

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

In re:

WOODBIDGE GROUP OF COMPANIES, LLC, *et al.*,¹

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

Hearing Date: June 24, 2020 at 9:00 a.m. (ET)

Objection Deadline: May 21, 2020 at 4:00 p.m. (ET)

**TRUST’S (I) OBJECTION TO PROOF OF CLAIM NO. 7562 ASSERTED BY
STEVE J. NORRIS AND (II) REQUEST FOR A LIMITED WAIVER OF
LOCAL RULE 3007-1(f)(iii), TO THE EXTENT SUCH RULE MAY APPLY**

Woodbridge Liquidation Trust (the “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”) 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 files this objection (this “Objection”) seeking entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), (i) disallowing and expunging Claim No. 7562 (the “Disputed Claim”) asserted by Steve J. Norris (“Claimant”),² (ii) directing Garden City Group, Inc. (the “Claims Agent”) to reflect the foregoing modification on the official register maintained by the Claims Agent (the “Claims Register”), and (iii) waiving Rule 3007-1(f)(iii) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the

¹ 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.

² Claimant also filed Claim No. 8439 (the “Structured Settlement Claim”). Substantially concurrently herewith, the Trust is filing a separate objection seeking to disallow and expunge the Structured Settlement Claim.

District of Delaware (the “Local Rules”) to the extent such rule may otherwise bar the assertion of any subsequent substantive objection (if any) to the Disputed Claim. In support of this Objection, the Trust relies on the record of these Chapter 11 Cases and the *Declaration of Thomas P. Jeremiassen in Support of Trust’s Objection to Claim No. 7652 Asserted by Steve J. Norris* attached hereto as **Exhibit B** (the “Jeremiassen Declaration”) and respectfully states as follows:

I. JURISDICTION AND VENUE

1. The Court 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. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Local Rule 9013-1(f), the Trust consents to the entry of a final order by the Court in connection with this Objection 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. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief requested herein are Bankruptcy Code section 502(b), Bankruptcy Rules 3001, 3003, and 3007, and Local Rules 1001-1(c), 3007-1, and 3007-2.

II. BACKGROUND

2. On December 4, 2017, certain of the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code, and on February 9, 2018, March 9, 2018, March 23, 2018 and March 27 2018, additional affiliated Debtors (27 in total) commenced voluntary cases under chapter 11 of the Bankruptcy Code (collectively, the “Petition Dates”). Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors managed their financial affairs as debtors in possession.

3. The Chapter 11 Cases were jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. No trustee was appointed in the Chapter 11 Cases. On October 26, 2018, the Court entered an order [D.I. 2903] confirming the Plan. On February 15, 2019, the effective date of the Plan occurred and the Trust was established. *See* Docket No. 3421.

4. On June 11, 2018, Claimant filed the Disputed Claim as a secured claim against Debtor Woodbridge Group of Companies, LLC (“WGC”) in the amount of \$9,700.00 and an unsecured claim against WGC in the amount of \$50.00, for a total claim of \$9,750.00. *See* Claim No. 7562. The liability asserted by the Disputed Claim arises from the Claimant’s former investment of funds with the Debtors. Jeremiassen Decl., ¶ 5. As described in more detail in the Debtors’ Disclosure Statement [D.I. 2398], prior to the Petition Date, Robert Shapiro (the Debtors’ former manager) used the Debtors to perpetrate a massive fraudulent Ponzi scheme pursuant to which investors were persuaded to loan money to the Debtors in exchange for what were purported to be high interest-bearing notes or units. In fact, the Debtors were reliant on funds from new investors to make the payments promised to existing investors. The scheme was discovered in late 2017 when the Securities and Exchange Commission unsealed its action against Robert Shapiro and others and alleged facts evidencing such a Ponzi scheme. Around the same time, the Debtors stopped accepting funds from investors and filed these Cases.

