

**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)

Ref. Docket No. 102

**CERTIFICATION OF COUNSEL REGARDING DEBTORS' MOTION FOR ENTRY
OF AN ORDER PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE
AUTHORIZING (I) THE ENGAGEMENT LETTER BETWEEN THE DEBTORS AND
SIERRACONSTELLATION PARTNERS LLC AND (II) DEBTORS' EMPLOYMENT
OF LAWRENCE R. PERKINS AS CHIEF RESTRUCTURING OFFICER
NUNC PRO TUNC TO THE PETITION DATE**

On December 19, 2017, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed with the United States Bankruptcy Court for the District of Delaware (the "Court") the *Debtors' Motion for Entry of an Order Pursuant to Section 363 of the Bankruptcy Code Authorizing (I) the Engagement Letter Between the Debtors and SierraConstellation Partners LLC and (II) Debtors' Employment of Lawrence R. Perkins as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date* [Docket No. 102] (the "Motion").

A hearing was held on January 23, 2018 (the "Hearing") to consider, among other matters, the Motion. The Court ruled that it was prepared to enter an order approving the Motion, but on modified terms, as set forth on the record at the Hearing. Attached hereto as

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 proposed undersigned counsel for the Debtors.

Exhibit A is a form of order granting the Motion on the terms set forth on the record at the Hearing (the “Revised Proposed Order”).²

The Debtors submit that the Revised Proposed Order is appropriate and consistent with the relief requested in the Motion and that the additional language accurately reflects the Court’s ruling at the Hearing, and that entry of the Revised Proposed Order is in the best interests of the Debtors, their estates, and their creditors.

[Remainder of page intentionally left blank]

² For ease of reference, attached hereto as Exhibit B is a copy of the Revised Proposed Order marked against the proposed order presented to the court at the Hearing (the “Blackline”).

WHEREFORE, the Debtors respectfully request that the Court enter the Revised Proposed Order at its earliest convenience without further notice or a hearing.

Dated: January 23, 2018
Wilmington, Delaware

/s/ Sean M. Beach

YOUNG CONAWAY STARGATT & TAYLOR, LLP

Sean M. Beach (No. 4070)
Edmon L. Morton (No. 3856)
Ian J. Bambrick (No. 5455)
Allison S. Mielke (No. 5934)
Rodney Square, 1000 North King Street
Wilmington, Delaware 19801
Tel: (302) 571-6600
Fax: (302) 571-1253

-and-

GIBSON, DUNN & CRUTCHER LLP

Samuel A. Newman (CA No. 217042)
Oscar Garza (CA No. 149790)
Daniel B. Denny (CA No. 238175)
333 South Grand Avenue
Los Angeles, California 90071
Tel: (213) 229-7000
Fax: (213) 229-7520

-and-

J. Eric Wise (NY No. 3000957)
Matthew K. Kelsey (NY No. 4250296)
Matthew P. Porcelli (NY No. 5218979)
200 Park Avenue
New York, New York 10166
Tel: (212) 351-4000
Fax: (212) 351-4035

Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT A

REVISED PROPOSED ORDER

**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)

Ref. Docket No. 102

**ORDER APPROVING DEBTORS' MOTION FOR ENTRY OF AN ORDER
PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE AUTHORIZING
(I) THE ENGAGEMENT LETTER BETWEEN THE DEBTORS AND
SIERRACONSTELLATION PARTNERS LLC AND (II) DEBTORS' EMPLOYMENT
OF LAWRENCE R. PERKINS AS CHIEF RESTRUCTURING OFFICER
NUNC PRO TUNC TO THE PETITION DATE**

This matter coming before the Court on the *Debtors' Motion for Entry of an Order Pursuant to Section 363 of the Bankruptcy Code Authorizing (I) The Engagement Letter between the Debtors and SierraConstellation Partners LLC and (II) Debtors' Employment of Lawrence R. Perkins as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date* (the "Motion")², pursuant to section 363(b) the Bankruptcy Code; and the Court finding that (i) Sierra represents no interest adverse to the Debtors' estates that would disqualify Sierra from representation of the Debtors in the cases, (ii) that the CRO, Sierra and each of the Additional Personnel is a "disinterested person" as such term is defined in section 101(14) of the Bankruptcy Code, as

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 proposed undersigned counsel for the Debtors.

