

**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)

Hearing Date: August 21, 2018, at 1:00 p.m. (ET)

Objection Deadline: August 3, 2018, at 4:00 p.m. (ET)

**DEBTORS' (I) OBJECTION TO PROOFS OF CLAIM FILED BY ERC I, LLC AND
ALAN R. BRILL; AND (II) REQUEST FOR A LIMITED WAIVER OF LOCAL RULE
3007-1(f)(iii), TO THE EXTENT SUCH RULE MAY APPLY**

Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases") hereby file this objection (this "Objection") seeking entry of an order, substantially in the form attached hereto as Exhibit A (the "Proposed Order"), (i) disallowing and expunging claim numbers 9407 and 9423 filed by ERC I, LLC ("ERC") and claim numbers 9424 and 9425 filed by Mr. Alan R. Brill ("Brill") (such four claims collectively, the "ERC/Brill Claims"), (ii) directing Garden City Group, Inc. (the "Claims Agent") to reflect the foregoing modifications on the official register maintained by the Claims Agent (the "Claims Register"), and (iii) waiving Rule 3007-1(f)(iii) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules") to the extent such rule may otherwise bar the assertion of any subsequent substantive objection (if any) to the

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.

ERC/Brill Claims to the extent those claims are not disallowed based on principles of res judicata. In support of this Objection, the Debtors rely on the record of these Chapter 11 Cases and the *Request for Judicial Notice in Support of Debtors' Objection to Proofs of Claim Filed by ERC I, LLC and Alan R. Brill* filed concurrently herewith (the "RJN"), and respectfully state as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Objection to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief requested herein are section 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), Rules 3001, 3003, and 3007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Local Rules 1001-1(c), 3007-1, and 3007-2.

BACKGROUND

2. On December 4, 2017, 279 of the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code, and on February 9, 2018, March 9, 2018, March 23, 2018, and March 27, 2018, additional affiliated Debtors (27 in total) commenced voluntary cases under chapter 11 of the Bankruptcy Code. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are continuing to manage their financial affairs as debtors in possession.

3. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. As of the date hereof, no trustee has been appointed in the Chapter 11 Cases. An official committee of unsecured creditors (the “Committee”) was appointed in the Chapter 11 Cases on December 14, 2017 [D.I. 79]. On January 23, 2018, the Court approved a settlement providing for the formation of an ad hoc noteholder group (the “Noteholder Group”) and an ad hoc unitholder group (the “Unitholder Group”) [D.I. 357].

A. The Prepetition Litigation

4. Certain of the Debtors have an extensive history of prepetition litigation with ERC and Brill in Indiana state court, which litigation has completed the state court appellate process and yielded a final judgment.

5. In April 2014, Debtor Whiteacre Funding, LLC (“Whiteacre”) commenced a foreclosure action against ERC and other parties to foreclose on a mortgage encumbering certain real property in Evansville, Indiana (the “State Court Action”), which mortgage foreclosure action was assigned Case Number 82D03-1404-MF-01437 in the Vanderburgh Superior Court (the “Indiana Trial Court”). *See generally Findings of Fact, Conclusions of Law, and Order for Entry of Final Judgment* (the “Trial Decision”) attached to the RJN as **Exhibit 1**.

6. ERC responded by asserting many affirmative defenses, counterclaims, and third-party claims against Whiteacre, non-debtor Riverdale Funding, LLC, and Debtor Woodbridge Mortgage Investment Fund 2, LLC (“Fund 2”), including claims for breach of contract, bad faith, promissory estoppel, fraud, unjust enrichment, tortious interference with business relations, civil conspiracy, estoppel, unclean hands, waiver, and generalized illegality. The Indiana Trial Court held a four-day trial at which the court heard testimony from five witnesses and admitted hundreds of exhibits. *See Trial Decision* at p. 2. Brill, a sophisticated businessman who controls ERC, actively participated in the trial, including by testifying at trial

and as the key witness associated with many of the trial exhibits. *See, e.g., id.* Findings of Fact ¶¶ 2-3, 14-20 & 32-58.

