

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

In re:

WOODBRIIDGE GROUP OF COMPANIES, LLC,  
*et al.*,<sup>1</sup>

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' MOTION FOR ENTRY OF AN ORDER, PURSUANT TO SECTION  
105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 9019,  
AUTHORIZING AND APPROVING ENTRY INTO A SETTLEMENT WITH JOMIC  
INVESTMENTS, INC. AND POSITIVE ASPECTS, INC.**

Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned cases (the “Chapter 11 Cases”) hereby move the Court (this “Motion”) for the entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (i) authorizing and approving Debtor Woodbridge Investments, LLC (“Woodbridge Investments”) to enter into the Settlement Agreement dated as of July 20, 2018 (the “Settlement Agreement”), in the form attached as **Exhibit 1** to the Proposed Order, with JoMic Investments, Inc. (“JoMic”) and Positive Aspects, Inc. (“Positive” and together with JoMic, “Claimants”) settling a dispute in connection with several proofs of claim filed by Claimants and (ii) granting related relief. In support of this Motion, the Debtors respectfully state as follows:

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<sup>1</sup> 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](http://www.gardencitygroup.com/cases/WGC), or by contacting the undersigned counsel for the Debtors.

### **JURISDICTION**

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 Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors consent to the entry of a final order by the Court in connection with this Motion 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 Bankruptcy Code section 105(a) and Bankruptcy Rule 9019.

### **GENERAL BACKGROUND**

2. On December 4, 2017, a total of 279 Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code. Thereafter, 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. No trustee has been appointed in the Chapter 11 Cases. An official committee of unsecured creditors (the “Committee”) was appointed on December 14, 2017 [Docket No. 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”) [Docket No. 357].

**THE PREPETITION LITIGATION AND PROOFS OF CLAIM**

4. In 2008, JoMic filed a lawsuit against Federal Express Corporation (“FedEx”), Woodbridge Investments, and certain other parties in Florida state court, which action is styled as *Positive Aspects, Inc., et al. v. Federal Express Corp., et al.*, Broward County Circuit Court Case No. 08-47707 (09) (the “State Court Action”).

5. The gravamen of the State Court Action is that from 2006-2008, certain employees of Woodbridge Investments improperly obtained JoMic’s customer list from FedEx and thereafter caused JoMic to suffer lost profits and other damages in the asserted amount of \$10 million by soliciting investment business away from JoMic. Positive is a plaintiff in the State Court Action as a successor to JoMic. Prosecution of the State Court Action was automatically stayed by the commencement of Woodbridge Investment’s Chapter 11 Case. If the litigation had not been stayed, the State Court Action was scheduled to proceed to trial in January 2018.

6. Claimants have filed four proofs of claim against Woodbridge Investments in the Chapter 11 Cases—JoMic filed claim numbers 229 and 5102 while Positive filed claim numbers 228 and 5101 (collectively, the “Proofs of Claim”). Each of the Proofs of Claim asserts a general unsecured claim of \$10 million and is based on the State Court Action.

**SUMMARY OF THE SETTLEMENT AGREEMENT**<sup>2</sup>

7. The Settlement Agreement provides that Positive will receive a single allowed general unsecured claim against Woodbridge Investments in the amount of \$40,000 (the

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<sup>2</sup> In the event of a conflict between any term addressed in this summary with any term in the Settlement Agreement, the Settlement Agreement will govern in all respects.

“Allowed Claim”). Settlement Agreement ¶ 3. The remaining amounts asserted in the Proofs of Claim will be deemed disallowed with prejudice, thereby massively reducing the amount and eliminating the duplication across those four claims. *Id.* The Allowed Claim shall be the sole and exclusive right to payment or any other relief that JoMic, Positive, and their respective predecessors, successor, or assigns shall have to any distribution or recovery in the Chapter 11 Cases. *Id.*

8. To the extent it is applicable, the automatic stay will be lifted in order to allow Claimants to continue to pursue the State Court Action against the remaining non-debtor defendants. *See id.* ¶ 5. Woodbridge Investments will be dismissed as a party to the State Court Action. *See id.* Woodbridge Investments and Claimants will also exchange mutual general releases, but excluding any claims to enforce rights, obligations, and duties arising out of the Settlement Agreement. *See id.* ¶¶ 6-9.

9. Each of JoMic and Positive had agreed that, so long as it is entitled to vote on the Debtors’ plan of liquidation and its vote has been properly solicited pursuant to sections 1125 and 1126 of the Bankruptcy Code, when solicited, it will vote the Allowed Claim in favor of and to accept any chapter 11 plan in which the treatment of general unsecured creditors is no less favorable than the treatment proposed in the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* filed on July 9, 2018 [Docket No. 2138]. *See id.* ¶ 10. The parties acknowledge and understand that the Settlement Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any bankruptcy plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise.

10. The Settlement Agreement will not be effective until it has been approved by the Court and certain other standard conditions to its effectiveness have occurred. *See id.* ¶ 4.

**RELIEF REQUESTED**

11. By this Motion, the Debtors request the entry of an order, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019(a), authorizing and approving the Settlement Agreement, and granting related relief.

**BASIS FOR RELIEF**

12. Section 105(a) of the Bankruptcy Code provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” *See* 11 U.S.C. § 105(a). Bankruptcy Rule 9019 provides, in pertinent part, that “on motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” *See* Fed. R. Bank. P. 9019(a).

13. “The federal courts have a well-established policy of encouraging settlement to promote judicial economy and limit the waste of judicial resources.” *Russian Standard Vodka (USA), Inc. v. Allied Domecq Spirits & Wine USA, Inc.*, 523 F. Supp. 2d 376, 384 (S.D.N.Y. 2007); *see also, e.g., U.S. Bancorp Mortg. Co. v. Bonner Mall P’ship*, 513 U.S. 18, 27–28 (1994) (discussing the general utility of settlement vis-à-vis judicial economy). The force of this established federal policy is particularly acute in the bankruptcy context, where compromises and settlements are “a normal part of the process of reorganization.” *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968). Indeed, in order to “minimize litigation and expedite the administration of a bankruptcy estate, ‘compromises are favored in bankruptcy.’” *Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996) (quoting 9 Alan N. Resnick & Henry J. Sommer, *COLLIER ON BANKRUPTCY* ¶ 9019.03[1] (16th ed. 2018)); *see also In re Penn. Cent. Transp. Co.*, 596 F.2d 1102 (3d Cir. 1979); *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006); *In re Culmtech, Ltd.*, 118 B.R. 237, 238 (Bankr. M.D. Pa. 1990).

14. The decision whether to approve a proposed settlement is committed to the discretion of the bankruptcy court, “which must determine if the compromise is fair, reasonable, and in the interest of the estate.” *In re Louise’s, Inc.*, 211 B.R. 798, 801 (D. Del. 1997). In exercising that discretion, the Third Circuit Court of Appeals has stated that courts should consider “(1) the probability of success in litigation; (2) the likely difficulties in collection; (3) the complexity of the litigation involved and the expense, inconvenience and delay necessarily attending it; and (4) the paramount interest of the creditors.” *In re Martin*, 91 F.3d at 393; *see also Will v. Nw. Univ. (In re Nutraquest, Inc.)*, 434 F.3d 639, 644 (3d Cir. 2006); *In re Marvel Entm’t Grp., Inc.*, 222 B.R. 243 (D. Del. 1998). The proponent of a settlement is not required to demonstrate “that the settlement is the best possible compromise. Rather, the court must conclude that the settlement is ‘within the reasonable range of litigation possibilities.’” *In re World Health*, 344 B.R. at 296 (internal citations and quotation marks omitted); *see also, e.g., Nellis v. Shugrue*, 165 B.R. 115, 123 (S.D.N.Y. 1994) (Sotomayor, J.) (“[I]n assessing the fairness of the settlement, a judge does not have to be convinced that the settlement is the best possible compromise or that the parties have maximized their recovery.”); *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004) (“[T]he court does not have to be convinced that the settlement is the best possible compromise.”).