² Capitalized terms used in this Order and not otherwise defined shall have the meanings ascribed in the Motion.

modified by section 1107(b) of the Bankruptcy Code and as required by section 327(a) of the Bankruptcy Code, (iii) that the terms and conditions of Sierra's engagement with the Debtors, including the compensation structure set forth in the Engagement Letter, as modified herein, are reasonable; and (iv) that the engagement of Sierra and designation of Mr. Perkins as the Debtors' CRO is in the best interests of the Debtors and their estates, creditors and interest holders; and upon consideration of the First Day Declaration; and this Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157 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 Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and a hearing having been held to consider the relief requested in the Motion; and upon the record of the hearing on the Motion and all of the proceedings had before this Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, as set forth in this Order.

2. The Debtors are authorized, *nunc pro tunc* to the Petition Date, to engage Sierra and to designate Mr. Perkins as the Debtors' CRO pursuant to the terms of the Engagement Letter subject to the following terms, which apply notwithstanding anything in the Motion, the Engagement Letter, or any other documents related thereto to the contrary:

- (a) Sierra and its affiliates shall not act in any other capacity (for example, and without limitation, as a financial advisor, claims agent/claims administrator, or investor/acquirer) in connection with the above-captioned cases.
- (b) In the event the Debtors seek to have any Additional Personnel assume executive officer positions that are different than the position(s) disclosed in the Motion, or to materially change the terms of the engagement by either (i) modifying the functions of Additional Personnel, (ii) adding new Additional Personnel, or (iii) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed.
- (c) Sierra shall file with the Court with copies to the U.S. Trustee and all official committees a report of staffing on the engagement for the previous month. Such report shall include the names and functions filled of all the individuals assigned. Such report shall include the names and functions filled of the individuals assigned. All staffing shall be subject to review by this Court in the event an objection is filed.
- (d) No Additional Personnel of Sierra or its affiliates (other than the CRO) shall serve as a director or manager of any of the Debtors during the pendency of these cases absent prior Court approval.
- (e) Sierra shall file with the Court, and provide notice to the U.S. Trustee and all official committees, reports of compensation earned and expenses incurred on a monthly basis. Such reports shall contain summary charts which describe the services provided, identify the compensation earned by each executive officer and staff employee provided, and itemize the expenses incurred. Time records shall (i) be appended to the reports, (ii) contain detailed time entries describing the task(s) performed, and (iii) be organized by project category. Where personnel are providing services at an hourly rate, the time entries shall identify the time spent completing each task in one-tenth of an hour increments and the corresponding charge (time multiplied by hourly rate) for each task; where personnel are providing services at a "flat" rate, the time entries shall be kept in hourly increments. All compensation shall be subject to review by the Court in the event an objection is filed.

- (f) Completion fees, success fees, transaction fees or other back-end fees shall be subject to approval by the Court at the conclusion of these cases on a reasonableness standard and are not being pre-approved or pre-denied by entry of this Order, and such fees shall not be sought upon the conversion of these cases, dismissal of these cases for cause, or appointment of a trustee.
- (g) The Debtors are permitted to indemnify the CRO on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' D&O policy.
- (h) There shall be no indemnification of Sierra or the Additional Personnel or its affiliates by the Debtors.
- (i) For a period of three years after the conclusion of the engagement, neither the CRO, Sierra or the Additional Personnel, nor any of their affiliates shall make any investments in the Debtors.
- (j) Sierra shall disclose any and all facts that may have a bearing on whether the firm, its affiliates, and/or any Additional Personnel hold or represent any interest adverse to the Debtors, their creditors, or other parties in interest. The obligation to disclose identified in this subparagraph is a continuing obligation.
- (k) Notwithstanding anything to the contrary contained in the Motion, the Engagement Letter or any exhibits thereto, Sierra shall not assign any tasks for which Sierra is responsible to any person or entity other than the CRO or the Additional Personnel or its affiliates other than for ministerial tasks for which Sierra is not entitled to compensation hereunder.

