

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

FILED

2020 MAY -1 AM 9:55

Chapter 11

In re:

WOODBIDGE GROUP OF COMPANIES, LLC, et al.,

Remaining Debtors.

(ET)

Case No. 17-12560-BLS

CLERK
BANKRUPTCY COURT
DISTRICT OF DELAWARE

Hearing Date: May 27, 2020 a.m. (ET)

Objection deadline: May 6, 2020 p.m.

**Answer regarding NOTICE OF 25TH OMNIBUS (NON- SUBSTANTIVE)
OBJECTION TO CLAIMS PURSUANT TO SEC 592 OF THE
BANKRUPTCY CODE, BANKRUPTCY RULE 3007,
AND LOCAL RULES 3007-1 & 3007-2**

I, Karen Anne Newman, Trustee of my Father John Medeiros and his Trust am responding and OBJECTING to changes in claim status and/or amounts, by deeming the following claim number deemed unsecured. The claim numbers and amounts are as follows:
Exhibit A of Notice:

- Claim # 1089 filed amount \$200,000
- 8867 filed amount \$100,000
- 8868 filed amount \$100,000
- 8869 filed amount \$100,000

Each of these investments were in refurbishing real estate and were given property addresses and therefore were signed and promised to John Medeiros with written understanding of the agreement of investing in those specific properties. See attached example with property address stated as with all above loans (see page 2, top right corner).

The said above investments were solicited by predatory means to the elderly by written solicitation as a Financial Advisory. These investments were consequently deemed a 1.2 billion dollar Ponzi scheme, leaving the investors to fight for their nest egg retirement income. The claimants entered into the contracts in writing that they were investing in real properties. Upon the court proceeding, it was found that many of the investments properties did not exist. Page 6 OBJECTION TO DISPUTED CLAIMS, does not substantiate the rationale for the change of status.

My self, as Trustee of John Medeiros Trust understand the restructuring plan set forth in prior court proceedings. The claimants are owed their investments in lieu of the fraud perpetrated on them by the Ponzi scheme. Unfortunately, it is an arduous process to wait for the sales to obtain distribution proceeds. I am requesting the courts not allowing a change in status from secured to general unsecured, which would make my elderly Father's investment (not a priority).

I respectfully ask for the Bankruptcy Court of Delaware to not grant this change in status (from secured to general unsecured). I know it benefits the Woodbridge restructuring plan but at the expense

Karen Anne Newman, Trustee, Pro se

**John Medeiros Trust
4300 Metaleuca Trail
West Palm Beach, FL 33406**

Opposing counsel info:

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-and-

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: ATTENTION OF JONATHAN M. WEISS.

Counsel to Woodbridge Liquidation Trust

Exhibit A

Filed Creditor Name	Modified Creditor Name (if applicable) (See Footnote 1)	Claim Number	Filed Amount (See Footnote 2)	Modified Amount (See Footnote 3)	Filed Status	Modified Status	Reason for Modification
WILLIAM R MCMAHON & SAND SUTER MCMAHON		7127	100,500.00	84,166.67	Secured	General Unsecured	See Footnote 4
PROVIDENT TRUST GROUP LLC FBO WILLIAM J MCWILLIAN & JO-ANN P MCWILLIAN REV TRUST		1888	30,000.00	25,266.67	Secured	General Unsecured	See Footnote 4
PROVIDENT TRUST GROUP LLC FBO WILLIAM J MCWILLIAN IRA		1887	25,000.00	18,812.50	Secured	General Unsecured	See Footnote 4
GAYLE H MCWILLIAN		3338	30,000.00	28,039.33	Secured/Unsecured	General Unsecured	See Footnote 4
MAINSTAR TRUST CUSTODIAN FBO GERALD MCMULLIN		2124 2125	50,000.00 150,000.00	194,519.19	Secured/Unsecured Secured/Unsecured	General Unsecured	See Footnote 4
MAINSTAR TRUST CUSTODIAN FBO KELLY MCMULLIN		2126	100,000.00	96,830.55	Secured/Unsecured	General Unsecured	See Footnote 4
ROBERT MCNEELY AND SHEILA S MCNEELY JOINT		2472 2473	50,250.00 50,250.00	91,291.67	Secured/Unsecured Secured/Unsecured	General Unsecured	See Footnote 4
WILLIAM ROBERT MCNINCH		7917	25,000.00	20,487.50	Secured	General Unsecured	See Footnote 4
MAINSTAR FBO DANIEL E MCPADDEN JR IRA #T217855	MAINSTAR-FBO DANIEL MCPADDEN JR	99	167,892.29	164,301.26	Secured	General Unsecured	See Footnote 4
EDWARD MCPHERSON		1801	50,000.00	47,210.45	Secured	General Unsecured	See Footnote 4
TINA COLLEEN MCQUISTON		4911	100,000.00	78,889.42	Secured	General Unsecured	See Footnote 4
PAUL M MCSHANE JR		8460	50,000.00	49,305.57	Secured	General Unsecured	See Footnote 4
		5375 5376	45,000.00 25,000.00		Secured Secured		
KRISTA MCEY		9788	45,000.00	66,752.54	Priority/Unsecured	General Unsecured	See Footnote 4
JOHN MCMAHON TRUST		8888 8889 8889	200,000.00 180,000.00 100,000.00 100,000.00	216,966.20	Secured Secured Secured Secured	General Unsecured	See Footnote 4

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") made on this December 28, 2016, by and between **JOHN C. MEDEIROS TRUST DATED MAY 5, 2016**, an entity having an address of 4300 Melaleuca Trail, West Palm Beach, Florida 33406 (hereinafter referred to as the "Lender") and **WOODBIDGE MORTGAGE INVESTMENT FUND 3, LLC**, a Delaware limited liability company, having an office at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 ("Woodbridge").

