IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
	:	Case No. 17-12560 (KJC)
WOODBRIDGE GROUP OF COMPANIES LLC, *et al.*[1]	:	Jointly Administered
Debtors.	:	**Hearing Date: TBD**
	:	**Objection Deadline: TBD**

MOTION OF THE AD HOC COMMITTEE OF UNITHOLDERS OF WOODBRIDGE MORTGAGE INVESTMENT FUND ENTITIES PURSUANT TO 11 U.S.C., § 1102(a)(2) DIRECTING APPOINTMENT OF AN OFFICIAL COMMITTEE OF UNITHOLDERS

The Ad Hoc Committee of Unitholders (the "Unitholders' Ad Hoc Committee")[2] of Woodbridge Mortgage Investment Fund Entities, holding, in the aggregate, approximately $5,000,000 principal amount of Units (as hereinafter defined),[3] by and through its undersigned counsel, hereby submits this Motion (the "Motion"), pursuant to Section 1102(a)(2) of title 11 of the United States Code (the "Bankruptcy Code"), for entry of an order directing the United States Trustee to appoint an official committee of unitholders of the above-captioned debtors and

[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. A complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses may be obtained on the website of the Debtors' claims and noticing agent at www.gardencitygroup.com/cases/WGC.

[2] At this time, the Unitholders' Ad Hoc Committee consists of Dr. Raymond C. Blackburn, Ms. Cydnei K. Blackburn, Mr. Glenn Miller, Ms. Felicity Miller, Dr. Chris Pinney, and Mr. Steven Miller.

[3] By the close of business on January 9, 2018, the undersigned will file a Bankruptcy Rule 2019 Statement listing the current members of the Unitholders' Ad Hoc Committee and their holdings. According to the Debtors' first-day declarations, there are approximately $226 million principal amount of Units outstanding, and the undersigned continues to be contacted by holders of Units not currently members of the Unitholders' Ad Hoc Committee for representation in these Chapter 11 Cases. The undersigned will update its Bankruptcy Rule 2019 Statement as additional members join the Unitholders' Ad Hoc Committee.

debtors-in-possession (collectively, the "Debtors") in these chapter 11 cases (collectively, the "Chapter 11 Cases") and respectfully represent as follows:

PRELIMINARY STATEMENT

1. These Chapter 11 Cases are not typical real estate restructuring cases. They involve the alleged intentional exploitation of over 8,000 innocent people by Robert Shapiro and certain other individuals and entities in connection with amassing valuable real estate assets (many of which are owned by the Debtors and others which are owned by entities that are currently non-debtors) in transactions that cry out for the help of sophisticated professionals to protect those people in a manner that will, hopefully, result in the recoupment of the millions of dollars invested in what the Securities and Exchange Commission is labeling a massive Ponzi scheme. The unitholders (collectively, the "Unitholders"), one of the two groups that were allegedly defrauded by Mr. Shapiro and others, comprise approximately 1,600 stakeholders, most of whom are unsophisticated, individual investors, who were allegedly fraudulently induced to invest millions of dollars (some of which represent investors' retirement or life savings) in Shapiro's scheme. They are the apparent victims of an intricate scheme involving a complex network of related entities, hundreds of sales agents, thousands of noteholders and a multitude of securities law violations that has led the SEC to sue Robert Shapiro and his affiliated entities for alleged securities fraud, and they now face being wiped out of their interests without the resources or experience to adequately represent themselves in the chapter 11 process.

2. Despite the injustice apparently perpetrated on these unsuspecting investors, there is a substantial likelihood that, once the dust settles and a plan is developed to develop, market and sell the properties owned by the Debtors, there could be sufficient value in the estates to return to the Unitholders a meaningful portion of their investments. The Debtors have asserted

that the current aggregate, estimated value of their real property assets is $650 million to $750 million, and, according to the deposition of the independent manager, Marc Beilinson, at the time he took over the Debtors' operation, he believed the assets were worth between $600 million and $1 billion.[4] Moreover, the Debtors' Chief Restructuring Officer, Lawrence Perkins, stated in his first-day declaration that, at least "a subset of the Debtors hold properties with substantial equity value." *See* Declaration of Lawrence R. Perkins, dated December 4, 2017 [Dkt. No. 12] (the "Perkins Declaration") at ¶ 63.[5] Given the nature of the Debtors' assets (raw land, partially completed projects, and finished projects ready to be sold) and the post-petition financing provided by Hankey Capital, LLC (the "DIP Lender"), the Debtors will have the funds necessary to develop, complete and enhance the value of, the Debtors' assets, creating additional equity value. Though it is too early in these Chapter 11 Cases to determine the full value of the Debtors' assets, there is a substantial likelihood that there will be value to distribute to equity under a chapter 11 plan.