3. Notwithstanding anything to the contrary contained in the Motion, the Engagement Letter or any exhibits thereto, during the course of these cases, the Sierra personnel who serve as officers of the Debtors under the terms of this Order shall have whatever duties and responsibilities that are imposed by applicable law on officers of the Debtors.

4. Paragraph 19 of the Engagement Letter is not applicable during the Chapter 11 Cases, notwithstanding its inclusion in the Engagement Letter.

5. Sierra shall file with the Court, and provide notice to the U.S. Trustee and all official committees appointed in these Cases contemporaneously with such filing, a report of

compensation earned and expenses incurred on a monthly basis (the "Report"). Each Report shall contain summary charts that describe services provided, identify the compensation earned by the CRO and the Additional Personnel and previously paid to Sierra, and itemize the expenses incurred. Time records shall (i) be appended to the Reports, (ii) contain detailed time entries describing the tasks performed, and (iii) be organized by project category. The time entries shall identify the time spent completing each task in six-minute increments and the corresponding charge (time multiplied by hourly rate) for each task. The UST, Committee Counsel, and counsel to any other officially appointed committees shall have fourteen days to address any questions concerning a Report with the Debtors and Sierra and file a written objection thereto. All Reports, compensation and expenses previously paid and reimbursed shall be subject to review by the Court in the event a timely objection is filed.

6. The Debtors are authorized to pay Sierra all fees and expenses incurred by Sierra at Sierra's rates set forth in the Engagement Letter and at any subsequent rates then in effect for services related to those outlined in the Engagement Letter and on the terms set forth in the Engagement Letter. Such fees and expenses shall be payable immediately upon presentation of invoices. Such amounts and the obligation to pay Sierra fees and reimburse expenses shall be treated and allowed (subject to the compensation review procedures identified in this Order) as administrative expenses in accordance with section 503 of the Bankruptcy Code.

7. Prior to Sierra seeking any type of success fee or taking any steps that would trigger payment of a success fee, the Debtors shall file a motion setting forth the terms of said success fee and seeking approval of the terms of the success fee from the Court.

8. If Sierra utilizes independent contractors, it shall only seek reimbursement of the independent contractors' expenses at cost to Sierra.

9. Sierra shall not unilaterally terminate its engagement under the Engagement Letter absent prior approval of the Court.

10. Upon the completion of transition services necessary to effectuate a smooth transition, Sierra shall discontinue providing services to the Debtors. To the extent Sierra is requested to provide any additional services to the Debtors other than transition services, further court approval shall be required.

11. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 7062, 9014 or otherwise, the terms of this Order shall be immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to implement the relief granted in this Order and comply with the Engagement Letter.

13. Notwithstanding anything to the contrary in the Engagement Letter, during the pendency of the Chapter 11 Cases, this Court shall retain exclusive jurisdiction over (i) any dispute arising out of or relating to the Engagement Letter, and (ii) all matters arising from or related to the implementation of this Order.

Dated: January_____, 2018
Wilmington, Delaware

KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

BLACKLINE

**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)

Ref. Docket No. 102

**ORDER APPROVING DEBTORS' MOTION FOR ENTRY OF AN ORDER
PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE AUTHORIZING
(I) THE ENGAGEMENT LETTER BETWEEN THE DEBTORS AND
SIERRACONSTELLATION PARTNERS LLC AND (II) DEBTORS' EMPLOYMENT
OF LAWRENCE R. PERKINS AS CHIEF RESTRUCTURING OFFICER
NUNC PRO TUNC TO THE PETITION DATE**

