Frequently Asked Questions

As of: May 21, 2025

The purpose of this document is to provide answers to questions that would be helpful and informative to creditors and investors generally. The questions are organized by general topic. The table of contents on the next page provides the page number where the questions for each topic begin.

Please note that the LeFever Mattson, a California corporation, and certain of its affiliates that are debtors and debtors in possession (the "Debtors") and the Official Committee of Unsecured Creditors (the "Committee") may revise, supplement, or delete these answers as they deem necessary or appropriate in their sole discretion.

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I. About the Committee and Who it Represents

1. Who does the Official Committee of Unsecured Creditors represent?

All creditors and investors, both "on-book" and "off-book," in all 61 of the LeFever Mattson bankruptcy cases. The Committee is composed of LeFever Mattson investors, many of whom have both on-book and off-book investments. The Office of the United States Trustee set it up that way. The Committee's goal is to drive a fast, fair, and fruitful process to return maximum value to creditors and investors as quickly as possible.

2. Please define the terms, secured and unsecured creditor.

Secured creditors have recourse to assets owned by a debtor and pledged to a secured creditor as collateral. Mortgage lenders are a good example. Unsecured creditors are owed money, but have no collateral. For a company like LeFever Mattson, landscapers and janitorial services would be good examples. Investors are called "interest holders" in bankruptcy. They own a piece of the business and are neither secured nor unsecured creditors. When a business is liquidated, interest holders are paid only what is left over after secured and unsecured creditors have been paid in full. The Bankruptcy Code requires this result.

3. What will be your "official" means of communication with creditors — your website, the existing Google group, other?

The Verita website (http://veritaglobal.net/LM) will always be your most reliable source of information. The Town Halls and communications posted through on the Committee's webpage (https://www.veritaglobal.net/lm/info/14065) will also be completely reliable. The Committee accepts no responsibility for material shared on the Google group. It is not an official mouthpiece for Committee information, and while members of the Committee are free to post there, any such messages are personal, not Committee, communications.

4. What is the role of the committee attorneys?

PSZJ represents the Committee as a whole and not any one individual. As experts in cases like this one, they will guide the Committee in working with the Debtors to generate the largest possible payout in the shortest possible period of time while at the same time making sure all stakeholders are treated fairly in accordance with the Bankruptcy Code.

5. How were the committee members selected?

Committee members were appointed by the Office of the United States Trustee, a division of the United States Department of Justice.

6. How is the Committee and Counsel being compensated ?

All members of the Committee are volunteers. They receive no payment or special treatment in exchange for their service. Committee counsel is paid the way all bankruptcy professionals are paid—off the top before payments are made to creditors or investors. This is mandated by Congress in the Bankruptcy Code. PSZJ has agreed to a 15% discount on its hourly rates for attorneys and also to hold rates level through the end of 2025, even if the firm raises them for other matters.

7. Does each Committee Member have a specific responsibility?

No, the only formal role on the committee is the committee chair who is Kevin Katari, the representative for the Manfred K. Fischer Trust.

8. Are any of the committee members signed up for representation by the class action or any other lawyers, which makes them sparing with what they can share due to privilege? If so, does this not prove a conflict of interest being a committee member where they must share what they know with whom they represent?

Some members of the Committee are involved with the class action and other litigation. Each Committee Member understands their role as a committee member, which is separate from any involvement they may have in other litigation, and their confidentiality obligations. There have been no issues to date. If issues arise, the Committee will address them.

9. Would you advise all investors to get their own bankruptcy attorneys?

The Committee and Debtors have proposed procedures to make the process to assert your interest in the Debtors as straightforward and understandable as possible. The goal is to try to reduce the amount of time and money investors will need to spend going through this process. However, if you have additional questions specific to you and your investments, such as what claims you may have against the Debtors, you may want to seek advice from a bankruptcy attorney

10. Who is responsible for checking the accuracy of Bradley Sharp's team and their filings? We have seen some errors and omissions in some of the filings already and our research is far from rigorous. Or do we just accept whatever is filed at face value?

In short, the Committee. The Debtors and Committee have been working closely to address issues in this case, including information in the Schedules and Monthly Operating Reports, and there is an ongoing dialogue between the Debtors and the Committee. Both the Debtors and Committee are working to further the ongoing investigation process and obtain additional information.

II. About the Debtors

11. Can I liquidate my interests?

You are always welcome to sell or transfer your position. But LeFever Mattson and the affiliates that have filed Chapter 11 petitions are unable to return invested capital other than through the bankruptcy process.

12. Many of us rolled over some of our investments into LPs that Tim previously said were controlled by KS Mattson Partners LP. How do they figure in this mess, especially as Tim Lefever seems to have signed the Chapter 11 filings for some of them? My examples are Bay Tree and Golden Tree.

The Debtors and Committee are investigating issues like the ones you raise and combing through information obtained from third-parties and uncovered during the Debtors' and Committee's forensic investigations.

13. On the chapter 11 filing my husband and I are listed on the filing. However, our names are not associated with our address. How do we get this corrected?

To fix your address on the mailing list for LeFever Mattson, please do the following:

- Please go to the claims agents' website for this case and click on the "Submit an Inquiry" page. The following link takes you directly to that page: https://veritaglobal.net/lm/inquiry
- Please complete the information requested in the form.
- In the box titled "Inquiry" please write "I want to fix my address on the mailing matrix."