3. Such a plan will, however, require sophisticated and experienced participation in the chapter 11 plan process to ensure that the value of these estates is maximized not just for creditors, but also for equity holders. Untangling these entities and their financial relationships, exploring the alternatives available to stakeholders to recover their investments, perhaps by substantive consolidation with non-debtor entities or by other legal means, and then having a

[4] *See* January 5, 2018 Deposition Transcript of Mark Beilinson ("Beilinson Tr.") at 127:11 (" 'My focus' was to take control of ***600 to a billion dollars' worth of assets*** and make it clear to the SEC within minutes of taking control that we would do everything in our power to cooperate with the SEC . . ." (emphasis added) which Deposition Transcript is contemplated to be an exhibit presented at the hearing to consider the Emergency Motion of Official Committee of Unsecured Creditors Entry of an Order Directing the Appointment of a Chapter 11 Trustee and the Motion by the U.S. Securities and Exchange Commission for Order Directing the Appointment of a Chapter 11 Trustee..

[5] *See, also* Transcript of December 5, 2017 Hearing at 70-71 [Dkt. No. 65] ("While the potential purchasers [for the Owlwood Estate property] have not yet submitted formal offers on the property, according to the broker, they have discussed offers in the $150 million to $160 million range . . . resulting in an approximate value net of as much as 48 million and not less than 25 million.").

meaningful voice at the plan negotiating table will not occur if these unsophisticated investors are left to navigate the bankruptcy process without counsel or any cohesion.

4. Importantly, the Debtors' new management do not own any equity in the Debtors nor do they have any agreement or prior history regarding Mr. Shapiro's equity interests. Thus, while current management may be well-qualified to operate the Debtors' businesses, they cannot adequately represent the interests of equity, nor can or will a chapter 11 trustee if appointed, and there is no one else in these Chapter 11 Cases to adequately represent the Unitholders' interests in these cases.

5. The Unitholders' Ad Hoc Committee is well aware of the concern over costs in these cases, but cost alone cannot outweigh the need for the Unitholders to be adequately represented in cases where they appear to have a real economic interest. There are essentially two groups of constituents here – the Noteholders (as hereinafter defined) and the Unitholders – as there are few trade creditors who may not be insiders or otherwise potentially tainted by Mr. Shapiro's alleged fraud. This Court may ultimately decide that these cases require only a Noteholders' and a Unitholders' committee and/or that the Unsecured Creditors' Committee (as hereinafter defined) should be reconstituted to represent all Noteholders (not only those who agreed to waive their security interests). Either way, given the number of Unitholders that were allegedly defrauded, the complexity of these Chapter 11 Cases and the likely value of the Debtors' estates upon reorganization or liquidation, due process and the Bankruptcy Code demand that an official equity holders committee be appointed to fairly and adequately represent the interests of the Unitholders and preserve the value that rightfully belongs to them.

JURISDICTION

6. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 1334 and 175 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and this Court may enter a final order consistent with Article III of the United States Constitution.

7. Venue of this Motion is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

8. The statutory predicate for the relief requested herein is Sections 1102(a)(2) of the Bankruptcy Code.

BACKGROUND

9. Pursuant to the Perkins Declaration,[6] the Funds raised money from thousands of retail investors by selling them Units and Notes.[7] The Units are non-voting equity securities in the Funds that entitle the holders to distributions from available proceeds of the Funds (if any) consisting of a preferred return, return of capital and profit participation, typically over a five-year period.

10. The Funds, in turn, made secured loans to related special purpose vehicles, the MezzCos and PropCos, which in turn own, either directly or indirectly, real property assets. These loans from the Funds are purportedly secured by either the real property assets owned by

[6] Capitalized terms not otherwise defined herein have the same meanings herein as ascribed to such terms in the Perkins Declaration.

[7] The Notes are short term (12 – 20 months) notes also sold by the Funds to retail investors that may, or may not, be secured. The holders of the Notes have filed a Motion for appointment of a Noteholder Committee [Dkt. No. 85].

the PropCos or by the MezzCos' equity in the wholly-owned PropCos that own the real-property assets.

