

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

In re:	:	
	:	Chapter 11
	:	Case No. 17-12560 (KJC)
WOODBRIIDGE GROUP OF	:	
COMPANIES LLC, <i>et al.</i> ¹	:	Jointly Administered
	:	
Debtors.	:	Re: Dkt. Nos. 1563, 1826, 1894, 1900

**STATEMENT OF THE OFFICAL AD HOC COMMITTEE
OF UNITHOLDERS IN SUPPORT OF DEBTORS’ REPLY (I) TO
CONTRARIAN FUNDS LLC’S RESPONSE TO DEBTORS’ OBJECTON
TO PROOF OF CLAIM 1216, AND (II) IN FURTHER SUPPORT
OF THE DEBTORS’ CLAIM OBJECTION**

The Official Ad Hoc Committee of Unitholders (the “Unitholders’ Committee”) of Woodbridge Mortgage Investment Fund Entities,² by and through its undersigned counsel, hereby respectfully states as follows with respect to the *Debtors’ Reply to (I) Contrarian Funds LLC’s Response to Debtors’ Objection to Proof of Claim 1216, and (II) in Further Support of the Debtors’ Claim Objection, [D.I. 1894] (the “Reply”)*³

1. The Unitholders’ Committee was the first fiduciary to highlight the contractual restrictions on trading in Notes and Units and, accordingly, requested that the Debtors, Official

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’ claims and noticing agent at www.gardencitygroup.com/cases/WGC.

² The Funds consist of the following Debtors: (i) Woodbridge Mortgage Investment Fund 1, LLC; (ii) Woodbridge Mortgage Investment Fund 2, LLC; (iii) Woodbridge Mortgage Investment Fund 3, LLC; (iv) Woodbridge Mortgage Investment Fund 3A, LLC; (v) Woodbridge Mortgage Investment Fund 4, LLC; (vi) Woodbridge Commercial Bridge Loan Fund 1, LLC; and (vii) Woodbridge Commercial Bridge Loan Fund 2, LLC.

³ Capitalized terms not defined herein shall have the meanings ascribed to them in the Reply.

Committee of Unsecured Creditors (the “UCC”) and Ad hoc Group of Noteholders (the “Noteholder Group”) agree to place a moratorium on **all** trading in Notes and Units.

2. The Unitholders’ Committee did so, in part, because the January 23, 2018 global settlement agreement (the “GSA”) contemplated, for the benefit of all Investors, a time sensitive effort to avoid further delay and costly litigation regarding, among other things, the treatment of Notes, Units, unsecured claims and the potential substantive consolidation of the Debtors.

3. Those GSA efforts produced the March 23, 2018 plan term sheet [D.I. 828] (the “Plan Term Sheet”) that, among other things, embodies a global settlement among the Noteholders, Unitholders and other unsecured creditors as to their treatment, the adoption of a business plan to maximize value, substantive consolidation of the Debtors, emergence from chapter 11 before December 31, 2018, and the issuance of (i) a significant initial cash distribution and (2) equity interests in a creditors’ trust that are contemplated to be fully tradeable over the 1-3 year time frame for liquidation of the trust assets.

4. Shortly after our request, the Debtors, in part in reliance on their contractual rights under the applicable Noteholder and Unitholder governing documents and in part on securities law concerns (see Statement of the Ad Hoc Noteholder Group Regarding (I) Debtors’ Objection to Proof of Claim 1216 and (II) Contrarian Funds LLC’s Response Thereto [D.I. 1900] at ¶¶ 10-17), on March 21, 2018, issued a notice restricting the trading of Notes and Units for 90 days.

5. While the Unitholders’ Committee appreciates that an efficient claims trading market could assist Noteholders and Unitholders who may have an urgent need for cash, the potential harm of some small additional delay caused by the continuation of the trading restriction (especially given the anticipated soon to be filed plan and disclosure statement), giving effect to the Plan Term Sheet, is far outweighed by the potential for traders to take advantage of such

Investors and/or who would seek to inject significant uncertainty, delay and litigation into these cases.

6. The Unitholders' Committee joins, adopts, and supports the Debtors' statements in the Reply and requests the Court sustain the Claim Objection and grant such other and further relief as is just.

Dated: June 1, 2018

VENABLE LLP

/s/ Jamie L. Edmonson

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Committee*