

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

In re:	)	
	)	Chapter 11
	)	
WOODBRIDGE GROUP OF COMPANIES, LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 17-12560 (KJC)
	)	
Debtors and Debtors In Possession.	)	(Jointly Administered)
<hr/>		
	)	
WOODBRIDGE GROUP OF COMPANIES, LLC, <i>et al.</i> ,	)	
	)	
Plaintiffs	)	Adversary Proceeding
vs.	)	No. 17-[_____] (KJC)
	)	
SECURITIES AND EXCHANGE COMMISSION,	)	
	)	
Defendant.	)	

**DEBTORS’ MOTION FOR TEMPORARY RESTRAINING ORDER AND  
PRELIMINARY INJUNCTION ENFORCING THE AUTOMATIC STAY  
PURSUANT TO SECTIONS 105(A) AND 362(A) OF THE BANKRUPTCY CODE**

Pursuant to sections 105(a) and 362 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) or, alternatively, Rule 65 of the Federal Rules of Civil Procedure, made applicable herein by Rule 7065 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the above-captioned plaintiffs (collectively, the “Debtors”), having commenced the above-captioned adversary proceeding by filing a verified complaint (the “Adversary Complaint”), hereby move (the “Motion”) this Court pursuant to (a) section 362 of chapter 11 of

---

<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 14225 Ventura Boulevard #100, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, 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’ proposed noticing and claims agent at [www.gardencitygroup.com/cases/WGC](http://www.gardencitygroup.com/cases/WGC), or by contacting the proposed undersigned counsel for the Debtors.

title 11 of the United States Code (the “Bankruptcy Code”) and, (b) section 105(a) of the Bankruptcy Code and Rules 7001(7) and 7065 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for the issuance and entry of an order: (1) enforcing the automatic stay in connection with (x) that certain lawsuit filed by the Securities and Exchange Commission (the “SEC”) (the “Florida Securities Action”) to the extent it seeks the appointment of a receiver over the Debtors<sup>2</sup> and their assets, and (y) the related emergency motion seeking appointment of a receiver (the “Receiver Motion”) filed by the SEC, both of which are currently pending in the United States District Court for the Southern District of Florida (the “Florida District Court”) and (2) enjoining or restraining the SEC from continuing its prosecution of the Florida Securities Action and Receiver Motion in the Florida District Court.

### **BACKGROUND**

#### **A. The Chapter 11 Cases, Jurisdiction, and Venue**

1. On December 4, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. This Court has jurisdiction over the claims raised in this adversary proceeding pursuant to 28 U.S.C. §§ 1334 and 157, and the *Amended Standing Order of Reference* dated as of February 29, 2012 from the United States District Court for the District of Delaware.

3. This is a core proceeding pursuant to 28 U.S.C. § 157(b) such that the Court may enter a final order consistent with Article III of the United States Constitution. Pursuant to Rule

---

<sup>2</sup> The Debtors are comprised of 279 limited liability companies that filed chapter 11 petitions on December 4, 2017. However, the SEC Complaint does not name 17 of the Debtors as Defendants, but it appears the SEC Complaint is directed at all Woodbridge affiliated companies that commenced bankruptcy on December 4.

7012-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, the Debtors consent to the entry of a final order by the Court in connection with this Complaint to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

4. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

**B. The Florida Securities Action**

5. The Florida Securities Action centers on allegations by the SEC that the Debtors' former principal, Robert Shapiro, through the Debtors and in concert with certain current or former employees of the Debtors and their non-Debtor affiliates, violated the federal securities laws by allegedly (i) marketing and selling unregistered securities, (ii) marketing and selling such securities through unregistered agents, and (iii) misleading or defrauding investors in connection with the same.

6. The Debtors are a group of affiliated companies in the business of purchasing, developing, and selling high-end luxury real estate properties.

