

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

In re

WOODBRIIDGE GROUP OF  
COMPANIES, LLC, *et al.*,<sup>1</sup>

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

Hearing Date: February 11, 2020, at 10:00 a.m. (ET)

Objection Deadline: January 31, 2020, at 4:00 p.m. (ET)

**LIQUIDATION TRUST’S MOTION FOR ENTRY OF AN ORDER EXTENDING  
THE PERIOD WITHIN WHICH THE LIQUIDATION TRUST AND ITS  
SUBSIDIARIES MAY OBJECT TO CLAIMS**

The Woodbridge Liquidation Trust (the “Liquidation Trust”), formed pursuant to the confirmed and effective *First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors* [D.I. 2397] (the “Plan”)<sup>2</sup> in the jointly-administered chapter 11 bankruptcy cases (the “Chapter 11 Cases”) of Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (collectively, the “Debtors”), hereby submits this motion (the “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), extending the period within which the Liquidation Trust and each of its direct and indirect subsidiaries, including, but not limited to, Woodbridge Wind-Down Entity LLC (the “Wind-Down Entity”) and the Remaining Debtors (as hereinafter defined), may object to claims (the “Claim Objection Deadline”) for approximately six months, through and including August 14, 2020. In support of the Motion, the Liquidation Trust respectfully states as follows:

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<sup>1</sup> The Remaining Debtors and the last four digits of their respective federal tax identification numbers are as follows: Woodbridge Group of Companies, LLC (3603) and Woodbridge Mortgage Investment Fund 1, LLC (0172). The Remaining Debtors’ mailing address is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.

## I. JURISDICTION

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over these Chapter 11 Cases and the Motion 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 February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of these Chapter 11 Cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Trust consents to the Court’s entry of a final judgment or order with respect to the Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

## II. BACKGROUND

3. On December 4, 2017, 279 of the Debtors (the “Original Debtors”) commenced voluntary cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”). Thereafter, on February 9, 2018, March 9, 2018, March 23, 2018, and March 27, 2018, an additional 27 affiliated Debtors (the “Additional Debtors”) commenced voluntary cases under chapter 11 of the Bankruptcy Code (collectively, the “Petition Dates”). The Debtors’ Chapter 11 Cases were jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1.

4. Information about the Debtors’ operations, capital structure, events leading up to and during these Chapter 11 Cases, and a summary of the Plan is set forth in the *Disclosure Statement for the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors* [D.I. 2398].

5. On October 26, 2018 the Court confirmed the Plan. *See* Docket No. 2903. The Effective Date under the Plan occurred on February 15, 2019. *See* Docket No. 3421. On February 25, 2019, the Court entered the *Final Decree Closing Certain Cases and Amending Caption of Remaining Cases* [Docket No. 3440] which closed all of the Debtors' cases other than those of debtors Woodbridge Group of Companies, LLC and Woodbridge Mortgage Investment Fund 1, LLC (the "Remaining Debtors").

6. Section 8.2 of the Plan provides that "[a]ll objections to Claims (other than Professional Fee Claims, ... but including any Claims of Excluded Parties or Disputing Claimants) shall be Filed by the Liquidation Trust on or before the Claim Objection Deadline." Pursuant to Section 1.15 of the Plan, the initial Claim Objection Deadline was August 14, 2019. On June 26, 2019, the Court entered an order extending the Claim Objection Deadline to February 14, 2020. *See* Docket No. 3694. Although the Plan provides, in Section 8.2, that the Liquidation Trust may obtain an extension of the Claim Objection Deadline by submitting an order without the need for a formal motion, the Liquidation Trust has filed this motion in an abundance of caution and to give context to the requested relief.<sup>3</sup>

### III. RELIEF REQUESTED

7. By this Motion, the Liquidation Trust seeks to extend the Claim Objection Deadline. Specifically, the Liquidation Trust requests the Court enter the Proposed Order, extending the period within which the Liquidation Trust and each of its direct and indirect subsidiaries, including, but not limited to, the Wind-Down Entity and the Remaining Debtors,

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<sup>3</sup> Section 8.2 of the Plan further provides that the "Claim Objection Deadline shall be automatically extended as provided by Local Rule 9006-2 upon the Filing of a proposed form of order by the Liquidation Trust requesting an extension of the Claim Objection Deadline." Local Rule 9006-2 provides that the filing of a motion prior to the expiration of a time period shall automatically extend such time period until the Court acts on the motion, without the necessity for entry of a bridge order.

may object to claims through and including August 14, 2020, without prejudice to the rights of the Liquidation Trust to seek further extensions of the Claim Objection Deadline. The Motion, if granted, would extend the Claim Objection Deadline by approximately six months. This is the second request for an extension of the Claim Objection Deadline.

#### IV. BASIS FOR RELIEF

8. The Plan vests the discretion to object to claims in the Liquidating Trust. *See* Plan § 8.2. Although the Plan sets an initial deadline by which such challenges must be raised, it also expressly contemplates extension of the Claim Objection Deadline by order of the Court. *See id.* Section 8.2 of the Plan provides that the Claim Objection Deadline “may be extended on presentment of an order to the Bankruptcy Court by the Liquidation Trust prior to the expiration of such period and without need for notice or hearing.”

9. Bankruptcy Rule 9006(b) also makes clear that the Court may extend unexpired time periods without notice. Specifically, Rule 9006(b) states that:

when an act is required or allowed to be done at or within a specified period by [the Bankruptcy Rules] or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion . . . with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order.

Fed. R. Bankr. P. 9006(b)(1). In addition, Bankruptcy Code section 105(a) provides that the “court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” Accordingly, because the Claim Objection Deadline has not yet expired, the Court is authorized to grant the relief requested herein.

10. Thus far, the Liquidation Trust and, prior to the Effective Date, the Debtors filed eighteen omnibus objections to claims asserted in these Cases, *see* Docket Nos. 4248, 4247, 3916, 3915, 3665, 3664, 3608, 3607, 3530, 3529, 3507, 3543, 3452, 3381, 3380,

2626, 2625, 2419, as well as numerous stand-alone claim objections, *see, e.g.*, Docket Nos. 4329, 4328, 4327, 4326, 4325, 4257, 4256, 3639, 3477, 3476, 2213, 1563, which, in the aggregate, have resolved more than 1,000 claims. The Liquidation Trust has also included claims objections in a majority of the adversary proceedings filed by the Liquidation Trust. However, as of the filing of this Motion, there are still thousands of filed proofs of claim that remain pending and which require further review and analysis. In addition, during the approximately eleven months since the Plan's effective date, the Liquidation Trust and its subsidiaries have been engaged in numerous other important and time-consuming tasks, such as (i) analysis and prosecution of affirmative claims, including over 400 adversary proceedings which have been filed in connection with these cases, (ii) developing, marketing, and selling properties, including, but not limited to, closing the sales of five properties during the final week of 2019, (iii) effectuating the registration with the United States Securities and Exchange Commission of the Trust's Class A Liquidation Trust Interests, and (iv) continuing to work on regulatory matters, including with the SEC and the Department of Justice. In addition, the Liquidation Trust has worked to implement the Plan by issuing Trust interests to the Trust's beneficiaries, and has made two distributions—the first at the end of March 2019, and the second in early January 2020.

11. Accordingly, the Liquidation Trust seeks additional time to review and analyze the remaining pending claims in order to determine whether objections (or other action) are appropriate. The Liquidation Trust submits that extending the Claim Objection Deadline is in the best interests of all stakeholders. The extension sought will afford the Liquidation Trust and its subsidiaries, and their respective management and professionals, an opportunity to make

more fully informed decisions concerning the resolution of pending claims in the interests of ensuring ratable distributions among and maximizing value for legitimate creditors.

12. Furthermore, extension of the Claim Objection Deadline is not sought coercively for purposes of delay, nor will it affect or prejudice any claimant's substantive defense(s) to any objection. Rather, the extension is intended to promote the efficient administration of these Cases and the claims allowance process. Absent the requested extension of the Claim Objection Deadline, the Liquidation Trust will either be precluded from challenging invalid, misclassified, and/or overstated claims, or it will be forced to file hastily prepared protective objections without the benefit of a full review and analysis.

13. For the reasons set forth above, the Liquidation Trust submits that extending the Claim Objection Deadline through and including August 14, 2020 is necessary, prudent, and in the best interests of all stakeholders. This is the second requested extension.

#### **V. NOTICE**

14. Notice of this Motion will be provided to the following parties: (i) the U.S. Trustee; and (ii) all parties who have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Liquidation Trust respectfully submits that no other or further notice is necessary.

## VI. CONCLUSION

WHEREFORE, the Liquidation Trust requests the Court enter the Proposed Order, granting the relief requested herein and such other and further relief as is just and proper.

Dated: January 17, 2020  
Wilmington, Delaware

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

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

In re:

WOODBRIIDGE GROUP OF COMPANIES,  
LLC, *et al.*,<sup>1</sup>

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

Hearing Date: February 11, 2020, at 10:00 a.m. (ET)

Objection Deadline: January 31, 2020, at 4:00 p.m. (ET)

**NOTICE OF MOTION**

**PLEASE TAKE NOTICE** that the Woodbridge Liquidation Trust (the “Liquidation Trust”) has filed the attached *Liquidation Trust’s Motion for Entry of an Order Extending the Period Within Which the Liquidation Trust and its Subsidiaries May Object to Claims* (the “Motion”).

**PLEASE TAKE FURTHER NOTICE** that any objections to the Motion must be filed on or before **January 31, 2020 at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any objection upon the undersigned counsel to the Liquidation Trust so as to be received on or before the Objection Deadline.

**PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON FEBRUARY 11, 2020 AT 10:00 A.M. (ET) BEFORE THE HONORABLE BRENDAN L. SHANNON IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 6TH FLOOR, COURTROOM NO. 1, WILMINGTON, DELAWARE 19801.**

**PLEASE TAKE FURTHER NOTICE THAT, IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THEN THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.**

*[Signature on next page]*

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*Counsel to the Liquidation Trust*

**EXHIBIT A**

**Proposed Order**

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

In re

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COMPANIES, LLC, *et al.*,<sup>1</sup>

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

Ref. Docket No. \_\_\_\_\_

**ORDER EXTENDING THE PERIOD WITHIN WHICH THE  
LIQUIDATION TRUST AND ITS SUBSIDIARIES MAY OBJECT TO CLAIMS**

Upon consideration of the motion (the “Motion”)<sup>2</sup> of the Liquidation Trust for the entry of an order extending the period within which the Liquidation Trust and its subsidiaries may object to claims through and including August 14, 2020 and all pleadings related thereto; and due and proper notice of the Motion having been given; and it appearing that no other or further notice of the Motion is required; and it appearing that the Court has jurisdiction to consider the Motion in accordance with 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 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 venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found and determined that the relief requested in the Motion is in the best interest of the Debtors, their estates, their creditors, and all parties in interest; and

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after due deliberation and good and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein.
2. The time period within which the Liquidation Trust and each of its direct and indirect subsidiaries, including, but not limited to, the Wind-Down Entity and the Remaining Debtors, may file objections to claims is enlarged and extended through and including August 14, 2020 (the “Claim Objection Deadline”).
3. This Order shall be without prejudice to the rights of the Liquidation Trust and each of its direct and indirect subsidiaries, including, but not limited to, the Wind-Down Entity and the Remaining Debtors to seek further extensions of the Claim Objection Deadline.
4. This Court shall retain jurisdiction and power to hear and determine all matters arising from or related to the implementation of this Order.