[,]" the Court may enlarge the removal period "for cause shown . . . at any time in its discretion . . . ." Fed. R. Bankr. P. 9006(b)(1).

It is well-settled that this Court is authorized to extend, for cause, the removal period under 28 U.S.C. § 1452 and Bankruptcy Rule 9027. *See Pacor, Inc. v. Higgins*, 743 F.2d 984, 996 n.17 (3d Cir. 1984), *overruled on other grounds by Things Remembered, Inc. v. Petrarca*, 516 U.S. 124 (1995) (noting that under the Bankruptcy Rules "it is clear that the court may grant" an extension of the time limit for removal); *see also Hugh M. Caperton v. A.T. Massey Coal Co., Inc.*, 251 B.R. 322, 325 (S.D. W. Va. 2000) (explaining that Bankruptcy Rule 9006 provides authority to enlarge

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Case:

The extension sought will afford the Debtors a reasonable amount of time to determine whether to remove any pending Civil Actions and will help to ensure that the Debtors do not forfeit valuable rights under 28 U.S.C. § 1452. An extension would have minimal, if any, effect on the schedule for the Chapter 11 Cases. An extension will also not prejudice the rights of the Debtors' adversaries because any party to an action that is removed may seek to have the action remanded to state court pursuant to 28 U.S.C. § 1452(b).

The Debtors further request that the order approving this Motion be without prejudice to any position the Debtors may take regarding whether section 362 of the Bankruptcy Code applies to stay any given Civil Action pending against the Debtors or the Mattson Parties. For the reasons stated above, the Debtors submit that cause exists to grant the relief requested and that the relief requested herein is appropriate and in the best interests of their estates, creditors, and all other parties' interests.

### V. RESERVATION OF RIGHTS

Nothing contained herein is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute any claim, or (iii) an approval or assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code.

### VI. NOTICE

Notice of this Motion will be provided to (i) the United States Trustee; (ii) the Committee; (iii) Serene Investment Management, LLC, the DIP Lender; and (iv) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002. Based on the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that no further notice is required.

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# KELLER BENVENUTTI KIM LLP 101 MONTGOMERY STREET, SUITE 1950 SAN FRANCISCO, CALIFORNIA 94104

**WHEREFORE**, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, and such other and further relief as the Court may deem just and appropriate.

Dated: November 26, 2025

### KELLER BENVENUTTI KIM LLP

By: <u>/s/ Thomas B. Rupp</u>
Thomas B. Rupp

Attorneys for Debtors and Debtors in Possession

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# KELLER BENVENUTTI KIM LLP

101 MONTGOMERY STREET, SUTTE 1950 SAN FRANCISCO, CALIFORNIA 94104 

## Exhibit A

(Proposed Order)

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101 MONTGOMERY STREET, SUTTE 1950 SAN FRANCISCO, CALIFORNIA 94104 KELLER BENVENUTTI KIM LLP

1	KELLER BENVENUTTI KIM LLP TOBIAS S. KELLER (Cal. Bar No. 151445)						
2	(tkeller@kbkllp.com)						
3	(dtaylor@kbkllp.com) THOMAS B. RUPP (Cal. Bar No. 278041) (trupp@kbkllp.com) 101 Montgomery Street, Suite 1950 San Francisco, California 94104 Telephone: (415) 496-6723 Facsimile: (650) 636-9251						
4							
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7 8	Attorneys for the Debtors and Debtors in Possession						
9							
10	UNITED STATES BANKRUPTCY COURT						
	NORTHERN DISTRICT OF CALIFORNIA						
11   12	SANTA ROS	SA DIVISION					
13		Case No. 24-10545 (CN) (Lead Case)					
14	In re:	(Jointly Administered)					
15	LEFEVER MATTSON, a California corporation, <i>et al.</i> , <sup>1</sup>	Chapter 11					
<ul><li>16</li><li>17</li><li>18</li></ul>	Debtors.	[PROPOSED] ORDER FURTHER EXTENDING THE TIME TO FILE NOTICES OF REMOVAL OF RELATED PROCEEDINGS					
19	In re:	Date: December 17, 2025					
20	KS MATTSON PARTNERS, LP,	<b>Time:</b> 11:00 a.m.					
21	Debtor.	Place: United States Bankruptcy Court 1300 Clay Street, Courtroom 215					
22		Oakland, CA 94612					
23							
24							
25	The last four digits of LeFever Mattson's	tax identification number are 7537. The last four					
26	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						
27	address for service on LeFever Mattson and all of Heights, CA 95621. Due to the large number						

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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.

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Upon the Motion, dated as of November 26, 2025 (the "Motion"),<sup>2</sup> of the above-captioned debtors and debtors in possession (the "Debtors") in the Chapter 11 Cases, pursuant to Rules 9006(b) and 9027 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 9006-1 of the Bankruptcy Local Rules for the Northern District of California (the "Bankruptcy Local Rules") for an extension of time for the Debtors to file notices of removal of the Civil Actions to April 30, 2026; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, the Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found and determined that notice of the Motion as provided to the parties listed therein is reasonable and sufficient, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion and the Sharp Declaration; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause having been shown;

### IT IS HEREBY ORDERED THAT:

- 1. The Motion is granted.
- 2. The last day for the Debtors to file notices of removal for any civil actions and proceedings under Clause (A) of Bankruptcy Rule 9027(a)(2) is extended through and including April 30, 2026.
- 3. The Debtors are authorized to take all steps necessary or appropriate to carry out this Order.

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Capitalized terms not otherwise herein defined shall have the meanings given to such terms in the Motion.

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4. This Order shall be without prejudice to any position the Debtors may tak
regarding whether section 362 of the Bankruptcy Code applies to stay any litigation pendin
against the Debtors or the Mattson Parties and without prejudice to the Debtors' ability to see
further extensions to file notices of removal under Bankruptcy Rule 9027(a).

- 5. Notwithstanding the entry of this Order, nothing herein shall create, nor is it intended to create, any rights in favor of or enhance the status of any claim held by any party.
- 6. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

\*\* END OF ORDER \*\*

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