

**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. Docket No. 122

**SUPPLEMENTAL DECLARATION OF SAMUEL A. NEWMAN IN SUPPORT OF
THE DEBTORS' APPLICATION FOR AN ORDER APPROVING THE
EMPLOYMENT AND RETENTION OF GIBSON, DUNN & CRUTCHER LLP AS
GENERAL BANKRUPTCY AND RESTRUCTURING CO-COUNSEL FOR THE
DEBTORS AND DEBTORS IN POSSESSION *NUNC PRO TUNC*
TO THE PETITION DATE**

I, Samuel A. Newman, hereby declare and state as follows:

1. I am a partner in the law firm of Gibson, Dunn & Crutcher LLP ("Gibson Dunn").

I am admitted to practice before, among others, the courts of the State of California; the United States District Court for the Central District of California and the United States Court of Appeals for the Ninth Circuit; and I have been admitted before this Court *pro hac vice* in the above-captioned chapter 11 cases (these "Chapter 11 Cases").

2. Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein based on my review of our records and discussions with firm personnel and third parties.

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. 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, or by contacting the proposed undersigned counsel for the Debtors.

3. I previously submitted a declaration (the “Original Declaration”) in support of the *Debtors’ Application for an Order Approving the Employment and Retention of Gibson, Dunn & Crutcher LLP as General Bankruptcy and Restructuring Co-Counsel For the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date* (the “Application”) [Docket No. 122, Ex. B].²

4. I submit this supplemental declaration (this “Supplemental Declaration”) to (i) address certain questions in the U.S. Trustee Fee Guidelines,³ (ii) provide supplemental disclosures of Gibson Dunn’s connections and conflict review as described in the Original Declaration, and (iii) provide further detail regarding Gibson Dunn’s prepetition representation of the Debtors and related persons and parties.

5. Consistent with the U.S. Trustee Fee Guidelines, I state as follows:

- a. Gibson Dunn has not agreed to a variation of its standard or customary billing arrangements for this engagement;
- b. None of Gibson Dunn’s professionals included in this engagement have varied their rate based on the geographic location of these Chapter 11 Cases;
- c. Gibson Dunn represented the Debtors in the 12 months prepetition. The billing rates and material terms of the prepetition engagement are the same as the rates and terms described in the Application; and

² Capitalized terms used but not defined herein shall have the meanings set forth in the Application.

³ The U.S. Trustee Fee Guidelines themselves acknowledge that “the Guidelines do not supersede local rules, court orders, or other controlling authority.” While the Debtors and Gibson Dunn intend to work cooperatively with the U.S. Trustee to address requests for information and any concerns that may have led to the adoption of the U.S. Trustee Fee Guidelines, neither the filing of this declaration, nor anything contained herein, is intended to or shall be deemed to be an admission by Gibson Dunn that Gibson Dunn is required to comply with the U.S. Trustee Fee Guidelines. Gibson Dunn reserves any and all rights with respect to the application of the U.S. Trustee Fee Guidelines in respect of any application for employment or compensation filed in these Chapter 11 Cases.

d. The Debtors will be approving a prospective budget and staffing plan for Gibson Dunn's engagement for the postpetition period as appropriate. In accordance with the U.S. Trustee Fee Guidelines, the budget may be amended as necessary to reflect changed or unanticipated developments.

6. Pursuant to the Original Declaration, Gibson Dunn set forth and described the conflicts and connections search that it conducted with respect to its representation of the Debtors and listed its connections with the Debtors and other parties in interest in these Chapter 11 Cases. Gibson Dunn provided that it would supplement the Original Declaration, as necessary, with disclosures of additional information if and when additional information developed or became available.

7. Gibson Dunn has continued to search its internal client database regarding interested parties identified in these Chapter 11 Cases. Gibson Dunn previously filed, as Exhibit 4 to the Original Declaration, a list of entities whom Gibson Dunn currently represents or has represented within the past three years. Gibson Dunn hereby provides the following additional parties who it currently represents or has represented within the past three years:

- (a) Garden City Group
- (b) Kramer Levin Naftalis
- (c) Moelis & Co.
- (d) Robert Shapiro
- (e) Citibank, NA

8. In addition, a number of parties executed non-disclosure agreements in connection with the Debtors' and its advisors' efforts to identify debtor in possession financing.

To the extent any of these parties provide financing, or are otherwise involved in the Chapter 11 Cases going forward, Gibson Dunn will promptly make additional disclosures, as necessary.

9. As disclosed in the Original Declaration, prior to being engaged in connection with preparation of the Chapter 11 Cases, Gibson Dunn was retained by certain of the Debtors to handle certain discrete legal issues. Based on my review of internal records and other information, it has come to my attention that, in connection with an investigation by the California Attorney General's office (the "Cal AG Matter"), Gibson Dunn entered into an engagement letter dated November 7, 2016, with Woodbridge Group of Companies LLC ("Woodbridge") and Robert Shapiro (the "November 2016 Engagement Letter").

Notwithstanding the offer to represent Mr. Shapiro, upon information and belief, Mr. Shapiro decided to retain his own independent counsel and commenced an interview process at that time. Gibson Dunn advised Woodbridge with respect to a November 18, 2016 notice regarding a subpoena that was issued to Comerica Bank seeking records relating to Woodbridge Wealth Investments and other Woodbridge-related entities. Additionally, in January 2017, Gibson Dunn reached out to the California AG's office to indicate a willingness to discuss settlement along the lines of settlements that had been entered into with other state attorney generals, but didn't receive a response to that overture.

10. Upon information and belief, in December 2016, Mr. Shapiro elected to retain DLA Piper to represent him in his individual capacity in connection with Woodbridge-related securities issues. Gibson Dunn was instructed to turn over copies of related documents and information to Mr. Shapiro's personal counsel at DLA Piper. Since then, Gibson Dunn has acted as counsel to Woodbridge and DLA Piper has acted as counsel to Mr. Shapiro, and Gibson Dunn has confirmed on multiple occasions with Mr. Shapiro that Gibson Dunn did not represent him in

any personal capacity. Mr. Shapiro has stated that at no time did he consider Gibson Dunn his personal counsel.

11. Gibson Dunn reserves the right to provide additional supplements to the Original Declaration as provided in the Application.

The foregoing constitutes the revised statement of Gibson Dunn pursuant to sections 327(a), 329 and 504 of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016(b), and Local Rule 2014. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: January 4, 2018

/s/ Samuel A. Newman
Samuel A. Newman