11. Since September 2016, the Debtors and Mr. Shapiro have been under investigation by the Securities and Exchange Commission ("SEC") in connection with possible securities law violations, including for the offer and sale of unregistered securities, the sale of securities by unregistered brokers and the commission of fraud in connection with the offer, purchase and sale of securities. Purportedly as a result of the SEC investigation, on December 4, 2017 (the "Petition Date"), the Debtors commenced the Chapter 11 Cases and appear to have taken corporate governance control away from Mr. Shapiro and have discontinued the inappropriate activities allegedly perpetrated by Mr. Shapiro and others.

12. On December 20th, the SEC's investigation culminated in the filing by the SEC of a complaint (the "SEC Complaint") against Mr. Shapiro and certain Debtor and non-debtor affiliated entities in the United States District Court for the Southern District of Florida (the "Florida District Court"). According to the SEC Complaint, Mr. Shapiro and others allegedly targeted unsuspecting investors, disseminated false and misleading marketing memoranda to solicit investments, failed to disclose material information as required by federal and state securities laws and bilked his investors out of millions of dollars of savings. The SEC seeks, among other things, an order freezing the assets of Mr. Shapiro and other non-Debtor entities (some of which should be Debtors), preserving the company's books and records, the appointment of an equity receiver over the Debtors and civil money penalties. The Florida District Court has stayed any further proceedings in the SEC action pending briefing due on January 18th and a hearing to be held on January 25th concerning whether the SEC action should be stayed in its entirety during the pendency of these Chapter 11 Cases.

13. The SEC Complaint treats the holders of both sets of securities much the same, i.e., as victims of a Ponzi scheme perpetrated through violations of the securities laws. In these Chapter 11 Cases, however, the Unitholders will likely be treated differently from the Noteholders (whether they are deemed secured or unsecured), and, because Debtors' new management does not own any equity in the Debtors, there is no one to adequately represent the Unitholders' unique interests in these cases.

14. By letter, dated December 29, 2017, the undersigned, on behalf of the Unitholders' Ad Hoc Committee, contacted the Office of the United States Trustee requesting the appointment of an official committee of Unitholders. To date, the U.S. Trustee has not decided whether to appoint an official Unitholders' committee, though the U.S. Trustee recently informed the undersigned that the office is still considering the issue and the undersigned remains open to discussion on the matter.

RELIEF REQUESTED AND REASONS THEREFOR

15. The Unitholders Ad Hoc Committee hereby seeks entry of an order, pursuant to Section 1102(a)(2) of the Bankruptcy Code, directing the United States Trustee to appoint an official committee of Unitholders in these Chapter 11 Cases.

16. Section 1102(a)(2) of the Bankruptcy Code provides that, on request of a party in interest, the Court may order the appointment of additional committees of equity security holders if necessary to assure adequate representation of equity security holders. 11 U.S.C. § 1102(a)(2).

17. The Bankruptcy Code defines "equity security" as, *inter alia*, a "share in a corporation, whether or not transferable or denominated 'stock', or similar security. . ." 11 U.S.C. § 101(16). According to the Perkins Declaration, the Units are non-voting equity securities in the Funds and, thus, qualify as "equity securities" under the Bankruptcy Code.

18. The term "adequate representation" is not defined in the Bankruptcy Code, and the Court has the discretion to order the appointment of such an additional equity security holders' committee based on the facts of the case. *Exide Techs v. Wisc. Inv. Bd.*, 2002 Dist. LEXIS 27210, * 3 (D.Del. December 23, 2002) (affirming the bankruptcy court's decision to appoint an equity committee, the District Court held that "the bankruptcy court 'retains the discretion to appoint an equity committee based on the facts of each case," citing *In re Williams Communications Group, Inc.*, 281 B.R. 216, 220 (Bankr. S.D.N.Y. 2002);

19. A committee may be appointed where holders of equity securities show that:

> (i) there is a substantial likelihood that they will receive a meaningful distribution in the case under a strict application of the absolute priority rule, and (ii) they are unable to represent their interests in the bankruptcy case without an official committee.

