

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

In re:	:	Chapter 11
	:	
WOODBIDGE GROUP OF COMPANIES LLC, <i>et al.</i> , ¹	:	Case No. 17-12560 (KJC)
	:	
	:	(Jointly Administered)
	:	
Debtors.	:	Ref. Docket Nos. 1834, 1839 & 1840
	:	

**JOINDER OF AD HOC NOTEHOLDER GROUP TO DEBTORS’
OPPOSITION TO LISE LA ROCHELLE, ET AL. NOTEHOLDERS’
MOTION TO SHORTEN NOTICE WITH RESPECT TO
MOTION TO TERMINATE EXCLUSIVITY**

The Ad Hoc Noteholder Group [D.I. 357] (the “**Noteholder Group**”), by and through its undersigned counsel, hereby joins and files this statement in support of the *Debtors’ Opposition to Motion of Lise La Rochelle, et al. Noteholders to Shorten Notice with Respect to Motion to Terminate Exclusivity* [D.I. 1839] (the “**Objection**”). In further support of the Objection, the Noteholder Group respectfully represents as follows:

BACKGROUND

1. On Friday, May 18, 2018, at approximately 8:00 p.m., certain noteholders represented by The Sarachek Law Firm (the “**La Rochelle Noteholders**”) filed (1) the *Motion of Lise La Rochelle, et al. Noteholders to Terminate Exclusivity* [D.I. 1833] (the “**Termination Motion**”) and (2) the *Motion to Shorten Notice with Respect to Motion to Terminate Exclusivity* [Docket No. 1834] (the “**Motion to Shorten**”).

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 14225 Ventura Boulevard #100, Sherman Oaks, California 91423. A complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses may be obtained on the website of the Debtors’ noticing and claims agent at www.gardencitygroup.com/cases/WGC.

2. By their Motion to Shorten, the La Rochelle Noteholders seek to schedule the Termination Motion to be heard on June 5, 2018 at 11:00 a.m., and to shorten the period within which deadlines must be filed by setting the deadline for such objections as May 29, 2018 at 4:00 p.m. The deadline to reply to such objections is proposed to be set three days later on June 1, 2018.

3. The La Rochelle Noteholders provide the following bases for hearing the Exclusivity Motion on shortened notice:

(a) It will "... provide[] the maximum options to the Secured Noteholders and noteholders generally...". Motion to Shorten at ¶ 8. The Motion does not list or describe what options will be lost if the Exclusivity Motion is heard on proper notice, or how such options will be preserved by shortened notice.

(b) it will "... not [be] prejudicial to the main parties in the Bankruptcy as they will receive timely notice by electronic mail. The remainder of the parties requesting notice will still have ample time to respond to the motion." *Id.* at ¶ 9. The Motion to Shorten does not identify the "main parties" in this massive chapter 11 proceeding.

4. On May 21, 2018, the Debtors filed the Objection. The Official Committee of Unsecured Creditors and the Official Ad Hoc Committee of Unitholders joined the Debtors' Objection the same day [D.I. 1840 & 1844]. By this Joinder, the Noteholder Group adds its voice to the chorus.

JOINDER

5. The Noteholder Group joins in the Objection and agrees that the Motion to Shorten should be denied for the reasons set forth in the Objection.

6. Further, in order to hear a matter on less than proper notice, our Local Rules require an "exigency." Local Rule 9006-1 provides, in relevant part:

Shortened Notice. No motion will be scheduled on less notice than required by these Local Rules or the Fed. R. Bankr. P. except by order of the Court, on written

motion (served on all interested parties) specifying the exigencies justifying shortened notice.

Del. Bankr. L.R. 9006-1(e).

7. The La Rochelle Noteholders have articulated no exigency at all. The conclusory and vague statements in the Motion to Shorten do not justify truncating the required time period for response and hearing the Termination Motion.

8. As the official fiduciary body appointed to represent noteholders in these Chapter 11 Cases, the Noteholder Group represents the interests of the nearly 7000 individual noteholder victims of Woodbridge's fraudulent enterprise. Exclusivity is a very carefully guarded privilege accorded to the Debtors. In these unique chapter 11 cases, exclusivity should be viewed from the perspective of all investor victims. To date, the Debtors, through their current independent management and professionals, have served properly as fiduciaries in these cases. The Debtors have worked closely with the three committees in these cases, in furtherance of the interests of all investor victims, toward a fair, prompt and value-maximizing resolution of these cases for the benefit of investors. In particular, the Debtors played an essential role in brokering the global settlement embodied in the March 22, 2018 Term Sheet. The Debtors have thereafter moved with dispatch and in good faith to carry out the objectives of the Term Sheet through the preparation of a chapter 11 plan and disclosure statement. All evidence to date is that the Debtors have continued to demonstrate the requisite good stewardship warranting continued exclusivity. In sharp contrast, the La Rochelle Noteholders have shown no basis whatsoever for a rushed determination of the Debtors' exclusivity rights. Viewed in the context of the complex and already fraught history of these chapter 11 cases, the bar must be set extremely high for demonstrating cause for an expedited exclusivity hearing. The La Rochelle Noteholders have had close to two months since the Term Sheet was executed, and yet elected to wait to spring their exclusivity motion. Under these circumstances, the Termination Motion may only be heard on regular notice.

CONCLUSION

WHEREFORE, the Noteholder Group respectfully requests that the Court: (i) deny the Motion to Shorten; and (ii) grant such other and further relief as the Court deems appropriate.

Dated: May 22, 2018
Wilmington, Delaware

DRINKER BIDDLE & REATH LLP

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Formed Pursuant to January 23, 2018,
Order [D.I. 357]*