7. As set forth in detail in the complaint filed on December 20, 2017 in the Florida Securities Action (the "SEC Complaint"), the SEC alleges, *inter alia*, that one or more of the Debtors violated Sections 5(a), 5(c), 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act of 1933 and Sections 10(b), 20(a) and 15(a) and Rule 10b-5 of the Securities Exchange Act of 1934. In the Florida Securities Action SEC seeks, *inter alia*, (i) the entry of a permanent injunction enjoining the Debtors from future violations of the federal securities laws, (ii) an asset freeze in connection with the property of Robert Shapiro and certain non-Debtor entities, (iii) the appointment of a receiver over the Debtors, (iv) disgorgement, and (v) civil monetary penalties.

The SEC also filed the Receiver Motion on December 20, 2017, requesting the appointment of a receiver over the Debtors on an emergency basis.

**RELIEF REQUESTED**

8. By this Motion, pursuant to (a) section 362 of the Bankruptcy Code and, (b) section 105(a) of the Bankruptcy Code and Rules 7001(7) and 7065 of the Federal Rules of Bankruptcy Rules, for the issuance and entry of an order: (1) enforcing the automatic stay in connection with (x) the Florida Securities Action to the extent it seeks the appointment of a receiver over the Debtors and their assets, and (y) the Receiver Motion, both of which are currently pending in the Florida District Court and (2) enjoining or restraining the SEC from continuing its prosecution of the Florida Securities Action and Receiver Motion in the Florida District Court.

**BASIS FOR THE RELIEF REQUESTED**

9. Contemporaneously herewith, the Debtors are filing (i) *Debtors' Verified Complaint for Declaratory Relief under Section 362(a) of the Bankruptcy Code, Injunctive Relief Under Sections 105(a) and 362(a) of the Bankruptcy Code, and a Preliminary Injunction under Rule 7065 of the Federal Rules of Bankruptcy Procedure*, which can be found at Adv. Pro. ECF No. 1 (the "TRO Complaint"), and (ii) the Debtors' memorandum of law in support of the Motion (the "Brief"), which provide the legal and factual bases for the relief requested herein.

**PRAYER FOR RELIEF**

WHEREFORE, Debtors respectfully request that this Court (i) grant this Motion and the relief requested herein; (ii) enter a temporary restraining order pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 7065, substantially in the form attached to this Motion as

Exhibit A; (iii) enter a preliminary injunction following a hearing; and (iv) grant such further relief as this Court deems just and proper.

**CERTIFICATION PURSUANT TO FEDERAL RULE 65(b)**

The Debtors seek entry of a temporary restraining order without notice to the SEC. Entry of the order without notice is appropriate given the immediate and irreparable injury, loss, or damage that will likely result if the temporary restraining order is not entered pending a hearing on the injunction.

The SEC has filed a notice of appearance in these Chapter 11 bankruptcy proceedings and has appeared at all hearings to date. Case No. 17-12560 (KJC), Dkt. No. 82. Counsel reasonably believes that the SEC is closely monitoring these chapter 11 proceedings and will receive notification that the Motion has been filed. Moreover, the SEC will receive advance notice and have opportunity to object before a preliminary injunction is entered.

For the foregoing reasons, the Debtors believe that entry of a temporary restraining order without prior notice to counsel for the SEC is proper and in accordance with Federal Rule 65(b).

*[Remainder of page intentionally left blank]*

Dated: December 28, 2017  
Wilmington, Delaware

GIBSON, DUNN & CRUTCHER LLP  
Samuel A. Newman (CA No. 217042)  
Oscar Garza (CA No. 149790)  
Daniel B. Denny (CA No. 238175)  
333 S. Grand Avenue  
Los Angeles, California 90071  
Telephone: (213) 229-7000  
Facsimile: (213) 229-7520

- and -

Matthew K. Kelsey (NY No. 4250296)  
Matthew P. Porcelli (NY No. 5218979)  
200 Park Avenue  
New York, New York 10166  
Telephone: (212) 351-4000  
Facsimile: (212) 351-4035

- and -

YOUNG CONAWAY STARGATT &  
TAYLOR, LLP

/s/ Edmon L. Morton

Sean M. Beach (No. 4070)  
Edmon L. Morton (No. 3856)  
Rodney Square  
1000 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 571-6600  
Facsimile: (302) 571-1253

*Proposed Counsel for the Plaintiffs, Debtors  
and Debtors in Possession*

# **EXHIBIT A**

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

In re:	)	
	)	Chapter 11
	)	
WOODBIDGE GROUP OF COMPANIES,	)	Case No. 17-12560 (KJC)
LLC, <i>et al.</i> , <sup>1</sup>	)	
	)	(Jointly Administered)
Debtors and Debtors In Possession.	)	
<hr/>		
	)	
WOODBIDGE GROUP OF COMPANIES,	)	
LLC, <i>et al.</i> ,	)	
	)	
Plaintiffs	)	Adversary Proceeding
vs.	)	No. 17-[_____] (KJC)
	)	
SECURITIES AND EXCHANGE	)	
COMMISSION,	)	
	)	
Defendant.	)	

---

**TEMPORARY RESTRAINING ORDER**

Upon consideration of the *Debtors’ Motion for a Temporary Restraining Order and Preliminary Injunction Enforcing the Automatic Stay Pursuant to Sections 105(a) and 362(a) of the Bankruptcy Code* (the “Motion”) for the issuance and entry of a temporary restraining order and a preliminary injunction pursuant to sections 362(a) and 105(a) of title 11 of the United States Code (the “Bankruptcy Code”) and/or Rule 7065 of the Federal Rules of Bankruptcy Procedure, staying, restraining, and enjoining the above-captioned defendant (the

---

<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 14225 Ventura Boulevard #100, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, 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’ proposed noticing and claims agent at [www.gardencitygroup.com/cases/WGC](http://www.gardencitygroup.com/cases/WGC), or by contacting the proposed undersigned counsel for the Debtors.

“SEC”); and this Court having found that good and sufficient cause exists for granting the Motion; it is hereby: FOUND AND DETERMINED THAT

1. The legal and factual bases set forth in the Adversary Complaint, the Motion, and the Memorandum of Law establish just cause for the relief granted herein. The Debtors have demonstrated a reasonable likelihood of success on the merits of their claims against the SEC.

2. Failure to enter this temporary restraining order (“TRO”) would cause immediate and irreparable injury to the Debtors.

3. The serious and irreparable harm to the Debtors from failure to issue a TRO far outweighs any harm to the SEC.

4. Issuance of this TRO preserves the status quo pending a preliminary injunction hearing, and the SEC will not be harmed by the issuance of a TRO.

5. Issuance of this TRO appears necessary to protect the interests of all parties in interest in these chapter 11 cases, and serves the public interest by preventing harm to the Debtors’ reorganization efforts and their estates.

IT IS THEREFORE:

ORDERED that, as of \_\_\_\_\_ .m (ET) on this date, the Motion is GRANTED as set forth herein; and it is further

ORDERED that, pending a hearing and a determination of the Debtors’ request for a preliminary injunction, the SEC and its agents are temporarily stayed, restrained, and enjoined from prosecuting the Receiver Motion and the Florida Securities Action, or otherwise seeking the appointment of a receiver over the Debtors or any property of the Debtors’ estates; and it is further

ORDERED that the Court will conduct a hearing in connection with the Debtors' request for a preliminary injunction on \_\_\_\_\_, 2018 at \_\_\_\_\_m. (ET); and it is further

ORDERED that objections to the Debtors' request for a preliminary injunction, if any, shall be filed and served on proposed counsel to the Debtors by \_\_\_\_\_, 2018 at 4:00 p.m. (ET); and it is further

ORDERED that the Court shall retain jurisdiction to, among other things, interpret, implement and enforce the terms and provision of this temporary restraining order.

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

---

The Honorable Kevin J. Carey  
United States Bankruptcy Judge