Verita will then receive your inquiry and should fix your address on the mailing list for these bankruptcy cases.

14. Is Ken Mattson still on the Lefever-Mattson payroll? If so, what is his current compensation?

No.

15. Is Tim LeFever still on the Lefever-Mattson payroll? If so, what is his current compensation?

No, but he does receive health insurance.

16. Is Tim Lefever still drawing money from Lefever Mattson and/or the affiliated LPs?

No. However, he does continue to receive his health insurance benefits.

III. Information from Schedules

17. Will available documents like partnership agreements with Exhibit A schedules of partners be posted for these BK entities?

Not at this time. These documents (where available) will be reviewed by the professional teams engaged.

18. Can LeFever Mattson share the contact information of other investors in the same LP with one another?

Out of respect for every investor's privacy, the amount of personal information being shared is being kept to a minimum, so additional contact information will not be shared at this time.

19. If the ownership details for certain properties is “Unknown” (per the schedules), then how could LeFever Mattson put these debtors into bankruptcy (ex. Bay Tree, Golden Tree, Ponderosa Pines)?

The Debtors’ books and recorded showed that LeFever Mattson, a California corporation is a general partner in these entities. On that authority, these debtors filed for bankruptcy. In addition, DSI and Lefever Mattson did not act alone. Where necessary, DSI and LeFever Mattson solicited the necessary limited partner support to file for bankruptcy from on-book investors.

20. How do I know if my investment is legitimate or not?

To search if your investment is listed in the Debtors’ books and records, please go to the Investor Search function at https://veritaglobal.net/lm/investorsearch. We

recommend typing in your last name or part of your trust's name (whichever is the investor) into the search bar.

21. Is there a schedule of limited partnership ownership amounts?

Yes, for "on-book" investments please see the search at https://www.veritaglobal.net/lm/investorsearch.

22. Are there lists of assets and liabilities for each entity?

Yes, please see the Schedules and Statements at https://www.veritaglobal.net/lm/document/list/6175

IV. Taxes

23. Does the LM chapter 11 affect our federal income tax filing? If so how? Will Bradley Sharp be sending out any year end statements and or K-1's for the on book properties?

The Committee and Debtors will not be providing tax advice for any individual situation. The LeFever Mattson Debtors are not in a position to issue K-1s at this time. Investors should consider filing an extension for their personal income tax returns. Please consult a tax professional with all such questions.

24. What should investors do to secure their 2024 K-1 s for both Lefever Mattson and KS Mattson properties?

The LeFever Mattson Debtors are not in a position to issue K-1s at this time. Investors should consider filing an extension for their personal income tax returns. The LeFever Mattson Debtors do not have any insight as to how KSMP will be handling their 2024 K-1s.

V. IRA Distributions and Assets

25. What update can you give us on the status of freeing up retirement money in SEP retirement accounts (DiviDivi Tree, Specialty Partners & similar) “co-managed” by retirement custodians like Madison Trust or Pacific Premier? At stake are the retirement distributions that are the living income for many of us. Many need to take “required minimum distributions” from these accounts or incur penalties from the IRS. Many are having to continue to pay custodial account fees but have no access to our accounts. We really would like some focus on these priority items while the rest of the case proceeds.

Like other investments in the LeFever Mattson Debtors, you cannot liquidate your investment in a LeFever Mattson Debtor through your self-directed IRA account. We recommend that you reach out to your tax advisor and/or accountant about any required minimum distributions you may need to make. Additionally, we are working to address the custodial account fees to the extent we can.

26. There are many of us defrauded of our 401K retirement funds. With that being a federal offense, would the Committee be willing to help file this breach with authorities for our investors?

The Committee’s powers and duties are set by the Bankruptcy Code. The Committee does not have the power to file a criminal action for defrauding investors of their 401K retirement funds.

VI. Overview of the Claims Process

LeFever Mattson, a California corporation, and certain of its affiliates that are debtors and debtors in possession (the “Debtors”) and the Official Committee of Unsecured Creditors (the “Committee”) are aware that there is a range of unique terms, agreements, and ownership interest setups across the entire LeFever Mattson portfolio. We are committed to making sure all stakeholders are treated fairly in accordance with the Bankruptcy Code.

The overarching “Claims Process” is in-fact a multi-step process:

1. Setting the Bar Date – *DONE*

First, the Debtors needed to set the Bar Date. Because of the unique circumstances of this case, the Debtors and Committee developed the proof of interest form to obtain information about investors’ interests and investments in the Debtors. The court entered the Bar Date Order and approved the customized proof of interest form on December 13, 2024.

2. Filing Proofs of Claim and Proofs of Interest – *DONE*
Once the bar date was set, Verita Global mailed out packets to investors, which included the proof of interest form and proof of claim form. Blank proof of interest and proof of claim forms were also available on Verita's website. The forms requested that investors and creditors attach supporting documentation to their forms.

3. Bar Date – *DONE*
This was the deadline to file proofs of claim and proofs of interest. The Bar Date was February 14, 2025. Over 1,800 proofs of claim and proofs of interest were filed against the Debtors (collectively, the "Forms"). The vast majority of the Forms attach supporting documentation, which has been extremely helpful as the Debtors and Committee continue with their investigations. If a claim or interest was not filed by the Bar Date, and no extension was or is granted, then that creditor or investor is forever barred, estopped, and enjoined from asserting an interest or claim different or greater than the amount set forth in the Debtors' books and records. The interests and claims reflected in the Debtors' books and records are listed in Docket Nos. 292 – 353.

Please remember that there were certain exceptions to parties that had to file proofs of claim and proofs of interest by the Bar Date. For example, investors who were listed in the *Omnibus List of Equity Security Holders* [D.E. 353] and agreed with the percentage listed did not need to file a proof of interest form for that interest. Additionally, claims of investors in any non-Debtor entities (e.g., KS Mattson Partners, LP) were not required to be filed before the Bar Date.

Finally, we encourage all investors and creditors to review the claims register on Verita's website at:
https://www.veritaglobal.net/lm/document/591054525011700000000046

If an investor or creditor does not see their submitted proof of interest form or proof of claim form reflected on the claim's register, please email LMCommittee@pszjlaw.com

4. Analyzing & Validating the Proofs of Claim / Interest – *ONGOING*
Under the Bankruptcy Code, a claim or interest filed is deemed allowed (i.e. valid) unless a party in interest objects. The Committee and the Debtors are reviewing, analyzing, and evaluating the proofs of claim and proofs of interest filed to ensure that the Forms are valid and should be allowed in their asserted amount.

As we analyze the Forms, some of the questions we are asking include:

- Is this Form a duplicate of another filed Form?

- Was this Form amended (and thus superseded) by a later filed Form?
- Is this Form asserting a claim or interest in a Debtor? Or is the Form asserting a claim or interest in a non-Debtor, such that it should not be asserted in these bankruptcy cases?
- Do we need more information from the investor/creditor to further evaluate this Form?
- Does the information attached to the Form support the asserted claim or interest in the Debtors?
- The Form does not include an exact dollar amount. How do we liquidate the claim or interest asserted in the Form?
- Do the Debtors have a claim against the person/entity that filed the Form to set-off the claim or interest asserted in the Form?
- Can we validate this Form based on the information we have received from third-parties, bank statements, and the Debtors' books and records, or uncovered through our forensic investigation?

5. Objecting & Reconciling the Proofs of Claim / Interest – *FORTHCOMING*

This step usually overlaps with step 4 (analyzing the proofs of claim and proofs of interest) – it is not sequential. Every proof of claim and proof of interest filed with the Bankruptcy Court or Verita (the claims agent) is deemed allowed and valid unless a party in interest objects. Valid and allowed claims will ultimately receive distributions as explained below in step 6.

As discussed above, there are certain claims and interests that should not be asserted against the Debtors and included in the claims register. For example, maybe someone submitted the same Form three times because they were worried that they did not get a confirmation of receipt—this person should not get three payouts. Perhaps someone realized they made a mistake on the first Form that they filed, so they filed a second Form to correct their mistake—this person should not get two payouts. Or, perhaps someone filed a Form against a non-debtor entity, because they were not sure if it should be filed against a Debtor but just wanted to play it safe—this person should not get a distribution *from the Debtors* because this Form does not assert a claim against or interest *in the Debtors*.

In those types of examples, the Debtors and/or Committee may be reaching out to individual creditors or investors, or filing an objection, to explain why the Debtors and/or Committee believes the specific Form is not a valid interest or claim against the Debtors.

Our goal is *not* to reduce the total amount of claims and interests on the claims register to the smallest number possible. Our goal is to make sure that the claims register is as *accurate* as possible in reflecting the claims and interests filed against the Debtors.

If an objection is filed, it will be filed with the Bankruptcy Court and mailed to the applicable investors or creditors. In other words, if your claim or interest is objected to, you will receive a copy of the objection in the mail. An investor or creditor will have at least 30 days from the date the objection is filed to respond to the objection. This could include a response as to why a particular Form should not be disallowed, reduced, or objected to. If a response is filed, the Court will then hold a hearing and rule on the objection.

6. Distributions – *END GOAL*

After all claims and interests have been analyzed, reconciled, and validated, distributions are made in accordance with the Bankruptcy Code and any confirmed plan.

Typically, distributions are paid out in the following order:

- Secured creditors
  - Those whose claims are backed by collateral; they are paid back through their collateral
  - Any remaining claim that is not satisfied through collateral usually becomes an unsecured claim
- Administrative creditors
  - Creditors in this category include the estates' professionals (e.g., the lawyers)
  - Vendors who provided services to the Debtors *during* the bankruptcy cases
- Priority unsecured creditors
  - Creditors in this category include taxing agencies or employees
- Unsecured creditors
  - Creditors in this category include all creditors who do not fall into one of the above categories and whose claims are not backed by collateral.
- Equity holders
  - Those with interests in the debtors.

VII. Question about Claims Process

27. All along we've been told by Mr. Mattson that our percent ownership in the LP's we've invested in will remain constant as we receive the (typically monthly) income distributions. However this is to my knowledge stated nowhere on paper. The bankruptcy process could conceivably arrive at a conclusion that sees the monies we investors are entitled to as a result of the Bankruptcy proceedings reduced by the sum $ amount of income distributions we have already received. Such an outcome would represent a radical outcome change from what I think most investors are expecting/assuming, so I'd like to have this possibility surfaced and discussed ASAP.

The Committee is aware that the terms that Mr. Mattson stated for many of the investments are not reflected in documents where you would expect to see them. The

Committee intends to take this into consideration as it looks to create an acceptable restructuring plan for all investors. The Committee and Debtors intend to address this at an upcoming Town Hall.

28. How do we find out the assets, liabilities and estimated current value for specific partnerships we've invested in?

Please see the Schedules and Statements section of the web site: https://www.veritaglobal.net/lm/document/list/6175. Additionally, investors may use the investor search function (https://www.veritaglobal.net/lm/investorsearch) to see if their investments are listed on the Debtors' books and records. When searching we suggest searching for just a first or last name as that may provide better results than searching for a full name.

29. What information will be required for proof of investment?

Please consult the recordings of the Presentation Regarding Proof of Interest Form and Third Investor Town Hall available on the Committee's webpage at: https://veritaglobal.net/lm/info/14065. More information is also available in the Proof of Interest FAQs.

30. How does one determine a "real" LeFever Mattson investment vs an "unreal" LeFever Mattson investment-especially those that name LeFever Mattson as general partner, but LeFever Mattson doesn't recognize the investment?

The "on-book" vs "off-book" nomenclature is used only to refer to what is recorded in the LeFever Mattson corporate records. The actual legal significance of being "off book" is unknown at this time. Both on-book and off-book investors have the opportunity to participate in the claims process and submit a proof of interest and/or proof of claim.

31. Is an investor ownership claim filed by an attorney on our behalf given higher priority than the same claim filed directly without an attorney?

No, it is not. Proofs of interest filed by an attorney will not be treated differently and/or given different priority. They will be treated just like ones filed by investors without counsel.

32. Does Chapter 11 mean LM can write off all creditors and investors?

No. As part of the Chapter 11 process, the Bankruptcy Court will determine the validity of creditor and investor claims.

33. What is being done to prove that Ken Mattson was (or was not) acting as an agent of Lefever Mattson when he sold shares of Lefever Mattson products to those of us who are not being acknowledged as clients. We “off book” clients need to know how to get “on books,” or do we need to pursue Ken Mattson et al.?

The Debtors and Committee’s research and investigation is ongoing. Please note that it is our goal to treat all investors fairly in accordance with the Bankruptcy Code.

34. How or when will I know how my investment was categorized or is viewed by the court? What are the next steps from here? For instance, I am off book- my interest was never recorded in the portion I bought into, although I have a purchase agreement. I am not sure if the court sees this as me owning a vested interest in the property, or if this is an instance of fraud, as the purchase agreement was never honored. Possibly this falls into something else completely

Currently, the Committee and the Debtors are analyzing and validating the proofs of claim and proofs of interest that were filed, which takes some time. As explained in the Overview of the Claims Process section, your filed proof of interest form is valid unless objected to. If the Debtors or Committee have any issues with your proof of interest form, you will be notified.

35. In regards to the Claims Register, what is the significance or impact (if any) of how some investors with multiple claims have a separate entry line for each investment, while others investors who have multiple claims have all the properties lumped together (“Debtor:…”) in the “Proof of Interest Detail” column on a single line?

There is no significance or impact at this time.

36. When will I hear from you whether you need more information regarding the Proof of Interests and Proof of Claims I have already submitted?

The Committee’s professionals are in the process of reviewing and analyzing the proofs of interest. We cannot provide an exact timeline at this time.

37. Does the total amount of off book interests sold by LM in any Debtor exceed their ownership of that entity? For example, LM owns 19.3% of Heacock Partners, is the total of the off book interests sold greater than 19.3%?

This is something the Committee’s professionals are investigating and analyzing.

38. Since banks and mortgage companies are considered secured creditors, will they be allowed to receive late charges, penalties or interest on the outstanding loans or just the payoff balances?

Secured lenders will be paid in accordance with the Bankruptcy Code. Generally, the Bankruptcy Code provides that the holder of a secured claim is entitled to "interest on such claim, and any reasonable fees, costs, or charges provided for under the agreement or State statute under which such claim arose" if the value of the property securing the claim is greater than the principal amount of the secured claim. *See* 11 U.S.C. § 506(b).

39. What is going to happen to off-book investors?

The Debtors and Committee are working to propose a chapter 11 plan, which will outline how investors are treated. Our goal to treat all investors fairly in accordance with the Bankruptcy Code.

40. How many proofs of interest were submitted?

Over 800 proof of interest forms were submitted. Please note that a proof of interest form may assert multiple investments either through Part 2 or Part 3 of the proof of interest forms. For example, over 1700 "Part 2: Information about the Interest(s)" forms were filed.

VIII. Real Estate

41. What is the probability that the real estate portfolio will be liquidated for the purposes of returning cash versus a company similar to LeFever Mattson (albeit without its problems) acquires the portfolio and pays investors an income stream similar to LM? If the latter, would investors have the option to opt in or opt out? I realize you cannot answer in specific, however, based on your experience what have you seen happen most?

While all options are being explored, it is not likely that a company similar to LeFever Mattson will acquire the portfolio and pay investors an income stream similar to LeFever Mattson. FTI Consulting, Inc. ("FTI"), the Debtors' and Committee's real estate advisor, is working closely with the Debtors and the Committee regarding the real estate portfolio, including whether to retain some assets or liquidate the real estate portfolio.

42. What steps are being taken to ensure properties do not fall into a state of disrepair and/or lose their tenants, and thus, become less valuable?

