

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

In re:) Chapter 11
)
WOODBIDGE GROUP OF COMPANIES, LLC, <i>et al.</i> , ¹) Case No. 17-12560-(KJC)
)
) Jointly Administered
)
Debtors.) Hearing Date: Oct. 24, 2018 at 10:00 a.m. (ET)
) Obj. Deadline: Oct. 12, 2018 at 4:00 p.m. (ET)
)
) Re Docket No. 2691

RESERVATION OF RIGHTS OF SANDRA E. BLESSMAN, PROVIDENT TRUST GROUP FBO LISA LOPES IRA, ROSE MARTIN, LAURA POKORNY AND THE REICHWALD-HIRANANDANI LIVING TRUST TO THE PROPOSED SALE OF 805 NIMES PLACE, LOS ANGELES, CA

Sandra Blessman, Provident Trust Group FBO Lisa Lopes IRA, Rose Martin, Laura Pokorny and the Reichwald-Hiranandani Living Trust (collectively, the “Secured Noteholders”) by and through their undersigned counsel, in support of their response and reservation of rights with respect to the Debtors’ motion for entry of an order (i) authorizing the sale of 805 Nimes Place, Los Angeles, CA (the “Property”) property owned by the Debtors free and clear of liens, claims, encumbrances, and other interests; (ii) approving the related purchase agreement; and (iii) granting related relief (the “Motion”) state as follows:

The Sale of the Property

1. The Debtors move pursuant to section 363(f) of the Bankruptcy Code to sell the Property free and clear of liens, claims, encumbrances, and other interests.

¹The 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. The complete list of 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 noticing and claims agent at www.gardencitygroup.com/cases/wgc.

2. The Secured Noteholders do not dispute the Debtors' right to sell the property pursuant to section 363(f) or pay a Broker Fee and other Closing Costs as defined in the Motion.

Use of the Proceeds from the Sale of the Properties

3. The Debtors plan to pay all proceeds from the sale of the Property (the "Proceeds") to the general account of the Debtors in accordance with the Final DIP Order as defined in the Motion.

4. Pursuant to the Final DIP Order, the Debtors will set aside 10% of the Proceeds to provide adequate protection for noteholders such as the Secured Noteholders.

5. The Secured Noteholders accept the Debtors' decision, as with previous sales, to the use of the Proceeds from the sale of the Property to retire third-party secured debt on real property owned by a Debtor entity. However, the Secured Noteholders maintain that the value of the Proceeds of each sale that match the value of the Secured Noteholders' Notes is its collateral.

Secured Noteholders Reservation of Rights

6. The Secured Noteholders hold a Promissory Note and Loan Agreement evidencing their security interest. Furthermore, the Secured Noteholders have filed Proofs of Claim reflecting their secured status.

7. The Secured Noteholders assert that they have perfected security interests in the Property. Although consenting to the sale of the Property, the Secured Noteholders reserve all rights to assert that their security interests are valid and that such security interests are properly perfected. Pending resolution of that certain adversary proceeding filed by Lise de La Rochelle, *et al.* on March 27, 2018 (Adv. Pro. No. 18-50371-KJC D.I. 840) and related appeal currently pending in the United States District Court for the District of Delaware (Civil Case No. 18-01555),

as well as any other action to which the Secured Noteholders might be a party, the Secured Noteholders reserve their rights to seek distribution from the Proceeds of sale.

Respectfully submitted,

Dated: October 12, 2018
Wilmington, Delaware

THE ROSNER LAW GROUP LLC

/s/ Jason A. Gibson
Frederick B. Rosner (DE No. 3995)
Jason A. Gibson (DE No 6091)
824 N. Market St., Suite 810
Wilmington, DE 19801
Tel: (302) 777-1111
Email: gibson@teamrosner.com

-and-

THE SARACHEK LAW FIRM
Joseph E. Sarachek (NY Bar No. 2163228)
101 Park Avenue, 27th Floor
New York, NY 10178
Telephone: (203) 539-1099
Facsimile: (646) 861-4950
Email: joe@saracheklawfirm.com