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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re: LEFEVER MATTSON, a California corporation, *et al.*,[1] Debtors.	Lead Case No. 24-10545 (CN) (Jointly Administered) Chapter 11 **NOTICE OF LETTER TO CREDITORS AND INVESTORS BY DEBTORS' CHIEF RESTRUCTURING OFFICER CONCERNING DEBTORS' TAX REPORTING**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. 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://veritaglobal.net/LM. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

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TO: THE UNITED STATES BANKRUPTCY COURT, THE UNITED STATES TRUSTEE, AND OTHER PARTIES IN INTEREST

PLEASE TAKE NOTICE that on August 6, 2024, Windscape Apartments, LLC filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Northern District of California (Santa Rosa Division) (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that on September 12, 2024, LeFever Mattson, a California corporation ("LeFever Mattson"), and 57 affiliated entities (the "September 12 Debtors") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that on October 2, 2024, Pinewood Condominiums, LP and Ponderosa Pines, LP, both affiliates of LeFever Mattson, filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "October 2 Debtors," and collectively with Windscape Apartments, LLC and the September 12 Debtors, the "Debtors"). The bankruptcy cases of the Debtors are being jointly administered for procedural purposes only (the "Chapter 11 Cases").

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit A** is a letter to the Debtors' creditors and investors by Bradley D. Sharp, the Debtors' Chief Restructuring Officer, dated July 28, 2025 (the "Letter to Creditors and Investors"), concerning issues related to the Debtors' tax reporting.

PLEASE TAKE FURTHER NOTICE that the Letter to Creditors and Investors will be posted to the official website of the Chapter 11 Cases maintained by the Debtors' claims and noticing agent at https://www.veritaglobal.net/LM.

PLEASE TAKE FURTHER NOTICE that a copy of the Letter to Creditors and Investors can be viewed and/or obtained by: (i) accessing the Bankruptcy Court's website at http://www.canb.uscourts.gov, (ii) contacting the Office of the Clerk of the Court at 450 Golden Gate Avenue, San Francisco, CA 94102, or (iii) from the Debtors' claims and noticing agent, KCC dba Verita Global, at the following web address: https://www.veritaglobal.net/LM, or by calling (877) 709-4751 (toll free) for U.S. and Canada-based parties; or (424) 236-7231 for International parties or by e-mail at: www.veritaglobal.net/lm/inquiry. Note that a PACER password is needed to access documents on the Bankruptcy Court's website.

Dated: July 28, 2025

KELLER BENVENUTTI KIM LLP

By: */s/ Thomas B. Rupp*

Thomas B. Rupp

Attorneys for the Debtors and Debtors in Possession

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EXHIBIT A

(Letter to Creditors and Investors dated July 28, 2025)

Date: July 28, 2025

To: Creditors and Investors of LeFever Mattson

From: Bradley Sharp, Chief Restructuring Officer

Subject: LeFever Mattson Affiliated Debtor Tax Reporting

Dear Investor,

I am writing to provide information that is relevant for your tax reporting and planning situation with respect to your investment in LeFever Mattson and its affiliated debtors in the jointly administered chapter 11 cases styled In re LeFever Mattson, Case No. 24-10545, pending in the United States Bankruptcy Court for the Northern District of California.

As you may be aware, the former Chief Executive Officer of LeFever Mattson, Kenneth Mattson ("Mattson"), was indicted on May 13, 2025 by a federal grand jury in connection with allegations made by the U.S. Attorney's Office in the Northern District of California – San Francisco Division that Mattson was the orchestrator and operator of a Ponzi scheme. The indictment charges Mattson with seven counts of wire fraud, one count of money laundering, and one count of obstruction of justice. On May 22, 2025, Mattson was arrested in connection with the indictment. Mattson was subsequently released on bail and currently awaits trial. For more details on the indictment and grand jury charges, please visit the following Department of Justice website: https://www.justice.gov/usao-ndca/pr/sonoma-real-estate-developer-arrested-charges-defrauding-hundreds-investors

In addition, Mattson was sued by the Securities and Exchange Commission ("SEC") on May 22, 2025. The SEC complaint alleges that Mattson orchestrated a Ponzi scheme from approximately 2007 through April 2024 and is seeking permanent injunctions, including a conduct-based injunction, disgorgement, with prejudgment interest, civil penalties, and an officer and director bar. For more details on the charges raised in the SEC's complaint, please visit the following SEC website: https://www.sec.gov/newsroom/press-releases/2025-76-sec-charges-former-real-estate-investment-ceo-operating-multimillion-dollar-ponzi-scheme.