This matter coming before the Court on the *Debtors' Motion for Entry of an Order*

Pursuant to Section 363 of the Bankruptcy Code Authorizing (I) The Engagement Letter between

the Debtors and SierraConstellation Partners LLC and (II) Debtors' Employment of Lawrence

R. Perkins as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date (the "Motion")²,

pursuant to section 363(b) the Bankruptcy Code; and the Court finding that (i) Sierra represents

no interest adverse to the Debtors' estates that would disqualify Sierra from representation of the

Debtors in the cases, (ii) that the CRO, Sierra and each of the Additional Personnel is a

"disinterested person" as such term is defined in section 101(14) of the Bankruptcy Code, as

modified by section 1107(b) of the Bankruptcy Code and as required by section 327(a) of the

Bankruptcy Code, (iii) that the terms and conditions of Sierra's engagement with the Debtors,

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 proposed undersigned counsel for the Debtors.

² Capitalized terms used in this Order and not otherwise defined shall have the meanings ascribed in the Motion.

including the compensation structure set forth in the Engagement Letter, as modified herein, are reasonable; and (iv) that the engagement of Sierra and designation of Mr. Perkins as the Debtors' CRO is in the best interests of the Debtors and their estates, creditors and interest holders; and upon consideration of the First Day Declaration; and this Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157 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 Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and a hearing having been held to consider the relief requested in the Motion; and upon the record of the hearing on the Motion and all of the proceedings had before this Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, as set forth in this Order.
2. The Debtors are authorized, *nunc pro tunc* to the Petition Date, to engage Sierra and to designate Mr. Perkins as the Debtors' CRO pursuant to the terms of the Engagement

Letter subject to the following terms, which apply notwithstanding anything in the Motion, the Engagement Letter, or any other documents related thereto to the contrary:

- (a) Sierra and its affiliates shall not act in any other capacity (for example, and without limitation, as a financial advisor, claims agent/claims administrator, or investor/acquirer) in connection with the above-captioned cases.
- (b) In the event the Debtors seek to have any Additional Personnel assume executive officer positions that are different than the position(s) disclosed in the Motion, or to materially change the terms of the engagement by either (i) modifying the functions of Additional Personnel, (ii) adding new Additional Personnel, or (iii) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed.
- (c) Sierra shall file with the Court with copies to the U.S. Trustee and all official committees a report of staffing on the engagement for the previous month. Such report shall include the names and functions filled of all the individuals assigned. Such report shall include the names and functions filled of the individuals assigned. All staffing shall be subject to review by this Court in the event an objection is filed.
- (d) No Additional Personnel of Sierra or its affiliates (other than the CRO) shall serve as a director or manager of any of the Debtors during the pendency of these cases absent prior Court approval.
- (e) Sierra shall file with the Court, and provide notice to the U.S. Trustee and all official committees, reports of compensation earned and expenses incurred on a monthly basis. Such reports shall contain summary charts which describe the services provided, identify the compensation earned by each executive officer and staff employee provided, and itemize the expenses incurred. Time records shall (i) be appended to the reports, (ii) contain detailed time entries describing the task(s) performed, and (iii) be organized by project category. Where personnel are providing services at an hourly rate, the time entries shall identify the time spent completing each task in one-tenth of an hour increments and the corresponding charge (time multiplied by hourly rate) for each task; where personnel are providing services at a “flat” rate, the time entries shall be kept in hourly increments. All compensation shall be subject to review by the Court in the event an objection is filed.
- (f) Completion fees, success fees, transaction fees or other back-end fees shall be subject to approval by the Court at the conclusion of these cases on a reasonableness standard and are not being pre-approved or pre-denied by entry of this Order, and such fees shall not be sought upon the

conversion of these cases, dismissal of these cases for cause, or appointment of a trustee.