WITNESSETH:

WHEREAS, Lender wishes to make a loan (the "Loan") to Woodbridge to fund, in part, a loan to a third-party borrower, as more fully defined below (the "Pledged Loan"); and

WHEREAS, Lender advanced to Woodbridge a portion of the funds that, with other funds from Woodbridge, will be used to make the Pledged Loan; and

WHEREAS, Lender acknowledges that Woodbridge has executed or intends to execute other notes and loan agreements to fund the Pledged Loan on a pari passu basis with other lenders; and

WHEREAS, Woodbridge and Lender have agreed to the foregoing transaction on the terms and conditions and in reliance upon the representations and warranties of Woodbridge and Lender hereinafter set forth:

NOW, THEREFORE, in consideration of the foregoing and in further consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Lender has agreed to lend Woodbridge the sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00). The foregoing obligation shall be evidenced by Woodbridge's promissory note to Lender, in the original principal amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00), in the form of Exhibit A hereto and made a part hereof (as the same may be amended or modified from time to time, the "Note"), with appropriate insertion of dates.

The Note shall bear interest at a rate equal to five and 00/100 percent (5.00%) per annum, subject to such default rates as may be set forth in the Note; provided, however, that the rate of interest charged thereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be payable as provided in the Note and shall be charged on the daily outstanding principal balance on the basis of the actual days elapsed and on a three hundred sixty (360) day year.

Interest shall be payable as provided in the Note. The entire outstanding principal balance of the Note shall be due and payable in full on May 1, 2018, unless sooner prepaid. Woodbridge may prepay the Note without penalty at any time.

2. **Security Interest**. Woodbridge hereby grants to the Lender a security interest in all of the Woodbridge's present and future right, title and interest in and to any and all of the following (the "Collateral"):

- (a) That certain loan in the principal amount of Five Million Forty Thousand and 00/100 Dollars (\$5,040,000.00) (the "Pledged Loan") extended or to be extended to Elstar Investments, LLC (the "Borrower") secured by a first priority lien on the real property located at 1520 Carla Ridge, Beverly Hills, California 90210 (the "Premises");
- (b) The promissory note evidencing the Pledged Loan (the "Underlying Note");
- (c) The mortgage or deed of trust securing the Pledged Loan with an interest in the Premises (the

Property ID : Carla Ridge Two - Beverly Hills, CA
Principal : \$100,000.00
Int. Rate : 5.00%

"Underlying Mortgage"); and

- (d) Title insurance policies and such other instruments or documentation as may be executed and delivered to Woodbridge in conjunction with the Pledged Loan (said Underlying Note, Underlying Mortgage and other associated loan documents collectively hereafter referred to as the "Loan Documents").
- (e) Upon the consummation of the Pledged Loan, Woodbridge will execute and deliver to Lender collateral assignment documents substantially in the form attached hereto as Exhibits B and C.
- (f) Lender acknowledges that they are only providing the financing for a portion of the Pledged Loan and, therefore, Woodbridge retains the right to execute other notes, loan agreements, assignments, and collateral assignments in favor of other lenders as may be necessary to fund the Pledged Loan secured by the Collateral on a pari passu basis with such other lenders. Lender further agrees that it, and any such other lenders, shall execute an Intercreditor Agreement substantially in the form attached hereto as Exhibit D in order to confirm that their interests in the Collateral are of equal priority.

3. Representations and Warranties.

(a) Woodbridge represents and warrants to Lender that Woodbridge has or will have good and marketable title to the Pledged Loan and the Collateral free from any adverse liens, security interests or encumbrances on record as of the date of the Pledged Loan.

(b) The execution and delivery of the Note, this Agreement, and every other agreement, instrument or document executed and delivered to Lender by Woodbridge pursuant to the terms hereof, are valid, legal and binding upon it and enforceable in accordance with their respective terms.

(c) All information furnished or to be furnished by Woodbridge pursuant to the terms hereof will not, at the time the same is furnished, contain any untrue statement of a material fact and will not omit to state a material fact necessary to make the information so furnished, in the light of the circumstances under which such information is furnished, not misleading.

(d) Lender represents and warrants to Woodbridge that: (i) the Loan Documents and the Pledged Loan they evidence constitute a commercial loan transaction and are not for investment purposes; and (ii) Lender has reviewed the Loan Documents and the associated other information on the Borrower of the Pledged Loan, and has had the opportunity to review said documents and information with its own legal counsel, and has had sufficient access to all of said documents and information to allow it to make its own credit decision with respect to the Pledged Loan, and has, in fact, made its own credit decision in making the Loan.

4. General Provisions.

(a) This Agreement is an integrated document and all terms and provisions are embodied herein and shall not be varied by parol;

(b) This Agreement is made, executed and delivered in the State of Delaware and it is the specific desire and intention of the parties that it shall in all respects be construed under the laws of the State of Delaware;

(c) The captions for the paragraphs contained in this Agreement have been inserted for convenience only and form no part of this Agreement and shall not be deemed to affect the meaning or construction of any of the covenants, agreements, conditions or terms hereof;

Property ID : Carla Ridge Two - Beverly Hills, CA
Principal : \$100,000.00
Int. Rate : 5.00%

(d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that Lender shall not assign, voluntarily, by operation of law or otherwise, any of its rights hereunder without the prior written consent of Woodbridge and any such attempted assignment without such consent shall be null and void;

(e) No delay or failure of Lender in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise preclude any further exercise thereof or the exercise of any other rights, powers or privileges; and

(f) This Agreement, the security interest hereby granted to Lender by Woodbridge and every representation, warranty, covenant, promise and other then herein contained shall survive until the Note has been paid in full.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK, SIGNATURE PAGE TO FOLLOW]