

**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)

Ref. Doc. Nos. 888 & 1712, 1749

**ORDER, PURSUANT TO SECTION 363(b) OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULE 9019, AUTHORIZING AND APPROVING THE DEBTORS'
ENTRY INTO PROPOSED CONSENT ORDER**

Upon the *Order Setting Expedited Procedures for the Approval of Certain Consent Orders* (the "Consent Procedures Order") entered by this Court on April 3, 2018; and upon the *Notice of Filing of Consent Order between Certain Debtors and the State of Colorado* (the "Proposed Authorization Order") filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") providing notice of the Debtors' request for the Court to authorize entry into the Stipulation for Consent Cease and Desist attached hereto as Exhibit 1 (the "Stipulation") and the Consent Cease and Desist Order attached hereto as Exhibit 2 (the "Consent Order") with the Staff of the Colorado Division of Securities ; and this Court having found that it has jurisdiction to consider the Proposed Authorization Order, and the relief requested therein 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; and this Court having found that venue of these cases and the Proposed Authorization Order in this district is

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.

proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and it appearing that notice of the Proposed Authorization Order has been given as set forth in the Consent Procedures Order and that such notice is adequate and no other or further notice need be given; and this Court having found and determined that the relief sought in the Motion is in the best interest of the Debtors, their estates, their creditors and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

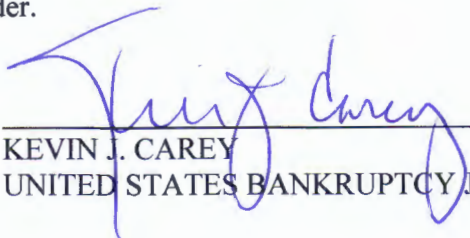
IT IS HEREBY ORDERED THAT:

1. Pursuant to section 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019, the Debtors' entry into the Stipulation and Consent Order is approved.
2. Nothing in the Stipulation or Consent Order shall be, or deemed to be, an admission or a declaration against interest by the Debtors or used in any way by the Debtors or any party in the Debtors' cases to prejudice any rights or claims made by any party in these cases, including, but not limited to, the Debtors, the Ad Hoc Unit Holders Committee, the Ad Hoc Noteholders Committee or the Creditors Committee, all of which rights are expressly preserved.
3. The Debtors are authorized and empowered to take any and all actions necessary to consummate the Stipulation and Consent Order and to carry out, effectuate or otherwise enforce the terms, conditions and provisions of thereof.

4. The fourteen (14) day stay of effectiveness imposed by Bankruptcy Rule 6004(h) is hereby waived and the relief granted herein shall take effect immediately upon the entry of this Order.

5. The Court shall retain jurisdiction over any and all matters arising from or related to the interpretation or implementation of this Order.

Dated: May 15, 2018
Wilmington, Delaware



KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Stipulation

BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

OAC Case No. XY20170005

STIPULATION FOR CONSENT CEASE AND DESIST ORDER

IN THE MATTER OF WOODBRIDGE GROUP OF COMPANIES, LLC *et al.*,
TIMOTHY C. MCGUIRE, RONALD E. CASKEY, and JAMES E.
CAMPBELL, JR.

Respondents.

The Staff of the Colorado Division of Securities ("Staff") and Respondents Woodbridge Group of Companies, LLC, Woodbridge Mortgage Investment Fund 1, LLC, Woodbridge Mortgage Investment Fund 2, LLC, Woodbridge Mortgage Investment Fund 3, LLC, and Woodbridge Mortgage Investment Fund 3A, LLC (collectively, "Woodbridge") hereby enter into this Stipulation for Consent Cease and Desist Order in this matter as follows:

I. Background

1. The Staff conducted an investigation pursuant to § 11-51-601, C.R.S.
2. As a result of its investigation, the Staff alleges that Woodbridge engaged in the following conduct:
 - a. From October 2013 to September 2016, Woodbridge sold approximately \$57,000,000 worth of interests in their First Position Commercial Mortgage (FPCM) Note Program to 450 investors in or from the State of Colorado.
 - b. Woodbridge utilized independent, Colorado-based sales representatives to solicit investments in the FPCM Note Program and paid them commissions based on these sales. These sales representatives were not licensed to sell securities in Colorado in violation of §§ 11-51-401(1) and 401(2), C.R.S.
 - c. Woodbridge was not licensed to sell securities in Colorado pursuant to § 11-51-401(1), C.R.S., and has not asserted

an exemption from the licensing requirement set forth in § 11-51-402, C.R.S.

d. The interests in the FPCM Note Program were not registered with the Commissioner in accordance with § 11-51-301, C.R.S., nor were they subject to an exemption from registration.

3. The Staff alleges that the interests in the FPCM Note Program sold by Woodbridge are securities as defined by § 11-51-201(17), C.R.S.
4. Based on this alleged conduct, the Staff alleges that Woodbridge has engaged in acts or practices constituting violations of Colorado Securities Act (the "Act"), §§ 11-51-301 and 401, C.R.S.

II. Stipulation

The Staff and Woodbridge, without admitting or denying the Staff's allegations, in order to resolve this matter without a formal hearing, hereby enter into this Stipulation for Consent Cease and Desist Order in this matter as follows:

1. The Securities Commissioner for the State of Colorado has jurisdiction over Woodbridge and the subject matter of this action.
2. Preserving their rights pursuant to Section 1145 of the U.S. Bankruptcy Code, Woodbridge agrees to the entry of a Consent Order in the form attached hereto as Exhibit A and incorporated by reference.
3. By entering into this Stipulation, Woodbridge neither admits nor denies that the Staff's allegations contained in this Stipulation are true. As part of this Stipulation, Woodbridge agrees that it: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the Stipulation or Consent Order or creating the impression that the Stipulation or Consent Order are without factual basis; and (ii) will not make or permit to be made any public statement to the effect that Woodbridge does not admit the allegations in the Stipulation or Consent Order, or that the Stipulation or Consent Order contain no admission of the allegations, without also stating that Woodbridge does not deny the allegations. If Woodbridge breaches this agreement, the Commissioner may vacate the Consent Order and restore this action. Nothing in this paragraph affects Woodbridge's: (i) testimonial obligations; or (ii) right to take differing legal or factual positions in litigation or other legal proceedings. Nothing in Stipulation or Consent Order shall be, or

deemed to be, an admission or a declaration against interest by Woodbridge or used in any way by Woodbridge or any party to Woodbridge's cases in Bankruptcy Court for the District of Delaware to prejudice any rights or claims made by any party in those cases, including but not limited to Woodbridge, the Ad Hoc Unit Holders Committee, the Ad Hoc Noteholders Committee or the Creditors Committee, all of which rights are expressly preserved.

4. Woodbridge understands that it has the following rights: (1) to have a formal hearing pursuant to §§ 11-51-606(1) and (1.5), C.R.S.; (2) to be represented by counsel in that action; (3) to present a defense through oral or documentary evidence; (4) to cross-examine witnesses at such hearing; (5) to findings by the Securities Commissioner as required by § 11-51-606(1.6), C.R.S.; and (6) to seek judicial review of the Consent Order as provided in §§ 11-51-607 and 24-4-106, C.R.S. By entering into this Stipulation, Woodbridge expressly waives the rights set forth in this paragraph.
5. Woodbridge acknowledges that it has entered into this Stipulation voluntarily, after the opportunity to consult with counsel, and with the understanding of the legal consequences of this Stipulation and Consent Cease and Desist Order.
6. Woodbridge hereby waives the findings required by § 11-51-606(1.5)(d)(IV), C.R.S.; and pursuant to § 11-51-704(2), C.R.S., Woodbridge does not contest that the entry of this Consent Cease and Desist Order is necessary and appropriate in the public interest and is consistent with the purposes and provisions of the Act.
7. Woodbridge acknowledges that any violation of the Consent Order, when issued, may constitute grounds for further sanctions and formal proceedings against it for such violations.
8. This Stipulation is subject to approval by both the Securities Commissioner and the entry of an order by the Bankruptcy Court for the District of Delaware authorizing Woodbridge's entry into this Order. As soon as practicable after the entry of the Consent Order, Woodbridge shall file a motion with the Bankruptcy Court seeking such Bankruptcy Court authorization pursuant to Federal Rule of Bankruptcy Procedure 9019 and other applicable law and shall seek to have the motion heard on an expedited basis. The effectiveness of this Stipulation is subject in all respects to the approval of both the Securities Commissioner and the Bankruptcy Court.

BY RESPONDENT:

WOODBIDGE GROUP OF COMPANIES, LLC
WOODBIDGE MORTGAGE INVESTMENT FUND 1, LLC
WOODBIDGE MORTGAGE INVESTMENT FUND 2, LLC
WOODBIDGE MORTGAGE INVESTMENT FUND 3, LLC
WOODBIDGE MORTGAGE INVESTMENT FUND 3A, LLC


Dated: 4-17-18

By: 

BRADLEY SHARP
Chief Restructuring Officer
WOODBIDGE INDEPENDENT MANAGER,

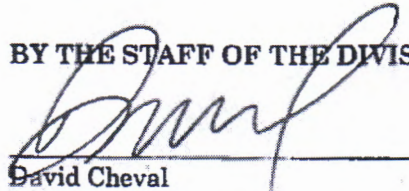
LLC

Subscribed and sworn before me this 13 day of April, 2018 in
the County/City of Los Angeles, State of California by
Roberta L. Aranda.


Notary Public

My Commission Expires: 4/28/2021

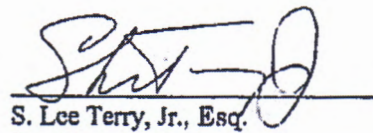
BY THE STAFF OF THE DIVISION OF SECURITIES:


David Cheval
Chief Examiner

4-20-2018
Date

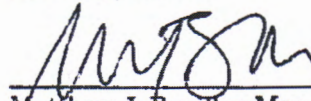


APPROVED AS TO FORM:
DAVIS GRAHAM & STUBBS LLP



S. Lee Terry, Jr., Esq.
Paul Swanson, Esq.
1550 17th St., Suite 500
Denver, CO 80202
jason.lynch@dgsllaw.com
paul.swanson@dgsllaw.com
Tel: (303) 892-7406
Counsel for Woodbridge

CYNTHIA H. COFFMAN
Attorney General



Matthew J. Bouillon Mascareñas, #46684
Assistant Attorney General
Business and Licensing Section
1300 Broadway, 8th Floor
Denver, CO 80203
matthew.bouillon@coag.gov
Tel: (720) 508-6401
*Counsel for the Colorado
Division of Securities*

EXHIBIT 2

Consent Order

BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

OAC Case No. XY20170005

CONSENT CEASE AND DESIST ORDER

IN THE MATTER OF WOODBRIDGE GROUP OF COMPANIES, LLC *et al.*,
TIMOTHY C. MCGUIRE, RONALD E. CASKEY, and JAMES E. CAMPBELL, JR.

Respondents.

THIS MATTER is before Gerald Rome, Securities Commissioner for the State of Colorado ("Commissioner"), on the Stipulation for Consent Order ("Stipulation") between the Staff of the Colorado Division of Securities ("Staff") and Respondents Woodbridge Group of Companies, LLC, Woodbridge Mortgage Investment Fund 1, LLC, Woodbridge Mortgage Investment Fund 2, LLC, Woodbridge Mortgage Investment Fund 3, LLC, and Woodbridge Mortgage Investment Fund 3A, LLC (collectively, "Woodbridge" or "Respondents"). After reviewing the Stipulation and grounds therein, the Commissioner makes the following Findings and enters the Order as follows:

FINDINGS

1. The Commissioner has jurisdiction over the Respondents and this matter pursuant to the provisions of the Colorado Securities Act, §§ 11-51-101 through 803, C.R.S.
2. By entering into the Stipulation, the Respondents have waived the following rights: (1) to have a formal hearing pursuant to §§ 11-51-606(1) and (1.5), C.R.S.; (2) to be represented by counsel in that action; (3) to present a defense through oral or documentary evidence; (4) to cross-examine witnesses at such hearing; (5) to findings by the Securities Commissioner as required by § 11-51-606(1.5), C.R.S.; and (6) to seek judicial review of the Consent Order as provided in §§ 11-51-607 and 24-4-106, C.R.S.
3. Respondents have further waived the findings required by § 11-51-606(1.5)(d)(IV) and do not contest that pursuant to § 11-51-704(2), C.R.S., entry of this Consent Order is necessary and appropriate in the public interest and is consistent with the purposes of the Colorado Securities Act.

4. The Commissioner acknowledges by entering into the Stipulation that Respondents neither admit nor deny any of the allegations enumerated in Part I of the Stipulation. Respondents agree that they: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the Stipulation or Consent Order or creating the impression that the Stipulation or Consent Order is without factual basis; and (ii) will not make or permit to be made any public statement to the effect that Respondents do not admit the allegations of the Stipulation or Consent Order, or that the Stipulation or Consent Order contain no admission of the allegations, without also stating that Respondents do not deny the allegations. If Respondents breach this agreement, the Commissioner may vacate this Consent Order and restore this action. Nothing in this paragraph affects Respondents': (i) testimonial obligations; or (ii) right to take differing legal or factual positions in litigation or other legal proceedings. Nothing in the Stipulation or Consent Order shall be, or deemed to be, an admission or a declaration against interest by Respondents or used in any way by Respondents or any party to Respondents' cases in the Bankruptcy Court for the District of Delaware to prejudice any rights or claims made by any party in those cases, including but not limited to Respondents, the Ad Hoc Unit Holders Committee, the Ad Hoc Noteholders Committee or the Creditors Committee, all of which rights are expressly preserved.

ORDER

NOW, THEREFORE, on the basis of the foregoing, it is hereby ORDERED as follows:

1. Respondents, their officers, directors, agents, employees, and servants, or any person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under the common control with Respondents, who receive actual notice of this Order by personal service or otherwise, are hereby immediately and permanently ordered to cease and desist from engaging in any of the following acts:
 - a. Offering or selling unregistered securities in or from the State of Colorado in violation of §§ 11-51-301, C.R.S., *et seq.*, or
 - b. Offering to sell or selling any security in or from the State of Colorado unless the Respondent is in compliance with the provisions of §§ 11-51-301 and 401, C.R.S., or
 - c. Otherwise engaging in conduct in violation of any provision of the Colorado Securities Act, §§ 11-51-101, C.R.S., *et seq.*

2. The terms of the Stipulation are incorporated into and made a part of this Consent Order.
3. Respondents shall immediately and permanently cease marketing and selling interests in the FPCM Note Program to residents of Colorado.
4. Respondents shall retain all rights pursuant to Section 1145 of the U.S. Bankruptcy Code.
5. The Commissioner shall retain jurisdiction over this action to ensure Respondents' compliance with this Consent Order and reserves the power to enter additional orders as needed to ensure the compliance by Respondents with this Consent Order.
6. In the event Respondents fail to comply with any of the terms or conditions for this Consent Order or the Stipulation, the Commissioner or the Staff, in their sole discretion, may initiate formal enforcement proceedings against Respondents for such noncompliance. The Stipulation and this Consent Order shall be admissible in any such proceeding.
7. This Consent Order is not intended by the Commissioner to subject the Woodbridge Entities, their affiliates, or any officer or employee of the Woodbridge Entities, to any disqualifications under the laws of the United States, any state, the District of Columbia, or Puerto Rico, including, without limitation, any disqualifications from current or future reliance upon the state or federal registration exemptions or safe harbor provisions, including but not limited to 17 C.F.R. §§ 203.506(d)(1) or 230.262(a).
8. This Consent Order, and the terms and conditions herein, shall be binding on all successors and assigns.

DATE: _____, 2018

GERALD ROME
Securities Commissioner