Id. at *4, citing *Williams,* 281 B.R. at 223. The court is not required to conduct an exhaustive evaluation; rather, "the litmus test is whether a Debtor appears to be hopelessly insolvent, and that determination may be based on all available evidence of value." *In re Breitburn Energy Partners, LP,* No. 16-11390, Transcript of Hearing at p.62 (Bankr. S.D.N.Y. October 14, 2016) [Dkt. No.; *See, also Williams,* 281 B.R. at 220-21 (the test is not whether the Debtors are insolvent, but whether they "appear to be hopelessly insolvent.") (emphasis added); *In re Wang Labs., Inc.*, 149 B.R. 1, 3 (Bankr. D. Mass. 1992) (bankruptcy court appointed official equity committee even though the company was operating "at a loss," because the debtor was "not hopelessly insolvent").

20. If a debtor does not appear to be hopelessly insolvent, the courts may consider additional factors in determining whether equity holders are adequately represented, including whether the shares are widely held and publicly traded; the size and complexity of the Chapter 11 case, the timing of the motion relative to the status of the case and whether there is potential misconduct by management. *Exide* at *3; *In re Horsehead Holding Corp.*, 2016 Bankr. LEXIS

3187, *109 (Bankr. D.Del. May 2, 2016) (finding the appointment of an equity committee was appropriate where the debtor's value suddenly plummeted for no apparent reason and the court believed "something doesn't smell right."); *In re Pilgrim's Pride Corp.*, 407 B.R. 211, 219-20 (Bankr. N.D. Tex. 2009) (noting that, because the Debtors were finalizing their business plan, "establishment of an advocate for shareholders is urgent" and "[d]enying equity owners the means to analyze and critique Debtors' projections in their business plan is likely to hinder if not hopelessly cripple any later effort to show that Debtors' value is sufficient to justify equity participation")

21. The Unitholders Ad Hoc Committee respectfully submits that its request satisfies all of the factors considered by courts in deciding to appoint an equity committee:

a. ***First***, these Chapter 11 Cases are unique in that they are large and extraordinarily complex but involve thousands of individual stakeholders who are unsophisticated, non-institutional, individual investors that have neither the experience in financial matters to represent themselves nor the financial wherewithal to retain representation to protect their legal and economic interests.

b. ***Second***, the Debtors' estates are ***not*** hopelessly insolvent. To the contrary, the facts of these Chapter 11 Cases demonstrate that the Unitholders are likely ***in the money*** (at least for certain of the Debtors) and therefore are entitled to have meaningful participation in these cases. Marc Beilinson, the Debtors' independent manager, testified that, when he took over the Debtors' operations prepetition, he believed the assets were worth between $600 million and $1 billion. *See* Beilinson Tr. at 127:11 (" 'My focus' was to take control of ***600 to a billion dollars' worth of assets*** and make it clear to the SEC within minutes of taking control that we would do everything in our power to cooperate with the SEC . . ." (emphasis added). Lawrence

Perkins, the Debtors' CRO, stated in the Perkins Declaration that the Debtors' real property assets, in the aggregate, have a current estimated value of $650 million to $750 million.[8] Moreover, and importantly, as part of his discussion of the DIP loan, Mr Perkins stated that "a subset of the Debtors hold properties with substantial equity value." Perkins Declaration at ¶63. For example, according to Mr. Perkins, the Debtors believe that the Owlwood Estate property located in Los Angeles, California may have a total equity value "well in excess of $28 million" and perhaps as much as $48 million – value that should directly go to benefit the Unitholders, at least of that particular Debtor. Perkins Declaration at ¶ 63. *See, also* Transcript of December 5, 2017 Hearing at 70-71 [Dkt. No. 65] ("While the potential purchasers [for the Owlwood Estate property] have not yet submitted formal offers on the property, according to the broker, they have discussed offers in the $150 million to $160 million range . . . resulting in an approximate value net of as much as 48 million and not less than 25 million."). Given the nature of the Debtors' assets (raw land, partially completed projects, and finished projects ready to be sold) and the post-petition financing provided by the DIP Lender, which will not only provide the liquidity necessary for the chapter 11 process, but will enable the Debtors to develop land and complete construction projects that enhance the value of the Debtors' assets, all of the Unitholders are likely to be entitled to distributions under a plan. As such, equity holders have a real economic interest at stake in these Chapter 11 Cases for which adequate representation is absolutely essential.

c. ***Third***, this request has been made early in the Chapter 11 Cases, before a plan has been negotiated and is, thus, timely. It is critical that equity have the ability to shape the development of the Debtors' restructuring plan (and/or asset sales) as early as possible in

[8] The value of the undeveloped land and partially completed projects may well be higher than $750,000,000 when completed and sold.

these Chapter 11 Cases, if only to ensure proper valuation of the enterprise and its component Debtor parts, which ultimately will determine equity's stake. Without dedicated fiduciary representation, the Unitholders likely will get steamrolled by the Debtors, their insiders, the Noteholders and the SEC who will negotiate a plan and/or prematurely sell assets without input and participation by the Unitholders. With the apparent likelihood of a significant recovery to equity, it is essential that equity immediately be afforded a voice in these Chapter 11 Cases (and, if necessary, in the SEC action). Without such a voice, justice delayed will be justice denied. Moreover, given the involvement of the SEC in these proceedings and the motions already filed in these Chapter 11 Cases, including the Unsecured Creditors' Committee's and the SEC's motions seeking appointment of a chapter 11 trustee (the outcome of which might trigger a fire sale of the Debtors' assets, thus significantly and negatively affect equity value), the Unitholders' interests must be represented in the bankruptcy process immediately. The time is ripe for the appointment of a Unitholders' committee.

d. ***Fourth***, the Unitholders have no adequate representation in these Chapter 11 Cases. This is true because all of the parties who might otherwise represent Unitholders are burdened with conflicting interests. In the first instance, the Debtors' new, independent management cannot realistically be expected to look after the interests of equity. Once these Chapter 11 Cases were commenced, the management took on a fiduciary responsibility for all parties—creditors as well as shareholders. *See Commodity Futures Trading Corn. v. Weintraub,* 471 U.S. 343, 355 (1988); *In re Trans World Airlines, Inc.*, 261 B.R. 103, 114 (Bankr. D. Del. 2001). As such, their loyalties are necessarily divided. *See In re Pilgrim's Pride Corp*., 407 B.R. 211, 218 (Bankr. N.D. Tex. 2009) ("While it is unquestionably true that Debtors' officers and directors have a duty to maximize Debtors' estates to the benefit of shareholders as well as

creditors, the reorganization process is not so simple that that ensures shareholders are adequately represented by equity-owning management."). In addition, the Debtors' current management cannot reasonably be expected to adequately represent the interests of Unitholders, as they do not hold any equity in the Debtors and, thus, do not have any incentive to maximize the estates' value for equity holders.

22. These Chapter 11 Cases present the quintessential situation in which an equity committee should be appointed under Section 1102(a)(2). *See In re Energy XXI Ltd. et al.*, No. 16-31928, Order Directing Appointment of Equity Security Holders Committee (Bankr. S.D. Texas June 15, 2016) (court appointed an equity committee to safeguard shareholders' right to sue third-party insiders, ensure that management did not receive distributions before shareholders and have an opportunity to investigate sharp drop in debtor's value); *Horsehead*, 2016 Bankr. LEXIS 3187, *109 (Bankr. D.Del. May 2, 2016) (finding the appointment of an equity committee was appropriate where the debtor's value suddenly plummeted for no apparent reason and the court believed "something doesn't smell right."); *Breitburn Energy Partners, LP*, No. 16-11390, Order Directing Appointment of Statutory Committee of Equity Security Holders Pursuant to 11 U.S.C. § 1102(a)(2) (where debtors did not appear to be hopelessly insolvent and management no longer had an incentive to protect equity's interest, it was appropriate to give the equity holders an official seat at the negotiating table to prove their case); *In re Hercules Offshore, Inc.*, No. 16-11385, Transcript of Hearing held June 10, 2016 at p.70 (Bankr. D.Del. June 10, 2016) [Dkt. No. 84] (prior to U.S. Trustee's decision to appoint an equity committee in the debtors' second chapter 11 case in a year and which may have been orchestrated by lender misconduct, the court stated it was "concerned that the interest of equity be fully represented" and that "the process allows everyone the appropriate voice").

23. The critical need for an equity committee outweighs the additional expense associated with the formation of a Unitholders' Committee. Courts have found that "[c]ost alone cannot, and should not, deprive . . . security holders of representation." *See In re McLean Indus., Inc.*, 70 B.R. 852, 860 (Bankr. S.D.N.Y. 1987); *Enron Corp*., 279 B.R. 671, 694 (Bankr. S.D.N.Y. 2002) ("Added cost alone does not justify the denial of appointment of an additional committee where it is warranted."). Rather, additional cost must be weighed against the need for adequate representation of public shareholders. *See Wang Labs*., 149 B.R. at 3-4; In re Beker Indus. Corp., 55 B.R. 945, 949-51 (Bankr. S.D.N.Y. 1985) (equity committee appointed).

24. The Unitholders' Ad Hoc Committee is aware of the cost concerns related to the appointment of several formal committees in these Chapter 11 Cases, but it respectfully submits that appointing a committee of equity holders here is necessary and reasonable. There are essentially two groups of stakeholders here – Noteholders and Unitholders – and very few non-insider or non-tainted trade creditors to be represented by the Unsecured Creditors' Committee. Several Noteholder groups have already sought to have a committee appointed to represent them,[9] and the solution may be to reconstitute the Unsecured Creditors' Committee to more appropriately represent all Noteholders (those who have and have not waived their security interests). In any event, whether a formal Noteholder committee is appointed or the Creditors' Committee is reconstituted (or terminated), there is clearly no formal group representing and protecting the interests of Unitholders. The cost of appointing a formal Unitholders' committee is outweighed by the risk that Unitholders' economic interests may be unnecessarily wiped out if

[9] The hearing to consider the Noteholder motions is scheduled for January 18, 2018. As time is of the essence, the Unitholders' Ad Hoc Committee is filing, contemporaneously with this motion, a motion to shorten the time for service of notice of this Motion and has requested that this Motion also be set for a hearing on January 18th.

there is no one to represent their view of how best to maximize the value of the Debtors' assets in these Chapter 11 Cases.

NOTICE

25. Notice of this Motion will be provided to (i) the Office of the United States Trustee, (ii) counsel to the Debtors, (iii) counsel to the DIP Lender, (iv) counsel to the Official Committee of Unsecured Creditors, (v) counsels to the Ad Hoc Groups of Noteholders and (vi) all parties who have entered an appearance or request for service of papers in these Chapter 11 Cases. The Unitholders' Ad Hoc Committee respectfully submits that no other or further notice is necessary.

CONCLUSION

WHEREFORE, for all of the foregoing reasons, the Unitholders' Ad Hoc Committee respectfully requests that this Court enter an order, pursuant to 11 U.S.C. § 1102(a)(2), substantially in the form attached hereto as Exhibit A, appointing an official committee of Unitholders and granting such other and further relief as is just and proper.

Dated: January 8, 2018
Wilmington, Delaware

VENABLE LLP

By: */s/ Jamie L. Edmonson*

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
WOODBRIDGE GROUP OF COMPANIES LLC, *et al.*	:	Case No. 17-12560 (KJC)
	:	Jointly Administered
Debtors.	:	
	:	Re: Docket No. _____

ORDER DIRECTING THE APPOINTMENT OF
AN OFFICIAL COMMITTEE OF UNITHOLDERS

Upon the Motion (the "Motion")[1] of the Ad Hoc Committee of Unitholders (the "Unitholders' Ad Hoc Committee") of Woodbridge Mortgage Investment Fund Entities, pursuant to Section 1102(a)(2) of title 11 of the United States Code, for entry of an order directing the United States Trustee to appoint an official committee of Unitholders; and the Court having jurisdiction over the Motion pursuant to 28 U.S.C. §§ 1334 and 175 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that notice of the Motion was adequate and proper under the circumstances and no further or other notice being necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their creditors and their estates; and after due deliberation and sufficient cause appearing therefor; it is hereby

[1] Capitalized terms not otherwise defined herein shall have the same meanings herein as ascribed to such terms in the Motion.

ORDERED, that the Office of the United States Trustee for the District of Delaware be and hereby is directed to appoint an official committee of Unitholders; and it is further

ORDERED, that the Court shall retain jurisdiction with respect to all matters arising from or related to this Order.

Dated: January ___, 2018

_____
THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

CERTIFICATE OF SERVICE

I hereby certify that on January 8, 2018, copies of the *Motion of the Ad Hoc Committee of Unitholders of Woodbridge Mortgage Investment Fund Entities Pursuant to 11 U.S.C. § 1102(a)(2) Directing Appointment of an Official Committee of Unitholders* were served to counsel via File & Serve Xpress and to the parties on the attached service list via First Class U.S. mail.

/s/ Jamie L. Edmonson
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