It has come to our attention that the historical income tax returns prepared by or at the direction of Mattson on behalf of certain partnerships may have inaccurately reported taxable income and partnership capital accounts, and/or may have not been filed with the relevant taxing jurisdictions at all. We have also been unable to verify whether the income tax returns that were actually filed with the relevant taxing jurisdictions are consistent with the Schedule K-1s historically distributed to the partners, and/or if certain partners were inappropriately excluded from the returns that were filed with the Internal Revenue Service ("IRS").

We are in discussions with the IRS and the State of California Franchise Tax Board ("FTB") to determine whether such income tax returns were filed and if the filed income tax returns accurately reflect the books and records of the company; however, we have not received a resolution from the IRS or FTB with respect to these inquiries as of this date.

Due to the ongoing discussions with the IRS and FTB, the alleged actions of Mattson, and the current investigation, we are currently unable to rely on the historical income tax returns in our possession and are unable to rely on the books and records of LeFever Mattson, including all of its related entities, for tax compliance reporting purposes. As a result, LeFever Mattson is not able to provide you with accurate tax reporting information at this time. Therefore, to avoid certain statutory penalties and allow you adequate time to file a 2024 income tax return, you will receive a 2024 Federal Schedule K-1 and 2024 state equivalent schedule K-1s (collectively "K-1s") with no information reported for your share of current year income, deductions, gains, losses and other items. Your 2024 K-1s will however include a summary of your cash contributions and cash distribution to the extent that LeFever Mattson has been able to validate the accuracy of such information.

As a result of the allegations and criminal and/or civil charges levied against Mattson, you may be eligible to deduct certain theft losses on your federal income tax return based on the facts & circumstances unique to your personal situation. Theft losses may be deducted under Section 165(a) of the Internal Revenue Code. See Revenue Ruling 2009-9 (https://www.irs.gov/pub/irs-drop/rr-09-09.pdf) for guidance on deducting theft losses under Section 165(a). You may also be entitled to elective relief under Revenue Procedure 2009-20, as modified by Revenue Procedure 2011-58 (the "IRS Ponzi Scheme Safe Harbor"). Under the IRS Ponzi Scheme Safe Harbor, your losses would be deductible on your 2025 federal income tax return, as Mattson was indicted by a federal grand jury on May 13, 2025. The process for claiming losses under the IRS Ponzi Scheme Safe Harbor differs from the process for claiming losses under the general theft loss deduction rules as summarized in Revenue Ruling 2009-9. See Revenue Procedure 2009-20 (https://www.irs.gov/pub/irs-drop/rp-09-20.pdf) and Revenue Procedure 2011-58 (https://www.irs.gov/pub/irs-drop/rp-11-58.pdf) for more information on claiming theft losses under the IRS Ponzi Scheme Safe Harbor.

Deducting losses under Section 165(a) may provide you with the ability to deduct losses in a tax year that differs from the IRS Ponzi Scheme Safe Harbor. However, it may be difficult to determine facts and circumstances that are necessary to ensure compliance under Section 165(a) at this time as a result of the on-going legal process described herein. The IRS Ponzi Scheme Safe Harbor was designed to offer a simplified approach for claiming theft losses in order to ensure compliance with the IRS rules. For more general information on your theft loss tax reporting options, please visit the following IRS website: https://www.irs.gov/newsroom/help-for-victims-of-ponzi-investment-schemes. States, such as California, may conform to the federal treatment of theft loss deductions under Section 165(a) and the IRS Ponzi Scheme Safe Harbor.

The contents of this letter have been prepared for informational purposes only, they do not constitute tax advice, and they cannot be relied upon for penalty protection purposes regarding the application of tax laws arising under the Internal Revenue Code, judicial decisions, administrative regulations, published rulings, and/or other tax authorities (federal, state or local) existing as of the date hereof.

FOR GUIDANCE CONCERNING THE APPLICABILITY OF THE CONTENTS OF THIS LETTER TO YOUR OWN PERSONAL TAX SITUATION, PLEASE CONSULT YOUR TAX ADVISOR.

Sincerely,

Bradley Sharp
Chief Restructuring Officer
LeFever Mattson et al.