

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

In re

WOODBRIIDGE GROUP OF COMPANIES,  
LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

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

Obj. Deadline: May 29, 2018, at 4:00 p.m. (ET)

**DEBTORS' MOTION FOR ENTRY OF AN ORDER, PURSUANT TO BANKRUPTCY  
RULES 9006 AND 9027, FURTHER EXTENDING THE PERIOD WITHIN WHICH THE  
DEBTORS MAY REMOVE ACTIONS PURSUANT TO 28 U.S.C. § 1452**

Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (the "Debtors") in the above-captioned jointly administered chapter 11 cases (the "Chapter 11 Cases") hereby submit this motion (the "Motion") for entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"), pursuant to Rules 9006 and 9027 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), further extending the period within which the Debtors may remove actions pursuant to 28 U.S.C. § 1452 through and including September 24, 2018. In support of the Motion, the Debtors respectfully state as follows:

**I. JURISDICTION**

1. The Court has jurisdiction over these Chapter 11 Cases and the Motion pursuant to 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. This is a core

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<sup>1</sup> 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 such information may be obtained on the website of the Debtors' noticing and claims agent at [www.gardencitygroup.com/cases/WGC](http://www.gardencitygroup.com/cases/WGC), or by contacting the proposed undersigned counsel for the Debtors.

proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of these Chapter 11 Cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors consent to the Court’s entry of a final judgment or order with respect to the Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. The statutory and legal predicates for the relief requested herein are Bankruptcy Rules 9006 and 9027.

## **II. BACKGROUND**

4. On December 4, 2017, 279 of the Debtors (the “Original Debtors”) commenced voluntary cases under chapter 11 of title 11 of the United States Code §§ 101-1532 (the “Bankruptcy Code”). Thereafter, on February 9, 2018, March 9, 2018, March 23, 2018, and March 27, 2018, an additional 27 affiliated Debtors (the “Additional Debtors”) commenced voluntary cases under chapter 11 of the Bankruptcy Code. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1.

5. The Debtors are authorized to continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in these Chapter 11 Cases. On December 14, 2017, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors [Docket No. 79] (the “Committee”).

6. On January 23, 2018, the Court held a hearing to resolve, among other matters, two motions to appoint a chapter 11 trustee, and entered an order approving the settlement reached between the Debtors and other parties in interest [Docket No. 357] (the

“Settlement Order”). Attached as Exhibit 1 to the Settlement Order was a term sheet enumerating the terms of the settlement (the “Joint Resolution”). By the terms of the Joint Resolution, the Debtors’ board of managers was to be reconstituted as a three-person board (the “New Board”). Further, the Joint Resolution provided for the formation of an ad hoc noteholder group (the “Noteholder Group”) and an ad hoc unitholder group (the “Unitholder Group”).

7. On March 19, 2018, the Court entered an order [Docket No. 779] extending the deadline to file notices of removal pursuant to 28 U.S.C. § 1452 and Bankruptcy Rule 9027 for the Original Debtors and certain of the Additional Debtors (those whose petitions were filed on February 9, 2018) through and including June 4, 2018 (the “First Extended Removal Deadline”). The current deadlines to file notices of removal pursuant to 28 U.S.C. § 1452 and Bankruptcy Rule 9027 for the remaining Additional Debtors are June 7, 2018, June 21, 2018, and June 25, 2018 (together with the First Extended Removal Deadline, the “Current Removal Deadlines”).

### **III. RELIEF REQUESTED**

8. By this Motion, the Debtors seek to further consolidate and extend the Current Removal Deadlines. Specifically, the Debtors request that the Court enter the Proposed Order, extending the period within which the Debtors may remove actions and related proceedings through and including September 24, 2018,<sup>2</sup> without prejudice to the rights of the Debtors and their estates to seek further extensions of the time within which to remove actions and related proceedings. The Debtors’ request, if granted, would extend each of the Current Removal Deadlines by between three and four months. This is the Debtors’ second request for

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<sup>2</sup> Pursuant to Local Rule 9006-2, the filing of the Motion prior to the expiration of the Current Removal Deadlines shall automatically extend the Current Removal Deadlines until the Court acts on the Motion without the necessity for entry of a bridge order.

an extension of the Current Removal Deadlines for certain Debtors, and first request for other Debtors.

#### IV. BASIS FOR RELIEF

9. Bankruptcy Rule 9027 and 28 U.S.C. § 1452 govern the removal of pending civil actions. Specifically, section 1452(a) provides that:

[a] party may remove any claim or cause of action in a civil action other than a proceeding before the United States Tax Court or a civil action by a governmental unit to enforce such governmental unit's police or regulatory power, to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title.

