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8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 OAKLAND DIVISION  
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12 RICHARD ALLEN CLARIDGE, CAPRI  
13 LYNN WINSER, TODD MICHERO, LORI  
14 MICHERO, SCOTT A. WALKER, and  
ELIZABETH L. WALKER, on behalf of  
themselves and all others similarly situated,

15 Plaintiffs,

16 v.

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

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

**JOINT STATUS REPORT**

Pursuant to the Court’s Order dated April 2, 2025 (ECF No. 102), Plaintiffs Richard Allen Claridge, Capri Lynn Winsor, Todd Michero, Lori Michero, Scott A. Walker, and Elizabeth L. Walker (“Plaintiffs”), Defendant Timothy J. LeFever (“LeFever”), and Defendant Specialty Properties Partners, LP (“Specialty Properties Partners”) submit this Joint Status Report.

# **I. Procedural Background**

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

On November 22, 2024, LeFever Mattson, a California corporation (“LeFever Mattson”) filed an involuntary bankruptcy petition against Mattson for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Northern District of California (the “Bankruptcy Court”), in *In re Kenneth W. Mattson*, No. 24-10714 (Bankr. N.D. Cal.) (“*Mattson*” or the “*Mattson Bankruptcy*”). See ECF No. 93, Ex. A. That same day, LeFever Mattson and Windtree, LP filed an involuntary petition against KSMP for relief under Chapter 11 of Title 11 of the Bankruptcy Code in the Bankruptcy Court, in *In re KS Mattson Partners, LP*, No. 24-10715 (Bankr. N.D. Cal.) (“*KSMP*” or the “*KSMP Bankruptcy*”). See ECF No. 93, Ex. A.<sup>1</sup>

On November 27, 2024, in the interest of conserving the parties’ and the Court’s resources, and efficient administration of the class action as to all Defendants, Plaintiffs, Defendant LeFever, and Defendant Specialty Properties Partners filed a stipulated request to stay the above-captioned action, which the Court entered on December 2, 2024. See ECF No. 94.

On April 1, 2025, the parties filed a joint status report advising the Court of the status of the Mattson and KSMP Bankruptcies. Therein, the parties requested that the stay of this action

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<sup>1</sup> Pursuant to section 362(a) of the Bankruptcy Code, the commencement of the Mattson and KSMP Bankruptcies “operates as a stay, applicable to all entities,” of, among other things, “the 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 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 remain in place. ECF No. 100. On April 2, 2025, the Court entered an order directing the parties  
2 to file a further joint status report by August 1, 2025. ECF No. 102.

## 3 **II. Status of the Bankruptcies**

### 4 **A. LeFever Mattson Bankruptcy**

5 On September 12, 2024, then-Defendants LeFever Mattson, LeFever Mattson I, LLC,  
6 Home Tax Service of America, Inc. (d/b/a LeFever Mattson Property Management), and Divi  
7 Tree, LP, and certain other affiliates filed voluntary petitions of for relief under the U.S.  
8 Bankruptcy Code. *See* ECF No. 58; *In re LeFever Mattson*, No. 24-10545 (Bankr. N.D. Cal.)  
9 (“*LeFever Mattson*”), ECF No. 1. Soon thereafter, an Official Committee of Unsecured Creditors  
10 (the “Committee”) was appointed, consisting of several LeFever Mattson investors. *LeFever*  
11 *Mattson*, ECF No. 135. On December 13, 2024, the Bankruptcy Court entered an order  
12 establishing a bar date of February 14, 2025, for the submission of investor proofs of interest and  
13 proofs of claim. *LeFever Mattson*, ECF No. 459. To promote maximum participation in the  
14 bankruptcy proceedings and in coordination with the Committee, Plaintiffs’ counsel separately  
15 informed investors of significant developments in the bankruptcy proceedings, and encouraged  
16 the filing of the proofs of interest and proofs of claim in advance of the February 14, 2025 bar  
17 date. In total, the *LeFever Mattson* debtors and the Committee received approximately 1,800  
18 proofs of interest and proofs of claim prior to the bar date. *LeFever Mattson*, ECF No. 1357.

