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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

RICHARD ALLEN CLARIDGE, CAPRI
LYNN WINSER, TODD MICHERO, LORI
MICHERO, SCOTT A. WALKER, and
ELIZABETH L. WALKER, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

TIMOTHY J. LEFEVER, KENNETH W.
MATTSON, KS MATTSON PARTNERS, LP,
and SPECIALTY PROPERTIES PARTNERS,
LP,

Defendants.

Case No. 4:24-cv-04093-JST

JOINT STATUS REPORT

1 Pursuant to the Court’s Order dated November 27, 2024 (ECF No. 93), Plaintiffs Richard
 2 Allen Claridge, Capri Lynn Winsler, Todd Michero, Lori Michero, Scott A. Walker, and Elizabeth
 3 L. Walker (“Plaintiffs”), Defendant Timothy J. LeFever (“LeFever”), and Defendant Specialty
 4 Properties Partners, LP (“Specialty Properties Partners”) submit this Joint Status Report.

5 **I. Procedural Background**

6 On October 17, 2024, Plaintiffs filed a First Amended Class Action Complaint (“FAC”)
 7 naming Defendants LeFever, Kenneth W. Mattson (“Mattson”), KS Mattson Partners, LP
 8 (“KSMP”), and Specialty Properties Partners (together, the “Defendants”). ECF No. 73.

9 On November 22, 2024, LeFever Mattson, a California corporation (“LeFever Mattson”)¹
 10 filed an involuntary bankruptcy petition against Mattson for relief under Chapter 11 of Title 11 of
 11 the United States Code (the “Bankruptcy Code”), in the United States Bankruptcy Court for the
 12 Northern District of California (the “Bankruptcy Court”), in *In re Kenneth W. Mattson*, No. 24-
 13 10714 (Bankr. N.D. Cal.) (“*Mattson*” or the “*Mattson Involuntary Bankruptcy*”). *See* ECF No.
 14 93, Ex. A. That same day, LeFever Mattson and Windtree, LP filed an involuntary petition
 15 against KSMP for relief under Chapter 11 of Title 11 of the Bankruptcy Code in the Bankruptcy
 16 Court, in *In re KS Mattson Partners, LP*, No. 24-10715 (Bankr. N.D. Cal.) (“*KSMP*” or the
 17 “*KSMP Involuntary Bankruptcy*” and, together with the *Mattson Involuntary Bankruptcy*, the
 18 “*Involuntary Bankruptcies*”). *See* ECF No. 93, Ex. A.²

19 On November 27, 2024, in the interest of conserving the parties’ and the Court’s
 20 resources, and efficient administration of the class action as to all Defendants, Plaintiffs,
 21 Defendant LeFever, and Defendant Specialty Properties Partners filed a stipulated request to stay
 22

23 ¹ On September 12, 2024, then-Defendants LeFever Mattson, LeFever Mattson I, LLC, Home
 24 Tax Service of America, Inc. (d/b/a LeFever Mattson Property Management), and Divi Divi Tree,
 LP, and certain other affiliates filed voluntary petitions of for relief under the U.S. Bankruptcy
 Code. *See* ECF No. 58.

25 ² Pursuant to section 362(a) of the Bankruptcy Code, the commencement of the Involuntary
 26 Bankruptcies “operates as a stay, applicable to all entities,” of, among other things, “the
 27 commencement or continuation, including the issuance or employment of process, of a judicial,
 administrative, or other action or proceeding against the debtor that was or could have been
 commenced before the commencement of the case under [the Bankruptcy Code], or to recover a
 claim against the debtor that arose before the commencement of the [bankruptcy] case” and “any
 28 act to obtain possession of property of the estate or of property from the estate or to exercise
 control over property of the estate.” 11 U.S.C. § 362(a)(1), (3).

1 the above-captioned action. On December 2, 2024, this Court entered an order staying this action
2 and directing the parties to “file a Joint Status Report advising the Court as to the status of the
3 Involuntary Bankruptcies and each party’s position regarding whether or not the stay should be
4 lifted” within one hundred twenty (120) days. ECF No. 94.

5 **II. Status of the Involuntary Bankruptcies**

6 On December 20, 2024, Mattson and KSMP filed motions to dismiss the involuntary
7 petitions in their respective bankruptcy cases. *See Mattson*, ECF No. 18; *KSMP*, ECF No. 18. In
8 response, Plaintiffs filed a statement describing their interests, and those of the class, for the
9 Bankruptcy Court’s consideration.³ The Bankruptcy Court held hearings on the motions to
10 dismiss on February 5, 2025 and February 28, 2025. During the February 28 hearing, and by
11 written order on March 3, 2025, the Bankruptcy Court denied both Mattson’s and KSMP’s
12 motions to dismiss. *See Mattson*, ECF No. 48; *KSMP*, ECF No. 55.⁴ The Bankruptcy Court’s
13 order authorized the commencement of discovery in both Involuntary Bankruptcies, including
14 with respect to whether the Involuntary Bankruptcies should proceed, with a discovery cutoff of
15 June 30, 2025. *Id.* A further status conference has been scheduled for July 2, 2025, at 11:00 am.
16 *Id.* In light of the Bankruptcy Court’s order, Plaintiffs’ claims against Mattson and KS Mattson
17 as Defendants in this action continue to be subject to an automatic stay pursuant to section 362(a)
18 of the Bankruptcy Code.

19 **III. The Parties’ Positions as to the Stay of This Action**

20 Following the Bankruptcy Court’s orders denying Mattson’s and KSMP’s motions to
21 dismiss the involuntary bankruptcy petitions against them, the parties to the Involuntary
22 Bankruptcies are expected to engage in discovery over the coming months and to litigate the issue
23 of whether Mattson and KSMP are to be placed into bankruptcy and subject to the Bankruptcy
24 Court’s supervisory authority. Accordingly, because it remains unclear whether Mattson and
25 KSMP will be placed into bankruptcy, the parties respectfully request that the stay of this action

26 _____
27 ³ A copy of Plaintiffs’ statement, filed in the Mattson Involuntary Bankruptcy, is attached hereto
as Exhibit A.

28 ⁴ A copy of the Bankruptcy Court’s order in the Mattson Involuntary Bankruptcy is attached
hereto as Exhibit B. A copy of the Bankruptcy Court’s order in the KSMP Involuntary
Bankruptcy is attached hereto as Exhibit C.

1 remain in place, and that the Court enter an order directing the parties to file a Joint Status Report
2 advising the Court as to the status of the Involuntary Bankruptcies and each party's position
3 regarding whether or not the stay should be lifted, no later than one hundred twenty (120) days of
4 such order.

5
6 Dated: April 1, 2025

/s/ Michael K. Sheen

Michael K. Sheen

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Attestation Pursuant to Local Rule 5-1(i)(3)

Pursuant to Local Rule 5-1(i)(3), I attest that concurrence in the filing of this document has been obtained from each of the other signatories.

Dated: April 1, 2025

/s/ Michael K. Sheen
Michael K. Sheen