15. The Debtors have determined, in an exercise of the Debtors’ sound business judgment, that the terms of the Settlement Agreement are fair and reasonable and that the best interests of the Debtors’ estates and creditors will be served by the entry of the Proposed Order. The terms of the Settlement Agreement are the product of good faith, arm’s-length negotiations among the Debtors and Claimants, and fall well within the reasonable range of litigation possibilities.

16. The Settlement Agreement resolves four proofs of claim asserted in the aggregate amount of \$40 million in exchange for an allowed general unsecured claim of \$40,000. Even after eliminating the duplication inherent in the Proofs of Claim, the Allowed Claim resulting for Claimants constitutes only 0.4% of the asserted amount. This resolution eliminates the need for the Debtors to object to the Proofs of Claim, which could potentially result in a renewed need to litigate in Florida state court in what is an already long-pending dispute and certainly carries some risk of a judgment or allowed claim materially in excess of \$40,000.

17. Moreover, the Settlement Agreement further eliminates the administrative expenses that the Debtors would need to incur objecting to just the duplicative nature of the Proofs of Claim, as well as addressing the merits of Claimants' underlying theory of liability. The Settlement Agreement further fixes the amount of Claimants' general unsecured Allowed Claim, which both facilitates timely distributions of value to Claimants and eliminates the need to establish disputed claim reserves that could reduce and delay distributions to other holders of allowed general unsecured claims. Such an outcome not only is highly favorable for the Debtors' estates and creditors, but also advances the longstanding federal policy that bankruptcy cases should be promptly administered for the benefit of creditors who will get only partial recoveries on their claims.<sup>3</sup>

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<sup>3</sup> See, e.g., *Bullard v. Blue Hills Bank*, 135 S. Ct. 1686, 1694 (2015) (“[E]xpedition is always an important consideration in bankruptcy.”); *Katchen v. Landy*, 382 U.S. 323, 328-29 (1966) (describing longstanding recognition “that a chief purpose of the bankruptcy laws is ‘to secure a prompt and effectual administration and settlement of the estate of all bankrupts within a limited period’” (quoting *Ex parte Christy*, 44 U.S. 292, 312 (1845))); *Wiswall v. Campbell*, 93 U.S. 347, 350-51 (1876) (emphasizing how “[p]rompt action is everywhere required by law,” and that this principle requires quick resolutions of claims against a bankruptcy estate, as “[w]ithout it there can be no dividend”); *Bailey v. Glover*, 88 U.S. 342, 346-47 (1875) (discussing how “[i]t is obviously one of the purposes of the Bankrupt law, that there should be a speedy disposition of the bankrupt’s assets,” which is a goal “only second in importance to securing equality of distribution”); *Century Glove, Inc. v. First Am. Bank*, 860 F.2d 94, 98 (3d Cir. 1988) (highlighting how “issues central to the progress of the bankruptcy petition, those likely to affect the distribution of the debtor’s assets, or the relationship among the creditors, should be resolved quickly” (citation and quotation marks omitted)); *Kowal v. Malkemus (In re Thompson)*, 965 F.2d 1136, 1145 (1st Cir. 1992) (noting “the important policy favoring efficient bankruptcy administration”).

18. In sum, all of the *Martin* factors support approval of the proposed settlement. The Settlement Agreement reflects Woodbridge Investment's likely ability to succeed on the merits in litigation while acknowledging the risks and uncertainties that are inherent in any legal dispute. The Settlement Agreement fixes the amount of an allowed general unsecured claim with Claimants accepting the uncertainty regarding the precise distributions that they will ultimately collect on that Allowed Claim. The Settlement Agreement eliminates the administrative expense, inconvenience, and delay necessarily attendant to prosecuting claim objections to four proofs of claim that assert millions of dollars in liability against Woodbridge Investments. The Settlement Agreement also advances the paramount interests of the creditors by timely resolving disputed claims and working to fix the amount of the allowed general unsecured claims pool in a fashion that will enhance the speed and amount of distributions that can be paid to the holders of allowed general unsecured claims.

19. For all these reasons, the Debtors respectfully submit that the Settlement Agreement is fair, reasonable, and in the best interests of the estates and should therefore be approved under Bankruptcy Rule 9019 and Bankruptcy Code section 105(a).

**REQUEST FOR WAIVER OF STAY**

20. The Debtors seek a waiver of any stay of the effectiveness of the order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), any "order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). The Debtors respectfully submit that a waiver of such stay is appropriate here because any delay in consummating the settlement could jeopardize the consensus reached between the parties and therefore would be detrimental to the Debtors, their creditors, and their estates.

**NOTICE**

21. The Debtors have provided notice of this Motion 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) Claimants; and (vii) all parties who have requested notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

**CONCLUSION**

WHEREFORE, the Debtors respectfully request that the Court (i) enter the Proposed Order granting the relief requested herein and (ii) grant such other and further relief as may be just and proper under the circumstances.

Dated: July 20, 2018  
Wilmington, Delaware

/s/ Ian J. Bambrick  
YOUNG CONAWAY STARGATT & TAYLOR, LLP  
Sean M. Beach (No. 4070)  
Edmon L. Morton (No. 3856)  
Ian J. Bambrick (No. 5455)  
Betsy L. Feldman (No. 6410)  
Rodney Square, 1000 North King Street  
Wilmington, Delaware 19801  
Tel: (302) 571-6600  
Fax: (302) 571-1253

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP  
Kenneth N. Klee (*pro hac vice*)  
Michael L. Tuchin (*pro hac vice*)  
David A. Fidler (*pro hac vice*)  
Jonathan M. Weiss (*pro hac vice*)  
1999 Avenue of the Stars, 39th Floor  
Los Angeles, California 90067

*Counsel to the Debtors and Debtors in Possession*

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

In re:

WOODBRIIDGE GROUP OF COMPANIES, LLC,  
*et al.*,<sup>1</sup>

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 MOTION**

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) CLAIMANTS; AND (VII) ALL PARTIES WHO HAVE REQUESTED NOTICE IN THE CHAPTER 11 CASES PURSUANT TO BANKRUPTCY RULE 2002

**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’ Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Authorizing and Approving Entry into a Settlement with JoMic Investments, Inc. and Positive Aspects, Inc.* (the “Motion”).

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

**PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION 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.**

<sup>1</sup> 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](http://www.gardencitygroup.com/cases/WGC), or by contacting the undersigned counsel for the Debtors.

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

Dated: July 20, 2018  
Wilmington, Delaware

/s/ Ian J. Bambrick  
YOUNG CONAWAY STARGATT & TAYLOR, LLP  
Sean M. Beach (No. 4070)  
Edmon L. Morton (No. 3856)  
Ian J. Bambrick (No. 5455)  
Betsy L. Feldman (No. 6410)  
Rodney Square, 1000 North King Street  
Wilmington, Delaware 19801  
Tel: (302) 571-6600  
Fax: (302) 571-1253

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP  
Kenneth N. Klee (*pro hac vice*)  
Michael L. Tuchin (*pro hac vice*)  
David A. Fidler (*pro hac vice*)  
Jonathan M. Weiss (*pro hac vice*)  
1999 Avenue of the Stars, 39th Floor  
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:

WOODBIDGE GROUP OF COMPANIES, LLC,  
*et al.*,<sup>1</sup>  
  
Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Ref. Doc. Nos. \_\_\_\_\_

**ORDER, PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE AND  
BANKRUPTCY RULE 9019, AUTHORIZING AND APPROVING ENTRY INTO A  
SETTLEMENT WITH JOMIC INVESTMENTS, INC. AND POSITIVE ASPECTS, INC.**

Upon the *Debtors' Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Authorizing and Approving Entry Into a Settlement with JoMic Investments, Inc. and Positive Aspects, Inc.* (the "Motion")<sup>2</sup> filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); and this Court having found that it has jurisdiction to consider the Motion 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 Motion in this district is 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 Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be

<sup>1</sup> 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](http://www.gardencitygroup.com/cases/WGC) or by contacting counsel for the Debtors.

<sup>2</sup> Capitalized terms used, but not otherwise defined herein, have the meaning given to them in the Motion.

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, and their creditors; and that the legal and factual bases set forth in the Motion and the entire record of the Chapter 11 Cases establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein.
2. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, the Debtors are authorized to enter into the Settlement Agreement, in substantially the form attached hereto as **Exhibit 1**, which Settlement Agreement is authorized, approved in its entirety, and incorporated as an order of this Court.
3. Subject to the occurrence of its “Effective Date,” the Debtors and Claimants, as applicable, are authorized and empowered to take any and all actions necessary or appropriate to consummate, carry out, effectuate, or otherwise enforce the terms, conditions, and provisions of the Settlement Agreement.
4. Garden City Group, Inc. is directed to modify the official claims register it maintains to comport with the relief granted by this Order.
5. 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.
6. The Court shall retain jurisdiction and power over any and all matters arising from or related to the interpretation or implementation of this Order and the Settlement Agreement.

Dated: \_\_\_\_\_, 2018  
Wilmington, Delaware

\_\_\_\_\_  
KEVIN J. CAREY  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**Settlement Agreement**

**Settlement Agreement**

This settlement agreement (the "Agreement") is entered into as of July 20, 2018 (subject to the provisions regarding effectiveness herein) by and between (i) JoMic Investments, Inc., a Florida corporation ("JoMic") and Positive Aspects, Inc., a Florida corporation ("Positive"), on the one hand, and (ii) Woodbridge Investments, LLC, a Delaware limited liability company, on the other hand ("Woodbridge," and with JoMic and Positive, the "Parties," and each individually a "Party").

**Recitals**

A. Woodbridge is one of 306 debtors in the jointly administered chapter 11 bankruptcy case pending in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), entitled *In re Woodbridge Group of Companies, LLC, et al.*, No. 17-12560-KJC (the "Bankruptcy Case"). Woodbridge is a debtor in possession.

B. JoMic and Positive filed general unsecured claims in the Bankruptcy Case against Woodbridge as follows:

- a. Claim No. 228 is a general unsecured claim for \$10 million filed by Positive.
- b. Claim No. 229 is a general unsecured claim for \$10 million filed by JoMic.
- c. Claim No. 5101 is general unsecured claim for \$10 million filed by Positive.
- d. Claim No. 5102 is general unsecured claim for \$10 million filed by JoMic.

C. The preceding claims are also being pursued in a lawsuit pending in the Circuit Court of the 17<sup>th</sup> Judicial Circuit, in and for Broward County, Florida, entitled *Positive Aspects, Inc. et al. v. Federal Express Corporation etc. et al.*, No. 08-047707(09) (the "Broward County Action"), which lawsuit is presently stayed as the result of the filing of the Bankruptcy Case.

D. Woodbridge has advised JoMic and Positive that it believes that the preceding claims are duplicative and inflated. JoMic and Positive agree that the claims are duplicative, *i.e.*, that they have one claim for \$10 million, but dispute that it is inflated.

E. The Parties wish to resolve all of the matters set out above and to otherwise settle any and all other disputes between or among them, known and unknown, on the terms and conditions set out in this Agreement.

Now, therefore, in consideration of the foregoing, the Parties stipulate and agree as follows:

**Agreement**

1. The foregoing recitals, set out a paragraphs A through E, inclusive, are incorporated herein as an integral part of this Agreement.

2. The Parties warrant that they are authorized to enter into this Agreement and that by their signatures below, it will become a binding agreement, subject only, in the case of Woodbridge, to satisfaction of the conditions set forth in paragraph 4. Without limiting the generality of the foregoing, Positive represents that it is the successor in interest to JoMic.

3. Subject to the conditions set forth in paragraph 4, upon the Effective Date (as defined below), Claim No. 228, filed by Positive, shall be allowed as a general unsecured claim not entitled to any priority under 11 U.S.C. § 507(a) in the amount of \$40,000.00 (Forty thousand dollars) (the "Allowed Claim") and Claims Nos. 229, 5101 and 5102 shall be disallowed in their entirety and with prejudice. The Allowed Claim will participate in ratable distributions with all other general unsecured claims that are allowed in the Bankruptcy Case. For the avoidance of doubt, the Allowed Claim shall be the sole and exclusive right to payment or any other relief that JoMic, Positive, and their respective predecessors, successor, or assigns shall have to any distribution or recovery in the Bankruptcy Case.

4. This Agreement is not effective unless and until all of the following have occurred:

a. Woodbridge has filed a motion (the "Compromise Motion") in the Bankruptcy Cases pursuant to Bankruptcy Code § 105 and Rule 9019 of the Federal Rules of Bankruptcy Procedure seeking approval of this Agreement.

b. The Bankruptcy Court has granted the Compromise Motion and entered an order (the "Compromise Order") thereon.

c. The time to commence an appeal of the Compromise Order pursuant to Rule 8002(a) of the Federal Rules of Bankruptcy Procedure has run and no appeal has been filed.

d. The Compromise Order has not been stayed pursuant to Rule 8007 of the Federal Rules of Bankruptcy Procedure.

The first date on which all the preceding (paragraphs 4.a through 4.d, inclusive) have occurred is the "Effective Date." Upon the Effective Date, this Agreement shall become effective and shall be binding upon the Parties.

5. As promptly as possible following the Effective Date, JoMic and Positive shall dismiss with prejudice the Broward County Action as to Woodbridge. Upon the dismissal of Woodbridge from the Broward County Action, the automatic stay of 11 U.S.C. § 362(a) shall be lifted as to the Broward County Action.

6. To the maximum extent permitted by law, JoMic and Positive and their predecessors, successors, assignors, and assignees, and any persons and entities acting or claiming by, through, under, or in concert with them (the "JoMic/Positive Releasing Parties") hereby release, acquit, and discharge, and covenant and agree that they will refrain and forbear

from commencing, instituting, prosecuting, or continuing, any lawsuit, action, claim, right, demand, cause of action, suit or other proceeding (including filing any further claim) against Woodbridge, all other debtors in the Bankruptcy Case, their estates, their affiliates, predecessors, successors, assignors, and assignees, except for any claims to enforce rights, obligations, and duties arising out of this Agreement.

7. To the maximum extent permitted by law, Woodbridge and all other debtors in the Bankruptcy Case and their predecessors, successors, assignors, and assignees, and any persons and entities acting or claiming by, through, under, or in concert with them (the "Woodbridge Releasing Parties") hereby release, acquit, and discharge, and covenant and agree that they will refrain and forbear from commencing, instituting, prosecuting, or continuing, any lawsuit, action, claim, right, demand, cause of action, suit or other proceeding (including filing any further claim) against the JoMic and Positive, their affiliates, predecessors, successors, assignors, and assignees, except for any claims to enforce rights, obligations, and duties arising out of this Agreement.

8. The Parties hereby acknowledge that it is their intention that the releases set forth in paragraphs 6 and 7 shall be effective as a full and final release of and as a bar with prejudice to each and every claim as set forth therein that the JoMic/Positive Releasing Parties and Woodbridge Releasing Parties have or had against the parties whom they are releasing in paragraphs 6 and 7. In connection with such waiver and relinquishment, the Parties acknowledge that they or their attorneys may hereafter discover facts different from or in addition to the facts that they now know or believe to be true with respect to the subject matter of this Agreement, but that it is their intention to hereby fully, finally, absolutely, and forever release any and all claims released pursuant to paragraphs 6 and 7, which now do exist, may exist or heretofore have existed between them, and that in furtherance of such intentions the release as given herein by the Parties, shall be and remain in effect as a full and complete release of the claims released, notwithstanding the discovery of any such different or additional facts.

Notwithstanding the discovery of any such additional or different facts, the Parties certify that they have read Section 1542 of the California Civil Code set forth below:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

The Parties waive application of Section 1542 of the California Civil Code, to the extent applicable, and any other statutes, common law rights, rules or the like which may operate to limit the intent of this Agreement with respect to the claims released above. The Parties understand and acknowledge the significance and consequence of this waiver of Section 1542 of the California Civil Code is that even if the Releasing Parties should eventually suffer additional damages on account of the claims released above, they will not be permitted to make any claim for such damages.

9. It is expressly understood and agreed by the Parties that the facts with respect to this Agreement may turn out to be different from the facts now known or believed by the Parties to be true. Each of the Parties expressly assumes the risk of the facts turning out to be different and agrees that this Agreement will be in all respects effective and not subject to termination or rescission by reason of any such differences.

10. Each of JoMic and Positive agrees that, so long as it is entitled to vote on the plan and its vote has been properly solicited pursuant to sections 1125 and 1126 of the Bankruptcy Code, when solicited, to vote the Allowed Claim in favor of and to accept any chapter 11 plan in which the treatment of general unsecured creditors is no less favorable than the treatment proposed in the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* filed on July 9, 2018 [Docket No. 2138]. The Parties acknowledge and understand that this Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any bankruptcy plan for the purposes of Bankruptcy Code §§ 1125 and 1126 or otherwise. There will be no solicitation of acceptances of JoMic, Positive, or any other creditors until such parties have received a disclosure statement, any supplements thereto, and related ballot, in each case as approved by the Bankruptcy Court.

11. Each Party shall bear its own attorneys' fees and costs in connection with the Bankruptcy Case and the Broward County Action through the Effective Date, including the negotiation, documentation, execution, delivery, and performance of this Agreement. Notwithstanding the preceding sentence, should any action, suit or proceeding be commenced by any Party to this Agreement to enforce any provision hereof, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs and expenses incurred in said action, suit or proceeding, including any appeal.

12. To the best of JoMic's and Positive's knowledge, following reasonable inquiry, as of the date of this Agreement set forth above, JoMic and Positive represent and warrant that the only claim or right to payment of which either is aware that it has against the Woodbridge Releasing Parties or their bankruptcy estates is represented by the claims listed in Recital B and those set forth in the Broward County Action. In the event the Parties discover subsequently that there exists any other claim or action, JoMic and Positive will take all necessary action to withdraw or dismiss it forthwith upon request by Woodbridge.

13. The Parties acknowledge that this Agreement represents a compromise of disputed claims and that, by entering into this Agreement, none of the Parties admits or acknowledges the existence of any liability or wrongdoing.

14. Each Party represents and warrants to all of the other Parties and each of them, that it has not assigned or transferred any of the claims or interests addressed in this Agreement. Each Party agrees to defend and indemnify all of the other Parties and each of them against any claim based upon, arising out of, or arising in connection with any such alleged or actual assignment or transfer.

15. The Parties hereby provide assurances of cooperation to each other and agree to take any and all necessary and reasonable steps, including executing any other and further

documents or instructions and performing any other and further acts, appropriate to effect the intent of this Agreement.

16. The Parties specifically consent to the jurisdiction and power of the Bankruptcy Court to determine any dispute relating to this Agreement, including any claim for breach, and to the authority of the Bankruptcy Court to enter a final judgment in connection therewith.

17. The Parties may give notice to each other by sending a written communication by overnight mail or e-mail to the Parties at the addresses set forth below.

a. To JoMic and Positive:

[John Orlando]  
[Signature]  
Email: [Orlando]777@yahoo.com  
Attention: [ ]

with a copy (which shall not constitute notice) to:

[Krupps] The Ben Law Firm, PLLC  
[2699] 5thirling Rd., Ste. C-301, Ft. Land., FL 33312  
Email: [ ] Larry@TheBenLawFirm.com  
Attention: [ ] Lawrence S. Ben, Esq.

b. To Woodbridge

Woodbridge Group of Companies, LLC  
14140 Ventura Boulevard, #302  
Sherman Oaks, California 91423  
Email: [bsharp@dsi.biz](mailto:bsharp@dsi.biz)  
Attention: Bradley D. Sharp, Chief Restructuring Officer

with a copy (which shall not constitute notice) to:

Klee, Tuchin, Bogdanoff & Stern LLP  
1999 Avenue of the Stars, 39th Floor  
Los Angeles, California 90067  
Email: [mtuchin@ktbslaw.com](mailto:mtuchin@ktbslaw.com) and [jweiss@ktbslaw.com](mailto:jweiss@ktbslaw.com)  
Attention: Michael L. Tuchin, Esq. and Jonathan M. Weiss, Esq.

Any Party wishing to change the address or email address at which he, she or it receives notices or payments may do so by giving notice as provided in this paragraph 17.

18. This Agreement is to be construed under and governed by the internal laws of the State of California (without regard to conflict of laws principles) and, as applicable, the Bankruptcy Code.

19. This Agreement contains the entire agreement and understanding among the Parties concerning the matters set forth herein and supersedes all prior or contemporaneous stipulations, negotiations, representations, understandings, and discussions among the Parties or their respective counsel with respect to the subject matter of this Agreement. No other representations, covenants, undertakings, or other earlier or contemporaneous agreements respecting these matters may be deemed in any way to exist or bind any of the Parties. The Parties acknowledge that they have not executed this Agreement in reliance on any promise, representation, or warranty other than those contained in this Agreement.

20. This Agreement is the product of negotiation among the Parties and represents the jointly conceived and bargained-for language mutually determined by the Parties to express their intentions in entering into this Agreement. Any ambiguity or uncertainty in this Agreement is therefore to be deemed to be caused by or attributable to the Parties collectively and is not to be construed against any particular Party. Instead, this Agreement is to be construed in a neutral manner, and no term or provision of this Agreement as a whole is to be construed more or less favorably to any one Party. Furthermore, the Parties hereby waive California Civil Code § 1654.

21. If the Bankruptcy Court declines to approve this Agreement despite the Parties' efforts to obtain such approval, then (i) this Agreement will be null and void and of no force or effect; (ii) no Party shall have any obligations to any other Party arising out of this Agreement; and (iii) the Parties' respective rights and remedies with respect to all matters addressed by this Agreement will be fully reserved and the Parties will be restored to their respective positions, *status quo ante*, as of the date on which this Agreement was executed.

22. This Agreement may not be modified except as mutually agreed to in a writing signed by all the Parties.

23. No waiver, forfeiture or forbearance of or concerning any provision of this Agreement shall be deemed or shall constitute a waiver, forfeiture or forbearance of or concerning any of the other provisions hereof, or a continuing waiver, forfeiture or forbearance.

24. If, for any reason, any provision of this Agreement is determined to be invalid or unenforceable, such provision shall be automatically reformed to embody the essence of that provision to the maximum extent permitted by law, and the remaining provisions of this Agreement shall be construed, performed and enforced as if the reformed provision had been included in this Agreement at inception.

25. This Agreement may be executed in several counterparts, and any and all such executed counterparts, taken together, will constitute a single agreement binding on all Parties to this Agreement. Facsimiles of signatures may be taken as the actual signatures.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth above (but subject to the provisions regarding effectiveness set forth herein).

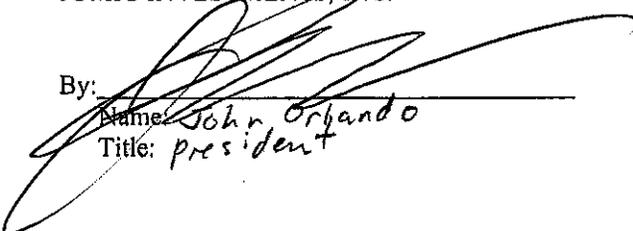
WOODBRIIDGE INVESTMENTS, LLC

By: \_\_\_\_\_

  
Bradley Sharp, CEO

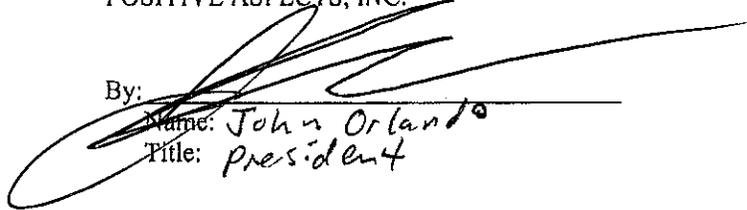
Name: Bradley D. Sharp  
Title: Chief Restructuring Officer

JOMIC INVESTMENTS, INC.

By: 

Name: John Orlando  
Title: president

POSITIVE ASPECTS, INC.

By: 

Name: John Orlando  
Title: president