19 On July 14, 2025, the *LeFever Mattson* debtors and the Committee jointly filed a Notice  
20 of Term Sheet for Global Settlement and Plan of Liquidation. *LeFever Mattson*, ECF No. 1724  
21 (the “Term Sheet”). The Term Sheet sets forth the principal terms of a proposed global  
22 settlement of investor claims.

### 23 **B. The Mattson and KSMP Bankruptcies**

24 On December 20, 2024, Mattson and KSMP filed motions to dismiss the involuntary  
25 petitions in their respective bankruptcy cases. *See Mattson*, ECF No. 24; *KSMP*, ECF No. 18.  
26 On March 3, 2025, the Bankruptcy Court denied Mattson’s and KSMP’s motions. *Mattson*, ECF  
27 No. 48; *KSMP*, ECF No. 55.  
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On June 9, 2025, the Bankruptcy Court entered a stipulated order granting the involuntary petition in the KSMP Bankruptcy. *KSMP*, ECF No. 131. On July 10, 2025, LeFever Mattson (as petitioning creditor) and Mattson stipulated to the entry of an order granting the involuntary petition in the Mattson Bankruptcy and the transition of Mattson into a voluntary case under the Bankruptcy Code. *Mattson*, ECF No. 114.

Following the resolution of the involuntary petitions and the entry of Mattson and KSMP into voluntary bankruptcy proceedings, on June 20, 2025, the Committee in the *LeFever Mattson* bankruptcy case filed a motion to for substantive consolidation of the LeFever Mattson and KSMP estates. *LeFever Mattson*, ECF No. 1585 at 6. Thereafter, KSMP, LeFever Mattson, and the Committee agreed to defer consideration of the Committee's substantive consolidation motion pending consideration of, and voting on, a joint plan of liquidation for both the *LeFever Mattson* debtors and KSMP on the condition that certain interim relief be granted. On July 29, 2025, pursuant to that agreement, the Bankruptcy Court entered a Stipulated Bridge Order that, among other things, (i) held the Committee's substantive consolidation motion in abeyance, and (ii) administratively consolidated the KSMP Bankruptcy with the LeFever Mattson proceedings. *LeFever Mattson*, ECF No. 1887.

Accordingly, Plaintiffs' claims against Mattson and KSMP as Defendants in this action remain subject to the automatic stay pursuant to Section 362(a) of the Bankruptcy Code.

### **III. Mattson Criminal Proceedings and SEC Civil Enforcement Action**

On May 22, 2025, federal authorities arrested Mr. Mattson pursuant to a nine-count indictment against Mr. Mattson for wire fraud, money laundering, obstruction of justice, and forfeiture. *USA v. Mattson*, No. 4:25-cr-00126-JST (N.D. Cal.) ("*USA v. Mattson*"). Following a detention hearing before Magistrate Judge Alex G. Tse, Mr. Mattson was released on bond on May 28, 2025. *USA v. Mattson*, ECF Nos. 21–22.

On May 22, 2025, the Securities and Exchange Commission commenced a civil enforcement action against Mr. Mattson, for violations of Section 10(b) of the Securities Exchange Act and SEC Rule 10b-5, violations of Section 17(a) of the Securities Act, violations of

Sections 5(a) and 5(c) of the Securities Act, and Unjust Enrichment, *SEC v. Mattson*, No. 4:25-cv-04387-JST (N.D. Cal.) (“*SEC v. Mattson*”).

Both *USA v. Mattson* and *SEC v. Mattson* have been deemed related to *Hultman v. Mattson*, No. 24-cv-03381-JST (N.D. Cal.), and are now pending before this Court. *See Hultman*, ECF No. 89.

#### IV. The Parties’ Positions as to the Stay of This Action

In light of the pendency of the *LeFever Mattson*, *KSMP*, and *Mattson* bankruptcy cases, as well as *USA v. Mattson* and *SEC v. Mattson*, the parties respectfully request that the stay of this action remain in place, and that the Court enter an order directing the parties to file a Joint Status Report advising the Court as to the status of the related actions and each party’s position regarding whether or not the stay should be lifted, no later than December 5, 2025.

Dated: August 1, 2025

/s/ 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: August 1, 2025

/s/ Michael K. Sheen  
Michael K. Sheen