

**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 CLAIM OF
KAILA ALANA LOYOLA AND PLAN VOTING**

The undersigned hereby certifies as follows:

1. On June 18, 2018, Kaila Alana Loyola (“Claimant”) filed a Proof of Claim (the “Claim”) for \$14,000,000.00. The Claim was assigned Claim Number 8811. This is the only proof of claim that Claimant filed in the chapter 11 cases of the above-caption debtors and debtors in possession (collectively, the “Debtors” and, with the Claimant, 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 No. 2398] (as it may be amended, supplemented, or modified from time to time, the “Disclosure”).

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.

Statement”). The Disclosure Statement was approved by the Court on August 22, 2018 [Docket No. 2396].

3. On August 30, 2018, two of the Debtors filed a complaint in the Court entitled *Woodbridge Group of Companies, LLC, and Woodbridge Structured Funding, LLC v. Kaila Alana Loyola*, Adversary Proceeding No. 18-50716 (KJC) (the “Adversary Proceeding”). The Adversary Proceeding objects to the Claim and seeks to equitably subordinate any portion of the Claim that might be allowed.

4. The Parties have entered into a settlement agreement that addresses the treatment of the Claim under the Plan (the “Settlement Agreement”) and filed concurrently herewith a motion requesting that the Court approve the Settlement Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Settlement Motion”). Pending the Court’s approval of the Settlement Agreement, the Parties wish to address the Claimant’s voting rights with respect to the Plan. 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 addresses the Claimant’s voting rights with respect to the Plan pending the Court’s consideration of the Settlement Motion. In particular, as more fully set forth in the Stipulation, the Stipulation grants the Claimant, solely for purposes of voting on the Plan, a temporarily allowed, general unsecured, non-priority claim in the amount of \$2,495,000 against the estate of Woodbridge Group of Companies, LLC. The Claimant’s vote with respect to such temporarily allowed claim will be tabulated in Class 4.

5. Addressing the Claimant’s voting rights with respect to the Plan while the Parties seek approval of the Settlement Agreement is justified as it will eliminate undue cost and

promote judicial economy while not prejudicing either Party while the Settlement Motion is pending. 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 25, 2018
Wilmington, Delaware

/s/ Betsy L. Feldman
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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 CLAIM OF
KAILA ALANA LOYOLA AND PLAN VOTING**

Upon consideration of that certain *Stipulation Regarding Claim of Kaila Alana Loyola 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 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

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

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 KAILA ALANA LOYOLA
AND PLAN VOTING**

This Stipulation is entered into by and between, on the one hand, Kaila Alana Loyola (“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 “Bankruptcy Court”).

B. On June 18, 2018, Claimant filed a Proof of Claim in the Cases which was assigned Claim No. 8811 (the “Claim”). The Claim seeks \$14,000,000 (Fourteen Million Dollars) and was filed as a general unsecured claim against two of the Debtors, Woodbridge Group of Companies, LLC, and Woodbridge Structured Funding, LLC.

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.

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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 Bankruptcy Court entered an order approving the Disclosure Statement and certain voting procedures (Docket No. 2396).

D. On August 30, 2018, two of the Debtors filed a complaint in the Bankruptcy Court entitled *Woodbridge Group of Companies, LLC, and Woodbridge Structured Funding, LLC v. Kaila Alana Loyola*, Adversary Proceeding No. 18-50716 (the “Adversary Proceeding”). The Adversary Proceeding objects to the Claim and seeks to equitably subordinate any portion of the Claim that might be allowed.

E. The Parties have entered into a settlement agreement and wish to address Claimant’s voting rights with respect to the Plan pending the Bankruptcy Court’s consideration of a motion by the Debtors to approve said settlement.

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 Bankruptcy Court approval.
3. Solely for purposes of voting on the Plan, Claimant shall have a temporarily allowed general unsecured non-priority claim in the amount of \$2,495,000 against the estate of

Woodbridge Group of Companies, LLC, and Claimant's vote with respect to such temporarily allowed claim will be tabulated in Class 4.

4. The Bankruptcy 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.

Dated: September 21, 2018

/s/ Betsy L. Feldman

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