FTI and DSI are working closely with the property management team to identify maintenance issues and address them wherever possible.

43. Has LeFever Mattson been collecting rents from its properties? And if so, where has this money gone?

Rents are still being collected. The rents collected are being used to maintain the properties and pay ordinary maintenance expenses (such as paying the landscaper, the plumber, utilities). In some cases, rent proceeds are being used to pay the secured loans on the property. The properties are also still paying their property management fees. Whatever rent money is left over is placed in a segregated bank account for that Debtor. Rental money received and spent is reflected in the Monthly Operating Report for each Debtor. The Monthly Operating Reports are publicly filed on the docket.

44. Is it your intent to sell the properties I am invested in and make a distribution?

The Debtors and Committee have engaged FTI Consulting, Inc. ("FTI") to develop a strategy to maximize value of the Debtors' real estate portfolio. If a property is planned to be sold, notice will be given to the Court and in accordance with the Court's orders establishing procedures for real property sales. *See* Docket Nos. 971 and 1381. Sale proceeds will not be distributed to investors absent a court order.

The order is available at:
https://veritaglobal.net/lm/document/591054525030500000000028
https://veritaglobal.net/lm/document/591054525050100000000001

45. Will I receive advance notice of a property sale so that I can prepare for a 1031 exchange for tax purposes post sale?

All property sales will be preceded by official notice to the Court and will be subject to Court approval. The required notice period will be determined by the Court. Please consult with your tax advisor regarding the implications of a property sale.

46. Do I still have the same ownership rights that I had in my agreement?

As part of the Chapter 11 process, the Bankruptcy Court will determine the validity of creditor and investor claims. Please see the "Overview of the Claims Process" section.

47. Do we have a say in whether to liquidate a property or not?

There will be an opportunity for interested parties to object in the Bankruptcy Court to any proposed sales.

48. Do you have current property values available?

The acquisition price of each property is listed in the Schedules and Statements at https://www.veritaglobal.net/lm/document/list/6175. These are not "current" values.

49. How will 1031 exchange based properties be handled?

After extensive analysis of this issue, the Debtors will not be performing or continuing any 1031 exchanges with respect to properties sold in the bankruptcy cases.

50. Have appraisals been done on the underlying partnership properties? Are they going to be appraised? By what means can the value be ascertained?

The Committee and Debtors have engaged FTI Consulting Inc. to manage the marketing and sales process of real property, which will include understanding the value of the properties, which may include appraisals, and how that value can best be used to repay creditors. Properties are beginning to be put on the market for sale.

51. Can FTI give us an accounting of the number of apartment units, single family homes, commercial properties, etc.? How much monthly income is being generated and where are those funds going?

Greg Gotthardt, from FTI, provided an updated summary of the real estate portfolio in the Fourth Investor Town Hall (starting at minute 36). You may view a recording of the Town Hall at: https://pszjlaw.zoom.us/rec/share/tqm-dy9CWbJi_34K1kbDcGGLqCwflCtQ-YVf2OLWsQVp-_5jLX4R8w0lvQyFh-hd.k-csJsQ7DpK1oeHJ?startTime=1743641817000

IX. Investigation

52. Can you ascertain how many on-books investors there are? Also how many off-book investors?

This research is ongoing. On November 15, 2024, the Debtors filed their *Omnibus List of Equity Security Holders* [Docket No. 353] which lists over 250 "on book" investors and over 550 "off book" investors (investors who assert an interest in a debtor but are not reflected as an investor in the debtors' books and records). As of early April 2025, at least 1,746 "Part 2: Information about the Interest(s)" forms were submitted—

this number includes both on-book and off-book investments. Our understanding is that many people have both "on-book" and "off-book" investments.

53. Why am I not listed as an investor in the property/entity that my contract says I am invested in? Was my money put into a pool of money across several properties instead of the property Mr. Mattson documented in my paperwork?

If you are not listed as an investor on the Debtors' schedules for a given property or entity, that is because the Debtors' books and records do not show that you have an interest in that property and/or entity. Why aren't you listed in the Debtors' books and records? That is what we are investigating.

54. What is the scope of the investigation?

The forensic accounting investigation will focus on understanding the Debtors' books and records, particularly where money came from and where it went. Part of understanding the Debtors' books and records also includes understanding the investments and claims asserted in the proof of interest and proof of claim forms. The forensic accounting investigation will also examine the flow of funds, including if and to what extent funds were transferred between entities and to/from investors. The investigation will also examine whether there are claims that can be brought on behalf of the estate against third parties to bring more assets into the bankruptcy estates.

55. What expenses do you expect the investors/LP partners to pay for? When and how will those payments need to be submitted?

At this time, each Debtor is responsible for paying its own expenses. All income received by a Debtor and all expenses paid by a Debtor are reflected in that Debtor's Monthly Operating Report. Under the Bankruptcy Code, when a business is liquidated, interest holders (i.e. investors) are paid only what is left over after secured and unsecured creditors have been paid in full.

56. For DiviDivi Tree investments maintained by Madison Trust, can I complete a non-ACATS Transfer and move my funds into another IRA custodian?

This would be a custodian question, please contact the custodians at Madison Trust and the other custodian for their process. Investors should be cognizant of how / if this may impact their ability to receive potential distributions.

57. Could we get an update on what is known about fraudulent Divi Divi accounts and Mattson's dealings with Madison Trust?

The Committee and Debtors are investigating this, and we cannot provide an update at this time. We will provide one when we have more information.

58. What is being done about inter-property or inter-debtor loans and notes receivable? Why were there no interest payments made to the lending partnership in this month? Have the loaning entities been getting any interest payments on these notes receivable in previous months? What happens if none of their debtors (other LM entities) have the funds to repay them?

The inter-property loans are of great interest to the Committee and will be a focus of its investigation as it moves forward.

59. The first amended class action dated Oct 17, 2024 (paused for now) contained a factual allegation section on p.19 ("Defendant LeFever's Role in the Investment Scheme") and a claim for relief on p. 64 (Aiding and Abetting Fraud against Defendant Lefever). Has DSI's forensic analysis uncovered alleged wrongdoing on the part of LeFever?

The Debtors and Committee will not comment on the ongoing investigations at this time. Please do note that the Committee has been granted standing to prosecute, mediate, and/or settle claims the Debtors' estates may have against both Mr. Mattson and Mr. LeFever.

60. 9 of the 61 entities consist entirely of "unknown" investors. They don't appear in LM books and records and have no owners listed. They are Apan, Bay Tree, Butcher Road, Golden Tree, Lefever Mattson I, LLC, Windtree, Redbud, Spruce Pine, and Watertree I. Most of these 9 entities have no assets listed. How do these entities affect the bankruptcy outcome?

The Debtors and Committee are evaluating these entities and using the information provided by third parties, including information investors provided through their filed proofs of claim and proofs of interest, to better understand the ownership and assets of these entities.

61. The proofs of interest must contain a mountain of evidence; including hundreds of falsified tax documents. Every "off-book" investment is fraud on a massive scale. Have you made a determination of Ponzi or "sub-con" yet? And will the claims submitted by Lefever and Mattson be subordinated to all other claims?

The Debtors' and Committee's investigations are ongoing. A future town hall will be held to address these questions.

62. The statement of the OCUC filed for the March 7 conference alleges there is indication of fraud. What steps must be taken to prove fraud?

At a minimum, the Debtors and Committee need to complete their investigations.

63. If many of the properties are full of debt how do you find out what they did with the money taken out of the properties?

Through a forensic investigation, the Debtors and Committee can better understand the flow of funds and how loan proceeds were used.

64. Can you claw back funds that Tim & Ken spend unaccounted money on?

The Bankruptcy Code provides the Debtors with the ability to "claw back" funds in certain specific situations as delineated in the Bankruptcy Code. The Debtors and Committee are investigating and analyzing this issue.

X. Involuntary Bankruptcy Petitions and the Mattson Entities

65. What is the relationship between KS Mattson Partners and LeFever Mattson?

LeFever Mattson, a California Corporation, and certain of its affiliate debtors are the debtors in these chapter 11 bankruptcy cases (the "Debtors"). Timothy LeFever and Kenneth Mattson are each 50% equity owners of LeFever Mattson, a California Corporation. KS Mattson Partners, LP is not a debtor in these bankruptcy cases proceeding under lead case no. 24-10545. It is the Debtors' understanding that Kenneth Mattson and Stacy Mattson are the ultimate owners of KS Mattson Partners, LP.

66. As the proceedings drag slowly on, it seems Ken Mattson et. al. is free to spend money on attorneys and life style. This spending negatively impacts the amount of money that might come back to investors. How can we minimize these "lost monies"?

On April 8, 2025, LeFever Mattson, a California Corporation and Windtree, LP (together, the "Petitioning Creditors") filed a motion for preservation order in the involuntary bankruptcy case pending against Kenneth Mattson and the involuntary bankruptcy case pending against KS Mattson Partners, LP ("KSMP"). The motions seek to require Mr. Mattson and KSMP to put forth a proposed budget of their use of assets (real estate, cash, investments, etc.) and to prevent Mr. Mattson and KSMP from encumbering, selling, or transferring any of their assets (real estate, cash, or investments) except as otherwise provided for in an approved budget. The motions have been granted on an interim basis and are currently pending before the United States Bankruptcy Court.

67. Assuming that KM and KSMP are drawn into involuntary bankruptcy, then what real estate assets and partnerships will come under court supervision?

If the involuntary petition is granted against Mr. Mattson, then all of Mr. Mattson's assets (real estate, cash, investments, etc.) would come under court supervision in Mr. Mattson's bankruptcy case. Likewise, if the involuntary petition is granted against KSMP, then all of KSMP's assets (real estate, cash, investments, etc.) would come under court supervision in KSMP's bankruptcy case.

68. Is there any update on the efforts to get Ken and his companies into involuntary bankruptcy, so assets can be protected until they are fairly distributed? Is there any way to accelerate the process rather than waiting until the July hearing? Is Ken helping to straighten this mess out? I can understand that he wants to be careful for legal reasons but the truth is the truth and if he really wants to help, he would right? Is he helping at all?

The professionals for the LeFever Mattson Debtors and the Committee have been in communication with the professionals for Mr. Mattson and KSMP.

69. What can you do about Ken's lawyer's statements about Ken wanting to pay investors?

In light of comments made by Mr. Mattson's and KSMP's professionals, the Petitioning Creditors in the involuntary bankruptcy cases filed motions for preservation orders (as discussed above).

70. Is Ken Mattson and/or KS Mattson partners going to be required to provide a Statement of Financial Affairs? If so what is the deadline.

Ken Mattson and KS Mattson Partners LP are not debtors in these bankruptcy cases. Therefore, they are not required to file Statements of Financial Affairs in these bankruptcy cases. If the Bankruptcy Court grants orders for relief in their involuntary chapter 11 cases, they will be required to file Statements of Financial Affairs, among other documents.

XI. Other On-Going Investigations

71. There has been talk about filing a complaint with the FBI. Are we supposed to file a complaint with the FBI or is that something we're waiting on to see if it's to our best interest?

Any FBI investigation is independent of these bankruptcy proceedings. Any investor wishing to act on their own in this regard is welcome to. For more information about the FBI's investigation, please consult: https://www.fbi.gov/how-we-can-help-

you/victim-services/seeking-victim-information/seeking-investor-information-lefever-mattson.

72. What is the status of the investigation of Ken Mattson? What actions can / should we take as a group or individuals to hold Ken and KS Mattson accountable? Will Mattson be subpoenaed to provide records of the distributions that he continues to issue?

The Debtors and Committee cannot comment on the specifics of their investigations. However, in general, the Committee and Debtors are investigating all potential causes of action the bankruptcy estates have against third parties.

XII. Scope of Available Assets

73. Are the personal assets of partners in a limited partnership at risk during the Chapter 11 proceedings? I don't think they are for LLCs, but not sure about LPs.

Generally speaking, no. However, if you have concerns about this, we encourage you to speak with a bankruptcy attorney.

74. Are Ken Mattson and Tim LeFever's personal assets in play? Is the bankruptcy court able to consider their personal assets (primary residences, vacation homes, expensive automobiles, bank accounts, assets titled in children's names, etc.) that may have been purchased with investors funds?

Ken Mattson and Tim LeFever are not debtors in these bankruptcy cases and so their personal assets are not property of the bankruptcy estates in these bankruptcy proceedings.

75. Will there be penalties for Tim LeFever and Ken Mattson's prepetition conduct?

Unknown at this time.

XIII. Consolidating v. Not Consolidating

76. How are off-book investments going to be handled? We might imagine that a significant portion of investors' money has been used to enrich either Mattson or Lefever and possibly their families, or there could be cases where Mattson or Lefever own a substantial percentage of a particular LP (on-book), but then sold fake (off-book) percentages in the same LP.

This is a very important issue for both the Debtors and the Committee, and we are continuing to work to address it, but we do not have an answer at this time.

77. Does DSI & the OCUC plan to pool the assets from all 61 LeFever Mattson properties? If so, what is the basis for this approach considering each of the limited partnerships is a stand-alone legal entity?

This is a very important issue for both the Debtors and the Committee. We intend to discuss this at a future Town Hall meeting. Also, please note that the bankruptcy court would first need to approve such pooling, which is commonly referred to as "substantive consolidation."

78. How does the bankruptcy court address the circumstances of a Ponzi scheme where a good portion of investor's money gets pocketed by the perpetrators? In other words, how does the criminal element factor into the bankruptcy proceedings?

This is a very important issue for both the Debtors and the Committee. We intend to discuss this at a future Town Hall meeting. Regarding the second part of this question, should there be evidence of a fraud, the government would take care of the criminal part of a fraud, and the Debtors and Committee would take care of the financial part in these bankruptcy proceedings.

XIV. Timing and Getting Money Back

79. What is the timing of people getting their money back? Likelihood of receiving money back in 2025? 2026?

While we currently can't provide an estimate on timing, our goal is to work as fast as we can, knowing there are investors who are dependent on this money.

80. If there is any return of each investor's funds, will that be per sale of a Property LP or is everyone expected to wait a year or two as every LP is sold?

Unknown at this time. The Debtors have an extremely diverse real estate portfolio. The sales process could extend more than a year. How the sales tie into distributions is something we are working to determine at a later date.

81. When, if ever, will we get our investment capital out of LeFever Mattson?

Unknown at this time.

82. Will you sell the business to someone else?

We will evaluate all potential opportunities to maximize value for all stakeholders.

83. Will my monthly distributions be reinstated?

No. Through the Chapter 11 process, LeFever Mattson and affiliates intend to monetize assets to raise funds that can be distributed to investors under Bankruptcy Court supervision, but no monthly payments will be made along the way.

84. How long is this bankruptcy process going to last?

We do not know. The Committee and Debtors are working together to generate the largest possible payout in the shortest possible period of time while at the same time making sure all stakeholders are treated fairly in accordance with the Bankruptcy Code.

85. What is the percentage range of expected recovery?

We do not know at this time. It is still too early in the process to predict.

86. We have googled and spoke with a few attorneys about bankruptcy percentage return averages. We realize that this particular situation is very complex, however, all sources state that the average percentage we will receive 20% at the highest, probably much less, **of what is left.** It's what is left that is concerning. At 1 million going out monthly to pay attorneys and accountants, etc. then paying off the original loans and debtors, we the investors are last. Please give us an estimate of the final percentage of the investors return after the sales of properties and all debt is paid off, what does that mean in actual dollars to us?

At this point, it is too soon to provide expected recoveries to investors. When a disclosure statement is filed with the Bankruptcy Court, it will include projected recoveries for investors.

XV. About the Professionals

87. Does Bradley Sharp, LeFever Mattson, or the court itself have fiduciary responsibility to secured creditors?

Bradly Sharp owes a fiduciary duty to the bankruptcy estates. His job is to maximize the value of the bankruptcy estates for the benefit of all stakeholders including secured creditors. LeFever Mattson has a similar duty. The Court's obligations are imposed by the Bankruptcy Code.

88. Who are the two new directors of Lefever Mattson, Lance Miller and Rishi Jain? What is their role in our affairs as together they cost $30K per month.

Lance Miller and Rishi Jain are independent directors with no previous affiliation with the company. They are restructuring professionals well known to the insolvency community in California. Both are highly respected for their keen insight on financial

matters. The previous board members resigned, and the two new independent directors were appointed to ensure the Debtors are following best practices and that these proceedings are conducted in a sound manner. This is a standard practice in bankruptcy.

89. How does the committee propose to address each individual partnership and communicate this to those they represent? Is that even their role? 61 different entities will take a lot of effort. With the expensive attorneys, how much will this cost? At the Joint Administration hearing on October 15th with Judge Montali, Jason Rosell said he had been “drinking from a firehose for 36 hours” just to get up to speed. At his hourly rate, that has already cost us $40,500? Plus, I’m sure he needed support staff to help him at whatever they charge?

By leveraging combined professionals across all 61 debtors, and the Debtors and Committee working cooperatively together to address issues in these cases, the Committee and Debtors expect to reduce costs and increase efficiency. Additionally, working together further reduces costs because it provides the Committee with negotiating power to reduce professional rates and allows the professionals to address and handle issues that are common across all entities. Moreover, the information collected during the claims and interests process and the forensic accounting will enable the Committee and Debtors to address each partnership.

90. Who appointed Bradley Sharp as Chief Restructuring Officer?

The old board of directors of LeFever Mattson selected Brad Sharp to serve as CRO. Those prior directors have since resigned. He is universally respected for his experience and judgment in cases like this one, and has been working on them for his entire 30-plus year career.

91. Who approved Brad Sharp’s compensation of $50,000 per month?

On October 17, 2024, the Bankruptcy Court approved the retention of Brad Sharp as the Chief Restructuring Officer of the Debtors. This order is on the Bankruptcy Court docket as number 160. For a seasoned professional such as Mr. Sharp being asked to step in as Chief Restructuring Officer in a situation this challenging, his fee is very reasonable, especially when compared to others who offer similar services. Please note that additional restructuring support services provided by DSI are not included in Mr. Sharp’s monthly fee of $50,000 per month.

92. I'm aware of http://www.veritaglobal.net/lm (got your email from there, among other things) and it seems pretty comprehensive. However "Verita Global" seems to be (operated by) a private company involved in the proceedings (funded by the debtor?). My understanding is that the bankruptcy cases in question are Federal Court cases, so I

would expect there to be a court website for this case. As yet, I have not seen a reference to one. Has the court delegated publishing of documents (docket) and other written communication to Verita?

You may access the docket on the court's website at https://www.canb.uscourts.gov/, but this will cost money and you will need a PACER account. Verita keeps a copy of the docket on its website free of charge because it is funded by the Debtors. You may access it at: https://veritaglobal.net/lm/document/list/6173

93. The hourly rate of the committee's lawyers ranges from $650-$1,695 which is shockingly expensive. Was cost a factor in selecting them? What will they do to keep their charges to a minimum given that they are so expensive?

The Committee interviewed three different law firms before selecting PSZJ. The Committee selected PSZJ based on their past experience in similar matters, their standing in the legal community as premier committee lawyers, and their practice focus on "victim cases," including financial and real estate frauds.

In terms of cost controls, the Committee negotiated hard securing both an overall hourly rate discount of 15% for attorney time and a rate lock for 2025. Additionally, the Committee is constantly communicating with its professionals to ensure that the professionals are acting in alignment with the Committee's work plans.

94. It seems resolving the question about what happened with LeFever Mattson and its transactions with KS Mattson Partners LP is going to entail a very large and expensive forensic accounting effort which is likewise going to need to be performed by (a) the Class Action proceedings (assuming they continue), as well as (b) any related criminal investigation(s). Are the higher levels of oversight of this Bankruptcy proceeding (US Attorney General's office?) considering pooling resources with other ongoing or nascent related proceedings to answer this undoubtedly rather large set of questions "once and for all" rather than repeating the effort (and incurring its likely massive cost) on a per-legal-proceeding basis?

The class action lawsuit, the bankruptcy proceedings, and any criminal investigations are all separate proceedings. To the extent that the bankruptcy professionals can work collaboratively with the other investigations underway, they will do so.

XVI. Connection between Class Action and Bankruptcy Case

95. What is the relationship between the bankruptcy and the class action lawsuit? Is this restructuring being done in order to sell the business and the proceeds will go into the class action suit?

The class action lawsuit and these bankruptcy cases are separate. In general, the proceeds of assets liquidated (i.e. sold and reduced to cash) in bankruptcy will be distributed to creditors and equity holders through the bankruptcy system.

96. How will the Bankruptcy filings affect the class action lawsuit?

The bankruptcy filings automatically imposed a stay on lawsuits against LeFever Mattson and its affiliates that filed Chapter 11 petitions. It is hoped that some of the issues raised by the class action lawsuits can be resolved through the bankruptcy process.