

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

In re:

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

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

**CERTIFICATION OF COUNSEL REGARDING ORDER
APPROVING STIPULATION REGARDING CLAIMS OF BASIC FINANCIAL
SERVICES, INC., SETTLEMENT DISCUSSIONS AND PLAN VOTING**

The undersigned hereby certifies as follows:

1. On March 12, 2018, Basic Financial Services, Inc. (“Basic”) filed several Proofs of Claim (the “Claims”): (i) Claim Number 1579, for \$6,600.00; (ii) Claim Number 1580, for \$2,400.00; (iii) Claim Number 1581, for \$3,375.00; (iv) Claim Number 1582, for \$1,000.00; (v) Claim Number 1583, for \$1,000.00; and (vi) Claim Number 1584, for \$25,350.00. These are the only proofs of claim that Basic filed in the chapter 11 cases of the above-caption debtors and debtors in possession (collectively, the “Debtors” and, with Basic, the “Parties”).

2. On August 22, 2018, the Debtors filed the *First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors* [Docket No. 2397] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”), and the *Disclosure Statement for the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors* [Docket

¹ The last four digits of Woodbridge Group of Companies, LLC’s federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14140 Ventura Blvd #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, or by contacting the undersigned counsel for the Debtors.

No. 2398] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”). The Disclosure Statement was approved by the Court on August 22, 2018 [Docket No. 2396].

3. The Debtors contend they have valid objections to the Claims and believe they may possess counterclaims against Basic. Basic contends the Claims are valid and disputes that the counterclaims are valid. However, the Parties are discussing settlement and wish to maintain the status quo without any prejudice or undue cost to either Party. As such, the Parties have entered into a stipulation (the “Stipulation”), which is annexed as Exhibit A to the proposed order attached hereto as Exhibit I (the “Proposed Order”). Subject to the Court’s approval of the Debtors’ entry into the Stipulation, the Stipulation maintains the status quo while the parties explore a settlement. In particular, as more fully set forth in the Stipulation, the Stipulation (i) stays the filing of any objection to the Claims by the Debtors prior to a breakdown of settlement discussions without providing requisite notice, (ii) precludes Basic from amending its Claims prior to a breakdown of settlement discussions without providing requisite notice, and (iii) deems the Claims subject to a pending, unresolved objection and, thus, ineligible to vote on the Plan absent the Court resolving an objection by the Debtors in whole or in part in Basic’s favor.

4. Maintaining the status quo while the Parties explore a consensual settlement, even though formal discovery has not yet commenced as to Basic and the Claims, is justified as it will eliminate undue cost and promote judicial economy while not prejudicing either Party to the extent settlement negotiations are ultimately unfruitful. As such, the Debtors submit that the entry of the Proposed Order is in the best interests of the Debtors, their estates, and their creditors.

WHEREFORE, the Debtors respectfully request, pursuant to Rule 9013-1(b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, that the Court enter the Proposed Order at its earliest convenience without further notice or a hearing.

Dated: September 4, 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 I

Proposed Order

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

In re:

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

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Docket Ref. No. _____

**ORDER APPROVING STIPULATION REGARDING CLAIMS OF
BASIC FINANCIAL SERVICES, INC., SETTLEMENT
DISCUSSIONS AND PLAN VOTING**

Upon consideration of that certain *Stipulation Regarding Claims of Basic Financial Services, Inc., Settlement Discussions and Plan Voting*, a copy of which is annexed hereto as Exhibit A (the “Stipulation”),² and the related certification of counsel (the “Certification of Counsel”) submitted by counsel for the above-captioned debtors and debtors in possession (collectively, the “Debtors”) pursuant to Rule 9013-1(b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware; and due and proper notice of the relief provided for herein having been given under the circumstances; and it appearing that no other or further notice of the relief provided for herein is required; and it appearing that this Court has jurisdiction to consider the Stipulation and the Certification of Counsel and enter this Order 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

¹ The last four digits of Woodbridge Group of Companies, LLC’s federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14140 Ventura Blvd #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, or by contacting the undersigned counsel for the Debtors.

² Capitalized terms used herein, but not otherwise defined, have the meanings ascribed to them in the Stipulation.

Delaware, dated as of February 29, 2012; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the relief provided for herein is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief provided for herein is in the best interests of the Debtors, their estates, and creditors and an appropriate exercise of the Debtors' business judgment; and good and sufficient cause appearing therefor under the circumstances; it is hereby **ORDERED, ADJUDGED, AND DECREED**

THAT:

1. The Stipulation is hereby approved in all respects and incorporated as if fully set forth herein.

2. The Debtors are authorized to enter into the Stipulation.

3. The Parties are authorized to take any action necessary or appropriate to implement the terms of this Order without further order from this Court.

4. The Court shall retain exclusive jurisdiction over any and all matters arising from or related to the implementation or interpretation of the Stipulation or this Order, resolve any dispute arising out of, relating to, or deriving from the Stipulation, and the power to enter a final order thereon.

Dated: _____, 2018

The Honorable Kevin J. Carey
United States Bankruptcy Judge

EXHIBIT A

Stipulation

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

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

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

**STIPULATION REGARDING CLAIM OF BASIC FINANCIAL SERVICES, INC.,
SETTLEMENT DISCUSSIONS AND PLAN VOTING**

This Stipulation is entered into by and between, on the one hand, Basic Financial Services, Inc. ("Claimant"), and, on the other hand, Woodbridge Group of Companies, LLC et al. (the "Debtors," and with Claimant, the "Parties" and each a "Party"), with respect to the following recitals.

A. On December 4, 2017, the Debtors commenced voluntary cases (the "Cases") under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court").

B. Claimant filed proofs of claim, assigned Claim Nos. 1579, 1580, 1581, 1582, 1583, and 1584 (collectively, the "Claims"), in the Cases. The Claims are the only proofs of claim which Claimant filed in the Cases.

C. On August 22, 2018, the Debtors filed the *First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors* (Docket No.

¹ The last four digits of Woodbridge Group of Companies, LLC's federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14225 Ventura Boulevard #100, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of such information may be obtained on the website of the Debtors' noticing and claims agent at www.gardencitygroup.com/cases/WGC, or by contacting the undersigned counsel for the Debtors.

RA
9/4/18

2397) (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the "Plan"), and the *Disclosure Statement for the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors* (Docket No. 2398) (as it may be amended, supplemented, or modified from time to time, the "Disclosure Statement"). On August 22, 2018, the Court entered an order approving the Disclosure Statement (Docket No. 2396).

D. The Debtors contend they have valid objections to the Claims and believe they may possess counterclaims against Claimant. Claimant contends the Claims are valid and disputes that the counterclaims are valid.

E. The Parties are discussing settlement and wish to maintain the status quo without any prejudice or undue cost to any Party.

WHEREFORE, in exchange for the promises and stipulations set forth herein, the Parties agree as follows:

1. Recitals A through E, inclusive, are true and correct and are an integral part of this Stipulation.
2. The undersigned are authorized and empowered to enter into this Stipulation and to bind the Parties on whose behalf they are signing, subject to Court approval.
3. The Debtors shall not file any objection to the Claims or any adversary proceeding against Claimant prior to the earlier of a breakdown in settlement discussions and October 31, 2018 without providing at least 14 (fourteen) days' email notice to Claimant at the email address set forth on the signature page of this Stipulation.
4. Claimant shall not amend the Claims or file any additional proofs of claims in the Cases prior to the earlier of a breakdown in settlement discussions and October 31, 2018 without

For
9/4/18

providing at least 14 (fourteen) days email notice to Debtors' counsel at the email address set forth on the signature page of this Stipulation.

5. In recognition of the fact that in the absence of this Stipulation, the Debtors would object to the Claims and/or file an adversary proceeding seeking, among other things, disallowance of the Claims, the Parties hereby deem the Claims (including any amendments thereto or additional claims filed pursuant to paragraph 4) to be subject to a pending, unresolved objection and thus ineligible to vote on the Plan or any other plan, provided that if the Debtors object to the Claims (including any amendments thereto or additional claims filed pursuant to paragraph 4) and the objection(s) is/are resolved in whole or in part in favor of Claimant, Claimant then may vote the Claims (including any amendments thereto or additional claims filed pursuant to paragraph 4) to the extent allowed by an order of the Court.

6. In the event the Parties are unable to settle their pending disputes, this Stipulation shall have no force or effect on the Claims (including any amendments thereto or additional claims filed pursuant to paragraph 4), any defense to the Claims (including any amendments thereto or additional claims filed pursuant to paragraph 4), any counterclaims the Debtors may assert or any defenses to those counterclaims.

7. The Court shall have exclusive jurisdiction to resolve any dispute arising out of, relating to, or deriving from this Stipulation and has the jurisdiction and power to enter a final order thereon.

[Remainder of Page Intentionally Left Blank]

RJ
9/4/18

Dated: ~~August __, 2018~~
September 4, 2018

/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

Counsel for the Debtors and Debtors in Possession

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP
David M. Stern (pro hac vice)
Jonathan M. Weiss (pro hac vice)
1999 Avenue of the Stars
39th Floor
Los Angeles, California 90067
Tel: (310) 407-4000
Fax: (310) 407-9090
Email (for notice purposes): dstern@ktbslaw.com and
jweiss@ktbslaw.com

*Counsel for the Debtors and
Debtors in Possession*

 9/4/18.
BASIC FINANCIAL SERVICES, INC.
By: Fred C. Johnson, President
Email (for notice purposes): fcj133@gmail.com