7. After trial, the Indiana Trial Court issued a 64-page Trial Decision that rejected all of ERC and Brill's theories. Instead, "the Woodbridge Parties prevailed on all claims," including the array of affirmative defenses and counterclaims. *See id.* at p. 2. The Indiana Trial Court accordingly entered final judgment in favor of all counterclaim defendants and allowed Whiteacre to foreclose its lien on ERC's property. *See id.* at pp. 63-64, ¶¶ 185-90.

8. ERC then appealed to the Court of Appeals of Indiana (the "Indiana Appellate Court"). The Indiana Appellate Court wrote a 23-page Memorandum Decision affirming the judgment below, which is attached to the RJN as Exhibit 2. "On appeal, ERC challenges only the trial court's rejection of its affirmative defenses and, thus, abandons all independent claims filed against the Woodbridge Parties." *Id.* at p. 2 ¶ [2]. The Indiana Appellate Court engaged in a detailed analysis of those affirmative defenses and ultimately concluded that "the trial court's rejection of the affirmative defenses was not clearly erroneous." *Id.* at p. 23 ¶ [53].

9. ERC sought further review by filing a petition to transfer jurisdiction with the Indiana Supreme Court. By an Order entered on August 15, 2017, which is attached to the RJN as Exhibit 3, the Indiana Supreme Court denied the petition to transfer. Pursuant to Indiana's Rule of Appellate Procedure 58(B), denial of the petition to transfer terminated the litigation between the parties and rendered the Trial Decision a final, nonappealable decision once further review was not timely sought from the Supreme Court of the United States.

10. The mortgaged property was then sold at a sheriff's sale on November 30, 2017. *See Sheriff's Return to Clerk / Report of Sale* attached to the RJN as Exhibit 4. Pursuant to the associated Sheriff's Deed and the Trial Decision, title to the premises has been formally changed.

B. The ERC/Brill Claims

11. On June 19, 2018, Brill filed the ERC/Brill Claims. The four claims are substantially similar (with any differences apparently being due to what appears to be disorganized or missing pages in certain of the attachments). ERC and Brill each now asserts a separate \$3,000,000 general unsecured claim against Whiteacre and Fund 2. Each claim form (i) notes that the claims of ERC and Brill are “similar” and asserted “Concurrently,” (ii) describes the basis of the claim as “Real estate stolen in fraudulent financing scam, plus legal fees/lost income/expenses/deterioration,” and (iii) attaches narrative notes for the “Common/Related Claims” that includes a grid listing the four asserted and overlapping claims.

12. Notwithstanding the substantial materials attached to the ERC/Brill Claims, the gravamen of the claims is difficult to discern. Nevertheless, it is apparent that the genesis of the claims is the same alleged misconduct that was already tried as part of the State Court Action. For example, the “Very Summarized Case Description” (page 15 of the file constituting claim number 9407) describes the very same “fraud, misrepresentation, conspiracy, etc.” that is addressed in detail in the Trial Decision and the Indiana Appellate Court’s Memorandum Decision. The attached materials further reference the original foreclosure complaint (*see, e.g.*, A. Brill email of April 8, 2014, included as page 43 of the file constituting claim number 9407), include an *Affidavit of Tony Coffman* bearing the caption of the State Court Action (pages 82–84 of the file constituting claim number 9407), and provide a detailed chart entitled “Analysis of Whiteacre/Riverdale/Woodbridge2 responses to ERC Complaint” that appears to pertain to issues raised as part of the State Court Action (pages 153–65 of the file constituting claim number 9407).

13. Astonishingly, the ERC/Brill Claims make no explicit mention of the prior Indiana litigation, let alone the decisions rendered at all levels of the state court system, even

though the ERC/Brill Claims are premised on and seek to relitigate the same assorted arguments, theories, and issues that were already fully litigated and resolved in the State Court Action. To the extent there is any difference in the theories that are now asserted, they all derive from the same common nucleus of operative facts as the prepetition litigation.

RELIEF REQUESTED

14. By this Objection, the Debtors seek entry of the Proposed Order (i) disallowing and expunging the four ERC/Brill Claims in their entirety based on the principles of res judicata, (ii) directing the Claims Agent to reflect the foregoing modifications on the Claims Register, and (iii) waiving Local Rule 3007-1(f)(iii) to the extent such rule may otherwise bar the assertion of any subsequent substantive objection (if any) to the ERC/Brill Claims.²

BASIS FOR RELIEF REQUESTED

15. Section 502(a) of the Bankruptcy Code provides that a “claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). In adjudicating claim objections, courts apply “a burden-shifting framework.” *In re Devonshire PGA Holdings LLC*, 548 B.R. 689, 697 (Bankr. D. Del. 2016).

The Third Circuit Court of Appeals described this framework as follows:

Initially, the claimant must allege facts sufficient to support the claim. If the averments in his filed claim meet this standard of sufficiency, it is “*prima facie*” valid. In other words, a claim that alleges facts sufficient to support a legal liability to the claimant satisfies the claimant’s initial obligation to go forward. The burden of going forward then shifts to the objector to produce evidence sufficient to negate the *prima facie* validity of the filed claim. It is often said that the objector must produce evidence

² For the avoidance of doubt, the Debtors are by this Objection objecting to the ERC/Brill claims solely on the basis of res judicata in light of prior final decisions in Indiana state court litigation. Although the Debtors do not believe this Objection is one “based on substantive grounds, other than incorrect classification of a claim,” Del. Bankr. L.R. 3007-1(f)(iii), and therefore do not believe that the Objection is required to “include all substantive objections to such claim,” *id.*, this Objection requests (out of an abundance of caution) a waiver of Local Rule 3007-1(f)(iii) to the extent such rule might otherwise be construed to apply.

equal in force to the *prima facie* case. In practice, the objector must produce evidence which, if believed, would refute at least one of the allegations that is essential to the claim's legal sufficiency. If the objector produces sufficient evidence to negate one or more of the sworn facts in the proof of claim, the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence.

In re Allegheny Int'l Inc., 954 F.2d 167, 173–74 (3d Cir. 1992) (citations omitted).

16. Pursuant to section 502(b)(1) of the Bankruptcy Code, a debtor in possession may object to a claim on the grounds that “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured.” 11 U.S.C. § 502(b)(1). When a proof of claim is based on a cause of action that would be barred by principles of *res judicata*, that claim is unenforceable under applicable nonbankruptcy law and should be disallowed. *See, e.g., In re Residential Capital, LLC*, Case No. 12-12020 (MG), 2016 Bankr. LEXIS 3130 (Bankr. S.D.N.Y. Aug. 25, 2016) (disallowing proof of claim based on alleged lending misconduct by the debtors because the underlying causes of action had been resolved against the claimant in other litigation).

17. “The preclusive effect of a judgment is defined by claim preclusion and issue preclusion, which are collectively referred to as ‘*res judicata*.’” *Taylor v. Sturgell*, 553 U.S. 880, 892 (2008). The doctrine of *res judicata* precludes parties from litigating claims in a subsequent suit based on the same cause of action asserted in a prior suit if there has been a final judgment in the prior suit. *Id.* Indeed, “[t]he doctrine of *res judicata* bars not only claims that were brought in a previous action, but also ***claims that could have been brought.***” *Mullarkey v. Tamboer (In re Mullarkey)*, 536 F.3d 215, 225 (3d Cir. 2008) (emphasis added) (internal citation omitted).

18. Under Indiana law, there are four elements that will implicate the doctrine of *res judicata* and bar litigation of a claim:

1) the former judgment must have been rendered by a court of competent jurisdiction; 2) the former judgment must have been rendered on the merits; 3) the matter now in issue was, or could have been, determined in the prior action; and 4) the controversy adjudicated in the former action must have been between parties to the present suit or their privies.

Marsh v. Rodgers (In re Rodgers), 659 N.E.2d 171, 173 (Ind. Ct. App. 1995).

19. Here, all of the elements are satisfied. The Indiana Trial Court was a court of competent jurisdiction for a foreclosure action regarding real property located in Evansville in Vanderburgh County and it exercised jurisdiction over counterclaims and third-party claims ERC and Brill put at issue in that action. *See* Trial Decision at p. 2. The Trial Decision is a lengthy judgment on the merits, rendered after a substantial multi-day trial, which judgment was affirmed on appeal in a detailed Memorandum Decision. All of the issues underlying the ERC/Brill Claims either were among the many theories that were asserted and litigated to finality in the State Court Action or derive from the same common nucleus of operative facts and thus easily could have been pursued in the State Court Action. Finally, ERC was a party and Brill an active participant in the State Court Action (both as a witness and through his control of ERC) and the claims asserted by Brill are entirely derivative and duplicative (or, in Brill's words, "common") of ERC's claims—these numerous relationships and overlapping interests establish privity for res judicata purposes. *See, e.g., Becker v. State*, 992 N.E.2d 697, 700–01 (Ind. 2013); *MicroVote Gen. Corp. v. Ind. Election Comm'n*, 924 N.E.2d 184, 196 (Ind. Ct. App. 2010). Accordingly, it is no surprise that under similar circumstances many courts have applied Indiana preclusion law to bar analogous efforts to relitigate claims and theories that were implicated by a state-court foreclosure proceeding.³

³ *See, e.g., Mains v. Citibank, N.A.*, 852 F.3d 669, 675–78 (7th Cir.), *cert. denied*, 138 S. Ct. 227 (2017); *Scarr v. JPMorgan Chase Bank, N.A.*, No. 1:16-cv-02605-TWP-DML, 2018 U.S. Dist. LEXIS 42835, at *16-20 (S.D. Ind. Jan. 25, 2018), *report and recommendation approved and adopted* by 2018 U.S. Dist. LEXIS 41742 (S.D.

20. Moreover, even if *res judicata* did not bar the ERC/Brill Claims for some reason, the related *Rooker-Feldman* doctrine would separately prevent this Court from exercising jurisdiction to essentially second-guess or invalidate decisions rendered in state-court foreclosure action, particularly since those decisions have been given effect by a completed sheriff's sale. *See, e.g., Madera v. Ameriquest Mortg. Co. (In re Madera)*, 586 F.3d 228, 230-32 (3d Cir. 2009) (holding that the *Rooker-Feldman* doctrine deprived bankruptcy court of jurisdiction to review rescission claims that related to a foreclosure judgement entered in state court); *Forrest v. New Century Mortg. Corp. (In re New Century TRS Holdings, Inc.)*, 423 B.R. 467, 471-74 (Bankr. D. Del. 2010) (same); *accord Mains v. Citibank, N.A.*, 852 F.3d at 675-78 (using Indiana preclusion law and *Rooker-Feldman* doctrine as overlapping bases for dismissal of borrower's claims).

21. The simple fact of the matter is that ERC and Brill are attempting to relitigate theories and issues that have already consumed substantial judicial resources at every level of the Indiana state court system. ERC and Brill have "more than had [their] day in court," which triggers the "public policy favoring an end to litigation" and compels application of *res judicata*. *Church of New Song v. Establishment of Religion on Taxpayers' Money etc.*, 620 F.2d 648, 654-55 (7th Cir. 1980); *see also, e.g., Coppolino v. Comm'r Pa. State Police*, 693 F. App'x 128, 129 (3d Cir. 2017) ("At its core, the legal doctrine of *res judicata* prohibits a second bite at the litigation apple."); *Employees Own Fed. Credit Union v. Defiance*, 752 F.2d 243, 245 (6th Cir. 1985) ("[W]e see no reason to allow a party to get an adverse judgment in state court and turn around and sue on the same claim in federal court. One bite at the apple is enough.").

Ind. Mar. 14, 2018); *Platt v. CitiMortgage, Inc.*, No. 1:14-cv-02088-JMS-TAB, 2015 U.S. Dist. LEXIS 53837, at *6-10 (S.D. Ind. April 24, 2015), *aff'd*, 632 F. App'x 294 (7th Cir. 2016); *Stefansson v. Source One Mortg.*, No. 1:02CV0773-LJM-WTL, 2004 U.S. Dist. LEXIS 4458, at *4-6 (S.D. Ind. Jan. 29, 2004); *Chamberlin v. 1st Source Bank (In re Chamberlin)*, No. 14-31183 HCD, 2015 Bankr. LEXIS 1593, at *11-15 (Bankr. N.D. Ind. Mar. 17, 2015). This is just a sample of the relevant decisions, and of course many more cases could be cited where the same result was obtained under the preclusion law of a state other than Indiana.

22. For the avoidance of doubt, the Debtors are by this Objection objecting to the ERC/Brill Claims solely on the basis of res judicata in light of prior final decisions rendered in Indiana state court litigation. Accordingly, the Debtors do not believe this Objection is one “based on substantive grounds, other than incorrect classification of a claim,” Del. Bankr. L.R. 3007-1(f)(iii), and therefore do not believe that the Objection is required to “include all substantive objections to such claim,” *id.* Nonetheless, out of an abundance of caution, the Debtors respectfully request a waiver of Local Rule 3007-1(f)(iii) to the extent such rule might otherwise be construed to apply. Such waiver is authorized by Local Rule 1001-1(c), and will ensure that all rights of the Debtors or any subsequently appointed estate representative to object in the future to the ERC/Brill Claims on any grounds permitted by bankruptcy or nonbankruptcy law are expressly reserved.

RESERVATION OF RIGHTS

23. The Debtors reserve the right to amend, modify, and/or supplement this Objection if necessary. Nothing contained in this Objection or any actions taken by the Debtors pursuant to the relief requested herein is intended or should be construed as (i) an admission as to the validity of any claim, (ii) a waiver of the Debtors’ rights to dispute any claim on any grounds, (iii) a promise or requirement to pay any claim, (iv) an implication or admission that any claim is of a type referenced or defined in this Objection, (v) an implication or admission that any contract or lease is executory or unexpired, as applicable, (vi) a waiver or limitation of any of the Debtors’ rights under the Bankruptcy Code or applicable law, (vii) a request or authorization to assume or reject any agreement under Bankruptcy Code section 365, (viii) a waiver of any party’s rights to assert that any other party is in breach or default of any agreement, or (ix) an implication or admission that any contract or lease is integrated with any other contract or lease.

NOTICE

24. The Debtors have provided notice of this Objection to: (i) the Office of the United States Trustee for the District of Delaware, (ii) counsel to the DIP Lender, (iii) counsel for the Committee, (iv) counsel for the Noteholder Group, (v) counsel for the Unitholder Group, (vi) ERC, (vii) Brill, and (viii) all parties that have requested notice in these Chapter 11 Cases pursuant to Local Rule 2002-1. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Debtors respectfully requests that the Court enter the Proposed Order granting the relief requested herein and granting such other and further relief as is just and proper.

Dated: July 20, 2018
Wilmington, Delaware

/s/ Ian J. Bambrick
YOUNG CONAWAY STARGATT & TAYLOR, LLP
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Counsel to the Debtors and Debtors in Possession

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

In re:

WOODBIDGE GROUP OF COMPANIES,
LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Hearing Date: August 21, 2018, at 1:00 p.m. (ET)

Objection Deadline: August 3, 2018, at 4:00 p.m. (ET)

NOTICE OF DEBTORS' (I) OBJECTION TO PROOFS OF CLAIM FILED BY ERC I, LLC AND ALAN R. BRILL; AND (II) REQUEST FOR A LIMITED WAIVER OF LOCAL RULE 3007-1(f)(iii), TO THE EXTENT SUCH RULE MAY APPLY

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (II) COUNSEL FOR THE DIP LENDER; (III) COUNSEL FOR THE COMMITTEE; (IV) COUNSEL FOR THE NOTEHOLDER GROUP; (V) COUNSEL FOR THE UNITHOLDER GROUP; (VI) ERC I, LLC; (VII) ALAN R. BRILL; AND (VIII) 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' (I) Objection to Proofs of Claim Filed by ERC I, LLC and Alan R. Brill; and (II) Request for a Limited Waiver of Local Rule 3007-1(f)(iii), to the Extent Such Rule May Apply** (the "Objection").²

PLEASE TAKE FURTHER NOTICE that responses to the Objection must be filed on or before **August 3, 2018, at 4:00 p.m. (ET)** (the "Response 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 upon the undersigned counsel to the Debtors so as to be received on or before the Response Deadline.

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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE OBJECTION WILL BE HELD ON AUGUST 21, 2018, AT 1:00 P.M. (ET) BEFORE THE HONORABLE KEVIN J. CAREY IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 5, WILMINGTON, DELAWARE 19801.

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

Dated: July 20, 2018
Wilmington, Delaware

/s/ Ian J. Bambrick
YOUNG CONAWAY STARGATT & TAYLOR, LLP
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Los Angeles, California 90067

Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Proposed Order

**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 Nos. ____

ORDER (I) SUSTAINING DEBTORS' OBJECTION TO PROOFS OF CLAIM FILED BY ERC I, LLC AND ALAN R. BRILL; AND (II) GRANTING DEBTORS' REQUEST FOR A LIMITED WAIVER OF LOCAL RULE 3007-1(f)(III), TO THE EXTENT SUCH RULE MAY APPLY

Upon the objection (the "Objection")² filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") in these chapter 11 cases (the "Chapter 11 Cases") seeking entry of an order, pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3001, 3003, and 3007, and Local Rules 3007-1 and 3007-2, (i) disallowing and expunging claim numbers 9407 and 9423 filed by ERC I, LLC ("ERC") and claim numbers 9424 and 9425 filed by Mr. Alan R. Brill ("Brill") (such four claims collectively are the "ERC/Brill Claims"), (ii) directing Garden City Group, Inc. (the "Claims Agent") to reflect the foregoing modifications on the official register maintained by the Claims Agent (the "Claims Register"), and (iii) waiving Local Rule 3007-1(f)(iii) to the extent applicable; and upon consideration of the record of these Chapter 11 Cases and exhibits to the RJN (as to which the Court takes judicial notice); and it appearing that the Court has jurisdiction to consider the Objection in accordance

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, 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 counsel for the Debtors.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Objection.

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 the Objection is a core matter pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of these Cases and of the Objection is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Objection has been given under the circumstances and that no other or further notice need be given; and after due deliberation, and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, and DECREED THAT:

1. The Objection is SUSTAINED as set forth herein.
2. Each of the ERC/Brill Claims—claim numbers 9407, 9423, 9424, and 9425—are hereby disallowed and expunged in their entirety.
3. The Claims Agent is directed to modify the Claims Register to comport with the relief granted by this Order.
4. For the avoidance of doubt and to the extent applicable, Local Rule 3007-1(f)(iii) is hereby deemed waived with respect to the relief requested in the Objection and granted by this Order.
5. Nothing in this Order shall be deemed (i) an admission as to the validity of any claim, (ii) a waiver of the Debtors' rights to dispute any claim on any grounds, (iii) a promise or requirement to pay any claim, (iv) an implication or admission that any claim is of a type referenced or defined in the Objection, (v) an implication or admission that any contract or lease is executory or unexpired, as applicable, (vi) a waiver or limitation of any of the Debtors' rights under the Bankruptcy Code or applicable law, (vii) a request or authorization to assume or reject

any agreement under Bankruptcy Code section 365, (viii) a waiver of any party's rights to assert that any other party is in breach or default of any agreement, or (ix) an implication or admission that any contract or lease is integrated with any other contract or lease.

6. Notwithstanding any applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, or the Local Rules, this Order shall be effective immediately upon its entry.

7. The Debtors are authorized to take all actions necessary or appropriate to effectuate the relief granted pursuant to this Order in accordance with the Objection.

8. This Court shall retain jurisdiction and power with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: _____, 2018
Wilmington, Delaware

KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE