

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

WOODBIDGE GROUP OF COMPANIES, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Hearing Date:

June 5, 2018 at 11:00 a.m. (ET)

Response Deadline:

April 30, 2018 at 4:00 p.m. (ET)

DEBTORS' (I) OBJECTION TO PROOF OF CLAIM NO. 1216 ASSERTED BY PUTATIVE TRANSFEREE CONTRARIAN FUNDS, LLC WITHOUT PREJUDICE TO RIGHT OF PUTATIVE TRANSFERORS ELISSA AND JOSEPH BERLINGER TO ASSERT SUCH CLAIM; AND (II) REQUEST FOR A LIMITED WAIVER OF LOCAL RULE 3007-1(f)(iii), TO THE EXTENT SUCH RULE MAY APPLY

Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) hereby file this objection (this “Objection”) seeking entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), (i) disallowing and expunging Claim No. 1216 (the “Transferred Claim”) asserted by Contrarian Funds, LLC (“Contrarian”), without prejudice to the right of Elissa and Joseph Berlinger (the “Berlingers”) to assert such claim on their own behalf, as the claim has been duly scheduled by the Debtors, (ii) directing Garden City Group, Inc. (the “Claims Agent”) to reflect the foregoing modifications on the official register maintained by the Claims Agent (the “Claims Register”), and (iii) waiving Rule 3007-1(f)(iii) of the Local Rules of Bankruptcy Practice and Procedure of the United States

¹ The last four digits of Woodbridge Group of Companies, LLC’s federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of this information may be obtained on the website of the Debtors’ noticing and claims agent at www.gardencitygroup.com/cases/WGC, or by contacting the undersigned counsel for the Debtors.

Bankruptcy Court for the District of Delaware (the “Local Rules”) to the extent such rule may otherwise bar the assertion of any subsequent substantive objection (if any) to the Transferred Claim or any claim(s) that may be filed by the Berlingers. In support of this Objection, the Debtors rely on the record of these Chapter 11 Cases and the *Declaration of Bradley D. Sharp in Support of Debtors’ Objection to Claim No. 1216 Asserted by Contrarian Funds, LLC* attached hereto as **Exhibit B** (the “Sharp Declaration”) and respectfully states as follows:

I. JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Objection to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief requested herein are Bankruptcy Code section 502(b), Bankruptcy Rules 3001, 3003, and 3007, and Local Rules 1001-1(c), 3007-1, and 3007-2.

II. BACKGROUND

2. On December 4, 2017, certain of the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code, and on February 9, 2018, March 9, 2018, March 23, 2018 and March 27 2018, additional affiliated Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code (collectively, the “Petition Dates”). Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are continuing to manage their financial affairs as debtors in possession.

3. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. As of the date hereof, no trustee has been appointed in the Chapter 11 Cases. An official committee of unsecured creditors (the “Committee”) was appointed in the Chapter 11 Cases on December 14, 2017 [D.I. 79]. On January 23, 2018, the Court approved a settlement providing for the formation of an ad hoc noteholder group (the “Noteholder Group”) and an ad hoc unitholder group (the “Unitholder Group”) [D.I. 357].

4. Appended to the Transferred Claim are three promissory notes, dated October 14, 2016, August 8, 2016, and December 15, 2016 (each a “Note” and collectively the “Notes”). *See* Claim No. 1216. Each of the three Notes indicates that it reflects a loan of \$25,000 from the Berlingers to Debtor Woodbridge Mortgage Investment Fund 3A, LLC (the “Fund”), for a total principal amount of \$75,000 in the aggregate. *Id.* Each Note states: “Neither this Note, the Loan Agreement of even date herewith between [the Fund] and [the Berlingers], nor all other instruments executed or to be executed in connection therewith (collectively, the ‘Collateral Assignment Documents’) are assignable by [the Berlingers] without the [Fund’s] written consent and any such attempted assignment without such consent shall be null and void.” *See* Note, § 14.

5. Also appended to the Transferred Claim is a notarized document, dated February 13, 2018 (the “Transfer Notice”), purporting to transfer “all [the Berlingers’] right, title and interest in and to the [Berlingers’] claim in the amount of \$75,000.00 ... against the [Fund]” to Contrarian. *See* Claim No. 1216. On March 1, 2018, Contrarian filed the Transferred Claim as an asserted secured claim against the Fund in the amount of \$75,000. *Id.*

6. The Debtors have not consented and expressly do not consent to the transfer of the Berlingers’ Notes to Contrarian. Sharp Decl., ¶ 4. The Debtors’ schedules reflect three

\$25,000 non-contingent, liquidated, and undisputed claims in favor of the Berlingers, for an aggregate total of \$75,000, on account of the Notes. Sharp Decl., ¶ 3.

7. A copy of the Transferred Claim is attached hereto as **Exhibit C**.

III. RELIEF REQUESTED

8. By this Objection, the Debtors seek entry of the Proposed Order (i) disallowing and expunging the Transferred Claim asserted by Contrarian in its entirety, without prejudice to the right of the Berlingers to assert such claim on their own behalf, as the claim has been duly scheduled by the Debtors, (ii) directing the Claims Agent to reflect the foregoing modifications on the Claims Register, and (iii) waiving Local Rule 3007-1(f)(iii) to the extent such rule may otherwise bar the assertion of any subsequent substantive objection (if any) to the Transferred Claim or any claim(s) that may be filed by the Berlingers.²

IV. BASIS FOR OBJECTION

9. Section 502(a) of the Bankruptcy Code provides that a “claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest ... objects.” 11 U.S.C. § 502(a). In adjudicating claim objections, courts apply “a burden-shifting framework.” *In re Devonshire PGA Holdings LLC*, 548 B.R. 689, 697 (Bankr. D. Del. 2016).

The Third Circuit Court of Appeals described this framework as follows:

Initially, the claimant must allege facts sufficient to support the claim. If the averments in his filed claim meet this standard of sufficiency, it is “*prima facie*” valid. In other words, a claim that alleges facts sufficient to support a legal liability to the claimant satisfies the claimant’s initial obligation to go forward. The burden of going forward then shifts to the objector to produce evidence sufficient to negate the *prima facie* validity of the filed claim. It is often said that the objector must produce evidence

² Although the Debtors do not believe this Objection is one “based on substantive grounds, other than incorrect classification of a claim,” Del. Bankr. L.R. 3007-1(f)(iii), and therefore do not believe that the Objection is required to “include all substantive objections to such claim,” *id.*, this Objection requests (out of an abundance of caution) a waiver of Local Rule 3007-1(f)(iii) to the extent such rule might otherwise be construed to apply.

equal in force to the *prima facie* case. In practice, the objector must produce evidence which, if believed, would refute at least one of the allegations that is essential to the claim's legal sufficiency. If the objector produces sufficient evidence to negate one or more of the sworn facts in the proof of claim, the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence.

In re Allegheny Int'l Inc., 954 F.2d 167, 173–74 (3d Cir. 1992) (citations omitted).

10. Pursuant to Bankruptcy Code section 502(b)(1), a debtor in possession may object to a claim on the grounds that “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured.” 11 U.S.C. § 502(b)(1). An objection challenging the standing of a claimant is proper under § 502(b)(1) “because if a claimant has not proven it is the owner of a claim with a right to payment (i.e. the party with standing), the claim is unenforceable against the debtor under state law.” *In re Richter*, 478 B.R. 30, 48–49 (Bankr. D. Colo. 2012). “To have an allowed proof of claim, the claimant must prove an initial fact: that it is the creditor to whom the debt is owed or, alternatively, that it is the authorized agent of the creditor.” *In re Kendall*, 380 B.R. 37, 46 (Bankr. N.D. Okla. 2007); *see also In re Gillbreath*, 409 B.R. 84, 121 (Bankr. S.D. Tex. 2009) (“In order to establish the validity of [these] proofs of claim ... over the Debtors’ objection, [the putative assignee] had the burden of proving that it actually owns the claims.”).

11. Courts have sustained objections under section 502(b)(1) to claims asserted by a putative assignee where the putative assignee fails to meet its burden of proving its ownership of the debt by demonstrating a valid assignment of the obligation that would be enforceable under state law or an applicable agreement. *See, e.g., In re Foy*, 469 B.R. 209, 214–15 (Bankr. E.D. Pa. 2012) (sustaining debtor’s objections under § 502(b)(1) to certain transferred claims because under applicable state law, the partial assignment of a judgment requires the consent of the judgment debtor and the putative assignee did not obtain such consent, thus the assignments

were “a legal nullity” under state law); *Pursley v. eCast Settlement Corp. (In re Pursley)*, 451 B.R. 213, 232–34 (Bankr. M.D. Ga. 2011) (sustaining debtor’s objection under § 502(b)(1) to claim asserted by assignee on the basis that the assignee failed to prove a valid assignment of the claim that would be enforceable under state law); *In re Gillbreath*, 409 B.R. at 121 (sustaining debtor’s objections under § 502(b)(1) to certain transferred claims because the putative assignee failed to establish a valid assignment of the claims and thus the claims were not enforceable under state law); *In re Taylor*, 363 B.R. 303, 310–11 (Bankr. M.D. Fla. 2007) (sustaining debtor’s objections under § 502(b)(1) to certain transferred claims because the putative assignee “did not establish it holds a legally enforceable agreement supporting the claim”).

12. Here, the Notes expressly provide that the Debtors’ consent is required in order for any assignment to be valid. *See* Note, § 14. Because the Debtors have not consented and do not consent to the assignment to Contrarian, *see* Sharp Decl. ¶ 4, the putative assignment reflected in the Transfer Notice is unenforceable against the Debtors. *See, e.g., In re Spiers*, 2015 Bankr. LEXIS 1901, at *9–10 (Bankr. W.D.N.C. June 10, 2015) (concluding where a state court order prohibited the claimant from assigning its claim, the claimant’s attempt to transfer such claim to the putative assignee was invalid and legally unenforceable). Accordingly, Contrarian cannot meet its ultimate burden of proving its ownership of the debt pursuant to a valid assignment, and thus has failed to prove that its claim is enforceable against the Debtors or their property. The Objection should be sustained and the Transferred Claim should be disallowed under section 502(b)(1). *Cf. In re Kendall*, 380 B.R. at 49 (“Because [the putative assignee] has not met its ultimate burden of proving ... its ownership of the debt, [the putative assignee] has failed to prove that its claim is enforceable against [the debtor] or his property, and

therefore [the debtor's] objection should be sustained and the claim disallowed under 11 U.S.C. § 502(b)(1).”).

13. In addition, the Debtors respectfully submit that the disallowance of the Transferred Claim should be without prejudice to the right of the Berlingers to assert such claim on their own behalf, as the claim has been duly scheduled by the Debtors. *See, e.g., In re King*, 2016 Bankr. LEXIS 2443, at *21–23 (Bankr. E.D.N.C. June 30, 2016) (concluding where an attempted assignment of claim was unenforceable, the putative assignor was the proper holder of the claim and not the putative assignee). Such relief will result in an accurate Claims Register and will not prejudice the Berlingers, as they will retain the rights that were never validly alienated from them. Accordingly, the Debtors request that the Transferred Claim be disallowed and expunged in its entirety without prejudice to the right of the Berlingers to assert such claim on their own behalf, as the claim has been duly scheduled by the Debtors.

14. The Debtors do not believe this Objection is one “based on substantive grounds, other than incorrect classification of a claim,” Del. Bankr. L.R. 3007-1(f)(iii), and therefore do not believe that the Objection is required to “include all substantive objections to such claim,” *id.* Nonetheless, out of an abundance of caution, the Debtors request a waiver of Local Rule 3007-1(f)(iii) to the extent such rule might otherwise be construed to apply. Such waiver is authorized by Local Rule 1001-1(c), and will ensure that all rights of the Debtors or any subsequently appointed estate representative to object in the future to the Transferred Claim or to any future claim(s) the Berlingers may assert on account of the Notes on any grounds permitted by bankruptcy or nonbankruptcy law are expressly reserved.

V. RESERVATION OF RIGHTS

15. The Debtors reserve the right to amend, modify, and/or supplement this Objection if necessary. Nothing contained in this Objection or any actions taken by the Debtors pursuant to

the relief requested herein is intended or should be construed as (i) an admission as to the validity of any claim, (ii) a waiver of the Debtors' rights to dispute any claim on any grounds, (iii) a promise or requirement to pay any claim, (iv) an implication or admission that any claim is of a type referenced or defined in this Objection, (v) an implication or admission that any contract or lease is executory or unexpired, as applicable, (vi) a waiver or limitation of any of the Debtors' rights under the Bankruptcy Code or applicable law, (vii) a request or authorization to assume or reject any agreement under Bankruptcy Code section 365, (viii) a waiver of any party's rights to assert that any other party is in breach or default of any agreement, or (ix) an implication or admission that any contract or lease is integrated with any other contract or lease.

VI. NOTICE

16. The Debtors have provided notice of this Objection to: (i) the Office of the United States Trustee for the District of Delaware, (ii) counsel to the DIP Lender, (iii) counsel for the Committee, (iv) counsel for the Noteholder Group, (v) counsel for the Unitholder Group, (vi) the Berlingers, (vii) Contrarian, and (viii) all parties that have requested notice in these Chapter 11 Cases pursuant to Local Rule 2002-1. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

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VII. CONCLUSION

WHEREFORE, for the reasons set forth herein and in the Declaration, the Debtors respectfully requests that the Court enter the Proposed Order granting the relief requested herein and granting such other and further relief as is just and proper.

Dated: April 16, 2018
Wilmington, Delaware

/s/ Ian J. Bambrick
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Sean M. Beach (No. 4070)
Edmon L. Morton (No. 3856)
Ian J. Bambrick (No. 5455)
Allison S. Mielke (No. 5934)
Rodney Square, 1000 North King Street
Wilmington, Delaware 19801
Tel: (302) 571-6600
Fax: (302) 571-1253

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP
Kenneth N. Klee (*pro hac vice*)
Michael L. Tuchin (*pro hac vice*)
David A. Fidler (*pro hac vice*)
Jonathan M. Weiss (*pro hac vice*)
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067

Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

WOODBRIIDGE GROUP OF COMPANIES, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Hearing Date:

June 5, 2018 at 11:00 a.m. (ET)

Response Deadline:

April 30, 2018 at 4:00 p.m. (ET)

NOTICE OF DEBTORS' (I) OBJECTION TO PROOF OF CLAIM NO. 1216 ASSERTED BY PUTATIVE TRANSFEREE CONTRARIAN FUNDS, LLC WITHOUT PREJUDICE TO RIGHT OF PUTATIVE TRANSFERORS ELISSA AND JOSEPH BERLINGER TO ASSERT SUCH CLAIM; AND (II) REQUEST FOR A LIMITED WAIVER OF LOCAL RULE 3007-1(f)(iii), TO THE EXTENT SUCH RULE MAY APPLY

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (II) COUNSEL TO THE DIP LENDER; (III) COUNSEL FOR THE COMMITTEE; (IV) COUNSEL FOR THE NOTEHOLDER GROUP; (V) COUNSEL FOR THE UNITHOLDER GROUP; (VI) THE BERLINGERS; (VII) CONTRARIAN FUNDS, LLC; AND (VII) ALL PARTIES THAT HAVE REQUESTED NOTICE IN THESE CHAPTER 11 CASES PURSUANT TO LOCAL RULE 2002-1.

PLEASE TAKE NOTICE that Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors") have filed the attached **Debtors' (I) Objection to Proof of Claim No. 1216 Asserted by Putative Transferee Contrarian Funds, LLC Without Prejudice to Right of Putative Transferors Elissa and Joseph Berlinger to Assert Such Claim; and (II) Request for a Limited Waiver of Local Rule 3007-1(f)(iii), to the Extent Such Rule May Apply** (the "Objection").²

PLEASE TAKE FURTHER NOTICE that responses to the Objection must be filed on or before **April 30, 2018 at 4:00 p.m. (ET)** (the "Response Deadline") with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 North Market Street, Wilmington,

¹ The last four digits of Woodbridge Group of Companies, LLC's federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of this information may be obtained on the website of the Debtors' noticing and claims agent at www.gardencitygroup.com/cases/WGC, or by contacting the undersigned counsel for the Debtors.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

Delaware 19801. At the same time, you must serve a copy of any response upon the undersigned counsel to the Debtors so as to be received on or before the Response Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE OBJECTION WILL BE HELD ON JUNE 5, 2018 AT 11:00 A.M. (ET) BEFORE THE HONORABLE KEVIN J. CAREY IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 5, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT, IF NO RESPONSES TO THE OBJECTION ARE TIMELY FILED, SERVED, AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THEN THE COURT MAY GRANT THE RELIEF REQUESTED IN THE OBJECTION WITHOUT FURTHER NOTICE OR A HEARING.

Dated: April 16, 2018
Wilmington, Delaware

/s/ Ian J. Bambrick
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Sean M. Beach (No. 4070)
Edmon L. Morton (No. 3856)
Ian J. Bambrick (No. 5455)
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Tel: (302) 571-6600
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-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP
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Michael L. Tuchin (*pro hac vice*)
David A. Fidler (*pro hac vice*)
Jonathan M. Weiss (*pro hac vice*)
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067

Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

WOODBIDGE GROUP OF COMPANIES, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Re Docket No:

**ORDER (I) SUSTAINING DEBTORS' OBJECTION TO PROOF OF CLAIM NO. 1216
ASSERTED BY CONTRARIAN FUNDS, LLC, WITHOUT PREJUDICE TO
RIGHT OF PUTATIVE TRANSFERORS ELISSA AND JOSEPH BERLINGER TO
ASSERT SUCH CLAIM AND (II) WAIVING, TO THE EXTENT APPLICABLE,
LOCAL RULE 3007-1(f)(iii)**

Upon the objection (the "Objection")² filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") in these chapter 11 cases (the "Chapter 11 Cases") seeking entry of an order, pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3001, 3003, and 3007, and Local Rules 3007-1 and 3007-2, (i) disallowing and expunging Claim No. 1216 (the "Transferred Claim") asserted by Contrarian Funds, LLC ("Contrarian"), without prejudice to the right of the Berlingers to assert such claim on their own behalf, as the claim has been duly scheduled by the Debtors, (ii) directing the Claims Agent to reflect the foregoing modifications in the Claims Register, and (iii) waiving Local Rule 3007-1(f)(iii) to the extent such rule may otherwise bar the assertion of any subsequent substantive objection (if any) to the

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² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Objection.

Transferred Claim or any claim(s) that may be filed by the Berlingers; and upon consideration of the record of these Chapter 11 Cases and the Sharp Declaration; and it appearing that the Court has jurisdiction to consider the Objection in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and it appearing that the Objection is a core matter pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of these Cases and of the Objection is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Objection has been given under the circumstances and that no other or further notice need be given; and after due deliberation, and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, and DECREED THAT:

1. The Objection is SUSTAINED as set forth herein.
2. The Transferred Claim is hereby disallowed and expunged in its entirety, without prejudice to the right of the Berlingers to assert such claim on their own behalf, as the claim has been duly scheduled by the Debtors.
3. The Claims Agent is directed to modify the Claims Register to comport with the relief granted by this Order.
4. Nothing in this Order shall affect any party's rights with respect to any claim that the Berlingers may assert on account of the Notes, and all parties' rights with respect to any such claim are reserved, including, the Debtors' or any subsequently appointed estate representative's rights to object in the future to any such claim on any grounds permitted by bankruptcy or nonbankruptcy law. For the avoidance of doubt and to the extent applicable, Local Rule 3007-

1(f)(iii) is hereby deemed waived with respect to the relief requested in the Objection and granted by this Order.

5. Nothing in this Order shall be deemed (i) an admission as to the validity of any claim, (ii) a waiver of the Debtors' rights to dispute any claim on any grounds, (iii) a promise or requirement to pay any claim, (iv) an implication or admission that any claim is of a type referenced or defined in the Objection, (v) an implication or admission that any contract or lease is executory or unexpired, as applicable, (vi) a waiver or limitation of any of the Debtors' rights under the Bankruptcy Code or applicable law, (vii) a request or authorization to assume or reject any agreement under Bankruptcy Code section 365, (viii) a waiver of any party's rights to assert that any other party is in breach or default of any agreement, or (ix) an implication or admission that any contract or lease is integrated with any other contract or lease.

6. Notwithstanding any applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, or the Local Rules, this Order shall be effective immediately upon its entry.

7. The Debtors are authorized to take all actions necessary or appropriate to effectuate the relief granted pursuant to this Order in accordance with the Objection.

8. This Court shall retain jurisdiction and power with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: _____, 2018
Wilmington, DE

KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Sharp Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

WOODBIDGE GROUP OF COMPANIES, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

**DECLARATION OF BRADLEY D. SHARP IN SUPPORT OF DEBTORS' OBJECTION
TO CLAIM NO. 1216 ASSERTED BY CONTRARIAN FUNDS, LLC**

I, Bradley D. Sharp, hereby declare under penalty of perjury, pursuant to section 1746 of title 28 of the United States Code, as follows:

1. I am President and CEO of Development Specialists, Inc. ("DSI"), located at 333 S. Grand Avenue Suite 4070, Los Angeles, California 90071, and the Chief Restructuring Officer of WGC Independent Manager LLC, a Delaware limited liability company ("WGC Independent Manager"), which is the sole manager of debtor Woodbridge Group of Companies, LLC, a Delaware limited liability company and an affiliate of each of the above-captioned debtors and debtors in possession (each, a "Debtor" and collectively, the "Debtors"). I submit this declaration (this "Declaration") in support of the *Debtors' Objection to Claim No. 1216 Asserted by Contrarian Funds, LLC* (the "Objection")² concurrently filed herewith by the

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² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

Debtors. All facts set forth in this Declaration are based upon my personal knowledge, and if called upon to testify, I could and would testify competently to the facts set forth herein.

2. I have reviewed and am familiar with the Objection and the Transferred Claim that is the subject thereof. Based on that review, the information contained in the Objection is true and correct to the best of my knowledge and belief.

3. The Debtors' schedules reflect three \$25,000 non-contingent, liquidated, and undisputed claims in favor of Elissa and Joseph Berlinger (the "Berlingers"), for an aggregate total of \$75,000, on account of Notes.

4. The Debtors have not consented and expressly do not consent to the transfer of the Berlingers' Notes to Contrarian.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: April 16, 2018

/s/ Bradley D. Sharp

Bradley D. Sharp
Chief Restructuring Officer, WGC Independent
Manager, LLC

EXHIBIT C

Transferred Claim



UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE	
Name of Debtor:	Case No.
Woodbridge Group of Companies, LLC, et al. Case No. 17-12560	

FILED -01216
 DISTRICT OF DELAWARE
 WOODBRIDGE GROUP OF COMPANIES, LLC
 17-12560/JUDGE KEVIN J. CAREY

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor? CONTRARIAN FUNDS, LLC
 Name of the current creditor (the person or entity to be paid for this claim)
 Other names the creditor used with the debtor _____

2. Has this claim been acquired from someone else?
 No
 Yes. From whom? ELISSA K. BERLINGER AND JOSEPH W. BERLINGER

3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
	<u>CONTRARIAN FUNDS, LLC</u> Name <u>411 WEST PUTNAM AVENUE, SUITE 425</u> Number Street <u>GREENWICH CT 06830</u> City State ZIP Code Contact phone <u>203-862-8211 (ALISA MUMOLA)</u> Contact email <u>AMUMOLA@CONTRARIANCAPITAL.COM</u>	<u>CONTRARIAN FUNDS, LLC</u> Name <u>ATTN: 392426 500 ROSS STREET 154-0455</u> Number Street <u>PITTSBURGH PA 15262</u> City State ZIP Code Contact phone <u>203-862-8211 (ALISA MUMOLA)</u> Contact email <u>AMUMOLA@CONTRARIANCAPITAL.COM</u>

Uniform claim identifier for electronic payments in chapter 13 (if you use one).

4. Does this claim amend one already filed?
 No
 Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim?
 No
 Yes. Who made the earlier filing? _____

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 75,000.000 Does this amount include interest or other charges?
 No
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.
PROMISSORY NOTES

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.
Nature of property:
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____

Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ unknown

Amount of the claim that is secured: \$ 75,000.00

Amount of the claim that is unsecured: \$ 0 (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ 75,437.50

Annual Interest Rate (when case was filed) _____% *SEE ATTACHED

Fixed
 Variable

10. Is this claim based on a lease? No
 Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? No
 Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

No

Yes. Check one:

Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

Amount entitled to priority

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 02/26/2018
MM / DD / YYYY

CONTRARIAN FUNDS, LLC
BY: CONTRARIAN CAPITAL MANAGEMENT, LLC AS MEMBER

Signature

Print the name of the person who is completing and signing this claim:

Name JANICE M. STANTON
First name Middle name Last name

Title MEMBER

Company CONTRARIAN FUNDS, LLC
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 411 WEST PUTNAM AVENUE, SUITE 424
Number Street

GREENWICH CT 06830
City State ZIP Code

Contact phone 203-862-8211 (ALISA MUMOLA) Email AMUMOLA@CONTRARIANCAPITAL.COM

**SUPPLEMENT TO PROOF OF CLAIM FILED BY
CONTRARIAN FUNDS, LLC**

1. Contrarian Funds, LLC (“Creditor”) submits this Proof of Claim and Supplement (together with all exhibits, the “Proof of Claim”) in the amount of at least \$75,000.00, against Woodbridge Group of Companies, LLC (“Debtor”) in the case *In re Woodbridge Group of Companies, LLC, et al.*, Case No. 17-12560 (KJC) (Jointly Administered) under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware.

2. This Proof of Claim is not intended to be, and shall not be, construed as (i) an election of remedies, (ii) a waiver of any defaults or (iii) a waiver or limitation of any rights, remedies, claims or interests of Creditor.

3. Creditor expressly reserves the right to amend, modify and/or supplement this Proof of Claim at any time and from time to time and in any respect, including, but not limited to, for purposes of fixing, increasing or amending in any respect the amounts referred to herein.

4. This Proof of Claim is filed without prejudice to Creditor’s rights under the Bankruptcy Code or otherwise, including, but not limited to, any and all rights of setoff and recoupment. Creditor expressly preserves all of its rights and claims against Debtor under the Bankruptcy Code and applicable non-bankruptcy law.

EVIDENCE OF TRANSFER OF CLAIM

TO: United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court")
Attention: Court Clerk

AND TO: Woodbridge Group of Companies, LLC. et al. (the "Debtor")
Case No. 17-12560 (the "Case")

Elissa K. Berlinger and Joseph W. Berlinger ("Seller"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby certify that it has unconditionally and irrevocably sold, transferred and assigned unto:
Contrarian Funds, LLC ("Buyer")
411 West Putnam Avenue, Suite 425
Greenwich, CT 06830

and its successors and assigns all Seller's right, title and interest in and to the Seller's claim in the amount of \$75,000.00 (the "Claim") against the Debtor, to which claim number ___ has been assigned.

Seller hereby waives any objection to the transfer of the Claim to Buyer on the books and records of the Debtor and the Bankruptcy Court, and hereby waives to the fullest extent permitted by law any notice or right to a hearing as may be imposed by Rule 3001 of the Federal Rules of Bankruptcy Procedure, the Bankruptcy Code, applicable local bankruptcy rules or applicable law. Seller acknowledges and understands, and hereby stipulates that an order of the Bankruptcy Court may be entered without further notice to Seller transferring to Buyer the Claim and recognizing the Buyer as the sole owner and holder of the Claim.

You are hereby directed to make all future payments and distributions, and to give all notices and other communications, in respect of the Claim to Buyer.

IN WITNESS WHEREOF, the undersigned has duly executed this Evidence of Transfer of Claim by its duly authorized representative dated Feb 13, 2018.

ELISSA K. BERLINGER

CONTRARIAN FUNDS, LLC
By: Contrarian Capital Management, L.L.C.,
as manager

By: Elissa K. Berlinger
Name: Elissa K. Berlinger
Title: Individual

By: [Signature]
Name: JANICE M. STANTON
Title: MEMBER

Sworn to before me this
13 day of February, 2018

[Signature]
Notary Public

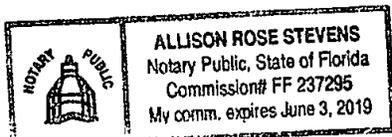


JOSEPH W. BERLINGER

By: [Signature]
Name: Joseph W. Berlinger
Title: Individual

Sworn to before me this
13 day of February, 2018

[Signature]
Notary Public



FOR YOUR RECORDS

Property ID : Pacific Coast Highway - Malibu, CA
Principal : \$25,000.00
Int. Rate : 6.50%

PROMISSORY NOTE

\$25,000.00

October 14, 2016
Sherman Oaks, California

FOR VALUE RECEIVED, the undersigned, **WOODBRIIDGE MORTGAGE INVESTMENT FUND 3A, LLC**, a Delaware limited liability company having an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (hereinafter referred to as the "**Borrower**") does hereby promise to pay to the order of **ELISSA K. BERLINGER AND JOSEPH W. BERLINGER**, individuals having an address of 7940 Amethyst Lake Point, Lake Worth, Florida 33467 (hereinafter together referred to as "**Lender**"), at such place as the Lender may designate by written notice to Borrower, the principal sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), together with interest on all unpaid balances beginning as of the date hereof, at the fixed rate per annum as set forth in Section 1 hereof.

1. **Interest Rate.** The unpaid balance of the principal sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) shall bear interest from the date hereof through November 1, 2017, at a fixed rate of interest equal to six and 50/100 percent (6.50%) per annum. After November 1, 2017, the unpaid balance of this Note shall bear interest at a fixed rate equal to nine and 00/100 percent (9.00%) per annum. The rate of interest charged hereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be charged on the principal balance from time to time outstanding on the basis of the actual number of days elapsed computed on the basis of a 360 day year.

2. **Default Interest Rate.** During the continuance of any Event of Default (as more particularly defined in Paragraph 6 below) under this Note by acceleration or otherwise, interest shall accrue from and after such Event of Default at four (4) percentage points above the interest rate then in effect hereunder (the "**Default Interest Rate**").

3. **Repayment.** Borrower promises to pay the interest and principal on this Note, as set forth below:

Monthly payments of interest shall be made commencing on November 1, 2016 and continuing on the same day of each and every month to occur thereafter, both before and after maturity by acceleration or otherwise.

The entire principal balance plus accrued and unpaid interest thereon, and all other sums and charges due to the Lender hereunder, unless sooner paid, shall be due and payable on February 1, 2018 (the "**Maturity Date**"). Upon and after the eighth (8th) day following Borrower's receipt of written notice from Lender of Borrower's failure to pay the entire principal balance plus accrued and unpaid interest on the Maturity Date as required, any outstanding amounts due under this Note shall bear interest at a fixed rate of twenty-four and 00/100 percent (24.00%) per annum.

4. **Application of Payments.** All payments pursuant to this Note shall be made in legal tender of the United States of America and shall be applied first to the payment of delinquency or late charges, if any; second, to the payment of accrued and unpaid interest on this Note; and third, the balance on account of the principal of this Note.

5. **Cure Period and Notice of Default.** Failure of Borrower to pay by its due date any installment of the principal or of interest within thirty (30) days from the date the same becomes due and payable, shall constitute a "**Payment Default**" under this Note. Borrower shall have a cure period of not less

Property ID : Pacific Coast Highway - Malibu, CA
Principal : \$25,000.00
Int. Rate : 6.50%

than thirty (30) days after receipt of written notice ("Notice of Default") of any alleged breach or Payment Default under the terms of this Note to cure the same.

6. **Event of Default.** Any alleged breach or Payment Default under this Note that is not fully cured following the expiration of the applicable cure period specified in a given Notice of Default shall constitute an event of default ("Event of Default") under this Note.

7. **Waiver of Rights.**

a. BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY COURT AND IN ANY SUIT ACTION OR PROCEEDING OR ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTIONS OF WHICH THIS NOTE OR THE COLLATERAL ASSIGNMENT DOCUMENTS (AS DEFINED BELOW) ARE A PART AND/OR THE ENFORCEMENT OF ANY OF LENDER'S RIGHTS AND REMEDIES. BORROWER ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER.

b. Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, and notice of any renewals or extensions of this Note, and agrees that the time for payment of this Note may be changed and extended at Lender's sole discretion, without impairing its liability thereon, and further consents to the release of any party liable for this obligation, or the release of all or any part of the collateral given as security for the payment of this Note, without affecting its liability with respect hereto.

8. **Lender's Rights.** Lender's rights hereunder shall be cumulative and not exclusive and may be exercised at the sole discretion of Lender with respect to priority, order and type of collateral or security realized upon or applied toward the indebtedness evidenced hereby until this Note and all accrued and unpaid interest and other sums and charges due hereunder shall have been paid in full. Further, no failure on the part of Lender to exercise any right or remedy hereunder, whether before or after the occurrence of an Event of Default hereunder, shall constitute a waiver thereof, and no waiver of any past default shall constitute waiver of any future default or of any other default.

9. **Prepayment.** The Borrower shall have the right to prepay this Note in whole or in part at any time without penalty.

10. **Binding Effect.** This Note shall bind the successors and assigns of Borrower and shall inure to the benefit of the Lender, its successors and assigns.

11. **Captions and Section Headings.** The captions and section headings used in this Note are for convenience only and shall not be used to interpret, modify or affect in any way the covenants and agreements herein contained.

12. **Severability.** In the event that any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Note shall operate or would prospectively operate, to invalidate this Note, then the remaining provisions of this Note shall remain operative and in full force and effect, shall be valid, legal and enforceable and shall in no way be affected, prejudiced or disturbed thereby.

Property ID : Pacific Coast Highway - Malibu, CA
Principal : \$25,000.00
Int. Rate : 6.50%

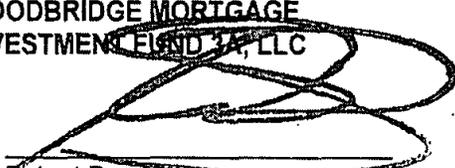
13. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of Delaware.

14. **No Assignment.** Neither this Note, the Loan Agreement of even date herewith between Borrower and Lender, nor all other instruments executed or to be executed in connection therewith (collectively, the "Collateral Assignment Documents") are assignable by Lender without the Borrower's written consent and any such attempted assignment without such consent shall be null and void.

15. **Commercial Transaction.** Lender and Borrower each acknowledge and stipulate that the Loan is a commercial transaction.

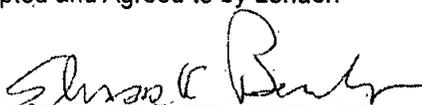
16. **Security.** This Note will be secured inter alia by the Collateral Assignment Documents upon execution thereof.

WOODBIDGE MORTGAGE
INVESTMENT FUND III, LLC

By: 

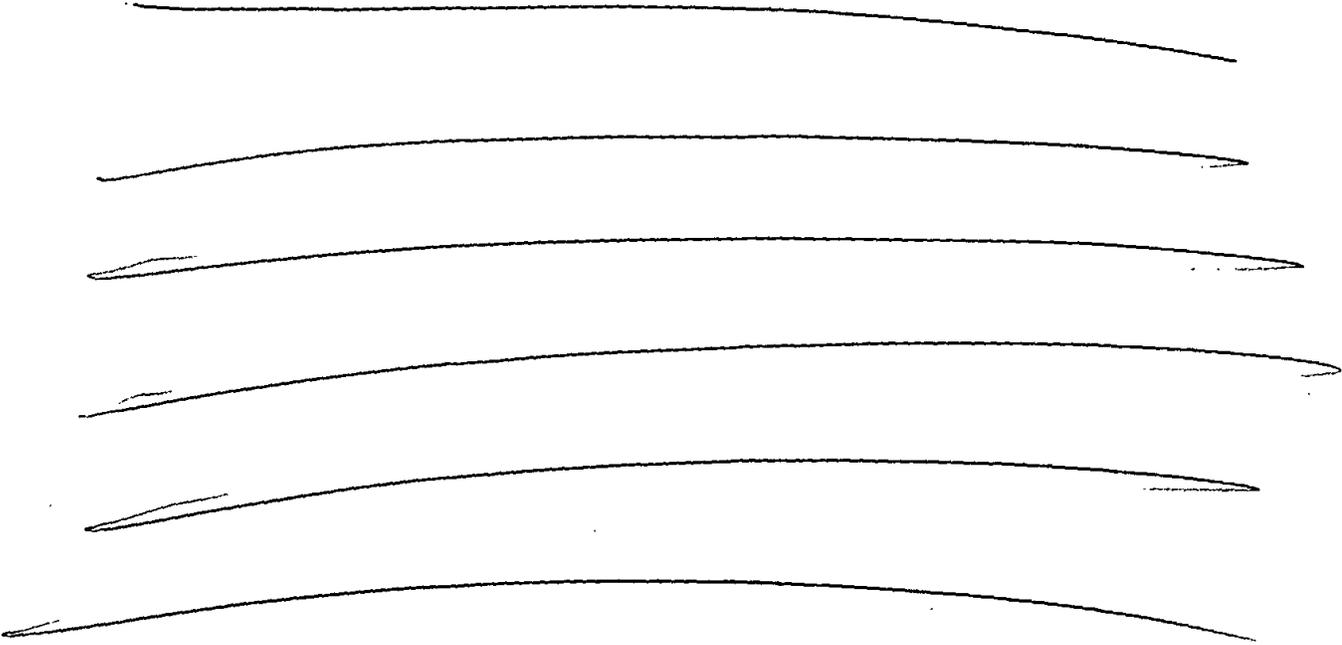
Robert Reed
Its Authorized Representative

Accepted and Agreed to by Lender:


ELISSA K. BERLINGER


JOSEPH W. BERLINGER

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FOR YOUR RECORDS

Property ID : Owlwood Estates - Holmby Hills, CA
Principal : \$25,000.00
Int. Rate : 6.25%

PROMISSORY NOTE

August 8, 2016

Sherman Oaks, California

\$25,000.00

FOR VALUE RECEIVED, the undersigned, **WOODBIDGE MORTGAGE INVESTMENT FUND 3A, LLC**, a Delaware limited liability company having an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (hereinafter referred to as the "**Borrower**") does hereby promise to pay to the order of **ELISSA K. BERLINGER AND JOSEPH W. BERLINGER**, individuals having an address of 7940 Amethyst Lake Point, Lake Worth, Florida 33467 (hereinafter together referred to as "**Lender**"), at such place as the Lender may designate by written notice to Borrower, the principal sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), together with interest on all unpaid balances beginning as of the date hereof, at the fixed rate per annum as set forth in Section 1 hereof.

1. **Interest Rate.** The unpaid balance of the principal sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) shall bear interest from the date hereof through September 1, 2017, at a fixed rate of interest equal to six and 25/100 percent (6.25%) per annum. After September 1, 2017, the unpaid balance of this Note shall bear interest at a fixed rate equal to nine and 00/100 percent (9.00%) per annum. The rate of interest charged hereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be charged on the principal balance from time to time outstanding on the basis of the actual number of days elapsed computed on the basis of a 360 day year.

2. **Default Interest Rate.** During the continuance of any Event of Default (as more particularly defined in Paragraph 6 below) under this Note by acceleration or otherwise, interest shall accrue from and after such Event of Default at four (4) percentage points above the interest rate then in effect hereunder (the "**Default Interest Rate**").

3. **Repayment.** Borrower promises to pay the interest and principal on this Note, as set forth below:

Monthly payments of interest shall be made commencing on September 1, 2016 and continuing on the same day of each and every month to occur thereafter, both before and after maturity by acceleration or otherwise.

The entire principal balance plus accrued and unpaid interest thereon, and all other sums and charges due to the Lender hereunder, unless sooner paid, shall be due and payable on December 1, 2017 (the "**Maturity Date**"). Upon and after the eighth (8th) day following Borrower's receipt of written notice from Lender of Borrower's failure to pay the entire principal balance plus accrued and unpaid interest on the Maturity Date as required, any outstanding amounts due under this Note shall bear interest at a fixed rate of twenty-four and 00/100 percent (24.00%) per annum.

4. **Application of Payments.** All payments pursuant to this Note shall be made in legal tender of the United States of America and shall be applied first to the payment of delinquency or late charges, if any; second, to the payment of accrued and unpaid interest on this Note; and third, the balance on account of the principal of this Note.

5. **Cure Period and Notice of Default.** Failure of Borrower to pay by its due date any installment of the principal or of interest within thirty (30) days from the date the same becomes due and payable, shall constitute a "**Payment Default**" under this Note. Borrower shall have a cure period of not less

Property ID : Owlwood Estates - Holmby Hills, CA
Principal : \$25,000.00
Int. Rate : 6.25%

than thirty (30) days after receipt of written notice ("Notice of Default") of any alleged breach or Payment Default under the terms of this Note to cure the same.

6. **Event of Default.** Any alleged breach or Payment Default under this Note that is not fully cured following the expiration of the applicable cure period specified in a given Notice of Default shall constitute an event of default ("Event of Default") under this Note.

7. **Waiver of Rights.**

a. BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY COURT AND IN ANY SUIT ACTION OR PROCEEDING OR ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTIONS OF WHICH THIS NOTE OR THE COLLATERAL ASSIGNMENT DOCUMENTS (AS DEFINED BELOW) ARE A PART AND/OR THE ENFORCEMENT OF ANY OF LENDER'S RIGHTS AND REMEDIES. BORROWER ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER.

b. Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, and notice of any renewals or extensions of this Note, and agrees that the time for payment of this Note may be changed and extended at Lender's sole discretion, without impairing its liability thereon, and further consents to the release of any party liable for this obligation, or the release of all or any part of the collateral given as security for the payment of this Note, without affecting its liability with respect hereto.

8. **Lender's Rights.** Lender's rights hereunder shall be cumulative and not exclusive and may be exercised at the sole discretion of Lender with respect to priority, order and type of collateral or security realized upon or applied toward the indebtedness evidenced hereby until this Note and all accrued and unpaid interest and other sums and charges due hereunder shall have been paid in full. Further, no failure on the part of Lender to exercise any right or remedy hereunder, whether before or after the occurrence of an Event of Default hereunder, shall constitute a waiver thereof, and no waiver of any past default shall constitute waiver of any future default or of any other default.

9. **Prepayment.** The Borrower shall have the right to prepay this Note in whole or in part at any time without penalty.

10. **Binding Effect.** This Note shall bind the successors and assigns of Borrower and shall inure to the benefit of the Lender, its successors and assigns.

11. **Captions and Section Headings.** The captions and section headings used in this Note are for convenience only and shall not be used to interpret, modify or affect in any way the covenants and agreements herein contained.

12. **Severability.** In the event that any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Note shall operate or would prospectively operate, to invalidate this Note, then the remaining provisions of this Note shall remain operative and in full force and effect, shall be valid, legal and enforceable and shall in no way be affected, prejudiced or disturbed thereby.

Property ID : Owlwood Estates - Holmby Hills, CA
Principal : \$25,000.00
Int. Rate : 6.25%

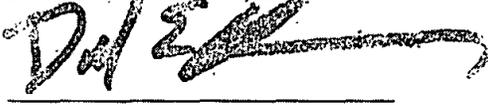
13. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of Delaware.

14. **No Assignment.** Neither this Note, the Loan Agreement of even date herewith between Borrower and Lender, nor all other instruments executed or to be executed in connection therewith (collectively, the "Collateral Assignment Documents") are assignable by Lender without the Borrower's written consent and any such attempted assignment without such consent shall be null and void.

15. **Commercial Transaction.** Lender and Borrower each acknowledge and stipulate that the Loan is a commercial transaction.

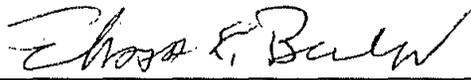
16. **Security.** This Note will be secured inter alia by the Collateral Assignment Documents upon execution thereof.

WOODBIDGE MORTGAGE
INVESTMENT FUND 3A, LLC

By: 

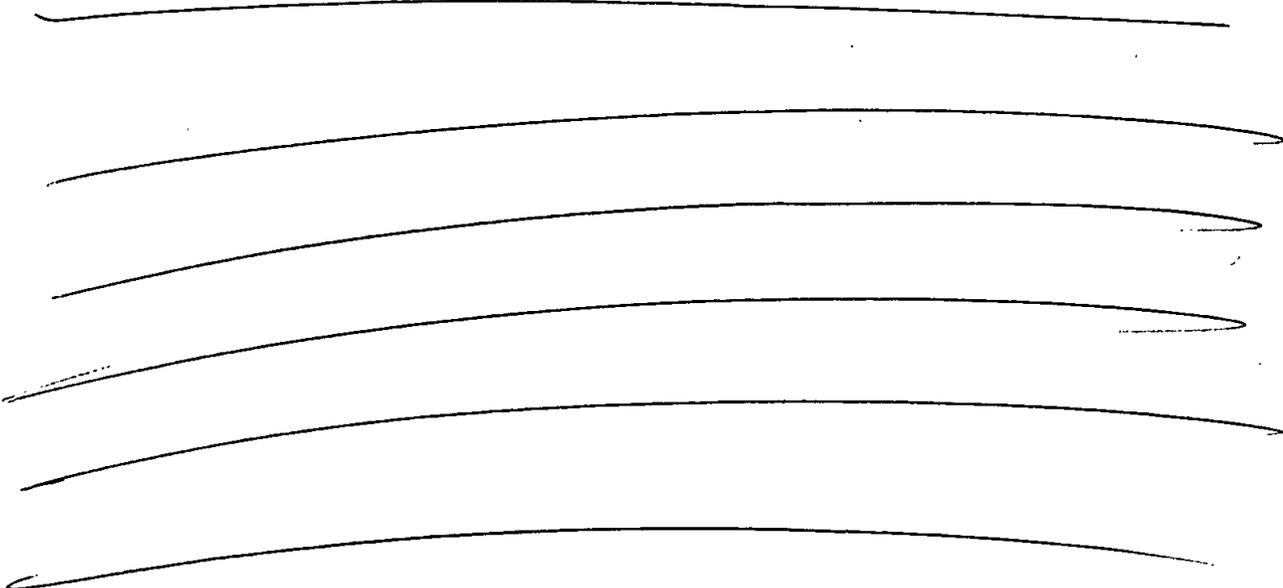
David E. Golden
Its Authorized Representative

Accepted and Agreed to by Lender:


ELISSA K. BERLINGER


JOSEPH W. BERLINGER

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Property ID : Carla Ridge Two Construction -
Beverly Hills, CA
Principal : \$25,000.00
Int. Rate : 7.25%

FOR YOUR RECORDS

PROMISSORY NOTE

December 15, 2016
Sherman Oaks, California

\$25,000.00

FOR VALUE RECEIVED, the undersigned, **WOODBIDGE MORTGAGE INVESTMENT FUND 3A, LLC**, a Delaware limited liability company having an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (hereinafter referred to as the "**Borrower**") does hereby promise to pay to the order of **ELISSA K. BERLINGER AND JOSEPH W. BERLINGER**, individuals having an address of 7940 Amethyst Lake Point, Lake Worth, Florida 33467 (hereinafter together referred to as "**Lender**"), at such place as the Lender may designate by written notice to Borrower, the principal sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), together with interest on all unpaid balances beginning as of the date hereof, at the fixed rate per annum as set forth in Section 1 hereof.

1. **Interest Rate.** The unpaid balance of the principal sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) shall bear interest from the date hereof through January 1, 2018, at a fixed rate of interest equal to seven and 25/100 percent (7.25%) per annum. After January 1, 2018, the unpaid balance of this Note shall bear interest at a fixed rate equal to nine and 00/100 percent (9.00%) per annum. The rate of interest charged hereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be charged on the principal balance from time to time outstanding on the basis of the actual number of days elapsed computed on the basis of a 360 day year.

2. **Default Interest Rate.** During the continuance of any Event of Default (as more particularly defined in Paragraph 6 below) under this Note by acceleration or otherwise, interest shall accrue from and after such Event of Default at four (4) percentage points above the interest rate then in effect hereunder (the "**Default Interest Rate**").

3. **Repayment.** Borrower promises to pay the interest and principal on this Note, as set forth below:

Monthly payments of interest shall be made commencing on January 1, 2017 and continuing on the same day of each and every month to occur thereafter, both before and after maturity by acceleration or otherwise.

The entire principal balance plus accrued and unpaid interest thereon, and all other sums and charges due to the Lender hereunder, unless sooner paid, shall be due and payable on April 1, 2018 (the "**Maturity Date**"). Upon and after the eighth (8th) day following Borrower's receipt of written notice from Lender of Borrower's failure to pay the entire principal balance plus accrued and unpaid interest on the Maturity Date as required, any outstanding amounts due under this Note shall bear interest at a fixed rate of twenty-four and 00/100 percent (24.00%) per annum.

4. **Application of Payments.** All payments pursuant to this Note shall be made in legal tender of the United States of America and shall be applied first to the payment of delinquency or late charges, if any; second, to the payment of accrued and unpaid interest on this Note; and third, the balance on account of the principal of this Note.

5. **Cure Period and Notice of Default.** Failure of Borrower to pay by its due date any installment of the principal or of interest within thirty (30) days from the date the same becomes due and payable,

Property ID : Carla Ridge Two Construction -
Beverly Hills, CA
Principal : \$25,000.00
Int. Rate : 7.25%

shall constitute a "Payment Default" under this Note. Borrower shall have a cure period of not less than thirty (30) days after receipt of written notice ("Notice of Default") of any alleged breach or Payment Default under the terms of this Note to cure the same.

6. Event of Default. Any alleged breach or Payment Default under this Note that is not fully cured following the expiration of the applicable cure period specified in a given Notice of Default shall constitute an event of default ("Event of Default") under this Note.

7. Waiver of Rights.

a. BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY COURT AND IN ANY SUIT ACTION OR PROCEEDING OR ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTIONS OF WHICH THIS NOTE OR THE COLLATERAL ASSIGNMENT DOCUMENTS (AS DEFINED BELOW) ARE A PART AND/OR THE ENFORCEMENT OF ANY OF LENDER'S RIGHTS AND REMEDIES. BORROWER ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER.

b. Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, and notice of any renewals or extensions of this Note, and agrees that the time for payment of this Note may be changed and extended at Lender's sole discretion, without impairing its liability thereon, and further consents to the release of any party liable for this obligation, or the release of all or any part of the collateral given as security for the payment of this Note, without affecting its liability with respect hereto.

8. Lender's Rights. Lender's rights hereunder shall be cumulative and not exclusive and may be exercised at the sole discretion of Lender with respect to priority, order and type of collateral or security realized upon or applied toward the indebtedness evidenced hereby until this Note and all accrued and unpaid interest and other sums and charges due hereunder shall have been paid in full. Further, no failure on the part of Lender to exercise any right or remedy hereunder, whether before or after the occurrence of an Event of Default hereunder, shall constitute a waiver thereof, and no waiver of any past default shall constitute waiver of any future default or of any other default.

9. Prepayment. The Borrower shall have the right to prepay this Note in whole or in part at any time without penalty.

10. Binding Effect. This Note shall bind the successors and assigns of Borrower and shall inure to the benefit of the Lender, its successors and assigns.

11. Captions and Section Headings. The captions and section headings used in this Note are for convenience only and shall not be used to interpret, modify or affect in any way the covenants and agreements herein contained.

12. Severability. In the event that any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Note shall operate or would prospectively operate, to invalidate this Note, then the remaining provisions of this Note shall remain operative and in full force and effect, shall be valid, legal and enforceable and shall in no way be affected, prejudiced or disturbed thereby.

Property ID : Carla Ridge Two Construction -
Beverly Hills, CA
Principal : \$25,000.00
Int. Rate : 7.25%

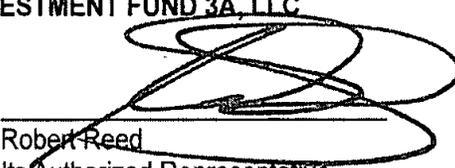
13. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of Delaware.

14. **No Assignment.** Neither this Note, the Loan Agreement of even date herewith between Borrower and Lender, nor all other instruments executed or to be executed in connection therewith (collectively, the "Collateral Assignment Documents") are assignable by Lender without the Borrower's written consent and any such attempted assignment without such consent shall be null and void.

15. **Commercial Transaction.** Lender and Borrower each acknowledge and stipulate that the Loan is a commercial transaction.

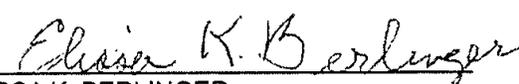
16. **Security.** This Note will be secured inter alia by the Collateral Assignment Documents upon execution thereof.

WOODBIDGE MORTGAGE
INVESTMENT FUND 3A, LLC

By: 

Robert Reed
Its Authorized Representative

Accepted and Agreed to by Lender:


ELISSA K. BERLINGER


JOSEPH W. BERLINGER

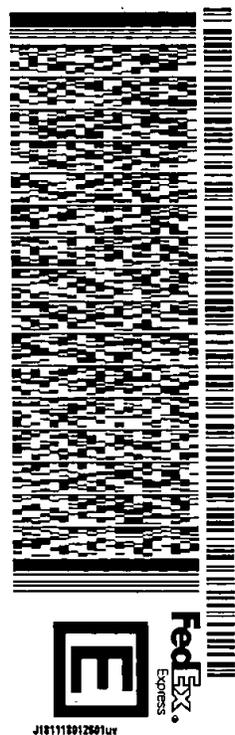
ORIGIN ID: CTYA (203) 862-8211
ALISA NUMOLA
CONTI PARIAN CAPITAL MGMT, LLC
CONTI PARIAN CAPITAL MANAGEMENT, LLC
411 W. PUTNAM AVE. STE. 425
GREENWICH CT 06830
UNITED STATES US

SHIP DATE: 28FEB18
ACTWT: 1.00 LB
CAD: 105678794/NET13980
BILL SENDER

TO WOODBRIDGE GROUP OF COMPANIES, LLC
C/O GCCG
5151 BLAZER PARKWAY, SUITE A

DUBLIN OH 43017
REF: TC - WOODBRIDGE
DEPT.

552J1.07F5/0CA5



TRK# 7716 4775 4977
0201

THU - 01 MAR 3:00P
STANDARD OVERNIGHT

XX OSUA
OH-US 43017
LCK



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2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned

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Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.