- (g) The Debtors are permitted to indemnify the CRO on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' D&O policy.
- (h) There shall be no indemnification of Sierra or the Additional Personnel or its affiliates by the Debtors.
- (i) For a period of three years after the conclusion of the engagement, neither the CRO, Sierra or the Additional Personnel, nor any of their affiliates shall make any investments in the Debtors.
- (j) Sierra shall disclose any and all facts that may have a bearing on whether the firm, its affiliates, and/or any Additional Personnel hold or represent any interest adverse to the Debtors, their creditors, or other parties in interest. The obligation to disclose identified in this subparagraph is a continuing obligation.
- (k) Notwithstanding anything to the contrary contained in the Motion, the Engagement Letter or any exhibits thereto, Sierra shall not assign any tasks for which Sierra is responsible to any person or entity other than the CRO or the Additional Personnel or its affiliates other than for ministerial tasks for which Sierra is not entitled to compensation hereunder.

3. Notwithstanding anything to the contrary contained in the Motion, the Engagement Letter or any exhibits thereto, during the course of these cases, the Sierra personnel who serve as officers of the Debtors under the terms of this Order shall have whatever duties and responsibilities that are imposed by applicable law on officers of the Debtors.

4. Paragraph 19 of the Engagement Letter is not applicable during the Chapter 11 Cases, notwithstanding its inclusion in the Engagement Letter.

5. Sierra shall file with the Court, and provide notice to the U.S. Trustee and all official committees appointed in these Cases contemporaneously with such filing, a report of compensation earned and expenses incurred on a monthly basis (the "Report"). Each Report shall contain summary charts that describe services provided, identify the compensation earned

by the CRO and the Additional Personnel and previously paid to Sierra, and itemize the expenses incurred. Time records shall (i) be appended to the Reports, (ii) contain detailed time entries describing the tasks performed, and (iii) be organized by project category. The time entries shall identify the time spent completing each task in six-minute increments and the corresponding charge (time multiplied by hourly rate) for each task. The UST, Committee Counsel, and counsel to any other officially appointed committees shall have fourteen days to address any questions concerning a Report with the Debtors and Sierra and file a written objection thereto. All Reports, compensation and expenses previously paid and reimbursed shall be subject to review by the Court in the event a timely objection is filed.

6. The Debtors are authorized to pay Sierra all fees and expenses incurred by Sierra at Sierra's rates set forth in the Engagement Letter and at any subsequent rates then in effect for services related to those outlined in the Engagement Letter and on the terms set forth in the Engagement Letter. Such fees and expenses shall be payable immediately upon presentation of invoices. Such amounts and the obligation to pay Sierra fees and reimburse expenses shall be treated and allowed (subject to the compensation review procedures identified in this Order) as administrative expenses in accordance with section 503 of the Bankruptcy Code.

7. Prior to Sierra seeking any type of success fee or taking any steps that would trigger payment of a success fee, the Debtors shall file a motion setting forth the terms of said success fee and seeking approval of the terms of the success fee from the Court.

8. If Sierra utilizes independent contractors, it shall only seek reimbursement of the independent contractors' expenses at cost to Sierra.

9. Sierra shall not unilaterally terminate its engagement under the Engagement Letter absent prior approval of the Court.

10. Upon the completion of transition services necessary to effectuate a smooth transition, Sierra shall discontinue providing services to the Debtors. To the extent Sierra is requested to provide any additional services to the Debtors other than transition services, further court approval shall be required.

11. ~~10.~~ Notwithstanding the possible applicability of Bankruptcy Rules 6004, 7062, 9014 or otherwise, the terms of this Order shall be immediately effective and enforceable upon its entry.

12. ~~11.~~ The Debtors are authorized to take all actions necessary to implement the relief granted in this Order and comply with the Engagement Letter.

13. ~~12.~~ Notwithstanding anything to the contrary in the Engagement Letter, during the pendency of the Chapter 11 Cases, this Court shall retain exclusive jurisdiction over (i) any dispute arising out of or relating to the Engagement Letter, and (ii) all matters arising from or related to the implementation of this Order.

Dated: January _____, 2018
Wilmington, Delaware

KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE