

**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)

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

**Obj. Deadline: August 10, 2018 at 4:00 p.m. (ET)**

**DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) APPROVING DISCLOSURE  
STATEMENT, (II) FIXING VOTING RECORD DATE, (III) SCHEDULING PLAN  
CONFIRMATION HEARING AND APPROVING FORM AND MANNER OF RELATED  
NOTICE AND OBJECTION PROCEDURES, (IV) APPROVING SOLICITATION  
PACKAGES AND PROCEDURES AND DEADLINES FOR SOLICITING, RECEIVING,  
AND TABULATING VOTES ON THE PLAN, AND (V) APPROVING FORMS OF  
BALLOTS AND NOTICE TO NON-VOTING CLASSES**

Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned jointly administered chapter 11 cases (the “Chapter 11 Cases”) hereby move the Court (the “Motion”) for entry of an order (the “Disclosure Statement Order”), substantially in the form attached hereto as **Exhibit A**, pursuant to sections 105, 1125, 1126, and 1128 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rules 2002, 3017, 3018, and 3020 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2002-1, 3017-1, and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), (i) approving the *Disclosure Statement for the Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated*

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

*Debtors* [Docket No. 2139] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”)<sup>2</sup> on the basis that it contains adequate information within the meaning of section 1125 of the Bankruptcy Code, (ii) fixing a record date (the “Voting Record Date”) for voting on the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. 2138] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”),<sup>3</sup> a Voting Deadline (as defined below), and other related dates, (iii) scheduling the date of a hearing to consider confirmation of the Plan (the “Confirmation Hearing”) and approving the form and manner of the related notice and objection procedures, including a form of notice substantially in the form annexed to the proposed Disclosure Statement Order as **Exhibit 1** (the “Confirmation Hearing Notice”), (iv) approving the proposed contents of the solicitation packages (the “Solicitation Packages”) and establishing solicitation, voting, and tabulating procedures with respect to the Plan, and (v) approving the forms of ballots for Holders of Claims in the Voting Classes (as defined below), substantially in the forms annexed to the proposed Disclosure Statement Order as **Exhibit 2** (collectively, the “Ballots”), and the form of notice to Holders of Claims and Equity Interests in the Non-Voting Classes (as defined below), substantially in the form annexed to the proposed Disclosure Statement Order as **Exhibit 3** (the “Notice of Non-Voting Status”). In support of the Motion, the Debtors respectfully represent as follows:

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<sup>2</sup> This Motion contains summaries of certain provisions of the Disclosure Statement and the Plan (as defined below). To the extent there is any inconsistency between this Motion and the Disclosure Statement or the Plan, the Disclosure Statement and the Plan, as applicable, shall control.

<sup>3</sup> All capitalized terms used but not defined herein shall have the meanings provided for such terms in the Plan.

## **JURISDICTION**

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over these Chapter 11 Cases and the Motion 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. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) 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 Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution. Venue of these Chapter 11 Cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief requested herein are sections 105, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3017, 3018, and 3020, and Local Rules 2002-1, 3017-1, and 9013-1.

## **BACKGROUND**

### **I. The Chapter 11 Cases**

2. On December 4, 2017 (the “Dec. 4 Petition Date”), certain of the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code, on February 9, 2018, an additional fourteen affiliated Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code (the “Feb. 9 Petition Date”), on March 9, 2018, two additional affiliated Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code (the “March 9 Petition Date”), on March 23, 2018, seven additional affiliated Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code (the “March 23 Petition Date”), and on March 27, 2018, four additional affiliated Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code (the “March 27 Petition Date” and together with the Dec. 4 Petition Date, the

Feb. 9 Petition Date, the March 9 Petition Date, and the March 23 Petition Date, the “Petition Dates”).

3. The Debtors are authorized to continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases by the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”). On December 14, 2017, the U.S. Trustee appointed an official committee of unsecured creditors for these Chapter 11 Cases (the “Unsecured Creditors’ Committee”) [Docket No. 79]. On January 23, 2018, the Court entered an order approving a settlement providing for the formation of an ad hoc noteholder group (the “Noteholder Committee”) and an ad hoc unitholder group (the “Unitholder Committee”) and, together with the Unsecured Creditors’ Committee and the Noteholder Committee, the “Committees”) [Docket No. 357].

4. The Disclosure Statement contains a detailed discussion of the factual background relating to the Debtors and the commencement of these Chapter 11 Cases. At this time, the Debtors’ assets consist largely of real property, Cash, and potential litigation claims.

## **II. The Plan Term Sheet**

5. On March 22, 2018, following extensive negotiations, the Debtors and the Committees entered into a *Summary Plan Term Sheet* [Docket No. 828] (the “Plan Term Sheet”), which memorialized an agreement in principle regarding the fundamental terms of a chapter 11 plan, including the settlement of numerous disputes among the Committees and the Debtors that might otherwise have been strenuously litigated, the contemplation of material recoveries for stakeholders, and the provision of the post-confirmation structure and governance necessary to facilitate those recoveries, through the establishment of the Wind-Down Entity and the Liquidation Trust.

### III. The Plan and Disclosure Statement

6. On July 9, 2018, the Debtors filed the Plan and Disclosure Statement. The Plan, in accordance with the Plan Term Sheet, provides for, among other things, (i) the substantive consolidation of the Fund Debtors into Woodbridge Mortgage Investment Fund 1, LLC and the substantive consolidation of the Other Debtors into Woodbridge Group of Companies, LLC; (ii) the extinguishment of any Intercompany Claims and the release and discharge of any Intercompany Liens that could be asserted by one Debtor regarding any Estate Assets owned by another Debtor; (iii) the appointment of a Liquidation Trustee and Wind-Down CEO, and the creation of the Liquidation Trust and Wind-Down Entity to administer and liquidate the remaining property of the Debtors and their Estates; (iv) the treatment of Note Claims as unsecured claims; and (v) in recognition and as a settlement of the dispute over whether the Units are “claims” or “equity” (*i.e.*, ownership interests in the Debtors, in which case they might not be entitled to be paid anything until all Noteholders are paid in full), Distributions to Unitholders (initially) of a lower amount (72.5% of what Noteholders receive).

7. The Plan provides for Distributions to be made to Holders of Allowed Claims. In particular, the Plan provides that:

- a) Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Class 1 Other Secured Claims, and Allowed Class 2 Priority Claims will be paid or otherwise satisfied in full, unless otherwise agreed to by the Holders of such Claims and the Liquidation Trustee or Wind-Down CEO, as applicable;
- b) Holders of Allowed Class 3 Standard Note Claims will receive one (1) Class A Liquidation Trust Interest for each \$75.00 of Net Note Claims held by the applicable Noteholder, with subsequent Distributions of Cash on account of the Class A Liquidation Trust Interests to be made in accordance with the Liquidation Trust Interests Waterfall;
- c) Holders of Allowed Class 4 General Unsecured Claims will, once the Allowed amount of all General Unsecured Claims has been finally determined, receive a Pro Rata Distribution of the GUC Settlement Fund;

- d) Holders of Allowed Class 5 Unit Claims will receive 0.725 Class A Liquidation Trust Interests and 0.275 Class B Liquidation Trust Interests for each \$75.00 of Net Unit Claims held by the applicable Unitholder, with subsequent Distributions of Cash on account of the Class A Liquidation Trust Interests and Class B Liquidation Trust Interests to be made in accordance with the Liquidation Trust Interests Waterfall; and
  - e) The Debtors dispute that any Class 6 Non-Debtor Loan Note Claims are actually secured by perfected Liens, and no Class 6 Claim will be Allowed under the Plan. Instead, the Liquidation Trust may litigate against any Disputing Claimant holding a Non-Debtor Loan Note Claim (i) any disputes about the secured or unsecured status, amount, and priority of such Non-Debtor Loan Note Claim; (ii) any Liquidation Trust Actions that may exist against such Noteholder; and (iii) any other matters pertaining to such Noteholder's rights vis-à-vis the Debtors or the Estates. In order to settle and avoid such potential litigation, each Class 6 Ballot will, as described in more detail below, provide an opportunity for the applicable Noteholder to affirmatively consent to the reclassification of their Claims as Class 3 Claims, whereupon (a) such Claim will be treated as if such Claim had always been part of Class 3 and based on the applicable amounts in the Schedule of Principal Amounts and Prepetition Distributions, to which amounts the applicable Noteholder will have agreed and be bound; and (b) the applicable Noteholder will have agreed to release (and by the Confirmation Order shall be deemed to release) all asserted Liens against any Estate Assets.
8. Further, the Plan provides for the funding of the Liquidation Trust and the Wind-Down Entity, the cancellation of all Equity Interests in the Debtors, the dissolution and wind-up of the affairs of the Debtors, and the administration of any remaining assets of the Estates by the Liquidation Trustee or the Wind-Down CEO, as applicable.
9. Voting rights with respect to the Plan will flow from the classification of Claims and Equity Interests and the Impaired or Unimpaired treatment of Claims and Equity Interests within each Class as proposed in the Plan. Claims and Equity Interests are classified as follows:

Class	Designation	Impairment	Entitled to Vote
1	Other Secured Claims	Unimpaired	No (deemed to accept)
2	Priority Claims	Unimpaired	No (deemed to accept)
3	Standard Note Claims	Impaired	Yes
4	General Unsecured Claims	Impaired	Yes
5	Unit Claims	Impaired	Yes
6	Non-Debtor Loan Note Claims	Impaired	Yes
7	Subordinated Claims	Impaired	No (deemed to reject)
8	Equity Interests	Impaired	No (deemed to reject)

10. As indicated above, the Plan provides for eight (8) different Classes of Claims and Equity Interests. Under the Plan, Claims in Classes 3, 4, 5, and 6 (collectively, the “Voting Classes”) are Impaired by, and may be entitled to receive a Distribution under, the Plan, and only the Holders of Claims in those Classes are entitled to vote to accept or reject the Plan. Claims in Classes 1 and 2 (collectively, the “Unimpaired Classes”) are Unimpaired by the Plan, and such Holders are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are therefore not entitled to vote on the Plan. Equity Interests in Class 8 are Impaired and will not receive or retain any property under the Plan and are deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code and are therefore not entitled to vote on the Plan. The Debtors have determined not to solicit the votes of Holders of any Claims in Class 7 (together with Class 8, the “Deemed Rejecting Classes” and, together with the Unimpaired Classes, the “Non-Voting Classes”), and such Holders shall be deemed to have rejected the Plan and, therefore, such Holders are not entitled to vote on the Plan.

11. In addition, pursuant to section 1123(a)(1) of the Bankruptcy Code, the Plan designates four (4) categories of Claims that are entitled to receive Distributions under the Plan, but are not classified for purposes of voting to accept or reject the Plan. These categories of Claims are: (i) Administrative Claims, (ii) Professional Fee Claims, (iii) Priority Tax Claims, and (iv) DIP Claims.

#### **IV. The Election to Dispute Net Note/Unit Claim Amounts; Election to Reclassify; and Contributed Claims Election**

12. The Plan includes several features that will vary or affect the ultimate treatment of a particular Noteholder or Unitholder based on elections that are made by such Noteholder or Unitholder. As discussed further below, the proposed forms of Ballots include three separate elections that are intended to facilitate these important features of the Plan.

##### **A. Election to Dispute Net Note/Unit Claim Amounts**

13. As described in detail in the Disclosure Statement, based on the conclusion that the Debtors were operating a Ponzi scheme, any payments of “interest” or other consideration that was transferred from any Person to a Noteholder or a Unitholder on account of its Notes or Units, as applicable, during the period before the Petition Date, including in respect of holders of Notes that were converted to Units or vice versa, but excluding payments representing the return of or repayment of principal owed on a Note or a Unit, could be avoided and recovered as an “actual” fraudulent transfer. Accordingly, in order to eliminate the significant litigation expense and inefficiency associated with suing thousands of Noteholders and Unitholders to avoid and recover prepetition distributions, the Plan provides that Distributions to Holders of Class 3 Standard Note Claims (and Holders of Class 6 Non-Debtor Loan Note Claims who consent to reclassification of their Claims as Class 3 Claims or who have their Claims reclassified as Class 3 Claims after litigation with the Liquidation Trust) and Class 5 Unit Claims will be based on,



*inter alia*, the amount of such Holder's Net Note Claim or Net Unit Claim, as applicable. *See* Plan §§ 3.4, 3.6 & 7.3. Under the Plan, the terms "Net Note Claim" and "Net Unit Claim" are based on the Outstanding Principal Amount of the Holder's Note Claim or Unit Claim, *minus* the aggregate amount of all Prepetition Distributions received by such Holder. Based on their books and records, the Debtors have prepared a comprehensive *Schedule of Principal Amounts and Prepetition Distributions* (a copy of which is attached to the Disclosure Statement as Schedule 3) that sets forth the Debtors' calculation of the Net Note Claim and Net Unit Claim associated with each Note Claim and Unit Claim, respectively (but excluding those held by Excluded Parties).

14. The Plan provides that Noteholders and Unitholders (other than Excluded Parties) shall have the ability to "dispute[] the amounts set forth for such Creditor in the Schedule of Principal Amounts and Prepetition Distributions pursuant to the procedures set forth in the Disclosure Statement Order and applicable Ballot," and any Creditor who elects to dispute such amounts shall become a "Disputing Claimant" under the Plan. Plan § 1.47. The Plan further provides that for any Noteholder or Unitholders that is *not* a Disputing Claimant, all Distributions shall be made based on the applicable amounts in the Schedule of Principal Amounts and Prepetition Distributions. *See* Plan § 7.3. For any Unitholder that is a Disputing Claimant or any Noteholder that is a Disputing Claimant holding Note Claims that are to be treated as Class 3 Claims under the Plan, in connection with a calculation by the Liquidation Trust for a Distribution or to establish reserves, all calculations with respect to such Disputing Claimant shall be made based on the aggregate claim amounts asserted by the Disputing Claimant in the applicable proof of claim or, if no proof of claim was Filed by the Disputing Claimant, reflected in the Schedules, and all such Liquidation Trust Interests and Cash shall be held in a Distribution Reserve unless and until (i) the Liquidation Trust and the particular

Disputing Claimant agree regarding the Outstanding Principal Amounts and Prepetition Distributions to utilize or (ii) a Final Order establishes such Outstanding Principal Amounts and Prepetition Distributions, including, if applicable, after taking into account any Liquidation Trust Actions that the Liquidation Trust may pursue against the particular Disputing Claimant (as to which all rights of the Liquidation Trust are reserved). *See id.*

15. Accordingly, the forms of Ballots for Holders of Claims in Class 3 (Standard Note Claims), Class 5 (Unit Claims), and Class 6 (Non-Debtor Loan Note Claims) will set forth the Debtors' calculation of the applicable Holder's specific Outstanding Principal Amount, aggregate Prepetition Distributions, and resulting Net Note Claim or Net Unit Claim, as applicable. The forms of Ballots also provide an opportunity for such Holder to check a box indicating that the Holder disputes the amounts of such Net Note Claim or Net Unit Claim (the "Election to Dispute Net Note/Unit Claim Amounts"). The Ballots summarize the consequences of the Election to Dispute Net Note/Unit Claim Amounts, including that (i) any Creditor who does not dispute the Net Note Claim or Net Unit Claim amounts set forth on the Ballot will be deemed to have agreed to and be bound by such amounts for purposes of Distributions under the Plan, and (ii) any Creditor who makes the Election to Dispute Net Note/Unit Claim Amounts may experience a significant delay in the timing of Distributions (if any) to such Creditor relative to other Holders who have not elected to become Disputing Claimants. The Ballot thereby provides a choice for each individual Noteholder or Unitholder regarding whether it will choose to become a Disputing Claimant under the Plan.

B. Election to Reclassify From Class 6 (Non-Debtor Loan Note Claims) to Class 3 (Standard Note Claims)

16. Under the Plan, a "Non-Debtor Loan Note Claim" is a Note Claim against a Woodbridge Fund Debtor that is or was purportedly secured by a security interest in a loan

between the applicable Fund Debtor and a borrower that is not a Debtor (by contrast, the Standard Note Claims are or were purportedly secured by loans extended by a Fund Debtor to another Debtor, which Intercompany Liens are eliminated under the Plan). The Debtors dispute that any Class 6 Non-Debtor Loan Note Claim is actually secured by a perfected Lien, and no Class 6 Claim will be Allowed in any respect under the Plan. Instead, the Liquidation Trust may litigate against any Claimant holding a Non-Debtor Loan Note Claim (who does not make the Election to Reclassify, as defined and described below) (i) any disputes about the secured or unsecured status, amount, and priority of such Non-Debtor Loan Note Claim; (ii) any Liquidation Trust Actions that may exist against such Noteholder; and (iii) any other matters pertaining to such Noteholder's rights against the Debtors or the Estates. *See* Plan § 3.7.

17. In order to settle and avoid such potential litigation, consistent with Section 3.7 of the Plan, the form of Class 6 Ballot provides an opportunity for Holders of Class 6 Non-Debtor Loan Note Claims to affirmatively consent to reclassification of their Claims as Class 3 Claims for purposes of Distributions and voting under the Plan (the "Election to Reclassify"). The form of Class 6 Ballot explains the consequences of the Election to Reclassify, including that for any Holder of a Class 6 Claim who makes the Election to Reclassify, (a) such Holder's Claim will be treated as if such Claim had always been part of Class 3, including for Distribution and voting purposes, and the amount of such Claim will be based on the applicable amount set forth in the Schedule of Outstanding Principal Amounts and Prepetition Distributions (to which amount the Holder will have agreed and be bound); and (b) such Holder will have agreed to release all asserted Liens against any Estate Assets. The option to have their Class 6 Claims reclassified in Class 3 thus requires an affirmative election by the applicable Noteholder, and is analogous to

provisions in other chapter 11 plans that allow creditors to affirmatively “opt in” to a “convenience class” in exchange for receiving “convenience class” treatment.

C. Contributed Claims Election

18. “Contributed Claims” are defined in the Plan as “all Causes of Action that a Noteholder or Unitholder has against any Person that is not a Released Party and that are related in any way to the Debtors, their predecessors, their respective affiliates, or any Excluded Parties.” Plan § 1.28. The Plan provides that each Holder of a Class 3 Standard Note Claim, Class 5 Unit Claim, or Class 6 Non-Debtor Loan Note Claim may agree, by affirmatively electing on its Ballot, to contribute its Contributed Claims to the Liquidation Trust. *See id.* §§ 3.4, 3.6, & 3.7. Accordingly, the forms of Ballots for Classes 3, 5, and 6 provide a box that the applicable Claimant may check in order to contribute such Claimant’s Contributed Claims to the Liquidation Trust (the “Contributed Claims Election”). The forms of Ballots explain the Consequences of making such election, including that the applicable Claimant will receive the benefit of having its Net Note Claim or Net Unit Claim increased by the Contributing Claimants Enhancement Multiplier (*i.e.*, 105%). Noteholders and Unitholders also may choose to make such election because aggregating all Contributed Claims and similar Liquidation Trust Actions may enable the pursuit and settlement of such litigation claims in a more efficient and effective manner. This mechanism is analogous to provisions in other chapter 11 plans that allow individual creditors to determine whether to contribute their individual causes of action to a liquidation or litigation trust.

**RELIEF REQUESTED**

19. The Debtors seek an order (i) approving the Disclosure Statement as containing adequate information within the meaning of Bankruptcy Code section 1125, (ii) fixing the Voting Record Date, (iii) scheduling the Confirmation Hearing and approving the form and

manner of related notice and objection procedures, (iv) approving the Solicitation Packages and establishing solicitation, voting, and tabulating procedures with respect to the Plan, and (v) approving the forms of Ballots and Notice of Non-Voting Status.

20. The following dates and deadlines are proposed in connection with the Motion, subject to the Court's availability:

<b>Proposed Timetable</b>	
Disclosure Statement Hearing	August 21, 2018
Voting Record Date (Classes 1, 2, 4, 7, 8)	August 21, 2018
Voting Record Date (Classes 3, 5, 6)	December 4, 2017
Deadline for Debtors to File Claim Objections for Voting Purposes	September 18, 2018, at 4:00 p.m. (ET)
Deadline to File 3018(a) Motions to Estimate Claims for Voting Purposes	October 3, 2018, at 4:00 p.m. (ET)
Solicitation Date	no later than September 7, 2018
Deadline for Debtors to file the Plan Supplement and Proposed Confirmation Order	October 1, 2018
Voting Deadline	October 8, 2018, at 4:00 p.m. (ET)
Plan Objection Deadline (including any objections to classification of Claims or assumption and/or cure payment amounts)	October 8, 2018, at 4:00 p.m. (ET)
Plan Reply Deadline	October 19, 2018
Confirmation Hearing	October 24, 2018, at 10:00 a.m. (ET)

### **BASIS FOR RELIEF**

#### **I. Approval of the Disclosure Statement**

21. Section 1125(b) of the Bankruptcy Code requires that, at the time of or before a debtor commences soliciting acceptances with respect to a chapter 11 plan, the debtor must provide holders of claims against and equity interests in such debtor with the plan and a written disclosure statement which has been approved by the court as containing "adequate

information.” 11 U.S.C. § 1125(b). Section 1125(a) of the Bankruptcy Code defines “adequate information” as:

[I]nformation of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . . .

*Id.* § 1125(a)(1). Thus, a debtor’s disclosure statement must, as a whole, provide information that is “reasonably practicable” to permit an “informed judgment” about the plan by impaired creditors entitled to vote on the plan. *Id.* § 1125(a); *see also Krystal Cadillac-Oldsmobile GMC Truck, Inc. v. GMC*, 337 F.3d 314, 321 (3d Cir. 2003); *Ryan Operations G.P. v. Santiam-Midwest Lumber Co.*, 81 F.3d 355, 362 (3d Cir. 1995).

22. The primary purpose of a disclosure statement is to provide creditors and interest holders affected by a proposed plan with all material information necessary to make an informed decision about whether to vote to accept or reject such plan. *See, e.g., Century Glove, Inc. v. First Am. Bank of New York*, 860 F.2d 94, 100 (3d Cir. 1988) (“[Section] 1125 seeks to guarantee a minimum amount of information to the creditor asked for its vote.”); *In re Phoenix Petroleum Co.*, 278 B.R. 385, 392 (Bankr. E.D. Pa. 2001) (noting that “the general purpose of the disclosure statement is to provide ‘adequate information’ to enable ‘impaired’ classes of creditors and interest holders to make an informed judgment about the proposed plan and determine whether to vote in favor of or against that plan”).

23. Courts will consider the particular facts and circumstances of each case in evaluating whether a disclosure statement provides “adequate information” within the meaning of section 1125 of the Bankruptcy Code. *See, e.g., Oneida Motor Freight, Inc. v. United Jersey*

*Bank*, 848 F.2d 414, 417 (3d Cir. 1988) (“From the legislative history of § 1125 we discern that adequate information will be determined by the facts and circumstances of each case.”); *First Am. Bank of New York v. Century Glove, Inc.*, 81 B.R. 274, 279 (D. Del. 1988) (noting that adequacy of disclosure for a particular debtor will be determined based on how much information is available from outside sources); S. Rep. No. 95- 989, at 121 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5787, 5907 (“[T]he information required will necessarily be governed by the circumstances of the case.”). Courts have broad discretion in making this determination. *See, e.g., In re Lower Bucks Hosp.*, 571 Fed. Appx. 139, 142 (3d Cir. 2014) (quoting *Tex. Extrusion Corp. v. Lockheed Corp. (In re Tex. Extrusion Corp.)*, 844 F.2d 1142, 1157 (5th Cir. 1988), for the proposition that “the determination under 11 U.S.C. § 1125(a) ‘is subjective and made on a case by case basis [and] . . . is largely within the discretion of the bankruptcy court’”); *In re PC Liquidation Corp.*, 383 B.R. 856, 865 (E.D.N.Y. 2008) (“The standard for disclosure is, thus, flexible and what constitutes ‘adequate disclosure’ in any particular situation is determined on a case-by-case basis, with the determination being largely within the discretion of the bankruptcy court.”); *In re River Village Assocs.*, 181 B.R. 795, 804 (E.D. Pa. 1995) (same). Because the information required to be disclosed in a disclosure statement varies according to the facts of each case, there is no mandatory list of requirements for adequacy. *See Phoenix Petroleum*, 278 B.R. at 393.

24. Nonetheless, factors considered by a court evaluating the adequacy of a disclosure statement may include: (i) the events leading to the filing of a bankruptcy petition; (ii) a description of the available assets and their value; (iii) the anticipated future of the company; (iv) the source of information stated in the disclosure statement; (v) a disclaimer that typically indicates that no statements or information concerning the debtor or its assets or securities are

authorized, other than those set forth in the disclosure statement; (vi) the present condition of the debtor while in chapter 11; (vii) claims asserted against the debtor; (viii) the estimated return to creditors under a chapter 7 liquidation; (ix) the accounting method utilized to produce financial information and the name of the accountants responsible for such information; (x) the future management of the debtor; (xi) the chapter 11 plan or a summary thereof; (xii) the estimated administrative expenses; (xiii) the collectability of any accounts receivable; (xiv) financial information, valuations, and projections relevant to the creditors' decision to accept or reject the chapter 11 plan; (xv) information relevant to the risks posed to creditors under the plan; (xvi) the actual or projected realizable value from recovery of preferential or otherwise voidable transfers; (xvii) litigation likely to arise in a non-bankruptcy context; (xviii) tax attributes of the debtor; and (xix) the relationship of the debtor with its affiliates. *See, e.g., In re U.S. Brass Corp.*, 194 B.R. 420, 424-25 (Bankr. E.D. Tex. 1996); *In re Scioto Valley Mortg. Co.*, 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988); *In re Oxford Homes*, 204 B.R. 264, 269 n.17 (Bankr. D. Me. 1997) (using similar list). A plan proponent need not include disclosure with respect to each of the above topics in every case. *Phoenix Petroleum*, 278 B.R. at 393 (making use of similar list but cautioning that "no one list of categories will apply in every case").

25. The Disclosure Statement is extensive, comprehensive, and tailored to fit the facts of these Chapter 11 Cases. It contains descriptions and summaries of, among other things:

- a. the terms of the Plan (Sections I and IV);
- b. the business of the Debtors (Section II);
- c. certain events preceding and leading to the commencement of the Chapter 11 Cases (Section II);
- d. significant events during the Chapter 11 Cases, including regarding postpetition litigation and certain regulatory matters (Section III);
- e. claims asserted against the Debtors' estates (Sections II, III, and IV);



- f. risk factors affecting the Plan (Section V);
- g. a liquidation analysis setting forth the estimated return that holders of claims and interests would receive in a hypothetical chapter 7 case (Section VI & Ex. B);
- h. estimated projected recoveries for Holders of Claims that may be entitled to Distributions under the Plan (Sections I and IV);
- i. solicitation and voting procedures with respect to the Plan (Section I);
- j. requirements for Confirmation of the Plan (Section VI); and
- k. securities law and federal tax law consequences of the Plan (Sections VII and VIII).

26. In addition, the Debtors have prepared a brief, high-level “General Overview and Summary” document that contains a plain-language summary of information about the Debtors, the Chapter 11 Cases, and the Plan. The Debtors believe that such a high-level document will be beneficial in these cases in which many of the Noteholders and Unitholders are not sophisticated investors.

27. Based upon the foregoing, the Debtors submit that the Disclosure Statement contains adequate information within the meaning of section 1125(a) of the Bankruptcy Code and should be approved.

## **II. Setting the Voting Record Date**

28. Bankruptcy Rule 3017(d) provides that, for purposes of soliciting votes in connection with the confirmation of a chapter 11 plan, “creditors and equity security holders shall include holders of stock, bonds, debentures, notes, and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding determination of the record date for voting purposes.

29. In accordance with these rules, the Debtors request that, for Holders of Claims or Equity Interests in Classes 1, 2, 4, 7, and 8, August 21, 2018 be the Voting Record Date for purposes of determining: (i) the Holders of Claims in the Voting Classes who will receive Solicitation Packages and are entitled to vote to accept or reject the Plan; (ii) the Holders of Claims and Equity Interests in the Non-Voting Classes, who will receive a Notice of Non-Voting Status and are not entitled to vote to accept or reject the Plan; (iii) the amount of each Holder's Claim for solicitation and voting purposes; and (iv) whether Claims have been properly and timely assigned or transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee (and not the original Claim holder) can vote to accept or reject the Plan as the Holder of a Claim.

30. With respect to transferred claims, if any, the Debtors request that (i) if the notice of transfer required by Bankruptcy Rule 3001(e) is filed on or before the Voting Record Date, then the Solicitation Package or Non-Voting Package, as applicable, will be mailed to the transferee in accordance with the notice of transfer, and the transferee will be entitled to cast a Ballot to accept or to reject the Plan (if such Claim is in a Voting Class), and (ii) if the notice of transfer is filed after the Voting Record Date, then the Solicitation Package or Non-Voting Package, as applicable, will be mailed to the original or immediately preceding Claim Holder, and such Claim Holder will be entitled to cast a Ballot to accept or to reject the Plan (if such Claim is in a Voting Class); *provided, however*, that in accordance with the *Notice Regarding Transfers of Units or Notes* [Docket No. 799], the Debtors have not consented to any transfers of Notes or Units, and, as such, no such putative transfers will be recognized.

31. The Debtors further request that for Holders of Claims in Classes 3, 5, and 6 (Standard Note Claims, Unit Claims, and Non-Debtor Loan Note Claims), December 4, 2017 be

the Voting Record Date for purposes of determining: (i) the Holders of Claims in the such Classes, who will receive Solicitation Packages and are entitled to vote to accept or reject the Plan and (ii) the amount of each Holder's Claim for solicitation and voting purposes. The Debtors submit that using the Dec. 4 Petition Date as the Voting Record Date is appropriate in light of the *Notice Regarding Transfers of Units or Notes* [Docket No. 799], stating that the Debtors have not consented to any transfers of Notes or Units, and the Court's ruling that the anti-assignment clause in the Debtors' notes is enforceable [Docket No. 2014].

### **III. Setting the Confirmation Hearing and Establishing Notice and Objection Procedures for the Confirmation Hearing**

32. Bankruptcy Rule 3017(c) provides that “[o]n or before approval of the disclosure statement, the court . . . may fix a date for the hearing on confirmation.” Fed. R. Bankr. P. 3017(c).

33. In accordance with Bankruptcy Rule 3017(c), and in light of the Debtors' proposed solicitation schedule outlined herein, subject to the Court's availability, the Debtors propose that the Confirmation Hearing be scheduled on October 24, 2018, at 10:00 a.m. (ET), or as soon thereafter as the Court is available. The Debtors also request that the Court order that the Confirmation Hearing may be continued by the Debtors from time to time without further notice to Holders of Claims or Equity Interests or other parties in interest.

34. Bankruptcy Rules 2002(b) and 2002(d) require not less than twenty-eight (28) days' notice to all holders of claims and equity interests of the time fixed for filing objections to confirmation of a chapter 11 plan and the hearing to consider confirmation of a chapter 11 plan. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served “within a time fixed by the court.” Fed. R. Bankr. P. 3020(b)(1). In addition, pursuant to

Local Rule 9006-1(c), the deadline for objections shall be no later than seven (7) days before the hearing date. Del. Bankr. L.R. 9006-1.

35. In accordance with the Bankruptcy Rules, the Debtors propose to provide all parties receiving a Solicitation Package or Notice of Non-Voting Status with notice of the Confirmation Hearing via the Confirmation Hearing Notice, thereby setting forth information regarding (i) the Voting Deadline (as defined below), (ii) the time fixed for filing objections or responses to Confirmation of the Plan, including, without limitation, objections to the classification of any Claim under the Plan (collectively, the “Plan Objections”), (iii) the time, date, and place for the Confirmation Hearing, and (iv) information about how to obtain a copy of the Plan. The Confirmation Hearing Notice will be sent to the appropriate parties in accordance with the Bankruptcy Rules and Local Rules on or before the Solicitation Date (as defined below).

36. The proposed Confirmation Hearing Notice provides, and the Debtors request that the Court direct, that any Plan Objections (including any objections to assumption and/or cure payment amounts): (i) be in writing; (ii) state the name, address, and nature of the Claim or Interest of the objecting or responding party; (iii) state with particularity the legal and factual basis and nature of any Plan Objection; and (iv) be filed with the Court and served so that Plan Objections are actually received no later than October 8, 2018 at 4:00 p.m. (prevailing Eastern Time) (the “Plan Objection Deadline”) by the following parties: (i) counsel to the Debtors, (a) Klee, Tuchin, Bogdanoff & Stern LLP, 1999 Avenue of the Stars, 39th Floor, Los Angeles, California 90067, Attn: Michael L. Tuchin, Esq., [mtuchin@ktbslaw.com](mailto:mtuchin@ktbslaw.com), and David A. Fidler, Esq., [dfidler@ktbslaw.com](mailto:dfidler@ktbslaw.com); and (b) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801, Attn: Sean M. Beach, Esq., [sbeach@ycst.com](mailto:sbeach@ycst.com), and Edmon L. Morton, Esq., [emorton@ycst.com](mailto:emorton@ycst.com); (ii) counsel to the Unsecured Creditors’ Committee,

Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067, Attn: Richard M. Pachulski, Esq., rpachulski@pszjlaw.com, and 919 N. Market Street, 17th Floor, P.O. Box 8705, Wilmington, Delaware 19899, Attn: Colin R. Robinson, Esq., crobinson@pszjlaw.com; (iii) counsel to the Noteholder Committee, Drinker Biddle & Reath LLP, 222 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801, Attn: Joseph N. Argentina, Jr., Esq., joseph.argentina@dbr.com; (iv) counsel to the Unitholder Committee, Venable LLP, 1201 N. Market Street, Suite 1400, Wilmington, Delaware 19801, Attn: Jamie L. Edmonson, Esq., jledmonson@venable.com, and 1270 Avenue of the Americas, New York, New York, Attn: Jeffrey S. Sabin, Esq., jssabin@venable; and (v) the U.S. Trustee, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Timothy Jay Fox, Jr., Esq., timothy.fox@usdoj.gov.

37. The proposed Confirmation Hearing Notice provides known Holders of Claims and Equity Interests with at least twenty-eight (28) days' notice of the Plan Objection Deadline, which is at least seven (7) days before the Confirmation Hearing, all in accordance with the Bankruptcy Rules and the Local Rules.

38. If Plan Objections are filed, providing sufficient time for the Debtors and other parties in interest to respond in support of the Plan (or, if possible, negotiate consensual resolutions of the Plan Objections) will assist the Court and may expedite the Confirmation Hearing. The Debtors propose that, in accordance with Local Rule 9006-1(d), any responses to Plan Objections be due no later than October 19, 2018. *See* Del. Bankr. L.R. 9006-1(d).

39. To give adequate notice of the time for filing and serving Plan Objections, and the date and time of the Confirmation Hearing, to (i) those creditors to whom no other notice was sent and who are unknown and not reasonably ascertainable by the Debtors, (ii) known creditors

with addresses unknown by the Debtors, and (iii) creditors with potential Claims unknown by the Debtors, the Debtors propose to publish the Confirmation Hearing Notice once in the national edition of *USA Today* and once in the *Los Angeles Times* on a date not less than twenty-eight (28) calendar days before the Plan Objection Deadline. The Debtors submit such publication notice prior to the Confirmation Hearing is adequate and sufficient notice to such creditors under these circumstances. Additionally, the Debtors will post the Confirmation Hearing Notice electronically at the website of their voting agent, Garden City Group, LLC (the “Voting Agent”), at [www.gardencitygroup.com/wgc/](http://www.gardencitygroup.com/wgc/).

40. The Debtors respectfully submit that the foregoing schedule and procedures are in the best interests of Holders of Claims and Equity Interests and other parties in interest as they provide due and sufficient notice of the Debtors’ anticipated timeline for emerging from these Chapter 11 Cases and allow an adequate opportunity for affected parties to object and be heard.

#### **IV. Approval of Solicitation Packages and Solicitation Procedures**

##### **A. Approval of Form of Solicitation Packages and Procedures for Distribution of Solicitation Packages**

41. Bankruptcy Rule 3017(d) sets forth materials that must be provided to creditors and equity security holders for the purposes of soliciting their votes and providing adequate notice of a hearing to confirm a chapter 11 plan. In accordance with the requirements of Bankruptcy Rule 3017(d), the Debtors propose to transmit, or cause to be transmitted, by first class mail to the Voting Classes, by no later than the Solicitation Date (as defined below), a Solicitation Package containing the following:

- The Disclosure Statement, including the Plan and all other exhibits or schedules annexed thereto;
- The Disclosure Statement Order (excluding exhibits);

- A general overview and summary of the Plan (the “Plan Summary”), substantially in the form attached to the Disclosure Statement Order as Exhibit 4;
- The Confirmation Hearing Notice;
- A single Ballot, to be used in voting to accept or to reject the Plan, and applicable voting instructions (the “Voting Instructions”), unless a claimant holds Claims in more than one class, in which case such claimant shall be provided one Ballot for each class in which such claimant holds a Claim;
- [A document from one or more of the Committees supporting the Plan, substantially in the form attached to the Disclosure Statement Order as Exhibit 5 (the “Committees Support Letter”)]; and
- A pre-addressed, postage pre-paid return envelope for return of the Ballot.

42. The Debtors request that they be authorized (but not required) to distribute the Disclosure Statement (together with all exhibits thereto, including the Plan) and the Disclosure Statement Order (excluding exhibits) to the Voting Classes in CD format in lieu of paper format. The Plan Summary, Confirmation Hearing Notice, Ballots, and envelopes will continue to be provided in paper format. The Disclosure Statement, including the Plan and exhibits, together with the Disclosure Statement Order, totals well over 100 pages and distribution in CD format to the thousands of potential voters will preserve estate resources. Bankruptcy courts in this district have regularly permitted debtors to transmit solicitation documents in CD format in the interest of saving printing and mailing costs.<sup>4</sup>

43. Furthermore, consistent with sections 1126(f) and (g) of the Bankruptcy Code, the Debtors propose to distribute, or cause to be distributed, by first-class mail to all Holders of Claims and Equity Interests in the Non-Voting Classes a package (the “Non-Voting Package”),

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<sup>4</sup> See, e.g., *In re USA Discounters, Ltd.*, No. 15-11755 (CSS) (Bankr. D. Del. Jan. 3, 2017); *In re USEC Inc.*, No. 14-10475 (CSS) (Bankr. D. Del. July 7, 2014); *In re PMGI Holdings Inc.*, No. 13-12404 (CSS) (Bankr. D. Del. Nov. 5, 2013); *In re Rural/Metro Corporation*, No. 13-11952 (KJC) (Bankr. D. Del. Nov. 5, 2013); *In re Appleseed’s Intermediate Holdings LLC*, No. 11-10160 (KG) (Bankr. D. Del. Mar. 1, 2011); *In re Majestic Star Casino, LLC*, No. 09-14136 (KG) (Bankr. D. Del. Jan. 14, 2011); *In re OTC Holdings Corp.*, No. 10-12636 (BLS) (Bankr. D. Del. Nov. 1, 2010).

which shall consist of (i) the Confirmation Hearing Notice and (ii) the Notice of Non-Voting Status.

44. Moreover, the Debtors propose to mail, or cause to be mailed, a complete copy of the Solicitation Package, excluding Ballots, to the U.S. Trustee, governmental units having an interest in these Chapter 11 Cases, and those parties requesting notice pursuant to Bankruptcy Rule 2002 that have not otherwise received a Solicitation Package pursuant to the procedures set forth herein.

45. The Debtors expect that they will complete, or cause to be completed, the distribution of the appropriate Solicitation Packages and Non-Voting Packages to all Holders of Claims or Equity Interests, as applicable, no later than September 7, 2018 (the “Solicitation Date”).

46. To avoid wasting valuable time and resources mailing Solicitation Packages and Non-Voting Packages to Holders of Claims or Equity Interests at addresses that have previously been determined to be undeliverable, the Debtors seek the Court’s approval for a departure from the strict notice rule requiring the Debtors to mail the Solicitation Packages and Non-Voting Packages to any Holders of Claims or Equity Interests at addresses that have previously been determined to be undeliverable, unless the Debtors (through the Voting Agent) are provided with an accurate address for each Claim or Equity Interest Holder’s previously undeliverable address not less than five (5) calendar days prior to the Solicitation Date.

B. Establishment of the Voting Deadline

47. Bankruptcy Rule 3017(c) provides that, on or before approval of the Disclosure Statement, the Court shall fix a time within which the Holders of Claims may vote to accept or reject the Plan. The Debtors respectfully request that the Court establish October 8, 2018 at 4:00 p.m. (prevailing Eastern Time) as the deadline by which all Ballots must be properly executed,



completed, delivered to, and actually received by the Voting Agent (the “Voting Deadline”) in order to be counted for Plan voting purposes. Ballots must be returned to the Voting Agent by first class mail postage prepaid, personal delivery, or overnight courier. No Ballots will be accepted by e-mail, facsimile, or any other electronic format.

48. The proposed Voting Deadline is no less than twenty-eight (28) days after the Solicitation Date. The Debtors believe that this solicitation period is sufficient to allow each Holder of a Claim in a Voting Class to make an informed decision to accept or reject the Plan.

49. The Debtors also request that they be permitted, in consultation with the Committees, to extend the Voting Deadline at any time before or after the Voting Deadline, on behalf of any individual voter or any Voting Class, as facts and circumstances may require.

C. Approval of Procedures for Tabulating Acceptances and Rejections of the Plan

50. The Debtors propose that each Holder of a Claim in a Voting Class shall be entitled to vote the amount of its Claim as of the Voting Record Date.

51. For purposes of voting on the Plan, with respect to all Holders of Claims against the Debtors, the Debtors propose that the amount of a Claim used to tabulate acceptance or rejection of the Plan should be as follows:

- a. In respect of Claims in Class 4, the amount of the Claim listed in the applicable Debtors’ schedules of assets and liabilities; provided that (i) such Claim is not scheduled as contingent, unliquidated, undetermined, disputed, or in the amount of \$0.00, (ii) no Proof of Claim has been timely filed (or otherwise deemed timely filed under applicable law), (iii) such Claim has not been satisfied by the Debtors, or (iv) such Claim has not been resolved pursuant to a stipulation or order entered by the Court. If a Proof of Claim has been timely filed (or otherwise deemed timely filed under applicable law), then the undisputed, non-contingent, and liquidated amount specified in a Proof of Claim against a particular Debtor or Debtors, timely filed with the Court or the Voting Agent by the Voting Record Date (or otherwise deemed timely filed by the Court under applicable law) to the extent such Proof of Claim has not been amended or superseded by another Proof of Claim and is not the subject of an objection filed at least ten (10) days before the Voting Deadline (or, if such Claim has been resolved pursuant to a stipulation or order entered by the Court, the amount set forth in such stipulation or order).

- b. In respect of Claims in Classes 3, 5, and 6, the amount of the “Outstanding Principal Amount” set forth in the Debtors’ Schedule of Principal Amounts and Prepetition Distributions, provided that the Holder of such Claim (i) has not elected on such Holder’s Ballot to be a Disputing Claimant and (ii) is not an Excluded Party. If the Holder of a Claim in Classes 3, 5, or 6 has elected on such Holder’s Ballot to be a Disputing Claimant or is an Excluded Party, then the calculation shall be as set forth in subsection (a) hereof with respect to Holders of Claims in Class 4.
- c. If applicable, the amount temporarily allowed by the Court for voting purposes pursuant to Bankruptcy Rule 3018, provided that any Rule 3018(a) motion to estimate a claim for voting purposes must be filed no later than October 3, 2018 at 4:00 p.m. (ET).
- d. Except as otherwise provided in subsection (c) hereof, a Ballot cast by an alleged Creditor who has timely filed a Proof of Claim in a wholly unliquidated, unknown, or uncertain amount that is not the subject of a claim objection filed at least twenty (20) days before the Voting Deadline shall be counted in determining whether the numerosity requirement of section 1126(c) of the Bankruptcy Code has been met, and shall be ascribed a value of one dollar (\$1.00) for voting purposes only.
- e. Except as otherwise provided in subsection (c) hereof, with respect to a Ballot cast by an alleged Creditor who has timely filed a Proof of Claim, but the Claim is the subject of a claim objection filed at least twenty (20) days before the Voting Deadline, the Debtors request, in accordance with Bankruptcy Rule 3018(a), that the Ballot not be counted for voting purposes unless the Court has overruled such claim objection or estimated the Claim pursuant to an estimation motion filed no later than October 3, 2018.
- f. Notwithstanding subsection (e) hereof and except as otherwise provided in subsection (c) hereof, if the Debtors have requested that a Claim be reclassified and/or allowed in a fixed, reduced amount pursuant to a claim objection to such Claim, the Ballot of the Holder of such Claim shall be counted in the reduced amount requested by the Debtors and/or in the requested Class.

52. The Debtors further request that the following voting procedures and standard assumptions be used in tabulating the Ballots:

- a. For tabulation purposes, each Ballot shall be deemed to be cast with respect to the Debtor(s) indicated in Item 1 of such Ballot. In light of the substantive consolidation proposed to be effectuated pursuant to the Plan, for purposes of determining Class acceptance or rejection of the Plan, all Ballots received by the Debtors will be divided into two categories and tabulated accordingly: (i) votes with respect to Woodbridge Mortgage Investment Fund 1, LLC (for Claims against Fund Debtors), and (ii) votes or Woodbridge Group of Companies, LLC

(for Claims against Other Debtors); *provided, however*, that the Voting Report shall also include an analysis of the voting results on a Debtor-by-Debtor basis in the event it is determined that certain Plan confirmation requirements must be satisfied on a Debtor-by-Debtor basis.

- b. For purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single Creditor in a particular Voting Class will be aggregated as if such Creditor held a single Claim in such Voting Class, and the votes related to those Claims shall be treated as a single vote on the Plan, *provided, however*, that separate Claims held as of the Voting Record Date by different but related or affiliated Entities shall not be deemed to be held by a single Creditor pursuant to this provision, and the votes related to such Claims shall be treated as separate votes on the Plan.
- c. Creditors with multiple Claims within a particular Voting Class must vote all such Claims in any such Voting Class to either accept or reject the Plan, and may not split their vote(s) within a Voting Class. Accordingly, an individual Ballot that partially rejects and partially accepts the Plan on account of multiple Claims within the same Voting Class will not be counted.
- d. Each Creditor will be provided a single individual Ballot for all Claims held by such Creditor in a particular Voting Class.
- e. In the event a Claim is transferred after the Voting Record Date, only the Holder of such Claim as of the Voting Record Date may execute and submit a Ballot to the Voting Agent, the transferee of such Claim shall be bound by any such vote and any attendant elections or preferences (and the consequences thereof) made by the Holder of such transferred Claim as of the Voting Record Date, and no “cause” will exist to permit any change of any vote or any attendant election or preference under Bankruptcy Rule 3018(a).
- f. The delivery of a Ballot will be deemed made only when the Voting Agent has actually received the original, executed Ballot.
- g. Except as otherwise provided in subsection (e) hereof, any party who has previously delivered a valid Ballot for the acceptance or rejection of the Plan may revoke such Ballot and change its vote or any attendant election or preference by delivering to the Voting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. In the case where multiple Ballots are received from the same Holder with respect to the same Claim prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect that voter’s intent and will supersede and revoke any prior Ballot.
- h. Notwithstanding subsection (g) hereof, if a Holder of a Claim casts multiple Ballots on account of the same Claim, which are received by the Voting Agent on

the same day and at the same time, but which are voted inconsistently, such Ballots shall not be counted.

- i. Except as otherwise provided in subsection (e) hereof, any party who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Voting Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain the description of the Claims to which it relates and the aggregate principal amount represented by such Claims, (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claims and possesses the right to withdraw the vote sought to be withdrawn, and (iv) be actually received by the Voting Agent prior to the Voting Deadline. The Debtors expressly reserve the right to contest the validity of any such withdrawals of Ballots.

53. The following types of Ballots will not be counted in determining whether the Plan has been accepted or rejected:

- a. Any Ballot that fails to clearly indicate an acceptance or rejection of the Plan, that indicates both an acceptance and a rejection of the Plan, or that partially accepts and partially rejects the Plan.
- b. Any Ballot received after the Voting Deadline, except by order of the Court or if the Debtors, in consultation with the Committees, have granted an extension of the Voting Deadline with respect to such Ballot.
- c. Any Ballot containing a vote that the Court determines was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code.
- d. Any Ballot that is illegible or contains insufficient information to permit the identification of the Claim Holder.
- e. Any Ballot cast by an Entity that does not hold a Claim in a Voting Class.
- f. Any unsigned Ballot or any Ballot without an original signature.
- g. Any Ballot transmitted to the Voting Agent by facsimile or electronic means.
- h. Any Ballot sent to a party other than the Voting Agent, including any of the Debtors, their advisors, representatives, or counsel.
- i. Any Ballot not cast in accordance with the procedures approved in the Disclosure Statement Order.

54. The interpretation of all balloting rules and procedures (including the Ballot and the respective instructions thereto) by the Voting Agent and the Debtors, unless otherwise directed by the Court, will be final and binding on all parties. The Debtors reserve the right to reject any and all Ballots not in proper form, the acceptance of which would, in the opinion of the Debtors or their counsel, be unlawful. The Debtors further reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot. Unless waived, any such defects or irregularities must be cured within such time as the Debtors (or the Court) determine. Neither the Debtors nor any other Person will be under any duty to provide notification of such defects or irregularities or failure to satisfy conditions of delivery, nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court, delivery of such Ballots will not be deemed to have been made and such Ballots will be invalid until such defects or irregularities have been cured or waived.

55. The Debtors request that the Court establish October 19, 2018 as the deadline for the Voting Agent to file a voting report (the “Voting Report”), verifying the results of its voting tabulations reflecting the votes cast to accept or reject the Plan. The Voting Report will, among other things, describe every Ballot that does not conform to the Voting Instructions or that contains any form of defect or irregularity, including, but not limited to, those Ballots that are late, illegible, unidentifiable, lacking signatures, lacking necessary information, or damaged.

56. The Debtors submit that the proposed tabulation rules and other related vote tabulation procedures set forth above will establish a fair and equitable voting process and, therefore, should be approved.

## **V. Approval of Forms of Ballots and Notice of Non-Voting Status**

57. Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot to all “creditors and equity security holders entitled to vote on the plan.” Fed. R. Bankr. P. 3017(d).

The Debtors propose to distribute a single Ballot to each Holder of a Claim in a Voting Class. The Ballots are based on Official Form No. B 314, but are modified to address the particular aspects of these Chapter 11 Cases and the Plan. Forms of the proposed Ballots which the Debtors intend to distribute to Holders of Claims in the Voting Classes are annexed to the Disclosure Statement Order as **Exhibit 2**. All Ballots will be accompanied by postage pre-paid return envelopes addressed to the ballot tabulation center at: Woodbridge Group of Companies, LLC, c/o Garden City Group, LLC, P.O. Box 10545, Dublin, Ohio 43017-0208.

58. As described above, the Debtors propose to include the Election to Dispute Net Note/Unit Claim Amounts and the Contributed Claims Election in the Ballots distributed to Holders of Claims in Classes 3, 5, and 6 and to include the Election to Reclassify in the Ballots distributed to Holders of Claims in Class 6. The Debtors request that the Court approve (i) the form of Election to Dispute Net Note/Unit Amounts, Election to Reclassify, and Contributed Claims Election, and (ii) subject to the occurrence of the Effective Date, the effect of each such election, as set forth in the Plan.

59. The Debtors propose to distribute to Holders of Claims and Equity Interests in the Non-Voting Classes a Notice of Non-Voting Status, substantially in the form annexed to the Disclosure Statement Order as **Exhibit 3**. The Notice of Non-Voting Status identifies each respective Class that will receive no distribution under the Plan and sets forth (i) the manner in which Holders of Claims or Equity Interests in such Classes may obtain a copy of the Plan and Disclosure Statement, (ii) the deadline for filing objections to confirmation of the Plan, and (iii) the time and date set for the Confirmation Hearing.

### **NOTICE**

60. Notice of this Motion has been provided to: (i) the U.S. Trustee; (ii) counsel to the Unsecured Creditors' Committee; (iii) counsel to the Noteholder Committee; (iv) counsel to the

Unitholder Committee; and (v) all parties who have filed a notice of appearance and request for service of papers 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, for the reasons set forth herein, the Debtors respectfully request that this Court enter an order, substantially in the form attached hereto as **Exhibit A**, (i) granting the relief sought herein, and (ii) granting such other and further relief as it deems just and proper.

Dated: July 27, 2018  
Wilmington, Delaware

/s/ Betsy L. Feldman  
YOUNG CONAWAY STARGATT & TAYLOR, LLP  
Sean M. Beach (No. 4070)  
Edmon L. Morton (No. 3856)  
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-and-

KLEE, TUCHIN, BOGDANOFF & STERN 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:

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 10, 2018 at 4:00 p.m. (ET)

**NOTICE OF MOTION**

TO: (I) THE U.S. TRUSTEE; (II) COUNSEL TO THE UNSECURED CREDITORS' COMMITTEE; (III) COUNSEL TO THE NOTEHOLDER COMMITTEE; (IV) COUNSEL TO THE UNITHOLDER COMMITTEE; AND (V) ALL PARTIES WHO HAVE FILED A NOTICE OF APPEARANCE AND REQUEST FOR SERVICE OF PAPERS 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 (I) Approving Disclosure Statement, (II) Fixing Voting Record Date, (III) Scheduling Plan Confirmation Hearing and Approving Form and Manner of Related Notice and Objection Procedures, (IV) Approving Solicitation Packages and Procedures and Deadlines for Soliciting, Receiving, and Tabulating Votes on the Plan, and (V) Approving Forms of Ballots and Notice to Non-Voting Classes* (the "Motion").

**PLEASE TAKE FURTHER NOTICE** that responses or objections to the Motion must be filed on or before **August 10, 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**

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

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 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 27, 2018  
Wilmington, Delaware

/s/ Betsy L. Feldman  
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. Docket No. \_\_\_\_

**ORDER (I) APPROVING DISCLOSURE STATEMENT, (II) FIXING  
VOTING RECORD DATE, (III) SCHEDULING PLAN CONFIRMATION  
HEARING AND APPROVING FORM AND MANNER OF RELATED NOTICE  
AND OBJECTION PROCEDURES, (IV) APPROVING SOLICITATION  
PACKAGES AND PROCEDURES AND DEADLINES FOR SOLICITING,  
RECEIVING, AND TABULATING VOTES ON THE PLAN, AND (V) APPROVING  
FORMS OF BALLOTS AND NOTICE TO NON-VOTING CLASSES**

Upon the motion (the “Motion”)<sup>2</sup> of 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”) for entry of an order, pursuant to sections 105, 1125, 1126, and 1128 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rules 2002, 3017, 3018, and 3020 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2002-1, 3017-1, and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), (i) approving the *Disclosure Statement for the Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No.

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

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

2138] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”) as containing adequate information, (ii) fixing a record date (the “Voting Record Date”) for voting on the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. 2138] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”), a Voting Deadline (as defined below), and other related dates, (iii) scheduling the date of the hearing to consider confirmation of the Plan (the “Confirmation Hearing”) and approving the form and manner of the related notice and objection procedures, (iv) approving the proposed contents of the solicitation packages (the “Solicitation Packages”) and establishing solicitation, voting, and tabulating procedures with respect to the Plan, and (v) approving the forms of ballots for Holders of Claims in Classes 3, 4, 5, and 6 (collectively, the “Voting Classes”), including the form of election, if any, set forth therein, and notice to Holders of Claims and Equity Interests in Classes 1, 2, 7, and 8 (the “Non-Voting Classes”); and upon consideration of the record of these Chapter 11 Cases; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 1334 and 157, 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 Motion is a core matter pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of these Chapter 11 Cases and of the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Motion has been given under the circumstances, and that no other or further notice need be given; and it appearing that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and after due deliberation, and good and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED as set forth herein.
2. Any and all objections to approval of the Motion or the Disclosure Statement, to the extent not previously resolved or withdrawn, are overruled in their entirety.
3. Pursuant to Bankruptcy Rule 3017(d), the Disclosure Statement is approved as containing adequate information as required by Bankruptcy Code section 1125. The Debtors are authorized to distribute, or cause to be distributed, the Solicitation Packages in order to solicit votes on, and pursue confirmation of, the Plan. Prior to the Solicitation Date, the Debtors are authorized to make additional correcting, conforming, and finalizing changes to the Disclosure Statement or Plan.
4. The time period set forth below during which the Debtors may solicit votes on the Plan is a reasonable period of time for Holders of Claims to make an informed decision as to whether to accept or reject the Plan.
5. The procedures set forth below for the solicitation and tabulation of votes to accept or reject the Plan provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.
6. The contents of the Solicitation Packages and Non-Voting Packages, as set forth in this Disclosure Statement Order, comply with Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all interested parties including, without limitation, all Holders of Claims against and Equity Interests in the Debtors.
7. The notice of the Confirmation Hearing, substantially in the form attached hereto as **Exhibit 1** (the “Confirmation Hearing Notice”), complies with the requirements of Bankruptcy Rules 2002(b), 2002(d), and 3017(d) and is approved.

8. The forms of Ballots for the Voting Classes, substantially in the forms attached hereto as **Exhibit 2**, are approved.

9. The Notice of Non-Voting Status, substantially in the form attached hereto as **Exhibit 3**, is approved.

10. For Holders of Claims or Equity Interests in Classes 1, 2, 4, 7, and 8, **August 21, 2018** shall be the Voting Record Date used for purposes of determining: (i) the Holders of Claims in the Voting Classes who will receive Solicitation Packages and are entitled to vote to accept or reject the Plan; (ii) the Holders of Claims and Equity Interests in the Non-Voting Classes who will receive a Non-Voting Package and are not entitled to vote to accept or reject the Plan; (iii) the amount of each Holder's Claim for solicitation and voting purposes; and (iv) whether Claims have been properly and timely assigned or transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee (and not the original Claim Holder) can vote to accept or reject the Plan as the Holder of a Claim. For Holders of Claims in Classes 3, 5, and 6, **December 4, 2017** shall be the Voting Record Date used for purposes of determining: (i) the Holders of Claims in the such Classes who will receive Solicitation Packages and are entitled to vote to accept or reject the Plan and (ii) the amount of each Holder's Claim for solicitation and voting purposes.

11. With respect to transferred Claims, if any, (i) if the notice of transfer required by Bankruptcy Rule 3001(e) is filed on or before the Voting Record Date, the Solicitation Package or Non-Voting Package, as applicable, will be mailed to the transferee in accordance with the notice of transfer, and the transferee will be entitled to cast a Ballot to accept or to reject the Plan if such Claim is in a Voting Class, and (ii) if the notice of transfer is filed after the Voting Record Date, then the Solicitation Package or Non-Voting Package, as applicable, will be mailed

to the Claim Holder as of the Voting Record Date, and such Claim Holder will be entitled to cast a Ballot to accept or to reject the Plan if such Claim is in a Voting Class.

12. The Debtors are authorized to distribute, or cause to be distributed, by first-class mail, by no later than September 7, 2018 (the “Solicitation Date”), to each Holder of a Claim in the Voting Classes as of the Voting Record Date a Solicitation Package containing the following:

- a. The Disclosure Statement, including the Plan and all other exhibits or schedules annexed thereto;
- b. This Disclosure Statement Order (excluding exhibits);
- c. The Plan Summary, substantially in the form attached hereto as **Exhibit 4**;
- d. The Confirmation Hearing Notice;
- e. A single Ballot, to be used in voting to accept or to reject the Plan, and applicable Voting Instructions (unless a claimant holds Claims in more than one class, in which case such claimant shall be provided one Ballot for each class in which such claimant holds a Claim);
- f. [A supporting document by one or more of the Committees, substantially in the form attached hereto as **Exhibit 5**];
- g. A pre-addressed, postage pre-paid return envelope; and
- h. Such other materials as the Bankruptcy Court may direct or approve.

The Debtors shall also provide copies of the Solicitation Package, excluding a Ballot, to (i) the U.S. Trustee, (ii) counsel to the Unsecured Creditors’ Committee, (iii) counsel to the Noteholder Committee, (iv) counsel to the Unitholder Committee, (v) the Internal Revenue Service, (vi) the Securities and Exchange Commission, (vii) the United States Attorney’s Office for the District of Delaware, (viii) the Department of Justice, (ix) other governmental units having an interest in these Chapter 11 Cases, and (x) all parties who have requested notice in these Chapter 11 Cases pursuant to Bankruptcy Rule 2002 as of the date of the mailing of the Solicitation Package. For the avoidance of doubt, the Solicitation Packages shall be distributed to all Entities in Classes 3, 4, 5, and 6, subject to the terms of this Disclosure Statement Order, including all Entities that



have filed a general unsecured non-priority Proof of Claim by the applicable claims bar date if such Proof of Claim is not the subject of an objection as of the Voting Record Date.

13. The Debtors are authorized (but not required) to distribute, or cause to be distributed, the Disclosure Statement (together with all exhibits thereto, including the Plan) and this Disclosure Statement Order (excluding exhibits) to the Voting Classes in CD format in lieu of paper format.

14. The Debtors are authorized to distribute, or cause to be distributed, by first-class mail, by the Solicitation Date, to all Holders of Claims and Equity Interests in the Non-Voting Classes a Non-Voting Package, consisting of (i) the Confirmation Hearing Notice and (ii) the Notice of Non-Voting Status.

15. The Debtors are authorized to distribute, or cause to be distributed, a Confirmation Hearing Notice by first-class mail, by the Solicitation Date, to (i) all Entities whose Claims are listed in the Debtors' Schedules as contingent, unliquidated, or disputed; (ii) all Entities who timely filed a Proof of Claim that is the subject of an objection as of the Voting Record Date and not estimated for voting purposes; and (iii) any other Persons that the Debtors believe may be affected by any provision of the Plan. For the avoidance of doubt, except with respect to Holders of Class 5 Unit Claims, who will receive a Solicitation Package and be entitled to vote on the Plan notwithstanding that their Unit Claims are listed on the Debtors' Schedules as disputed, Entities whose Claims are listed in the Debtors' Schedules as contingent, unliquidated, or disputed and who did not otherwise timely file a Proof of Claim will not receive a Solicitation Package and will not be entitled to vote on the Plan.

16. The Debtors shall complete, or cause to be completed, the distribution of the appropriate Solicitation Packages and Non-Voting Packages to all Holders of Claims or Equity Interests, as applicable, no later than the Solicitation Date.

17. The Debtors shall not be required to mail the Solicitation Packages and Non-Voting Packages to any Holders of Claims or Equity Interests, as applicable, that have listed addresses that have previously been determined to be undeliverable, unless the Debtors (through the Voting Agent) are provided with an accurate updated address for each Claim or Equity Interest Holder's previously undeliverable address not less than five (5) calendar days prior to the Solicitation Date.

18. The deadline by which all Ballots must be properly executed, completed, delivered to, and actually received by the Voting Agent shall be **October 8, 2018 at 4:00 p.m. (ET)** (the "Voting Deadline"), *provided, however*, that the Debtors are permitted, in consultation with the Committees, to extend the Voting Deadline at any time before the Voting Deadline, on behalf of any individual voter or any Voting Class, as facts and circumstances may require.

19. Each Holder of a Claim in the Voting Classes shall be entitled to vote the amount of its Claim as of the Voting Record Date. Solely for purposes of voting on the Plan, and not for the purpose of making distributions on account of a Claim and without prejudice to the rights of the Debtors or any other proper party in interest in any other context, including Claims objections, with respect to all Holders of Claims in the Voting Classes, the amount of a Claim used to tabulate acceptance or rejection of the Plan shall be as follows:

- a. In respect of Claims in Class 4, the amount of the Claim listed in each of the applicable Debtor's Schedules; provided that (i) such Claim is not scheduled as contingent, unliquidated, undetermined, disputed, or in the amount of \$0.00, (ii) no Proof of Claim has been timely filed (or otherwise deemed timely filed under applicable law), (iii) such Claim has not been satisfied by the Debtors, and (iv) such Claim has not been resolved pursuant to a stipulation or order entered by this

Court. In respect of Claims in Class 4, if a Proof of Claim has been timely filed (or otherwise deemed timely filed under applicable law), then the undisputed, non-contingent, and liquidated amount specified in a Proof of Claim against a particular Debtor or Debtors timely filed with this Court or the Voting Agent by the applicable claims bar date (or otherwise deemed timely filed by this Court under applicable law) to the extent such Proof of Claim has not been amended or superseded by another Proof of Claim and is not the subject of an objection filed at least ten (10) days before the Voting Deadline (or, if such Claim has been resolved pursuant to a stipulation or order entered by this Court, the amount set forth in such stipulation or order).

- b. In respect of Claims in Classes 3, 5, and 6, the amount of the “Outstanding Principal Amount” set forth in the Debtors’ *Schedule of Principal Amounts and Prepetition Distributions* (a copy of which is attached to the Disclosure Statement as Schedule 3), provided that the Holder of such Claim (i) has not elected on such Holder’s Ballot to be a Disputing Claimant and (ii) is not an Excluded Party. If the Holder of a Claim in Classes 3, 5, or 6 has elected on such Holder’s Ballot to be a Disputing Claimant or is an Excluded Party, then the calculation shall be as set forth in subsection (a) hereof with respect to Holders of Claims in Class 4.
- c. If applicable, the amount temporarily allowed by this Court for voting purposes pursuant to Bankruptcy Rule 3018, provided that any Rule 3018(a) motion to estimate a Claim for voting purposes must be filed no later than **October 3, 2018, at 4:00 p.m. (ET)**.
- d. Except as otherwise provided in subsection (c) hereof, a Ballot cast by an alleged Creditor who has timely filed a Proof of Claim in a wholly unliquidated, unknown, or uncertain amount that is not the subject of a claim objection filed at least twenty (20) days before the Voting Deadline shall be counted in determining whether the numerosity requirement of section 1126(c) of the Bankruptcy Code has been met, and shall be ascribed a value of one U.S. dollar (\$1.00) for voting purposes only.
- e. Except as otherwise provided in subsection (c) hereof, with respect to a Ballot cast by an alleged Creditor who has timely filed a Proof of Claim, but the Claim is the subject of a claim objection filed at least twenty (20) days before the Voting Deadline, the Ballot will not be counted for voting purposes unless the Court has overruled such claim objection or estimated the Claim pursuant to an estimation motion filed no later than **October 3, 2018**.
- f. Notwithstanding subsection (e) hereof and except as otherwise provided in subsection (c) hereof, if the Debtors have requested that a Claim be reclassified and/or allowed in a fixed, reduced amount pursuant to a claim objection to such Claim, the Ballot of the Holder of such Claim shall be counted in the reduced amount requested by the Debtors and/or in the requested Class.

20. The following voting procedures and standard assumptions shall be used in tabulating the Ballots in the Voting Classes:
- a. For tabulation purposes, each Ballot shall be deemed to be cast with respect to the Debtor(s) indicated in Item 1 of such Ballot. In light of the substantive consolidation proposed to be effectuated pursuant to the Plan, for purposes of determining Class acceptance or rejection of the Plan, all Ballots received by the Debtors will be divided into two categories and tabulated accordingly: (i) votes with respect to Woodbridge Mortgage Investment Fund 1, LLC (for Claims against Fund Debtors), and (ii) votes or Woodbridge Group of Companies, LLC (for Claims against Other Debtors); *provided, however*, that the Voting Report shall also include an analysis of the voting results on a Debtor-by-Debtor basis in the event it is determined that certain Plan confirmation requirements must be satisfied on a Debtor-by-Debtor basis.
  - b. For purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single Creditor in a particular Voting Class will be aggregated as if such Creditor held a single Claim in such Voting Class, and the votes related to those Claims shall be treated as a single vote on the Plan, *provided, however*, that separate Claims held as of the Voting Record Date by different but related or affiliated Entities shall not be deemed to be held by a single Creditor pursuant to this provision, and the votes related to such Claims shall be treated as separate votes on the Plan.
  - c. Creditors with multiple Claims within a particular Voting Class must vote all such Claims to either accept or reject the Plan, and may not split their vote(s). Accordingly, an individual Ballot that partially rejects and partially accepts the Plan on account of multiple Claims within a single Voting Class will not be counted.
  - d. Each Creditor will be provided a single individual Ballot for all Claims held by such Creditor in a particular Voting Class.
  - e. In the event a Claim is transferred after the Voting Record Date, only the Holder of such Claim as of the Voting Record Date may execute and submit a Ballot to the Voting Agent, the transferee of such Claim shall be bound by any such vote and any attendant elections or preferences (and the consequences thereof) made by the Holder of such transferred Claim as of the Voting Record Date, and no “cause” will exist to permit any vote or election change under Bankruptcy Rule 3018(a).
  - f. The delivery of a Ballot will be deemed made only when the Voting Agent has actually received the original, executed Ballot.
  - g. Except as otherwise provided in subsection (e) hereof, any party who has previously delivered a valid Ballot for the acceptance or rejection of the Plan may

revoke such Ballot and change its vote or any attendant election or preference by delivering to the Voting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. In the case where multiple Ballots are received from the same Holder with respect to the same Claim prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot.

- h. Notwithstanding subsection (g) hereof, if a Holder of a Claim casts multiple Ballots on account of the same Claim, which are received by the Voting Agent on the same day and at the same time, but which are voted inconsistently, such Ballots shall not be counted.
- i. Except as otherwise provided in subsection (e) hereof, any party who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Voting Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain a description of the Claim(s) to which it relates and the aggregate principal amount represented by such Claim(s), (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claim(s) and possesses the right to withdraw the vote sought to be withdrawn, and (iv) be actually received by the Voting Agent prior to the Voting Deadline. The Debtors' right to contest the validity of any such withdrawals of Ballots is expressly reserved.

21. The following types of Ballots will not be counted in determining whether the Plan has been accepted or rejected:

- a. Any Ballot that fails to clearly indicate an acceptance or rejection of the Plan, that indicates both an acceptance and a rejection of the Plan, or that partially accepts and partially rejects the Plan.
- b. Any Ballot received after the Voting Deadline, except by order of this Court or if the Debtors, in their sole discretion, have granted an extension of the Voting Deadline with respect to such Ballot.
- c. Any Ballot containing a vote that this Court determines was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code.
- d. Any Ballot that is illegible or contains insufficient information to permit the identification of the Claim Holder.
- e. Any Ballot cast by an Entity that does not hold a Claim in the applicable Voting Class.
- f. Any unsigned Ballot or any Ballot without an original signature.

- g. Any Ballot transmitted to the Voting Agent by facsimile or electronic means.
- h. Any Ballot sent to a party other than the Voting Agent, including any of the Debtors, their advisors, representatives, or counsel.
- i. Any Ballot not cast in accordance with the procedures approved in this Disclosure Statement Order.

22. The Debtors are authorized to reject any and all Ballots not in proper form, the acceptance of which would, in the opinion of the Debtors or their counsel, be unlawful. The Debtors are further authorized to permit the cure of any defects, irregularities, or conditions of delivery as to any particular Ballot. The interpretation of all balloting rules and procedures (including the Ballot and the respective instructions thereto) by the Voting Agent and the Debtors, unless otherwise directed by this Court, will be final and binding on all parties. Any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtors (or this Court) determine. Neither the Debtors nor any other Person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots, nor will the Debtors nor any other Person incur any liabilities for failure to provide such notification. Unless otherwise directed by this Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured. Ballots previously furnished (and as to which any irregularities have not theretofore been cured) will be invalidated.

23. The Voting Agent shall file its Voting Report by **October 19, 2018**, verifying the results of its voting tabulations reflecting the votes cast to accept or reject the Plan. The Voting Report will, among other things, describe every Ballot that does not conform to the Voting Instructions or that contains any form of irregularity, including, but not limited to, those Ballots that are late, illegible (in whole or in material part), unidentifiable, lacking signatures, lacking necessary information, or damaged.

24. The form of Election to Dispute Net Note/Unit Claim Amounts and the form of Election to Reclassify are hereby approved. Subject to the occurrence of the Effective Date, for any Noteholder or Unitholder that is not a Disputing Claimant, all Distributions shall be made based on the applicable amounts in the Schedule of Principal Amounts and Prepetition Distributions, and such Noteholder or Unitholder shall be deemed to have agreed to be bound to such amounts for purposes of Distributions and reserves under the Plan.

25. The form of Contributed Claims Election is hereby approved. Any Claimant who affirmatively makes the Contributed Claims Election on such Claimant's Ballot will, subject to the occurrence of the Effective Date and the formation of the Liquidation Trust, be deemed to have contributed its Contributed Claims to the Liquidation Trust.

26. The date set for the Confirmation Hearing shall be **October 24, 2018 at 10:00 a.m. (ET)**. The Confirmation Hearing may be continued by the Debtors from time to time without further notice to Holders of Claims or Equity Interests or other parties in interest.

27. The Debtors shall publish the Confirmation Hearing Notice once in the national edition of *USA Today* and once in the *Los Angeles Times* on a date not less than twenty-eight (28) calendar days before the Plan Objection Deadline.

28. The deadline for the Debtors to file the Plan Supplement and proposed form of Confirmation Order shall be **October 1, 2018**.

29. The deadline for filing and serving Plan Objections (including, without limitation, any objections to (i) assumption and/or cure payment amounts, and (ii) the classification of any Claim under the Plan) shall be **October 8, 2018 at 4:00 p.m. (ET)** (the "Plan Objection Deadline"). Plan Objections must (i) be in writing; (ii) state the name, address, and nature of the Claim or Equity Interest of the objecting or responding party; (iii) state with particularity the

legal and factual basis and nature of any Plan Objection; and (iv) be filed with this Court and served on the following parties by the Plan Objection Deadline: (i) counsel to the Debtors, (a) Klee, Tuchin, Bogdanoff & Stern LLP, 1999 Avenue of the Stars, 39th Floor, Los Angeles, California 90067, Attn: Michael L. Tuchin, Esq., [mtuchin@ktbslaw.com](mailto:mtuchin@ktbslaw.com), and David A. Fidler, Esq., [dfidler@ktbslaw.com](mailto:dfidler@ktbslaw.com); and (b) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, DE 19801, Attn: Sean M. Beach, Esq., [sbeach@ycst.com](mailto:sbeach@ycst.com), and Edmon L. Morton, Esq., [emorton@ycst.com](mailto:emorton@ycst.com); (ii) counsel to the Unsecured Creditors' Committee, Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, CA 90067, Attn: Richard M. Pachulski, Esq., [rpachulski@pszjlaw.com](mailto:rpachulski@pszjlaw.com), and 919 N. Market Street, 17th Floor, P.O. Box 8705, Wilmington, DE 19899, Attn: Colin R. Robinson, Esq., [crobinson@pszjlaw.com](mailto:crobinson@pszjlaw.com); (iii) counsel to the Noteholder Committee, Drinker Biddle & Reath LLP, 222 Delaware Avenue, Suite 1410, Wilmington, DE 19801, Attn: Joseph N. Argentina, Jr., Esq., [joseph.argentina@dbr.com](mailto:joseph.argentina@dbr.com); (iv) counsel to the Unitholder Committee, Venable LLP, 1201 N. Market Street, Suite 1400, Wilmington, DE 19801, Attn: Jamie L. Edmonson, Esq., [jledmonson@venable.com](mailto:jledmonson@venable.com), and 1270 Avenue of the Americas, New York, NY, Attn: Jeffrey S. Sabin, Esq., [jssabin@venable](mailto:jssabin@venable); and (v) the U.S. Trustee, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Timothy Jay Fox, Jr., [timothy.fox@usdoj.gov](mailto:timothy.fox@usdoj.gov).

30. The Debtors or any other party supporting Confirmation of the Plan, are authorized to file a response to any Plan Objections no later than **October 19, 2018**.

31. Copies of the Plan and all pleadings and orders of this Court shall be publicly available free of charge at the Debtors' restructuring website at:  
<http://cases.gardencitygroup.com/wgc/>.



32. The Debtors are authorized to make non-substantive or immaterial changes to the Disclosure Statement and all related documents (including, without limitation, all exhibits and schedules thereto) without further order of this Court, including, without limitation, (i) making ministerial changes to correct typographical and grammatical errors and making conforming changes among the Disclosure Statement, the Plan, the Ballots, and any other materials in the Solicitation Packages prior to mailing as may be appropriate and (ii) altering the format of such documents to facilitate their prompt and economical distribution (*e.g.*, if applicable, single spacing the documents and the like).

33. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Disclosure Statement Order.

34. This Court retains jurisdiction and power with respect to all matters arising from or related to the implementation or interpretation of this Disclosure Statement Order.

Dated:

\_\_\_\_\_  
Wilmington, Delaware

\_\_\_\_\_  
Kevin J. Carey  
United States Bankruptcy Judge

**EXHIBIT 1**

**Confirmation Hearing Notice**

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)

**NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) ESTABLISHMENT OF  
VOTING RECORD DATE, (III) HEARING ON CONFIRMATION OF PLAN AND  
PROCEDURES AND DEADLINE FOR OBJECTING TO CONFIRMATION OF PLAN,  
AND (IV) PROCEDURES AND DEADLINE FOR VOTING ON PLAN**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. ***Approval of Disclosure Statement.*** By order dated [\_\_\_\_], 2018 (the “Disclosure Statement Order”), the United States Bankruptcy Court for the District of Delaware (the “Court”), having jurisdiction over the chapter 11 cases of the above-captioned debtors (the “Debtors”), approved the *Disclosure Statement for the Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”) as containing adequate information within the meaning of section 1125 of title 11 of the United States Code (the “Bankruptcy Code”), and authorized the Debtors to solicit votes to accept or reject the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”),<sup>2</sup> a copy of which is annexed as Exhibit A to the Disclosure Statement.

2. ***Deadline for Voting on the Plan.*** By the Disclosure Statement Order, the Bankruptcy Court established **October 8, 2018 at 4:00 p.m. (ET)** (the “Voting Deadline”) as the deadline by which Ballots accepting or rejecting the Plan must be received. Only Holders of Claims in Classes 3, 4, 5, and 6 under the Plan are entitled to vote on the Plan and will receive Ballots for casting such votes. To be counted, original Ballots must **actually be received** on or before the Voting Deadline by Garden City Group, LLC (the “Voting Agent”) at:

**If by First Class Mail:**

Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC

**If by Overnight Mail or Hand Delivery:**

Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC

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

<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meaning provided to them in the Plan.

P.O. Box 10545  
Dublin, Ohio 43017-0208

5151 Blazer Parkway, Suite A  
Dublin, Ohio 43017

Ballots cast by e-mail, facsimile, or any other electronic format will **not** be counted, unless otherwise approved by the Debtors. Holders of Unimpaired Claims under the Plan and Classes that are deemed to reject the Plan are not entitled to vote on the Plan and will receive a Notice of Non-Voting Status rather than a Ballot.

3. **Confirmation Hearing.** A hearing (the “Confirmation Hearing”) will be held before the Honorable Kevin J. Carey, United States Bankruptcy Judge, on **October 24, 2018 at 10:00 a.m. (ET)**, in Courtroom 5 of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 5th Floor, Wilmington, Delaware 19801, to consider confirmation of the Plan, and for such other and further relief as may be just or proper. The Confirmation Hearing may be continued from time to time without further notice other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing or on the applicable hearing agenda. The Plan may be modified in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Plan, and applicable law, without further notice, prior to or as a result of the Confirmation Hearing. If the Court enters an order confirming the Plan, Bankruptcy Code section 1141 shall become applicable with respect to the Plan and the Plan shall be binding on all parties to the fullest extent permitted by the Bankruptcy Code.

4. **Deadline for Objections to Confirmation of Plan.** Objections, if any, to confirmation of the Plan (including, without limitation, objections to the classification of any Claim under the Plan), must (i) be in writing; (ii) state the name and address of the objecting party and the nature of the claim or interest of such party; (iii) state with particularity the legal and factual basis and nature of any objection or response; and (iv) be filed with the Bankruptcy Court and served on the following parties so as to be actually received **by 4:00 p.m. (ET) on October 8, 2018**: (1) counsel to the Debtors, (a) Klee, Tuchin, Bogdanoff & Stern LLP, 1999 Avenue of the Stars, 39th Floor, Los Angeles, California 90067, Attn: Michael L. Tuchin, Esq., [mtuchin@ktbslaw.com](mailto:mtuchin@ktbslaw.com), and David A. Fidler, Esq., [dfidler@ktbslaw.com](mailto:dfidler@ktbslaw.com); and (b) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801, Attn: Sean M. Beach, Esq., [sbeach@ycst.com](mailto:sbeach@ycst.com), and Edmon L. Morton, Esq., [emorton@ycst.com](mailto:emorton@ycst.com); (2) counsel to the Unsecured Creditors’ Committee, Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067, Attn: Richard M. Pachulski, Esq., [rpachulski@pszjlaw.com](mailto:rpachulski@pszjlaw.com), and 919 N. Market Street, 17th Floor, P.O. Box 8705, Wilmington, Delaware 19899, Attn: Colin R. Robinson, Esq., [crobinson@pszjlaw.com](mailto:crobinson@pszjlaw.com); (3) counsel to the Noteholder Committee, Drinker Biddle & Reath LLP, 222 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801, Attn: Joseph N. Argentina, Jr., Esq., [joseph.argentina@dbr.com](mailto:joseph.argentina@dbr.com); (4) counsel to the Unitholder Committee, Venable LLP, 1201 N. Market Street, Suite 1400, Wilmington, Delaware 19801, Attn: Jamie L. Edmonson, Esq., [jledmonson@venable.com](mailto:jledmonson@venable.com), and 1270 Avenue of the Americas, New York, New York, Attn: Jeffrey S. Sabin, Esq., [jssabin@venable.com](mailto:jssabin@venable.com); and 5) the U.S. Trustee, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Timothy Jay Fox, Jr., Esq., [timothy.fox@usdoj.gov](mailto:timothy.fox@usdoj.gov). Objections to the Plan may be submitted by any parties in interest in the Debtors’ Chapter 11 Cases.

5. **Releases, Discharges, Injunctions, and Exculpations. FOLLOWING CONFIRMATION, SUBJECT TO ARTICLE IX OF THE PLAN, THE PLAN WILL BE SUBSTANTIALLY CONSUMMATED ON THE EFFECTIVE DATE. AMONG OTHER THINGS, CERTAIN RELEASE, INJUNCTION, EXCULPATION, AND DISCHARGE PROVISIONS SET FORTH IN SECTIONS 11.10, 11.11, 11.12, AND 11.13 OF THE PLAN WILL BECOME EFFECTIVE. IT IS IMPORTANT TO READ THESE PROVISIONS OF THE PLAN CAREFULLY SO THAT YOU UNDERSTAND HOW CONFIRMATION AND SUBSTANTIAL CONSUMMATION OF THE PLAN — WHICH EFFECTUATES SUCH PROVISIONS — WILL AFFECT YOU.**

Specifically, the releases in Section 11.11 of the Plan bind the “Releasing Parties,” which the Plan defines as “Collectively, (a) the Debtors, (b) the Estates, and (c) any Person exercising or seeking to exercise any rights of the Estates (but solely in that capacity), including each of the Committees (but not their individual members), the Wind-Down CEO, the Liquidation Trustee, the Remaining Debtors Manager, and any other successor to the Debtors or any other estate representative that is or could be appointed or selected pursuant to Bankruptcy Code section 1123(b)(3) or otherwise.”

The Plan defines “Released Parties” as “Collectively, (a) the Debtors, (b) the New Board, (c) the Committees, and (d) each of the preceding’s respective Related Parties; *provided, however*, that the Released Parties shall not include any Excluded Party.”

The releases, discharges, injunctions, and exculpations provide for the following:

**Non-Discharge of the Debtors; Injunction.**

In accordance with Bankruptcy Code section 1141(d)(3)(A), the Plan does not discharge the Debtors. Bankruptcy Code section 1141(c) nevertheless provides, among other things, that the property dealt with by the Plan is free and clear of all Claims and Equity Interests against the Debtors. As such, no Person holding a Claim or an Equity Interest may receive any payment from, or seek recourse against, any assets that are to be distributed under the Plan other than assets required to be distributed to that Person under the Plan. As of the Effective Date, all Persons are precluded and barred from asserting against any property to be distributed under the Plan any Claims, rights, Causes of Action, liabilities, Equity Interests, or other action or remedy based on any act, omission, transaction, or other activity that occurred before the Effective Date except as expressly provided in the Plan or the Confirmation Order.

**Releases and Related Matters.**

(a) On the Effective Date, for good and valuable consideration, each of the Releasing Parties shall be deemed to have forever released, waived, and discharged each of the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities whatsoever, whether known or unknown, whether foreseen or unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors’ business, the Chapter 11 Cases, or the Plan, except for acts or omissions that are determined in a Final Order to have constituted actual fraud or willful misconduct; *provided, however*, that nothing in Section 11.11 of the Plan shall release or otherwise affect any Person’s rights under the Plan or the Confirmation Order.

(b) Entry of the Confirmation Order shall constitute (i) the Bankruptcy Court’s approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in Section 11.11 of the Plan; and (ii) the Bankruptcy Court’s findings that such releases are (1) in exchange for good and valuable consideration provided by the Released Parties (including performance of the terms of the Plan), and a good-faith settlement and compromise of the released claims, (2) in the best interests of the Debtors, the Estates, and any Holders of Claims that are Releasing Parties, (3) fair, equitable, and reasonable, (4) given and made after due notice and opportunity for hearing, and (5) a bar to any of the Releasing Parties asserting any released claim against any of the Released Parties.

(c) Notwithstanding any provision herein to the contrary or an abstention from voting on the Plan, no provision of the Plan, or any order confirming the Plan, (i) releases any non-debtor Person from any Cause of Action of the SEC; or (ii) enjoins, limits, impairs, or delays the SEC from commencing or continuing any Causes of Action, proceedings, or investigations against any non-debtor Person in any forum.

**Exculpation and Limitation of Liability.**

On the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, to the maximum extent permitted by law, none of the Exculpated Parties shall have or incur any liability to any Person, including to any Holder of a Claim or an Equity Interest, for any prepetition or postpetition act or omission in connection with, relating to, or arising out of the Debtors, the Chapter 11 Cases, the formulation, negotiation, preparation, dissemination, solicitation of acceptances, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created, executed, or contemplated in connection with the Plan, or the administration of the Plan or the property to be distributed under the Plan; *provided, however*, that nothing in this Section 11.12 shall release or otherwise affect any Person's rights under the Plan or the Confirmation Order; and *provided, further*, that the exculpation provisions of this Section 11.12 shall not apply to acts or omissions constituting actual fraud or willful misconduct by such Exculpated Party as determined by a Final Order. For purposes of the foregoing, it is expressly understood that any act or omission effected with the approval of the Bankruptcy Court conclusively will be deemed not to constitute actual fraud or willful misconduct unless the approval of the Bankruptcy Court was obtained by fraud or misrepresentation, and in all respects, the Exculpated Parties shall be entitled to rely on the written advice of counsel with respect to their duties and responsibilities under, or in connection with, the Chapter 11 Cases, the Plan, and administration thereof. The Confirmation Order shall serve as a permanent injunction against any Person seeking to enforce any Causes of Action against the Exculpated Parties that are encompassed by the exculpation provided by this Section 11.12 of the Plan.

**Term of Injunctions or Stays.**

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays in the Chapter 11 Cases under Bankruptcy Code sections 105 or 362 or otherwise, and extant as of the Confirmation Hearing (excluding any injunctions or stays contained in or arising from the Plan or the Confirmation Order), shall remain in full force and effect through and inclusive of the Effective Date.

6. ***Additional Copies of Documents.*** Copies of the Plan are available for review free of charge at <http://cases.gardencitygroup.com/wgc/>. In addition, copies of the Plan are available upon written request to the Debtors' Voting Agent at Woodbridge Group of Companies, LLC, c/o Garden City Group, LLC, P.O. Box 10545, Dublin, Ohio 43017-0208, or by contacting the Voting Agent via email to [WGCIInfo@choosegcg.com](mailto:WGCIInfo@choosegcg.com) with "Woodbridge Solicitation" referenced in the subject line.

YOUNG CONAWAY STARGATT &  
TAYLOR, LLP  
Rodney Square, 1000 North King Street  
Wilmington, Delaware 19801  
Tel: (302) 576-3266  
Fax: (302) 571-1253

KLEE, TUCHIN, BOGDANOFF & STERN LLP  
1999 Avenue of the Stars, 39th Floor  
Los Angeles, California 90067  
Tel: (310) 407-4000  
Fax: (310) 407-9090

*Counsel for the Debtors and Debtors in Possession*

**EXHIBIT 2**

**Forms of Ballots**

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)

**BALLOT FOR HOLDERS OF CLASS 3 STANDARD NOTE CLAIMS FOR ACCEPTING  
OR REJECTING THE JOINT CHAPTER 11 PLAN OF LIQUIDATION OF  
WOODBRIIDGE GROUP OF COMPANIES, LLC AND ITS AFFILIATED DEBTORS**

**TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY GARDEN CITY GROUP,  
LLC BY OCTOBER 8, 2018 AT 4:00 P.M. (PREVAILING EASTERN TIME).**

This ballot (the “Ballot”) is being provided to you by the above-captioned debtors and debtors in possession (the “Debtors”) to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”)<sup>2</sup> proposed by the Debtors and described in the related *Disclosure Statement for the Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”) that was approved by an order [Docket No. \_\_\_\_] of the United States Bankruptcy Court for the District of Delaware (the “Court”). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to vote your Ballot. Court approval of the Disclosure Statement does not indicate Court approval of the Plan. If you do not have a Disclosure Statement or Plan, you may obtain a copy free of charge at the Debtors’ restructuring website maintained by Garden City Group, LLC (the “Voting Agent”) at <http://cases.gardencitygroup.com/wgc/>. Copies of the Disclosure Statement and Plan are also available: (i) for a fee, on the Court’s website, [www.deb.uscourts.gov](http://www.deb.uscourts.gov) (a PACER account is required); (ii) upon written request to the Voting Agent at Woodbridge Group of Companies, LLC, c/o Garden City Group, LLC, P.O. Box 10545, Dublin, Ohio 43017-0208; or (iii) by contacting the Voting Agent via email to [WGCInfo@choosegcg.com](mailto:WGCInfo@choosegcg.com) with “Woodbridge Solicitation” referenced in the subject line or via telephone at 1-888-735-7613.

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

<sup>2</sup> All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan.



**IMPORTANT**

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your Claim has been placed in Class 3 – Standard Note Claims under the Plan.

If your Ballot is not actually received by the Voting Agent on or before October 8, 2018 at 4:00 p.m. (prevailing Eastern Time) (the “Voting Deadline”), and such deadline is not extended by the Debtors or order of the Court, your vote will not count as either an acceptance or a rejection of the Plan. If the Plan is confirmed by the Court, it will be binding on you whether or not you vote and regardless of how you vote.

You may return your Ballot in the return envelope provided in your package or send it to:

**If by First Class Mail:**

Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
P.O. Box 10545  
Dublin, Ohio 43017-0208

or

**If by Overnight Mail or Hand Delivery:**

Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
5151 Blazer Parkway, Suite A  
Dublin, Ohio 43017

**ACCEPTANCE OR REJECTION OF THE PLAN**

**Item 1. Applicable Debtor(s).** For purposes of voting to accept or reject the Plan, as of December 4, 2017 (the “Voting Record Date”), the undersigned (the “Claimant”) was a Holder of a Class 3 Standard Note Claim against the Debtor(s) set forth below in the Outstanding Principal Amount(s) set forth below.

<b>Debtor</b>	<b>Outstanding Principal Amount</b>
Woodbridge Mortgage Investment Fund 1, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 2, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 3, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 3a, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 4, LLC	[GCG to insert]
Woodbridge Commercial Bridge Loan Fund 1, LLC	[GCG to insert]
Woodbridge Commercial Bridge Loan Fund 2, LLC	[GCG to insert]

**Item 2. Vote on Plan. CHECK ONE BOX ONLY:**

- ☐ **ACCEPTS (votes FOR) the Plan.**
- ☐ **REJECTS (votes AGAINST) the Plan.**

**Item 3. Calculation of Net Note Claim Amounts and Election to Become Disputing Claimant.**

Under the Plan, Distributions to Holders of Class 3 Standard Note Claims will be based on, among other things, the amount of such Holder's Net Note Claim. The term "Net Note Claim" is based on the Outstanding Principal Amount of your Note Claim, minus the aggregate amount of all Prepetition Distributions received by you (*i.e.*, all amounts you were paid on account of Notes before the bankruptcy filing, other than the return or repayment of principal). Based on their books and records, the Debtors have prepared a "Schedule of Principal Amounts and Prepetition Distributions" (the amounts calculated for your Net Note Claim are set forth below and a copy of the full schedule is attached to the Disclosure Statement) that lists the Debtors' calculation of the Net Note Claim associated with your Claim and all other Note Claims. **Unless you check the box in this Item 3 indicating that you disagree with the Debtors' calculation, the Net Note Claim set forth in the Schedule of Principal Amounts and Prepetition Distributions will be the amount of your Net Note Claim for purposes of Distributions under the Plan.** As set forth in the Schedule of Principal Amounts and Prepetition Distributions, the Debtors have calculated the amount of your Net Note Claim as follows:

	Outstanding Principal Amount:	<u>\$ [GCG to insert]</u>
<i>Minus</i>	Total Prepetition Distributions:	<u>\$ [GCG to insert]</u>
<i>Equals</i>	<b>Net Note Claim:</b>	<u><b>\$ [GCG to insert]</b></u>

If you agree with the Net Note Claim amounts set forth above, then you do not need to take any action with respect to this Item 3, and Distributions to you under the Plan will be calculated based on such Net Note Claim amounts.

If you disagree with the Net Note Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions, then you have the option to check the box below and dispute such amount. **If you check the box below in this Item 3 and disagree with the Net Note Claim amounts set forth above, this will significantly delay the timing of Distributions (if any) to you, and other Holders of Class 3 Claims that have not elected to become Disputing Claimants will receive Distributions before you. The Debtors reserve all rights to object to the validity, amount, or any other aspect of any Claim held by a Disputing Claimant who disputes the Net Note Claim amounts set forth above. In addition, the Debtors reserve any Liquidation Trust Actions that may exist regarding the particular Disputing Claimant, all of which the Liquidation Trust may determine to pursue against the particular Disputing Claimant as part of post-Confirmation litigation relating to the correct Net Note Claim amounts and related matters.**

- ☐ **The undersigned Claimant DISPUTES the Net Note Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions.**

**Item 4. Contributed Claim Election.** You may own Contributed Claims, which are defined in the Plan as "all Causes of Action that a Noteholder or Unitholder has against any Person that is not a Released Party and that are related in any way to the Debtors, their predecessors, their respective affiliates, or any Excluded Parties." The Plan provides that you may agree to contribute your Contributed Claims, if any, to the Liquidation Trust. By electing such option, you agree that, subject to the occurrence of the Effective Date and the formation of the Liquidation Trust, you will be deemed to have, among other

things, contributed your Contributed Claims to the Liquidation Trust. In such case, you will no longer be permitted to pursue your Contributed Claims on your own behalf (including if you are a member of any class action lawsuit), and any recovery received on account of such Contributed Claims will be Liquidation Trust Assets to be distributed to all Liquidation Trust Beneficiaries in accordance with the Plan. If you check the box below, then your relative share of Liquidation Trust recoveries will be enhanced by having the amount that otherwise would be your Net Note Claim increased by the Contributing Claimants Enhancement Multiplier (*i.e.*, 105%). You also may choose to make such election because aggregating all Contributed Claims and similar Liquidation Trust Actions may enable the pursuit and settlement of such litigation claims in a more efficient and effective manner. If you do not elect to contribute your Contributed Claims, you will remain able to pursue such claims (at your own cost and expense) in an appropriate forum; your success or failure on any such claims that you retain may affect your rights against other parties. The Debtors encourage anyone not contributing their Contributed Claims to consult with their own counsel about any such claims and related matters.

**By checking the box below, you agree to contribute your Contributed Claims, if any, to the Liquidation Trust. Checking the box below means that you will receive the benefit of the Contributing Claimants Enhancement Multiplier, which will result in you receiving a larger proportional recovery than other Holders of Class 3 Claims who do not make this election.**

☐ **The undersigned Claimant elects to (OPTS IN to) contribute its Contributed Claims to the Liquidation Trust.**

By checking the foregoing box, the undersigned Claimant represents and warrants that its Contributed Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition or encumbrance of any kind that would adversely affect in any way such Claimant's ability to contribute such Contributed Claims to the Liquidation Trust.

### **IMPORTANT INFORMATION REGARDING THE RELEASES**

Following confirmation, subject to Article IX of the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, certain release, injunction, exculpation, and discharge provisions set forth in Sections 11.10, 11.11, 11.12, and 11.13 of the Plan will become effective. In determining how to cast your vote on the Plan, it is important to read these provisions of the Plan carefully so that you understand how confirmation and substantial consummation of the Plan — which effectuates such provisions — will affect you.

Specifically, the releases in Section 11.11 of the Plan bind the “Releasing Parties,” which the Plan defines as “Collectively, (a) the Debtors, (b) the Estates, and (c) any Person exercising or seeking to exercise any rights of the Estates (but solely in that capacity), including each of the Committees (but not their individual members), the Wind-Down CEO, the Liquidation Trustee, the Remaining Debtors Manager, and any other successor to the Debtors or any other estate representative that is or could be appointed or selected pursuant to Bankruptcy Code section 1123(b)(3) or otherwise.” The releases provide for, among other things, the following:

#### **Releases and Related Matters.**

**(a) On the Effective Date, for good and valuable consideration, each of the Releasing Parties shall be deemed to have forever released, waived, and discharged each of the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities whatsoever, whether known or unknown, whether foreseen or**

unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, or the Plan, except for acts or omissions that are determined in a Final Order to have constituted actual fraud or willful misconduct; *provided, however*, that nothing in Section 11.11 of the Plan shall release or otherwise affect any Person's rights under the Plan or the Confirmation Order.

(b) Entry of the Confirmation Order shall constitute (i) the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in Section 11.11 of the Plan; and (ii) the Bankruptcy Court's findings that such releases are (1) in exchange for good and valuable consideration provided by the Released Parties (including performance of the terms of the Plan), and a good-faith settlement and compromise of the released claims, (2) in the best interests of the Debtors, the Estates, and any Holders of Claims that are Releasing Parties, (3) fair, equitable, and reasonable, (4) given and made after due notice and opportunity for hearing, and (5) a bar to any of the Releasing Parties asserting any released claim against any of the Released Parties.

**Item 5. Certification.** By signing this Ballot, the Claimant certifies that: (i) on the Voting Record Date, it was the Holder of the Class 3 Standard Note Claim to which this Ballot pertains or an authorized signatory for such Holder; (ii) it has full power and authority to (x) vote to accept or reject the Plan, (y) determine whether to dispute the Net Note Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions and make the Contributed Claims election, and (z) execute and return the Ballot; and (iii) it has reviewed the Voting Instructions set forth below and received a copy of the Disclosure Statement, the Plan, and other solicitation materials. The undersigned understands that an otherwise properly completed, executed, and timely returned Ballot that does not indicate either acceptance or rejection of the Plan or indicates both acceptance and rejection of the Plan will not be counted. The undersigned also certifies that its vote on the Plan is subject to all the terms and conditions set forth in the Plan and the Disclosure Statement.

Name of Claimant: \_\_\_\_\_

Signature: \_\_\_\_\_

Name (if different from Claimant): \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

**Please make sure you have provided all information requested in this Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign, and date this Ballot and return it by mail, hand delivery, or overnight courier so that it is received by the Voting Agent by the Voting Deadline on October 8, 2018 at 4:00 p.m. (prevailing Eastern Time).**

**VOTING INSTRUCTIONS**

1. In order for your vote to count, you must:
  - (i) In the boxes provided in Item 2 of the Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box; and
  - (ii) Review and sign the certifications in Item 5 of the Ballot. Please be sure to sign and date your Ballot. Your signature is required for your vote to be counted. If you are completing the Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the Standard Note Claim is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
2. Review the Calculation of Net Note Claim Amounts and Election to Become Disputing Claimant disclosure in Item 3, and determine whether to check the box in Item 3.
3. Review the Contributed Claims election disclosure in Item 4, and determine whether to check the box in Item 4.
4. **To have your vote counted and for any elections made in this Ballot to be effective, you must complete, sign, and return this Ballot so that it is actually received by the Voting Agent not later than 4:00 p.m. (prevailing Eastern Time) on October 8, 2018.**
5. Return the completed Ballot to the Voting Agent in the pre-addressed, postage pre-paid return envelope enclosed with this Ballot or return it to:

If by First Class Mail:

Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
P.O. Box 10545  
Dublin, Ohio 43017-0208

If by Overnight Mail or Hand Delivery:

Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
5151 Blazer Parkway, Suite A  
Dublin, Ohio 43017

DO NOT SUBMIT YOUR BALLOT BY FAX, EMAIL, OR ELECTRONIC TRANSMISSION.  
A Ballot submitted by fax, email, or electronic transmission will not be counted, unless approved  
by the Debtors or otherwise ordered by the Court.

6. A Ballot that either indicates both acceptance and rejection of the Plan or fails to indicate either an acceptance or a rejection of the Plan will not be counted.
7. You must vote all your Claims within a single Class under the Plan either to accept or to reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted.
8. If you have previously delivered a valid Ballot for the acceptance or rejection of the Plan, you may revoke such Ballot and change your vote or any attendant election or preference by delivering to the Voting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. If you cast more than one Ballot voting the same Claim prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect your intent and shall supersede and revoke any earlier received Ballot. If you cast multiple Ballots on account of the same Claim, which are received by the Voting Agent on

the same day and at the same time, but which are voted inconsistently, such Ballots shall not be counted.

9. Any Ballot that is illegible or that contains insufficient information to permit the identification of the Claimant will not be counted.
10. This Ballot does not constitute, and shall not be deemed to be, a proof of claim against any of the Debtors or an assertion or admission of a Claim by any of the Debtors.
11. It is important that you vote. The Plan can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code (the “Bankruptcy Code”). If the requisite acceptances are not obtained, the Court nonetheless may confirm the Plan if it finds that the Plan: (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Court also must find that at least one Impaired Class has accepted the plan, with such acceptance being determined without including the acceptance of any “insider” in such Class.
12. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE COURT, INCLUDING, WITHOUT LIMITATION, THE DISCLOSURE STATEMENT.
13. PLEASE RETURN YOUR BALLOT PROMPTLY.

IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT BY CALLING (888)-735-7613 OR EMAILING [WGCInfo@choosegcg.com](mailto:WGCInfo@choosegcg.com).

PLEASE NOTE THAT THE VOTING AGENT IS NOT PERMITTED TO PROVIDE LEGAL ADVICE.

**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)

**BALLOT FOR HOLDERS OF CLASS 4 GENERAL UNSECURED CLAIMS FOR ACCEPTING  
OR REJECTING THE JOINT CHAPTER 11 PLAN OF LIQUIDATION OF  
WOODBRIIDGE GROUP OF COMPANIES, LLC AND ITS AFFILIATED DEBTORS**

**TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY GARDEN CITY GROUP,  
LLC BY OCTOBER 8, 2018 AT 4:00 P.M. (PREVAILING EASTERN TIME).**

This ballot (the “Ballot”) is being provided to you by the above-captioned debtors and debtors in possession (the “Debtors”) to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”)<sup>2</sup> proposed by the Debtors and described in the related *Disclosure Statement for the Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”) that was approved by an order [Docket No. \_\_\_\_] of the United States Bankruptcy Court for the District of Delaware (the “Court”). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to vote your Ballot. Court approval of the Disclosure Statement does not indicate Court approval of the Plan. If you do not have a Disclosure Statement or Plan, you may obtain a copy free of charge at the Debtors’ restructuring website maintained by Garden City Group, LLC (the “Voting Agent”) at <http://cases.gardencitygroup.com/wgc/>. Copies of the Disclosure Statement and Plan are also available: (i) for a fee, on the Court’s website, [www.deb.uscourts.gov](http://www.deb.uscourts.gov) (a PACER account is required); (ii) upon written request to the Voting Agent at Woodbridge Group of Companies, LLC, c/o Garden City Group, LLC, P.O. Box 10545, Dublin, Ohio 43017-0208; or (iii) by contacting the Voting Agent via email to [WGCInfo@choosegcm.com](mailto:WGCInfo@choosegcm.com) with “Woodbridge Solicitation” referenced in the subject line or via telephone at 1-888-735-7613.

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

<sup>2</sup> All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan.

**IMPORTANT**

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your Claim has been placed in Class 4 – General Unsecured Claims under the Plan.

If your Ballot is not actually received by the Voting Agent on or before October 8, 2018 at 4:00 p.m. (prevailing Eastern Time) (the “Voting Deadline”), and such deadline is not extended by the Debtors or order of the Court, your vote will not count as either an acceptance or a rejection of the Plan. If the Plan is confirmed by the Court, it will be binding on you whether or not you vote and regardless of how you vote.

You may return your Ballot in the return envelope provided in your package or send it to:

**If by First Class Mail:**

Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
P.O. Box 10545  
Dublin, Ohio 43017-0208

or

**If by Overnight Mail or Hand Delivery:**

Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
5151 Blazer Parkway, Suite A  
Dublin, Ohio 43017

**ACCEPTANCE OR REJECTION OF THE PLAN**

**Item 1. Vote Amount.** For purposes of voting to accept or reject the Plan, as of August 21, 2018 (the “Voting Record Date”), the undersigned (the “Claimant”) was a Holder of a Class 4 General Unsecured Claim in the aggregate amount set forth below against the Debtor set forth below.

Amount: \$ \_\_\_\_\_ [GCG/DSI to insert]

Applicable Debtor \_\_\_\_\_ [GCG/DSI to insert]

**Item 2. Vote on Plan. CHECK ONE BOX ONLY:**

- ☐ **ACCEPTS (votes FOR) the Plan.**
- ☐ **REJECTS (votes AGAINST) the Plan.**

**IMPORTANT INFORMATION REGARDING THE RELEASES**

Following confirmation, subject to Article IX of the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, certain release, injunction, exculpation, and discharge provisions set forth in Sections 11.10, 11.11, 11.12, and 11.13 of the Plan will become effective. In determining how to cast your vote on the Plan, it is important to read these provisions of the Plan carefully so that you understand how confirmation and substantial consummation of the Plan — which effectuates such provisions — will affect you.

Specifically, the releases in Section 11.11 of the Plan bind the “Releasing Parties,” which the Plan defines as “Collectively, (a) the Debtors, (b) the Estates, and (c) any Person exercising or seeking to exercise any rights of the Estates (but solely in that capacity), including each of the Committees (but not their individual members), the Wind-Down CEO, the Liquidation Trustee, the Remaining Debtors Manager, and any other successor to the Debtors or any other estate representative that is or could be appointed or



selected pursuant to Bankruptcy Code section 1123(b)(3) or otherwise.” The releases provide for, among other things, the following:

**Releases and Related Matters.**

(a) On the Effective Date, for good and valuable consideration, each of the Releasing Parties shall be deemed to have forever released, waived, and discharged each of the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities whatsoever, whether known or unknown, whether foreseen or unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors’ business, the Chapter 11 Cases, or the Plan, except for acts or omissions that are determined in a Final Order to have constituted actual fraud or willful misconduct; *provided, however*, that nothing in Section 11.11 of the Plan shall release or otherwise affect any Person’s rights under the Plan or the Confirmation Order.

(b) Entry of the Confirmation Order shall constitute (i) the Bankruptcy Court’s approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in Section 11.11 of the Plan; and (ii) the Bankruptcy Court’s findings that such releases are (1) in exchange for good and valuable consideration provided by the Released Parties (including performance of the terms of the Plan), and a good-faith settlement and compromise of the released claims, (2) in the best interests of the Debtors, the Estates, and any Holders of Claims that are Releasing Parties, (3) fair, equitable, and reasonable, (4) given and made after due notice and opportunity for hearing, and (5) a bar to any of the Releasing Parties asserting any released claim against any of the Released Parties.

**Item 3. Certification.** By signing this Ballot, the Claimant certifies that: (i) on the Voting Record Date, it was the Holder of the Class 4 General Unsecured Claim to which this Ballot pertains or an authorized signatory for such Holder; (ii) it has full power and authority to vote to accept or reject the Plan and execute and return the Ballot; and (iii) it has reviewed the Voting Instructions set forth below and received a copy of the Disclosure Statement, the Plan, and other solicitation materials. The undersigned understands that an otherwise properly completed, executed, and timely returned Ballot that does not indicate either acceptance or rejection of the Plan or indicates both acceptance and rejection of the Plan will not be counted. The undersigned also certifies that its vote on the Plan is subject to all the terms and conditions set forth in the Plan and the Disclosure Statement.

Name of Claimant: \_\_\_\_\_

Signature: \_\_\_\_\_

Name (if different from Claimant): \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

**Please make sure you have provided all information requested in this Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign, and date this Ballot and return it by mail, hand delivery, or overnight courier so that it is received by the Voting Agent by the Voting Deadline on October 8, 2018 at 4:00 p.m. (prevailing Eastern Time).**

**VOTING INSTRUCTIONS**

1. In order for your vote to count, you must:
  - (i) In the boxes provided in Item 2 of the Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box; and
  - (ii) Review and sign the certifications in Item 3 of the Ballot. Please be sure to sign and date your Ballot. Your signature is required for your vote to be counted. If you are completing the Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the General Unsecured Claim is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
2. **To have your vote counted and for any elections made in this Ballot to be effective, you must complete, sign, and return this Ballot so that it is actually received by the Voting Agent not later than 4:00 p.m. (prevailing Eastern Time) on October 8, 2018.**
3. Return the completed Ballot to the Voting Agent in the pre-addressed, postage pre-paid return envelope enclosed with this Ballot or return it to:

<u>If by First Class Mail:</u> Woodbridge Group of Companies, LLC c/o Garden City Group, LLC P.O. Box 10545 Dublin, Ohio 43017-0208	<u>If by Overnight Mail or Hand Delivery:</u> Woodbridge Group of Companies, LLC c/o Garden City Group, LLC 5151 Blazer Parkway, Suite A Dublin, Ohio 43017
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4. **DO NOT SUBMIT YOUR BALLOT BY FAX, EMAIL, OR ELECTRONIC TRANSMISSION.** A Ballot submitted by fax, email, or electronic transmission will not be counted, unless approved by the Debtors or otherwise ordered by the Court.
5. A Ballot that either indicates both acceptance and rejection of the Plan or fails to indicate either an acceptance or a rejection of the Plan will not be counted.
6. You must vote all your Claims within a single Class under the Plan either to accept or to reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted.
7. If you have previously delivered a valid Ballot for the acceptance or rejection of the Plan, you may revoke such Ballot and change your vote or any attendant election or preference by delivering to the Voting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. If you cast more than one Ballot voting the same Claim prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect your intent and shall supersede and revoke any earlier received Ballot. If you cast multiple Ballots on account of the same Claim, which are received by the Voting Agent on the same day and at the same time, but which are voted inconsistently, such Ballots shall not be counted.
8. Any Ballot that is illegible or that contains insufficient information to permit the identification of the Claimant will not be counted.

9. This Ballot does not constitute, and shall not be deemed to be, a proof of claim against any of the Debtors or an assertion or admission of a Claim by any of the Debtors.
10. It is important that you vote. The Plan can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code (the “Bankruptcy Code”). If the requisite acceptances are not obtained, the Court nonetheless may confirm the Plan if it finds that the Plan: (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Court also must find that at least one Impaired Class has accepted the plan, with such acceptance being determined without including the acceptance of any “insider” in such Class.
11. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE COURT, INCLUDING, WITHOUT LIMITATION, THE DISCLOSURE STATEMENT.
12. PLEASE RETURN YOUR BALLOT PROMPTLY.

IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT BY CALLING (888)-735-7613 OR EMAILING [WGCInfo@choosegcg.com](mailto:WGCInfo@choosegcg.com).

PLEASE NOTE THAT THE VOTING AGENT IS NOT PERMITTED TO PROVIDE LEGAL ADVICE.

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)

**BALLOT FOR HOLDERS OF CLASS 5 UNIT CLAIMS FOR ACCEPTING  
OR REJECTING THE JOINT CHAPTER 11 PLAN OF LIQUIDATION OF  
WOODBRIIDGE GROUP OF COMPANIES, LLC AND ITS AFFILIATED DEBTORS**

**TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY GARDEN CITY GROUP,  
LLC BY OCTOBER 8, 2018 AT 4:00 P.M. (PREVAILING EASTERN TIME).**

This ballot (the “Ballot”) is being provided to you by the above-captioned debtors and debtors in possession (the “Debtors”) to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”)<sup>2</sup> proposed by the Debtors and described in the related *Disclosure Statement for the Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”) that was approved by an order [Docket No. \_\_\_\_] of the United States Bankruptcy Court for the District of Delaware (the “Court”). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to vote your Ballot. Court approval of the Disclosure Statement does not indicate Court approval of the Plan. If you do not have a Disclosure Statement or Plan, you may obtain a copy free of charge at the Debtors’ restructuring website maintained by Garden City Group, LLC (the “Voting Agent”) at <http://cases.gardencitygroup.com/wgc/>. Copies of the Disclosure Statement and Plan are also available: (i) for a fee, on the Court’s website, [www.deb.uscourts.gov](http://www.deb.uscourts.gov) (a PACER account is required); (ii) upon written request to the Voting Agent at Woodbridge Group of Companies, LLC, c/o Garden City Group, LLC, P.O. Box 10545, Dublin, Ohio 43017-0208; or (iii) by contacting the Voting Agent via email to [WGCInfo@choosegcg.com](mailto:WGCInfo@choosegcg.com) with “Woodbridge Solicitation” referenced in the subject line or via telephone at 1-888-735-7613.

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

<sup>2</sup> All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan.

**IMPORTANT**

**You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your Claim has been placed in Class 5 – Unit Claims under the Plan.**

**If your Ballot is not actually received by the Voting Agent on or before October 8, 2018 at 4:00 p.m. (prevailing Eastern Time) (the “Voting Deadline”), and such deadline is not extended by the Debtors or order of the Court, your vote will not count as either an acceptance or a rejection of the Plan. If the Plan is confirmed by the Court, it will be binding on you whether or not you vote and regardless of how you vote.**

**You may return your Ballot in the return envelope provided in your package or send it to:**

**If by First Class Mail:**

**Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
P.O. Box 10545  
Dublin, Ohio 43017-0208**

**or****If by Overnight Mail or Hand Delivery:**

**Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
5151 Blazer Parkway, Suite A  
Dublin, Ohio 43017**

**ACCEPTANCE OR REJECTION OF THE PLAN**

**Item 1. Applicable Debtor(s).** For purposes of voting to accept or reject the Plan, as of December 4, 2017 (the “Voting Record Date”), the undersigned (the “Claimant”) was a Holder of a Class 5 Unit Claim against the Debtor(s) set forth below in the Outstanding Principal Amount(s) set forth below.

<b>Debtor</b>	<b>Outstanding Principal Amount</b>
Woodbridge Mortgage Investment Fund 1, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 2, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 3, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 3a, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 4, LLC	[GCG to insert]
Woodbridge Commercial Bridge Loan Fund 1, LLC	[GCG to insert]
Woodbridge Commercial Bridge Loan Fund 2, LLC	[GCG to insert]

**Item 2. Vote on Plan. CHECK ONE BOX ONLY:**

- ☐ **ACCEPTS (votes FOR) the Plan.**
- ☐ **REJECTS (votes AGAINST) the Plan.**

**Item 3. Calculation of Net Unit Claim Amounts and Election to Become Disputing Claimant.**

Under the Plan, Distributions to Holders of Class 5 Unit Claims will be based on, among other things, the amount of such Holder's Net Unit Claim. The term "Net Unit Claim" is based on the Outstanding Principal Amount of your Unit Claim, minus the aggregate amount of all Prepetition Distributions received by you (*i.e.*, all amounts you were paid on account of Units before the bankruptcy filing, other than the return or repayment of principal). Based on their books and records, the Debtors have prepared a "Schedule of Principal Amounts and Prepetition Distributions" (the amounts calculated for your Net Unit Claim are set forth below and a copy of the full schedule is attached to the Disclosure Statement) that lists the Debtors' calculation of the Net Unit Claim associated with your Claim and all other Unit Claims. **Unless you check the box in this Item 3 indicating that you disagree with the Debtors' calculation, the Net Unit Claim set forth in the Schedule of Principal Amounts and Prepetition Distributions will be the amount of your Net Unit Claim for purposes of Distributions under the Plan.** As set forth in the Schedule of Principal Amounts and Prepetition Distributions, the Debtors have calculated the amount of your Net Unit Claim as follows:

	Outstanding Principal Amount:	<u>\$ [GCG to insert]</u>
<i>Minus</i>	Total Prepetition Distributions:	<u>\$ [GCG to insert]</u>
<i>Equals</i>	<b>Net Unit Claim:</b>	<u><b>\$ [GCG to insert]</b></u>

If you agree with the Net Unit Claim amounts set forth above, then you do not need to take any action with respect to this Item 3, and Distributions to you under the Plan will be calculated based on such Net Unit Claim amounts.

If you disagree with the Net Unit Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions, then you have the option to check the box below and dispute such amount. **If you check the box below in this Item 3 and disagree with the Net Unit Claim amounts set forth above, this will significantly delay the timing of Distributions (if any) to you, and other Holders of Class 5 Claims that have not elected to become Disputing Claimants will receive Distributions before you. The Debtors reserve all rights to object to the validity, amount, or any other aspect of any Claim held by a Disputing Claimant who disputes the Net Unit Claim amounts set forth above. In addition, the Debtors reserve any Liquidation Trust Actions that may exist regarding the particular Disputing Claimant, all of which the Liquidation Trust may determine to pursue against the particular Disputing Claimant as part of post-Confirmation litigation relating to the correct Net Unit Claim amounts and related matters.**

- ☐ **The undersigned Claimant DISPUTES the Net Unit Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions.**

**Item 4. Contributed Claim Election.** You may own Contributed Claims, which are defined in the Plan as "all Causes of Action that a Noteholder or Unitholder has against any Person that is not a Released Party and that are related in any way to the Debtors, their predecessors, their respective affiliates, or any Excluded Parties." The Plan provides that you may agree to contribute your Contributed Claims, if any, to the Liquidation Trust. By electing such option, you agree that, subject to the occurrence of the Effective Date and the formation of the Liquidation Trust, you will be deemed to have, among other

things, contributed your Contributed Claims to the Liquidation Trust. In such case, you will no longer be permitted to pursue your Contributed Claims on your own behalf (including if you are a member of any class action lawsuit), and any recovery received on account of such Contributed Claims will be Liquidation Trust Assets to be distributed to all Liquidation Trust Beneficiaries in accordance with the Plan. If you check the box below, then your relative share of Liquidation Trust recoveries will be enhanced by having the amount that otherwise would be your Net Unit Claim increased by the Contributing Claimants Enhancement Multiplier (*i.e.*, 105%). You also may choose to make such election because aggregating all Contributed Claims and similar Liquidation Trust Actions may enable the pursuit and settlement of such litigation claims in a more efficient and effective manner. If you do not elect to contribute your Contributed Claims, you will remain able to pursue such claims (at your own cost and expense) in an appropriate forum; your success or failure on any such claims that you retain may affect your rights against other parties. The Debtors encourage anyone not contributing their Contributed Claims to consult with their own counsel about any such claims and related matters.

**By checking the box below, you agree to contribute your Contributed Claims, if any, to the Liquidation Trust. Checking the box below means that you will receive the benefit of the Contributing Claimants Enhancement Multiplier, which will result in you receiving a larger proportional recovery than other Holders of Class 5 Claims who do not make this election.**

☐ **The undersigned Claimant elects to (OPTS IN to) contribute its Contributed Claims to the Liquidation Trust.**

By checking the foregoing box, the undersigned Claimant represents and warrants that its Contributed Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition or encumbrance of any kind that would adversely affect in any way such Claimant's ability to contribute such Contributed Claims to the Liquidation Trust.

### **IMPORTANT INFORMATION REGARDING THE RELEASES**

Following confirmation, subject to Article IX of the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, certain release, injunction, exculpation, and discharge provisions set forth in Sections 11.10, 11.11, 11.12, and 11.13 of the Plan will become effective. In determining how to cast your vote on the Plan, it is important to read these provisions of the Plan carefully so that you understand how confirmation and substantial consummation of the Plan — which effectuates such provisions — will affect you.

Specifically, the releases in Section 11.11 of the Plan bind the “Releasing Parties,” which the Plan defines as “Collectively, (a) the Debtors, (b) the Estates, and (c) any Person exercising or seeking to exercise any rights of the Estates (but solely in that capacity), including each of the Committees (but not their individual members), the Wind-Down CEO, the Liquidation Trustee, the Remaining Debtors Manager, and any other successor to the Debtors or any other estate representative that is or could be appointed or selected pursuant to Bankruptcy Code section 1123(b)(3) or otherwise.” The releases provide for, among other things, the following:

#### **Releases and Related Matters.**

**(a) On the Effective Date, for good and valuable consideration, each of the Releasing Parties shall be deemed to have forever released, waived, and discharged each of the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities whatsoever, whether known or unknown, whether foreseen or**



unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, or the Plan, except for acts or omissions that are determined in a Final Order to have constituted actual fraud or willful misconduct; *provided, however*, that nothing in Section 11.11 of the Plan shall release or otherwise affect any Person's rights under the Plan or the Confirmation Order.

(b) Entry of the Confirmation Order shall constitute (i) the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in Section 11.11 of the Plan; and (ii) the Bankruptcy Court's findings that such releases are (1) in exchange for good and valuable consideration provided by the Released Parties (including performance of the terms of the Plan), and a good-faith settlement and compromise of the released claims, (2) in the best interests of the Debtors, the Estates, and any Holders of Claims that are Releasing Parties, (3) fair, equitable, and reasonable, (4) given and made after due notice and opportunity for hearing, and (5) a bar to any of the Releasing Parties asserting any released claim against any of the Released Parties.

**Item 5. Certification.** By signing this Ballot, the Claimant certifies that: (i) on the Voting Record Date, it was the Holder of the Class 5 Unit Claim to which this Ballot pertains or an authorized signatory for such Holder; (ii) it has full power and authority to (x) vote to accept or reject the Plan, (y) determine whether to dispute the Net Unit Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions and make the Contributed Claims election, and (z) execute and return the Ballot; and (iii) it has reviewed the Voting Instructions set forth below and received a copy of the Disclosure Statement, the Plan, and other solicitation materials. The undersigned understands that an otherwise properly completed, executed, and timely returned Ballot that does not indicate either acceptance or rejection of the Plan or indicates both acceptance and rejection of the Plan will not be counted. The undersigned also certifies that its vote on the Plan is subject to all the terms and conditions set forth in the Plan and the Disclosure Statement.

Name of Claimant: \_\_\_\_\_

Signature: \_\_\_\_\_

Name (if different from Claimant): \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

**Please make sure you have provided all information requested in this Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign, and date this Ballot and return it by mail, hand delivery, or overnight courier so that it is received by the Voting Agent by the Voting Deadline on October 8, 2018 at 4:00 p.m. (prevailing Eastern Time).**

**VOTING INSTRUCTIONS**

1. In order for your vote to count, you must:
  - (i) In the boxes provided in Item 2 of the Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box; and
  - (ii) Review and sign the certifications in Item 5 of the Ballot. Please be sure to sign and date your Ballot. Your signature is required for your vote to be counted. If you are completing the Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the Unit Claim is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
2. Review the Calculation of Net Unit Claim Amounts and Election to Become Disputing Claimant disclosure in Item 3, and determine whether to check the box in Item 3.
3. Review the Contributed Claims election disclosure in Item 4, and determine whether to check the box in Item 4.
4. **To have your vote counted and for any elections made in this Ballot to be effective, you must complete, sign, and return this Ballot so that it is actually received by the Voting Agent not later than 4:00 p.m. (prevailing Eastern Time) on October 8, 2018.**
5. Return the completed Ballot to the Voting Agent in the pre-addressed, postage pre-paid return envelope enclosed with this Ballot or return it to:

<u>If by First Class Mail:</u> Woodbridge Group of Companies, LLC c/o Garden City Group, LLC P.O. Box 10545 Dublin, Ohio 43017-0208	<u>If by Overnight Mail or Hand Delivery:</u> Woodbridge Group of Companies, LLC c/o Garden City Group, LLC 5151 Blazer Parkway, Suite A Dublin, Ohio 43017
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6. **DO NOT SUBMIT YOUR BALLOT BY FAX, EMAIL, OR ELECTRONIC TRANSMISSION.** A Ballot submitted by fax, email, or electronic transmission will not be counted, unless approved by the Debtors or otherwise ordered by the Court.
7. A Ballot that either indicates both acceptance and rejection of the Plan or fails to indicate either an acceptance or a rejection of the Plan will not be counted.
8. You must vote all your Claims within a single Class under the Plan either to accept or to reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted.
9. If you have previously delivered a valid Ballot for the acceptance or rejection of the Plan, you may revoke such Ballot and change your vote or any attendant election or preference by delivering to the Voting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. If you cast more than one Ballot voting the same Claim prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect your intent and shall supersede and revoke any earlier received Ballot. If you

cast multiple Ballots on account of the same Claim, which are received by the Voting Agent on the same day and at the same time, but which are voted inconsistently, such Ballots shall not be counted.

10. Any Ballot that is illegible or that contains insufficient information to permit the identification of the Claimant will not be counted.
11. This Ballot does not constitute, and shall not be deemed to be, a proof of claim against any of the Debtors or an assertion or admission of a Claim by any of the Debtors.
12. It is important that you vote. The Plan can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code (the "Bankruptcy Code"). If the requisite acceptances are not obtained, the Court nonetheless may confirm the Plan if it finds that the Plan: (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Court also must find that at least one Impaired Class has accepted the plan, with such acceptance being determined without including the acceptance of any "insider" in such Class.
13. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE COURT, INCLUDING, WITHOUT LIMITATION, THE DISCLOSURE STATEMENT.
14. PLEASE RETURN YOUR BALLOT PROMPTLY.

IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT BY CALLING (888)-735-7613 OR EMAILING [WGCInfo@choosegcg.com](mailto:WGCInfo@choosegcg.com).

PLEASE NOTE THAT THE VOTING AGENT IS NOT PERMITTED TO PROVIDE LEGAL ADVICE.

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)

**BALLOT FOR HOLDERS OF CLASS 6 NON-DEBTOR LOAN NOTE CLAIMS FOR  
ACCEPTING OR REJECTING THE JOINT CHAPTER 11 PLAN OF LIQUIDATION OF  
WOODBRIIDGE GROUP OF COMPANIES, LLC AND ITS AFFILIATED DEBTORS**

**TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY GARDEN CITY GROUP,  
LLC BY OCTOBER 8, 2018 AT 4:00 P.M. (PREVAILING EASTERN TIME).**

This ballot (the “Ballot”) is being provided to you by the above-captioned debtors and debtors in possession (the “Debtors”) to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”)<sup>2</sup> proposed by the Debtors and described in the related *Disclosure Statement for the Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”) that was approved by an order [Docket No. \_\_\_\_] of the United States Bankruptcy Court for the District of Delaware (the “Court”). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to vote your Ballot. Court approval of the Disclosure Statement does not indicate Court approval of the Plan. If you do not have a Disclosure Statement or Plan, you may obtain a copy free of charge at the Debtors’ restructuring website maintained by Garden City Group, LLC (the “Voting Agent”) at <http://cases.gardencitygroup.com/wgc/>. Copies of the Disclosure Statement and Plan are also available: (i) for a fee, on the Court’s website, [www.deb.uscourts.gov](http://www.deb.uscourts.gov) (a PACER account is required); (ii) upon written request to the Voting Agent at Woodbridge Group of Companies, LLC, c/o Garden City Group, LLC, P.O. Box 10545, Dublin, Ohio 43017-0208; or (iii) by contacting the Voting Agent via email to [WGCInfo@choosegcg.com](mailto:WGCInfo@choosegcg.com) with “Woodbridge Solicitation” referenced in the subject line or via telephone at 1-888-735-7613.

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

<sup>2</sup> All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan.

**IMPORTANT**

**You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your Claim has been placed in Class 6 – Non-Debtor Loan Note Claims under the Plan.**

**If your Ballot is not actually received by the Voting Agent on or before October 8, 2018 at 4:00 p.m. (prevailing Eastern Time) (the “Voting Deadline”), and such deadline is not extended by the Debtors or order of the Court, your vote will not count as either an acceptance or a rejection of the Plan. If the Plan is confirmed by the Court, it will be binding on you whether or not you vote and regardless of how you vote.**

**You may return your Ballot in the return envelope provided in your package or send it to:**

**If by First Class Mail:**

**Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
P.O. Box 10545  
Dublin, Ohio 43017-0208**

**or****If by Overnight Mail or Hand Delivery:**

**Woodbridge Group of Companies, LLC  
c/o Garden City Group, LLC  
5151 Blazer Parkway, Suite A  
Dublin, Ohio 43017**

**ACCEPTANCE OR REJECTION OF THE PLAN**

**Item 1. Applicable Debtor(s).** For purposes of voting to accept or reject the Plan, as of December 4, 2017 (the “Voting Record Date”), the undersigned (the “Claimant”) was a Holder of a Class 6 Non-Debtor Loan Note Claim against the Debtor(s) set forth below in the Outstanding Principal Amount(s) set forth below.

<b>Debtor</b>	<b>Outstanding Principal Amount</b>
Woodbridge Mortgage Investment Fund 1, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 2, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 3, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 3a, LLC	[GCG to insert]
Woodbridge Mortgage Investment Fund 4, LLC	[GCG to insert]
Woodbridge Commercial Bridge Loan Fund 1, LLC	[GCG to insert]
Woodbridge Commercial Bridge Loan Fund 2, LLC	[GCG to insert]

**Item 2. Vote on Plan. CHECK ONE BOX ONLY:**

- ☐ **ACCEPTS (votes FOR) the Plan.**
- ☐ **REJECTS (votes AGAINST) the Plan.**

**Item 3. Election to Reclassify as Class 3 Claim.** Under the Plan, a “Non-Debtor Loan Note Claim” is a Note Claim against a Woodbridge Fund Debtor that is or was purportedly secured by a security interest in a loan between the applicable Fund Debtor and a non-Debtor borrower (by contrast, the Standard Note Claims are or were purportedly secured by loans extended by a Fund Debtor to another Debtor, which Intercompany Liens are eliminated under the Plan). The Debtors dispute that any Class 6 Non-Debtor Loan Note Claim is actually secured by a perfected Lien, and no Class 6 Claim will be Allowed in any respect under the Plan. Instead, the Liquidation Trust may litigate against any Claimant holding a Non-Debtor Loan Note Claim who does not check the box below to have its Claim reclassified as a Class 3 Claim (i) any disputes about the secured or unsecured status, amount, and priority of such Non-Debtor Loan Note Claim; (ii) any Liquidation Trust Actions that may exist against such Noteholder; and (iii) any other matters pertaining to such Noteholder’s rights against the Debtors or the Estates.

**In order to settle and avoid such potential litigation, this Item 3 provides an opportunity for you to affirmatively consent to reclassification of your Claim as a Class 3 Claim. If you check the box below, then (a) your Claim will be treated as if such Claim had always been part of Class 3, including for distribution and voting purposes, and the amount of your Claim will be based on the applicable amount set forth in Item 4 below (to which amount you will have agreed and be bound); and (b) you will have agreed to release all purported Liens against any assets or property of the Debtors’ Estates.**

**Before checking the box below, please review the calculation of your Net Note Claim in Item 4 below. Checking the box below will BOTH (1) reclassify your Class 6 Claim as a Class 3 Claim and (2) bind you to the Net Note Claim amount set forth in Item 4.**

- ☐ **The undersigned Claimant consents to (OPTS IN to) reclassification of its Class 6 Claim as a Class 3 Claim.**

**Item 4. Calculation of Net Note Claim Amounts.** Under the Plan, Distributions to Holders of Class 3 Standard Note Claims (and Holders of Class 6 Non-Debtor Loan Note Claims who consent to reclassification of their Claims as Class 3 Claims or who have their Claims reclassified as Class 3 Claims after litigation with the Liquidation Trust) will be based on, among other things, the amount of such Holder’s Net Note Claim. The term “Net Note Claim” is based on the Outstanding Principal Amount of your Note Claim, *minus* the aggregate amount of all Prepetition Distributions received by you (*i.e.*, all amounts you were paid on account of Notes before the bankruptcy filing, other than the return or repayment of principal). Based on their books and records, the Debtors have prepared a “Schedule of Principal Amounts and Prepetition Distributions” (the amounts calculated for your Net Note Claim are set forth below and a copy of the full schedule is attached to the Disclosure Statement) that lists the Debtors’ calculation of the Net Note Claim associated with your Claim and all other Note Claims. As set forth in the Schedule of Principal Amounts and Prepetition Distributions, the Debtors have calculated the amount of your Net Note Claim as follows:

	Outstanding Principal Amount:	<u>\$ [GCG to insert]</u>
<i>Minus</i>	Total Prepetition Distributions:	<u>\$ [GCG to insert]</u>
<i>Equals</i>	<b>Net Note Claim:</b>	<u>\$ [GCG to insert]</u>

**If you affirmatively consent in Item 3 above to have your Class 6 Claim reclassified as a Class 3 Claim, then you shall have also agreed to be bound by the Net Note Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions and you are prohibited from**

**disputing the amount of your Net Note Claim as set forth in the Schedule of Principal Amounts and Prepetition Distributions.**

If you do not check the box above in Item 3, either because you do not agree to reclassify your Class 6 Claim as a Class 3 Claim or because you disagree with the Net Note Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions, you will be a Disputing Claimant. **This will significantly delay the timing of Distributions (if any) to you. The Debtors reserve all rights to object to the validity, amount, or any other aspect of any Claim held by a Disputing Claimant. In addition, the Debtors reserve any Liquidation Trust Actions that may exist regarding the particular Disputing Claimant, all of which the Liquidation Trust may determine to pursue against the particular Disputing Claimant as part of post-Confirmation litigation relating to the correct Net Note Claim amounts and related matters.**

**Item 5. Contributed Claim Election.** You may own Contributed Claims, which are defined in the Plan as “all Causes of Action that a Noteholder or Unitholder has against any Person that is not a Released Party and that are related in any way to the Debtors, their predecessors, their respective affiliates, or any Excluded Parties.” The Plan provides that you may agree to contribute your Contributed Claims, if any, to the Liquidation Trust. By electing such option, you agree that, subject to the occurrence of the Effective Date and the formation of the Liquidation Trust, you will be deemed to have, among other things, contributed your Contributed Claims to the Liquidation Trust. In such case, you will no longer be permitted to pursue your Contributed Claims on your own behalf (including if you are a member of any class action lawsuit), and any recovery received on account of such Contributed Claims will be Liquidation Trust Assets to be distributed to all Liquidation Trust Beneficiaries in accordance with the Plan. If you check the box below and your Claim is classified and treated as a Class 3 Claim, then your relative share of Liquidation Trust recoveries will be enhanced by having the amount that otherwise would be your Net Note Claim increased by the Contributing Claimants Enhancement Multiplier (*i.e.*, 105%). You also may choose to make such election because aggregating all Contributed Claims and similar Liquidation Trust Actions may enable the pursuit and settlement of such litigation claims in a more efficient and effective manner. If you do not elect to contribute your Contributed Claims, you will remain able to pursue such claims (at your own cost and expense) in an appropriate forum; your success or failure on any such claims that you retain may affect your rights against other parties. The Debtors encourage anyone not contributing their Contributed Claims to consult with their own counsel about any such claims and related matters.

**By checking the box below, you agree to contribute your Contributed Claims, if any, to the Liquidation Trust. Checking the box below means that, to the extent that your Class 6 Claim is classified and treated as a Class 3 Claim, you will receive the benefit of the Contributing Claimants Enhancement Multiplier, which will result in you receiving a larger proportional recovery than other Holders of Class 3 Claims who do not make this election.**

☐ **The undersigned Claimant elects to (OPTS IN to) contribute its Contributed Claims to the Liquidation Trust.**

By checking the foregoing box, the undersigned Claimant represents and warrants that its Contributed Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition or encumbrance of any kind that would adversely affect in any way such Claimant’s ability to contribute such Contributed Claims to the Liquidation Trust.

### **IMPORTANT INFORMATION REGARDING THE RELEASES**

Following confirmation, subject to Article IX of the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, certain release, injunction, exculpation, and discharge provisions set forth in Sections 11.10, 11.11, 11.12, and 11.13 of the Plan will become effective. In determining how to cast your vote on the Plan, it is important to read these provisions of the Plan carefully so that you understand how confirmation and substantial consummation of the Plan — which effectuates such provisions — will affect you.

Specifically, the releases in Section 11.11 of the Plan bind the “Releasing Parties,” which the Plan defines as “Collectively, (a) the Debtors, (b) the Estates, and (c) any Person that has sought or could seek to exercise any rights of the Estates, including each of the Committees (but not their individual members), the Wind-Down CEO, the Liquidation Trustee, and any other successor to the Debtors or any other estate representative that is or could be appointed or selected pursuant to Bankruptcy Code section 1123(b)(3) or otherwise.” The releases provide for, among other things, the following:

#### **Releases and Related Matters.**

(a) **On the Effective Date, for good and valuable consideration, each of the Releasing Parties shall be deemed to have forever released, waived, and discharged each of the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities whatsoever, whether known or unknown, whether foreseen or unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors’ business, the Chapter 11 Cases, or the Plan, except for acts or omissions that are determined in a Final Order to have constituted actual fraud or willful misconduct; *provided, however*, that nothing in Section 11.11 of the Plan shall release or otherwise affect any Person’s rights under the Plan or the Confirmation Order.**

(b) **Entry of the Confirmation Order shall constitute (i) the Bankruptcy Court’s approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in Section 11.11 of the Plan; and (ii) the Bankruptcy Court’s findings that such releases are (1) in exchange for good and valuable consideration provided by the Released Parties (including performance of the terms of the Plan), and a good-faith settlement and compromise of the released claims, (2) in the best interests of the Debtors, the Estates, and any Holders of Claims that are Releasing Parties, (3) fair, equitable, and reasonable, (4) given and made after due notice and opportunity for hearing, and (5) a bar to any of the Releasing Parties asserting any released claim against any of the Released Parties.**

**Item 6. Certification.** By signing this Ballot, the Claimant certifies that: (i) on the Voting Record Date, it was the Holder of the Class 6 Non-Debtor Loan Note Claim to which this Ballot pertains or an authorized signatory for such Holder; (ii) it has full power and authority to (x) vote to accept or reject the Plan, (y) determine whether to dispute the Net Note Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions, make the Contributed Claims election, and make the election to consent to reclassification as a Class 3 Claim, and (z) execute and return the Ballot; and (iii) it has reviewed the Voting Instructions set forth below and received a copy of the Disclosure Statement, the Plan, and other solicitation materials. The undersigned understands that an otherwise properly completed, executed, and timely returned Ballot that does not indicate either acceptance or rejection of the Plan or indicates both acceptance and rejection of the Plan will not be counted. The undersigned also certifies



that its vote on the Plan is subject to all the terms and conditions set forth in the Plan and the Disclosure Statement.

Name of Claimant: \_\_\_\_\_

Signature: \_\_\_\_\_

Name (if different from Claimant): \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

**Please make sure you have provided all information requested in this Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign, and date this Ballot and return it by mail, hand delivery, or overnight courier so that it is received by the Voting Agent by the Voting Deadline on October 8, 2018 at 4:00 p.m. (prevailing Eastern Time).**

**VOTING INSTRUCTIONS**

1. In order for your vote to count, you must:
  - (i) In the boxes provided in Item 2 of the Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box; and
  - (ii) Review and sign the certifications in Item 6 of the Ballot. Please be sure to sign and date your Ballot. Your signature is required for your vote to be counted. If you are completing the Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the Non-Debtor Loan Note Claim is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
2. Review the Election to Reclassify as Class 3 Claim disclosure in Item 3 and the Calculation of Net Note Claim Amounts in Item 4, and determine whether to check the box in Item 3.
3. Review the Calculation of Net Note Claim Amounts disclosure in Item 4.
4. Review the Contributed Claims election disclosure in Item 5, and determine whether to check the box in Item 5.
5. **To have your vote counted and for any elections made in this Ballot to be effective, you must complete, sign, and return this Ballot so that it is actually received by the Voting Agent not later than 4:00 p.m. (prevailing Eastern Time) on October 8, 2018.**
6. Return the completed Ballot to the Voting Agent in the pre-addressed, postage pre-paid return envelope enclosed with this Ballot or return it to:

<u>If by First Class Mail:</u> Woodbridge Group of Companies, LLC c/o Garden City Group, LLC P.O. Box 10545 Dublin, Ohio 43017-0208	<u>If by Overnight Mail or Hand Delivery:</u> Woodbridge Group of Companies, LLC c/o Garden City Group, LLC 5151 Blazer Parkway, Suite A Dublin, Ohio 43017
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7. **DO NOT SUBMIT YOUR BALLOT BY FAX, EMAIL, OR ELECTRONIC TRANSMISSION.** A Ballot submitted by fax, email, or electronic transmission will not be counted, unless approved by the Debtors or otherwise ordered by the Court.
8. A Ballot that either indicates both acceptance and rejection of the Plan or fails to indicate either an acceptance or a rejection of the Plan will not be counted.
9. You must vote all your Claims within a single Class under the Plan either to accept or to reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted.
10. If you have previously delivered a valid Ballot for the acceptance or rejection of the Plan, you may revoke such Ballot and change your vote or any attendant election or preference by delivering to the Voting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. If you cast more than one Ballot voting the same

Claim prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect your intent and shall supersede and revoke any earlier received Ballot. If you cast multiple Ballots on account of the same Claim, which are received by the Voting Agent on the same day and at the same time, but which are voted inconsistently, such Ballots shall not be counted.

11. Any Ballot that is illegible or that contains insufficient information to permit the identification of the Claimant will not be counted.
12. This Ballot does not constitute, and shall not be deemed to be, a proof of claim against any of the Debtors or an assertion or admission of a Claim by any of the Debtors.
13. It is important that you vote. The Plan can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code (the “Bankruptcy Code”). If the requisite acceptances are not obtained, the Court nonetheless may confirm the Plan if it finds that the Plan: (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Court also must find that at least one Impaired Class has accepted the plan, with such acceptance being determined without including the acceptance of any “insider” in such Class.
14. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE COURT, INCLUDING, WITHOUT LIMITATION, THE DISCLOSURE STATEMENT.
15. PLEASE RETURN YOUR BALLOT PROMPTLY.

IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT BY CALLING (888)-735-7613 OR EMAILING [WGCInfo@choosegcg.com](mailto:WGCInfo@choosegcg.com).

PLEASE NOTE THAT THE VOTING AGENT IS NOT PERMITTED TO PROVIDE LEGAL ADVICE.

**EXHIBIT 3**

**Notice of Non-Voting Status**

**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)

**NOTICE OF NON-VOTING STATUS TO HOLDERS OF  
CLAIMS AND EQUITY INTERESTS IN CLASSES 1, 2, 7, AND 8**

PLEASE TAKE NOTICE THAT the above-captioned debtors and debtors in possession (the “Debtors”) submitted the *Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”),<sup>2</sup> which is described in the related *Disclosure Statement for the Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”) that was approved by an order [Docket No. \_\_\_\_] (the “Disclosure Statement Order”) of the United States Bankruptcy Court for the District of Delaware (the “Court”). The Disclosure Statement Order authorizes the Debtors to solicit votes to accept or reject the Plan, from the Holders of Claims in Voting Classes that are entitled to receive Distributions under the Plan.

**YOU ARE OR MIGHT BE THE HOLDER OF CLAIMS OR EQUITY INTERESTS IN THE FOLLOWING CLASSES OF UNIMPAIRED CLAIMS OR IMPAIRED CLAIMS AND EQUITY INTERESTS UNDER ARTICLE II OF THE PLAN THAT, IN EITHER CASE, ARE NOT ENTITLED TO VOTE ON THE PLAN:**

<b><u>Class</u></b>	<b><u>Description of Class</u></b>	<b><u>Treatment</u></b>
1	Other Secured Claims	Unimpaired; Deemed to Accept Plan
2	Priority Claims	Unimpaired; Deemed to Accept Plan
7	Subordinated Claims	Impaired; Deemed to Reject Plan
8	Equity Interests	Impaired; Deemed to Reject Plan

**UNDER THE TERMS OF THE PLAN, HOLDERS OF CLAIMS IN CLASSES 1 AND 2 ARE UNIMPAIRED UNDER THE PLAN AND, THEREFORE, PURSUANT TO BANKRUPTCY**

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

<sup>2</sup> All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan.

**CODE SECTION 1126(f), ARE (I) PRESUMED TO HAVE ACCEPTED THE PLAN AND (II) NOT ENTITLED TO VOTE ON THE PLAN.**

**UNDER THE TERMS OF THE PLAN, THE DEBTORS HAVE DETERMINED NOT TO SOLICIT THE VOTES OF THE HOLDERS OF ANY CLASS 7 CLAIMS, AND SUCH HOLDERS SHALL BE DEEMED TO HAVE REJECTED THE PLAN AND, THEREFORE, SUCH HOLDERS ARE NOT ENTITLED TO VOTE ON THE PLAN.**

**UNDER THE TERMS OF THE PLAN, HOLDERS OF EQUITY INTERESTS IN CLASS 8 ARE IMPAIRED UNDER THE PLAN AND ARE NOT ENTITLED TO RECEIVE OR RETAIN ANY PROPERTY ON ACCOUNT OF THEIR EQUITY INTERESTS AND, THEREFORE, PURSUANT TO BANKRUPTCY CODE SECTION 1126(g), ARE (I) DEEMED TO HAVE REJECTED THE PLAN AND (II) NOT ENTITLED TO VOTE ON THE PLAN.**

The deadline for filing and serving Plan Objections (including, without limitation, any objections to (i) assumption and/or cure payment amounts, and (ii) the classification of any Claim under the Plan) shall be [\_\_\_\_], **2018 at 4:00 p.m. (ET)** (the **“Plan Objection Deadline”**). Plan Objections must (i) be in writing; (ii) state the name, address, and nature of the Claim or Equity Interest of the objecting or responding party; (iii) state with particularity the legal and factual basis and nature of any Plan Objection; and (iv) be filed with the Court and served on the following parties by the Plan Objection Deadline: (i) counsel to the Debtors, (a) Klee, Tuchin, Bogdanoff & Stern LLP, 1999 Avenue of the Stars, 39th Floor, Los Angeles, California 90067, Attn: Michael L. Tuchin, Esq., [mtuchin@ktbslaw.com](mailto:mtuchin@ktbslaw.com), and David A. Fidler, Esq., [dfidler@ktbslaw.com](mailto:dfidler@ktbslaw.com); and (b) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801, Attn: Sean M. Beach, Esq., [sbeach@ycst.com](mailto:sbeach@ycst.com), and Edmon L. Morton, Esq., [emorton@ycst.com](mailto:emorton@ycst.com); (ii) counsel to the Unsecured Creditors’ Committee, Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067, Attn: Richard M. Pachulski, Esq., [rpachulski@pszjlaw.com](mailto:rpachulski@pszjlaw.com), and 919 N. Market Street, 17th Floor, P.O. Box 8705, Wilmington, Delaware 19899, Attn: Colin R. Robinson, Esq., [crobinson@pszjlaw.com](mailto:crobinson@pszjlaw.com); (iii) counsel to the Noteholder Committee, Drinker Biddle & Reath LLP, 222 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801, Attn: Joseph N. Argentina, Jr., Esq., [joseph.argentina@dbr.com](mailto:joseph.argentina@dbr.com); (iv) counsel to the Unitholder Committee, Venable LLP, 1201 N. Market Street, Suite 1400, Wilmington, Delaware 19801, Attn: Jamie L. Edmonson, Esq., [jledmonson@venable.com](mailto:jledmonson@venable.com), and 1270 Avenue of the Americas, New York, New York, Attn: Jeffrey S. Sabin, Esq., [jssabin@venable.com](mailto:jssabin@venable.com); and (v) the U.S. Trustee, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Timothy Jay Fox, Jr., Esq., [timothy.fox@usdoj.gov](mailto:timothy.fox@usdoj.gov).

### **IMPORTANT INFORMATION REGARDING THE RELEASES**

Following confirmation, subject to Article IX of the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, certain release, injunction, exculpation, and discharge provisions set forth in Sections 11.10, 11.11, 11.12, and 11.13 of the Plan will become effective. It is important to read these provisions of the Plan carefully so that you understand how confirmation and substantial consummation of the Plan — which effectuates such provisions — will affect you.

Specifically, the releases in Section 11.11 of the Plan bind the “Releasing Parties,” which the Plan defines as “Collectively, (a) the Debtors, (b) the Estates, and (c) any Person exercising or seeking to exercise any rights of the Estates (but solely in that capacity), including each of the Committees (but not their individual members), the Wind-Down CEO, the Liquidation Trustee, the Remaining Debtors Manager, and any other successor to the Debtors or any other estate representative that is or could be appointed or selected pursuant to Bankruptcy Code section 1123(b)(3) or otherwise.” The releases provide for, among other things, the following:

**Releases and Related Matters**

(a) On the Effective Date, for good and valuable consideration, each of the Releasing Parties shall be deemed to have forever released, waived, and discharged each of the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities whatsoever, whether known or unknown, whether foreseen or unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, or the Plan, except for acts or omissions that are determined in a Final Order to have constituted actual fraud or willful misconduct; *provided, however*, that nothing in Section 11.11 of the Plan shall release or otherwise affect any Person's rights under the Plan or the Confirmation Order.

(b) Entry of the Confirmation Order shall constitute (i) the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in Section 11.11 of the Plan; and (ii) the Bankruptcy Court's findings that such releases are (1) in exchange for good and valuable consideration provided by the Released Parties (including performance of the terms of the Plan), and a good-faith settlement and compromise of the released claims, (2) in the best interests of the Debtors, the Estates, and any Holders of Claims that are Releasing Parties, (3) fair, equitable, and reasonable, (4) given and made after due notice and opportunity for hearing, and (5) a bar to any of the Releasing Parties asserting any released claim against any of the Released Parties.

To request a copy of the Plan, Disclosure Statement, or Disclosure Statement Order, contact the Debtors' Voting Agent, Garden City Group, LLC, via email to [WGCInfo@choosegcg.com](mailto:WGCInfo@choosegcg.com) with "Woodbridge Solicitation" referenced in the subject line, in writing at Woodbridge Group of Companies, LLC, c/o Garden City Group, LLC, P.O. Box 10545, Dublin, Ohio 43017-0208, or via telephone at 1-888-735-7613. Please be advised that the Voting Agent cannot provide legal advice. Copies of the Plan, the Disclosure Statement, the Disclosure Statement Order, and other materials are available online for free at <http://cases.gardencitygroup.com/wgc/>. Alternatively, these documents may be accessed for a fee through the Court's "pacer" website, <https://ecf.deb.uscourts.gov>. A pacer password and login are needed to access documents on the Court's "pacer" website. A pacer password can be obtained at <http://www.pacer.gov>.

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

\_\_\_\_\_  
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**EXHIBIT 4**

**Plan Summary**

## **WOODBIDGE BANKRUPTCY PLAN – GENERAL OVERVIEW AND SUMMARY**

You are receiving a solicitation package that contains the following materials:

- A printed copy of this General Overview and Summary;
- A printed notice with details about confirmation of the proposed chapter 11 plan of liquidation (the “Plan”) on which you are being asked to vote;
- A printed form of Ballot for voting on the Plan (instructions for voting on the Plan are contained in the Ballot and should be read and followed in their entirety);
- A letter from the three official committees appointed in the Woodbridge bankruptcy cases articulating their views regarding why you should vote in favor of the Plan;
- A pre-addressed, postage pre-paid return envelope for your Ballot; and
- A CD (computer disc) that contains PDF copies of a disclosure statement regarding the Plan (the “Disclosure Statement”), which includes the entire Plan as an exhibit as well as several other exhibits and schedules.

The Disclosure Statement is an important document that describes in detail the historical background that led to the bankruptcy cases of Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (collectively, the “Debtors”), explains what has happened in the months since the Debtors commenced their bankruptcy cases, and sets forth the treatment of creditors including Noteholders and Unitholders in the proposed Plan.

This General Overview and Summary highlights the main points discussed in the Disclosure Statement, and it should be read in conjunction with the entirety of the Disclosure Statement, including its exhibits and schedules. This General Overview and Summary is qualified by the express terms of the Disclosure Statement and the Plan.

### **1. Historical Background of the Debtors**

These bankruptcy cases arise out of a massive, multi-year fraudulent scheme perpetrated by Robert Shapiro between (at least) 2012 and 2017.<sup>1</sup> As part of this fraud, Shapiro, through the Woodbridge entities, raised over one billion dollars from approximately 10,000 investors—as either Noteholders or Unitholders—and used approximately \$368 million of new investor funds to pay existing investors—a typical characteristic of Ponzi schemes. Importantly, Shapiro, as described more fully below, is **no longer involved** in any capacity with the control of the Debtors or of these bankruptcy cases.

While he was in control of the prepetition Debtors, Shapiro deceived investors in order to obtain their money. He told investors that their money would be used to make high-interest loans

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<sup>1</sup> The Plan will acknowledge and admit that the Debtors operated as a Ponzi scheme since at least August 2012, which scheme was discovered no later than December 2017 when the SEC unsealed its action against Robert Shapiro and others and alleged facts evidencing such Ponzi scheme. To the extent that the Bankruptcy Court does not confirm the Plan, the Debtors and each of the three “Committees” reserve all of their respective rights (and/or defenses) respecting the characterization and the ramifications of the massive fraud upon investors and other creditors.

to unrelated, third-party borrowers and gave Noteholders documents referencing a specific property for which their funds were allegedly being used. Shapiro also told Noteholders that their notes were backed by mortgages on those specific properties, which, if true, would typically mean that investors could recover their investments from the proceeds of a sale of that property.

In reality, these were lies on a massive scale. Investors' money was nearly entirely *not* used to make high-interest loans to unrelated, third-party borrowers, and investors' money was *not* used for the specific property that may have been identified in any particular investor's documentation from the prepetition Debtors. Instead, Shapiro created disguised affiliates to which money was "loaned," which entities had no ability to service debt. Shapiro further took nearly all of the investors' money and commingled it into one central bank account. The funds used for property purchases from this central, pooled account generally cannot be traced to any particular Woodbridge "fund" entity or its investors. Moreover and unfortunately, payments from that central, pooled account were not used only for property purchases. Shapiro also used investor money to pay approximately \$64.5 million in commissions to sales agents who sold these fraudulent "investments" and used investor money to pay at least \$21.2 million for Shapiro's personal benefit (including, for example, purchasing luxury items, travel, wine, and the like). Additionally and critically, in the absence of any meaningful cash inflows into the prepetition Debtors from sources other than investors, Shapiro and the prepetition Debtors, which he controlled, used approximately \$368 million of new investor funds to pay "interest" and "principal" to existing investors.

By late 2017, Shapiro was being investigated by the United States Securities and Exchange Commission (the "SEC") and numerous state regulatory agencies. As a result, Shapiro found it difficult to raise new investor money. As Shapiro's use of funds reflects, the prepetition Debtors were reliant on money from new investors to make the payments promised to existing investors. When new investments dried up, the prepetition Debtors could no longer make these payments to existing investors, and therefore Shapiro's web of deceit quickly unraveled.

## **2. Debtors' Bankruptcy Cases**

Shapiro hired new outside managers for the prepetition Debtors on or about December 1, 2017, who commenced the many of the Debtors' bankruptcy cases on December 4, 2017. On December 14, 2017, the Office of the United States Trustee formed the Official Committee of Unsecured Creditors (the "Unsecured Creditors' Committee").

On December 20, 2017, the SEC filed a complaint in Florida federal court against Shapiro and his affiliates, including the Debtors, detailing much of the massive fraud perpetrated by Shapiro prepetition. The SEC asked the Florida court to appoint a receiver who would displace the Debtors' management in these bankruptcy cases, but the court declined to immediately act on this request in light of the Debtors' pending bankruptcy cases.

On December 28, 2017, the Unsecured Creditors' Committee filed a motion seeking appointment of a chapter 11 trustee to replace the Debtors' management team, arguing that the team was "hand-picked by Shapiro, and ha[d] done his bidding both before and after the filing of these cases." The SEC later made a similar request, arguing that the new "independent" management team was "completely aligned [with Shapiro] in controlling this bankruptcy."

Around this time, certain groups of Noteholders and a group of Unitholders sought appointment of official committees of Noteholders and Unitholders, respectively. One of the Noteholder groups actively opposed the trustee motions, expressing concern that such appointment, without official representation for Noteholders, could set in motion a series of events that could ultimately prove harmful to Noteholders' interests in the cases.

On January 23, 2018, following several days of evidentiary hearings on the trustee motions, the Debtors, the Unsecured Creditors' Committee, the SEC, as well as groups of Noteholders and Unitholders, reached a settlement of the trustee motions and the motions for appointment of official Noteholder and Unitholder committees. The settlement provided, among other things:

**I.** A new board of managers—with no ties whatsoever to Shapiro—was formed to govern the Debtors (the “New Board”).

**II.** The New Board was empowered to select a chief executive officer or chief restructuring officer—and shortly thereafter selected and employed individuals for both of those positions.

**III.** The New Board was empowered to select new counsel for the Debtors—and, upon consultation with the SEC, in mid-February did select new bankruptcy co-counsel.

**IV.** Noteholders were permitted to form a single six-to-nine-member fiduciary Noteholder committee to advocate for the interests of Noteholders in the cases (the “Noteholder Committee”), with a professional fee budget, to be funded by the Debtors, through January 1, 2019.

**V.** Unitholders were permitted to form a single one-to-two-member fiduciary Unitholder committee to advocate for the interests of Unitholders in the cases (the “Unitholder Committee”), with a professional fee budget, to be funded by the Debtors, through January 1, 2019.

Beginning in at least late January 2018, Shapiro had and still has no control over the Debtors whatsoever. Instead, the Debtors were, and are, managed by a new and independent board of managers and new management, none of whom had any prior involvement with Shapiro.

The Debtors and their new management and advisors have worked diligently with all of the creditor representatives—the Unsecured Creditors' Committee, the Noteholder Committee, and the Unitholder Committee—to ensure that investors can recover as much money as possible, and that the Debtors' funds are not squandered by years of litigation between and among the Debtors' creditor constituencies.

Ultimately, the Debtors and all of these creditor constituencies reached a settlement—which settlement is fully described in the Disclosure Statement and is embodied in the accompanying Plan. The settlement recognizes certain unfortunate realities: that Shapiro ran a fraudulent scheme (which the Plan will acknowledge and admit was operated as a Ponzi scheme), that he did not use investor money as he claimed he would, that he misrepresented the nature of the security provided to Noteholders, and that he did not take appropriate legal steps to protect the Noteholders' interests with respect to any such security.

### **3. Debtors' Proposed Bankruptcy Plan**

The Debtors deeply regret these realities, and they have worked diligently to maximize investor recoveries. To that end, the Plan provides for the creation of two entities: (i) a Wind-Down Entity, which will own many of the Debtors' assets (including the Debtors' real properties) and will sell those assets to generate cash, and (ii) a Liquidation Trust, which will own the Wind-Down Entity and receive cash generated by the Wind-Down Entity and will distribute that (and other) cash to creditors (including to investors). The Liquidation Trust will also own litigation claims against third parties and may generate cash through prosecution or settlement of those claims. However, the estimated recoveries to creditors set forth below and in the Disclosure Statement do not take into account potential proceeds of these litigation claims because they are unpredictable and highly contingent.

Critically, the Debtors have ensured that creditors have indirect control over the decisions that will be made by the Liquidation Trust. The proposed Liquidation Trustee, Mr. Michael Goldberg, was the SEC's designee to, and is a current member of, the Debtors' New Board of Managers, and he was unanimously selected to be the Liquidation Trustee by the Unsecured Creditors' Committee, the Noteholder Committee, and the Unitholder Committee. In addition, the Liquidation Trust Supervisory Board will consist of five members—three selected by the Unsecured Creditors' Committee, and one each selected by the Noteholder Committee and the Unitholder Committee.

Cash will be distributed by the Liquidation Trust to Noteholders, Unitholders, and other creditors both up-front and over time (as the Wind-Down Entity sells properties). Noteholders and Unitholders initially will be paid at the same time by each receiving Class A Liquidation Trust Interests that entitle them to cash distributions. But, the settlement addresses the disputes regarding whether the Units actually are "claims," or instead are "equity" (ownership interests) in the Debtors (in which case Unitholders could be entitled to be paid nothing), and whether the Notes are validly secured (either directly or indirectly) by the subject real properties. Rather than spend significant time and money litigating these very complicated issues, the parties negotiated and settled upon allowance of claims for Unitholders at a 27.5% discount as compared to Noteholders' claims. Thus, Unitholders will initially receive 72.5% of what Noteholders receive in terms of relative distributions against their respective net investments. This aspect of the settlement is accomplished by affording Noteholders Class A Liquidation Trust Interests for 100% of their Net Note Claims and affording Unitholders Class A Liquidation Trust Interests for only 72.5% of their Net Unit Claims. (Unitholders also get Class B Liquidation Trust Interests for the other 27.5% of their Net Unit Claims, so that if there is more money available after payment of the Net Note Claims and Net Unit Claims represented by the Class A Liquidation Trust Interests, then Unitholders will receive cash distributions on their Class B Liquidation Trust Interests until the remaining Net Unit Claims are paid.)<sup>2</sup>

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<sup>2</sup> Noteholders and Unitholders also are afforded on their Ballots the opportunity to elect to become Contributing Claimants, and have such amounts increased by multiplying them by the Contributing Claimants Enhancement Multiplier (i.e., 105%), as more fully described in Section I.A.2 of the Disclosure Statement.

Further, the Plan provides for “substantive consolidation” of all Woodbridge Fund Debtors (*i.e.*, the ones that raised money from investors) into one entity and all other Debtors (including those that own the subject real properties) into a second entity in order to effectuate the distributions explained above. Substantive consolidation generally refers to the pooling of assets and liabilities of several entities. In other words, if Entity A holds \$100 of assets and owes \$0 of liabilities, and Entity B holds \$0 of assets and owes \$100 of liabilities, and if those two entities are substantively consolidated, the resulting entity will hold \$100 of assets and owe \$100 of liabilities.

The Plan also incorporates a “netting” mechanism where distributions of Liquidation Trust Interests will be made based on the Net Note Claim or the Net Unit Claim. These net amounts are calculated based on the Outstanding Principal Amount of a Note Claim or a Unit Claim, *minus* the aggregate amount of all Prepetition Distributions received by the claimholder. As discussed further in the Disclosure Statement, the Plan provides for this “netting” because of the conclusion that the Debtors operated as a Ponzi scheme (as acknowledged in the Plan and if approved by the Court), in which case any Prepetition Distributions to Noteholders or Unitholders (representing, for example, purported interest) could be avoided and recovered for the benefit of other investors under state and federal “fraudulent transfer” laws. Based on their books and records, the Debtors have prepared a “Schedule of Principal Amounts and Prepetition Distributions” (a copy of which is attached to the Disclosure Statement) that lists the Debtors’ calculation of the Net Note Claims and the Net Unit Claims. The specific amounts applicable to you are set forth in your Ballot. If you agree with the net claim amounts set forth in your Ballot, then you do not need to take any action with respect to that item of the Ballot and will have agreed to (and have Allowed Claims based on) the amounts set forth in the Schedule of Principal Amounts and Prepetition Distribution. If you disagree with the net claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions, then you have the option to check a box on your Ballot and dispute such amount. **If you check this box on your Ballot, this may significantly delay the timing of Distributions (if any) to you. The Debtors reserve all rights to object to the validity, amount, or any other aspect of any Claim held by a Disputing Claimant who disputes the amounts set forth on their Ballot. In addition, the Debtors reserve any Liquidation Trust Actions that may exist regarding the particular Disputing Claimant, all of which the Liquidation Trust may determine to pursue against the particular Disputing Claimant as part of post-confirmation litigation relating to the correct Net Note Claim or Net Unit Claim amounts and related matters.**

The Debtors estimate the following recoveries for Noteholders and Unitholders (and general unsecured creditors) under the Plan:

Class 3	Standard Note Claims	60%-70% of Net Amounts
Class 4	General Unsecured Claims	[__-__]%

Class 5	Unit Claims	40%-50% of Net Amounts
Class 6	Non-Debtor Loan Note Claims	60%-70% of Net Amounts <sup>3</sup>

\* \* \*

The Debtors deeply regret these circumstances, and understand the precarious financial position that many investors are in as a result of Shapiro's fraudulent scheme and its sudden collapse last December. However, the Debtors believe that the settlement described above and reflected in the Plan, which is the result of extensive negotiations with significant investor input, represents the best outcome of these unfortunate circumstances, and importantly, provides the best prospect for investors to receive distributions as soon as possible.

The Debtors again encourage you to read the Disclosure Statement in its entirety to learn more about these bankruptcy cases and the Plan. The Debtors further urge you to vote in favor of the Plan by reading, completing, and returning the enclosed Ballot based on the instructions included with the Ballot.

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<sup>3</sup> Although a higher recovery is theoretically possible if the Bankruptcy Court ultimately finds that any of these Noteholders are secured by a properly perfected, unavoidable, and enforceable security interest, the Debtors do not believe such an outcome is likely. Instead, the Debtors believe that all Noteholders currently classified in Class 6 will ultimately be reclassified into Class 3, either on a consensual basis or after litigation.

**EXHIBIT 5**

**Committees' Support Letter**

**[To Be Submitted Separately By the Committees  
Prior To The Disclosure Statement Hearing]**