28 U.S.C. § 1452(a). Bankruptcy Rule 9027(a)(2) further provides, in pertinent part, that:

[i]f the claim or cause of action in a civil action is pending when a case under the [Bankruptcy] Code is commenced, a notice of removal may be filed in the bankruptcy court only within the longest of (A) 90 days after the order for relief in the case under the Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under § 362 of the Code, or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief.

Fed. R. Bankr. P. 9027(a)(2).

10. Bankruptcy Rule 9006(b) makes clear that the Court may extend unexpired time periods, such as the Debtors' removal period, without notice. Specifically, Rule 9006(b) states that:

when an act is required or allowed to be done at or within a specified period by [the Bankruptcy Rules] or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion . . . with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order.

*Id.* at 9006(b)(1). Accordingly, because the Current Removal Deadlines have not yet expired, the Court is authorized to grant the relief requested herein. *See Robert Plan Corp. v. Am. Int'l Grp. Inc.*, No. 09-200 (GEB) (DEA), 2009 U.S. Dist. LEXIS 69540, at \*15 (D. N.J. Aug. 10, 2009) (stating that the period in which to file a motion to remove actions may be expanded pursuant to Bankruptcy Rule 9006); *Raff v. Gordon*, 58 B.R. 988 (Bankr. E.D. Pa. 1986) (same); *Jandous Elec. Constr. Corp. v. City of N.Y. (In re Jandous Elec. Constr. Corp.)*, 106 B.R. 48, 50 (Bankr. S.D.N.Y. 1989) (same); *In re Boyer*, 108 B.R. 19 (Bankr. N.D.N.Y. 1988) (same).

11. The Debtors are parties to actions currently pending in the courts of certain states and federal districts (each an "Action," and, collectively, the "Actions"), and believe that it is prudent to seek an extension of the time established by Bankruptcy Rule 9027 to protect the rights of the Debtors and their estates to remove these Actions.

12. As this Court is aware, the Debtors have recently undergone substantial changes to their management. First, as a result of the Joint Resolution, on January 23, 2018, the Debtors came under the control of the New Board. The New Board thereafter retained a new Chief Restructuring Officer, Bradley D. Sharp, and a new Chief Executive Officer, Frederick Chin. The New Board also retained new bankruptcy co-counsel, Klee, Tuchin, Bogdanoff & Stern LLP. The Debtors' new management and professionals have worked tirelessly since their respective appointments and retentions to become familiar with and continue working on the many important matters in these Chapter 11 Cases.

13. In addition, since the appointment and retention of the Debtors' new management and professionals, the Debtors have devoted a substantial amount of time, energy, and resources toward several other important matters in these Chapter 11 Cases. Specifically, in the approximately three months since those respective appointments and retentions, the Debtors

have been focused on, among other things, (i) extensive negotiations with the Committee, Noteholder Group, and Unitholder Group that resulted in a plan term sheet [Docket No. 828], and subsequent documentation of a plan and disclosure statement and continued discussions with the Committee, Noteholder Group, and Unitholder Group regarding the same; (ii) resolving formal and informal objections from various parties in interest to the Debtors' proposed orders in these Chapter 11 Cases; (iii) obtaining this Court's approval of the sale of certain real property owned by the Debtors [Docket Nos. 574, 844, 893, 894, 1669, 1670, 1671, 1672, 1673, 1674, 1700, 1701 & 1708] and the payment of third-party indebtedness secured by real property owned by the Debtors [Docket No. 1668]; (iv) obtaining this Court's approval of the Debtors' entry into a consent order with the Department of Business Oversight of the State of California pertaining to the offer or sale of securities in California [Docket No. 721]; (v) obtaining an order setting expedited procedures for the approval of the Debtors' entry into other consent orders with state regulatory agencies pertaining to the offer or sale of securities and negotiating and seeking approval of such consent orders [Docket Nos. 888, 1712, 1718 & 1726]; (vi) obtaining this Court's approval of the Debtors' entry into a consent and judgment with the Securities and Exchange Commission [Docket No. 1702]; (vii) retaining necessary estate professionals; (viii) preparing schedules of assets and liabilities and statements of financial affairs, which were filed on April 15th and 16th of this year; (ix) obtaining orders rejecting or terminating certain of the Debtors' leases and executory contracts [Docket Nos. 621, 778, 834, 1608 & 1690]; (x) obtaining this Court's approval of deadlines and related procedures for the filing of proofs of claims and proofs of interest in the Chapter 11 Cases [Docket No. 911]; and (xi) handling numerous additional tasks concerning the administration of the Debtors' bankruptcy estates and the Chapter 11 Cases.

14. Accordingly, the Debtors have not yet had sufficient time to review the Actions to determine if any should be removed pursuant to Bankruptcy Rule 9027(a). In addition, it would better serve the interests of efficiency and administrative convenience if the First Extended Removal Deadline and the other Additional Debtors' Current Removal Deadlines coincided. Accordingly, the Debtors submit that consolidating and extending the Current Removal Deadlines is in the best interests of the Debtors, their estates, and creditors. The extension sought will afford the Debtors, and their management and professionals, an opportunity to make more fully informed decisions concerning the removal of any Actions and will ensure that the Debtors and their estates do not forfeit the valuable rights afforded to them under 28 U.S.C. § 1452. Furthermore, the Debtors submit that granting the extension requested herein will not prejudice the rights of their adversaries in the Actions because, in many (if not all) circumstances, such parties may not prosecute these actions absent relief from the automatic stay. In addition, nothing herein will prejudice any party to an Action that the Debtors may ultimately attempt to remove from seeking the remand of such action under 28 U.S.C. § 1452(b) at the appropriate time.

15. For the reasons set forth above, the Debtors submit that extending the Current Removal Deadlines through and including September 24, 2018 is necessary, prudent, and in the best interests of the Debtors, their estates, and creditors.

#### **V. NOTICE**

16. Notice of this Motion will be provided to the following parties: (i) the U.S. Trustee; (ii) counsel to the Committee; (iii) counsel to the Noteholder Group; (iv) counsel to the Unitholder Group; (v) counsel to the DIP Lender; (vi) all parties to the Actions and their counsel, if known; and (vii) all parties who have filed a notice of appearance and request for

service of papers pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors respectfully submit that no other or further notice is necessary.

WHEREFORE, the Debtors request the Court enter the Proposed Order, granting the relief requested herein and such other and further relief as is just and proper.

Dated: May 15, 2018  
Wilmington, Delaware

/s/ Ian J. Bambrick

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Debtors in Possession*

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

In re:

WOODBRIIDGE GROUP OF COMPANIES, LLC,  
*et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

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

Obj. Deadline: May 29, 2018, at 4:00 p.m. (ET)

**NOTICE OF MOTION**

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (II) COUNSEL FOR THE COMMITTEE; (III) COUNSEL FOR THE NOTEHOLDER GROUP; (IV) COUNSEL FOR THE UNITHOLDER GROUP; (V) COUNSEL TO THE DIP LENDER; (VI) ALL PARTIES TO THE ACTIONS AND THEIR COUNSEL, IF KNOWN; 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’ Motion for Entry of an Order, Pursuant to Bankruptcy Rules 9006 and 9027, Further Extending the Period Within Which the Debtors May Remove Actions Pursuant to 28 U.S.C. § 1452* (the “Motion”).

**PLEASE TAKE FURTHER NOTICE** that responses or objections to the Motion must be filed on or before **May 29, 2018, at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 North Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any response or objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

**PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION 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**

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DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 5,  
WILMINGTON, DELAWARE 19801.

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

Dated: May 15, 2018  
Wilmington, Delaware

*/s/ Ian J. Bambrick*

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**EXHIBIT A**

**Proposed Order**

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

In re

WOODBRIIDGE GROUP OF COMPANIES,  
LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Ref. Docket No. \_\_\_\_\_

**ORDER, PURSUANT TO BANKRUPTCY RULES  
9006 AND 9027, FURTHER EXTENDING THE PERIOD WITHIN WHICH THE  
DEBTORS MAY REMOVE ACTIONS PURSUANT TO 28 U.S.C. § 1452**

Upon consideration of the motion (the “Motion”)<sup>2</sup> of the Debtors for the entry of an order, pursuant to Bankruptcy Rules 9006 and 9027, further extending the period within which the Debtors may remove actions pursuant to 28 U.S.C. § 1452 through and including September 24, 2018, and all pleadings related thereto; and due and proper notice of the Motion having been given; and it appearing that no other or further notice of the Motion is required; and it appearing that the Court has jurisdiction to consider the Motion 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 this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found and determined that the relief requested in the Motion is in the best interest of the Debtors,

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

their estates, their creditors, and all parties in interest; and after due deliberation and good and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein.

2. The time period provided by Bankruptcy Rule 9027 within which the Debtors and their estates may file notices of removal of claims and causes of action is further enlarged and extended through and including September 24, 2018 (the "Removal Deadline"). This Removal Deadline shall apply to the Original Debtors and the Additional Debtors.

3. This Order shall be without prejudice to the rights of the Debtors and their estates to seek further extensions of the Removal Deadline.

4. This Court shall retain jurisdiction and power to hear and determine all matters arising from or related to the implementation of this Order.

Dated: \_\_\_\_\_, 2018  
Wilmington, Delaware

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KEVIN J. CAREY  
UNITED STATES BANKRUPTCY JUDGE