5. As described in greater detail in the Trust’s objection to the Structured Settlement Claim, the Claimant, through Provident Trust Group, LLC FBO Steve J. Norris IRA (“Norris IRA”), previously purchased a structured settlement investment from the Debtors. Jeremiassen Decl., ¶ 5. In June 2015, the Debtors agreed to purchase back the structured settlement investment from Norris IRA for \$86,865.98 pursuant to a settlement agreement (a copy of which is attached as Exhibit E to the Trust’s objection to the Structured Settlement Claim, the

“Settlement”). *Id.* In lieu of receiving the cash proceeds from the Settlement, Norris IRA elected to apply such proceeds to the purchase of a note from the Debtors. *Id.*

6. Accordingly, Norris IRA executed that certain *Promissory Note*, dated August 7, 2015, and the related *Loan Agreement*, dated August 7, 2015 (collectively the “Former Note”), in order to lend Woodbridge Mortgage Investment Fund 2, LLC (“Fund 2”) the sum of \$86,000.00 at 6% interest. Jeremiassen Decl., ¶ 5. In connection therewith, Norris IRA tendered to the Debtors \$86,000.00 by applying \$86,000.00 of the proceeds of the Settlement to the purchase of the Former Note. *Id.* Thereafter, the Debtors’ books and records reflect that the Debtors made prepetition distributions (*i.e.*, putative interest payments) on account of the Former Note to Norris IRA from August 2015 through September 2016 in the amount of \$5,535.64 in the aggregate. *Id.*

7. In addition to these distributions, the Debtors also erroneously remitted payments to Norris IRA on account of the structured settlement investment, notwithstanding that Norris IRA was no longer entitled to any such payments as a result of the Settlement.³ *Id.* at ¶ 6. Specifically, the Debtors made 13 payments to Norris IRA from August 2015 through August 2016 in the amount of \$9,750.00 in the aggregate on account of the structured settlement investment. *Id.* In order to correct this error, on September 6, 2016, the Debtors repaid Norris IRA the principal on account of the Former Note in the amount of \$76,250.00 in the aggregate, which amount represents the \$86,000.00 principal of the Former Note less the \$9,750.00 that was

³ The Debtors did not ordinarily remit assigned structured settlement payments to investors who purchased structured settlement investments; rather payments are typically made from a third-party payor (an insurance company/annuity) directly to the investor. In this particular case, however, the Debtors did remit payments to the Claimant for a limited period of time as described herein.

erroneously paid to Norris IRA on account of the structured settlement investment after Norris IRA had already sold that investment back to the Debtors pursuant to the Settlement.⁴ *Id.*

8. In connection with the Settlement, the Claimant and Norris IRA executed a release (attached as Exhibit C to the Settlement) of the Debtors, which states:

Norris IRA and [Steven J.] Norris, and their successors, assigns, heirs or representatives (the “Releasors”), hereby release and forever discharge Woodbridge and its successors, assigns, representatives, [and] affiliates ...(collectively, the “Releasees”) of and from all manner of action and actions, cause and causes of action (whether individual, derivative or representative), suits, debts, dues, sums of money, accounts, fees, reckonings, bonds, bills, specialties, covenants, instruments, judgments, contracts, controversies, agreements, promises, damages, claims and demands whatsoever, in law or in equity (collectively, “Claims”), which the Releasors, jointly or severally, ever had, now have, or which they hereinafter can, shall or may have against the Releasees ... including specifically, but not limited to, Claims in any way relating to the purchase by Norris IRA from Woodbridge of the right to receive the Structured Settlement Payment and all other agreements and ancillary transactions entered into in connection therewith.”

9. A copy of the Disputed Claim is attached hereto as **Exhibit C**.

III. RELIEF REQUESTED

10. By this Objection, the Trust seeks entry of the Proposed Order (i) disallowing and expunging the Disputed Claim asserted by the Claimant in its entirety, (ii) directing the Claims Agent to reflect the foregoing modification on the Claims Register, and (iii) waiving Local Rule 3007-1(f)(iii) to the extent such rule may otherwise bar the assertion of any subsequent substantive objection (if any) to the Disputed Claim.

⁴ Attached hereto as **Exhibit D** is a repayment and reconciliation schedule showing all the prepetition distributions paid to Norris IRA on account of the Former Note and the erroneous payments made to Norris IRA on account of the structured settlement investments.

IV. BASIS FOR OBJECTION

11. Section 502(a) of the Bankruptcy Code provides that a “claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest ... objects.” 11 U.S.C. § 502(a). In adjudicating claim objections, courts apply “a burden-shifting framework.” *In re Devonshire PGA Holdings LLC*, 548 B.R. 689, 697 (Bankr. D. Del. 2016).

The Third Circuit Court of Appeals described this framework as follows:

Initially, the claimant must allege facts sufficient to support the claim. If the averments in his filed claim meet this standard of sufficiency, it is “*prima facie*” valid. In other words, a claim that alleges facts sufficient to support a legal liability to the claimant satisfies the claimant’s initial obligation to go forward. The burden of going forward then shifts to the objector to produce evidence sufficient to negate the *prima facie* validity of the filed claim. It is often said that the objector must produce evidence equal in force to the *prima facie* case. In practice, the objector must produce evidence which, if believed, would refute at least one of the allegations that is essential to the claim’s legal sufficiency. If the objector produces sufficient evidence to negate one or more of the sworn facts in the proof of claim, the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence.

In re Allegheny Int’l Inc., 954 F.2d 167, 173–74 (3d Cir. 1992) (citations omitted).

12. Pursuant to Bankruptcy Code section 502(b)(1), a debtor in possession may object to a claim on the grounds that “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured.” 11 U.S.C. § 502(b)(1). “[T]he threshold question for the allowance of a claim is whether a claim exists. ... If there was no valid claim before bankruptcy, there is no claim for a bankruptcy court either to recognize or to reject.” *Vanston Bondholders Protective Comm. v. Green*, 329 U.S. 156, 170 (1946). In this regard, “a bankruptcy court has full power to inquire into the validity of any claim asserted against the estate and to disallow it if it is ascertained to be without lawful existence.” *Pepper v. Litton*, 308 U.S. 295, 305 (1939). The Bankruptcy Code defines a “claim” as “a right to payment.” 11 U.S.C. § 101(5)(A).

13. Here, the Claimant erroneously filed the Disputed Claim against Debtor WGC, when in fact the Claimant has no “right to payment” and therefore no “claim” within the meaning of Bankruptcy Code section 101(5) against any of the Debtors. As discussed above, Norris IRA previously invested \$86,000.00 with Fund 2 pursuant to the Former Note, however, the Debtors already repaid Norris IRA the principal amount of the Former Note, (i) plus putative interest thereon in accordance with the terms of the Former Note, (ii) less \$9,750.00 that was erroneously paid to Norris IRA on account of the structured settlement investment after Norris IRA had already sold that investment back to the Debtors pursuant to the Settlement. In addition, Claimant and Norris IRA executed a release in connection with the Settlement releasing the Debtors from all claims and debts that either Claimant or Norris IRA had or may have against the Debtors, thereby barring any claims against the Debtors. As such, the Debtors have no remaining obligations to the Claimant or Norris IRA on account of the Former Note or any other investment and the Claimant has no “right to payment.” Because the Claimant actually has no claim, the Debtors are not liable to the Claimant for the Disputed Claim.

14. Accordingly, because the evidence attached hereto demonstrates that the Claimant has no “right to payment” in respect of the Disputed Claim and the Claimant cannot meet its ultimate burden of proving by a preponderance of the evidence that its claim is enforceable against the Debtors or their property, the Objection should be sustained and the Disputed Claim should be disallowed under section 502(b)(1). *See, e.g., Order (I) Sustaining Trust’s Objection to Proof of Claim No. 2046 Asserted by Grant A. Maclean Roth IRA and (II) Waiving, to the Extent Applicable, Local Rule 3007-1(f)(iii) [D.I. 4352]* (sustaining the Trust’s objection and disallowing a claim of a former investor that had already been repaid the principal on his note).

15. In an abundance of caution, the Trust requests a waiver of Local Rule 3007-1(f)(iii), to the extent such rule applies, in the event that this Objection is not sustained. Such waiver is authorized by Local Rule 1001-1(c), and will ensure that all rights of the Trust or any subsequently appointed estate representative to object in the future to the Disputed Claim on any grounds permitted by bankruptcy or nonbankruptcy law are expressly reserved.

V. RESERVATION OF RIGHTS

16. The Trust reserves the right to amend, modify, and/or supplement this Objection if necessary. Nothing contained in this Objection or any actions taken by the Trust pursuant to the relief requested herein is intended or should be construed as (i) an admission as to the validity of any claim, (ii) a waiver of the Trust's rights to dispute any claim on any grounds, (iii) a promise or requirement to pay any claim, (iv) an implication or admission that any claim is of a type referenced or defined in this Objection, (v) an implication or admission that any contract or lease is executory or unexpired, as applicable, (vi) a waiver or limitation of any of the Trust's rights under the Bankruptcy Code or applicable law, (vii) a request or authorization to assume or reject any agreement under Bankruptcy Code section 365, (viii) a waiver of any party's rights to assert that any other party is in breach or default of any agreement, or (ix) an implication or admission that any contract or lease is integrated with any other contract or lease.

VI. NOTICE

17. The Trust has provided notice of this Objection to: (i) the Office of the United States Trustee for the District of Delaware, (ii) the Claimant, (iii) Norris IRA; and (iv) any person that, as of the filing of this Objection, has filed a specific request for notices and papers on and after the effective date of the Plan. In light of the nature of the relief requested herein, the Trust submits that no other or further notice is necessary.

VII. CONCLUSION

WHEREFORE, for the reasons set forth herein and in the Jeremiassen Declaration, the Trust respectfully requests that the Court enter the Proposed Order granting the relief requested herein and granting such other and further relief as is just and proper.

Dated: May 7, 2020
Wilmington, Delaware

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

Richard M. Pachulski (CA Bar No. 90073)

Andrew W. Caine (CA Bar No. 110345)

Bradford J. Sandler (DE Bar No. 4142)

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Counsel to Woodbridge Liquidation Trust

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

In re:

WOODBIDGE GROUP OF COMPANIES,
LLC, *et al.*,¹

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

Hearing Date: June 24, 2020 at 9:00 a.m. (ET)

Objection Deadline: May 21, 2020 at 4:00 p.m. (ET)

**NOTICE OF TRUST'S (I) OBJECTION TO PROOF OF CLAIM NO. 7562 ASSERTED
BY STEVE J. NORRIS AND (II) REQUEST FOR A LIMITED WAIVER OF
LOCAL RULE 3007-1(f)(iii), TO THE EXTENT SUCH RULE MAY APPLY**

TO: (I) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (II) THE TRUST AND ITS COUNSEL; (III) ANY PERSON FILING A SPECIFIC REQUEST FOR NOTICES AND PAPERS ON AND AFTER THE EFFECTIVE DATE; AND (IV) CLAIMANT WHOSE DISPUTED CLAIM(S) ARE SUBJECT TO THE OBJECTION²

PLEASE TAKE NOTICE that the Woodbridge Liquidation Trust (the "Trust") has filed the attached *Trust's (I) Objection to Proof of Claim No. 7562 Asserted By Steve J. Norris and (II) Request For a Limited Waiver of Local Rule 3007-1(f)(iii), to the Extent Such Rule May Apply* (the "Objection").³

PLEASE TAKE FURTHER NOTICE that any responses (each, a "Response") to the relief requested in the Objection must be filed on or before **May 21, 2020, at 4:00 p.m. (ET)** (the "Response Deadline") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time you must serve a copy of your Response upon the undersigned counsel to the Trust so as to be received on or before the Response Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING (THE "HEARING") ON THE OBJECTION WILL BE HELD ON **JUNE 24, 2020 AT 9:00 A.M. (ET) BEFORE THE HONORABLE BRENDAN L. SHANNON, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF**

¹ 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.

² In accordance with Local Rule 3007-2, the Trust has served the parties that, as of the filing of this Notice, have requested notices on and after the Effective Date, with this Notice and the Exhibits to the Objection.

³ Capitalized terms used but not otherwise defined in this Notice shall have the meanings ascribed to such terms in the Objection.

DELAWARE, 824 N. MARKET STREET, 6TH FLOOR, COURTROOM NO. 1, WILMINGTON, DE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO TIMELY FILE AND SERVE A RESPONSE IN ACCORDANCE WITH THE ABOVE REQUIREMENTS, YOU WILL BE DEEMED TO HAVE CONCURRED WITH AND CONSENTED TO THE OBJECTION AND THE RELIEF REQUESTED THEREIN, AND THE TRUST WILL PRESENT TO THE COURT, WITHOUT FURTHER NOTICE TO YOU, THE PROPOSED ORDER SUSTAINING THE OBJECTION.

Dated: May 7, 2020
Wilmington, Delaware

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

Richard M. Pachulski (CA Bar No. 90073)

Andrew W. Caine (CA Bar No. 110345)

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Counsel to Woodbridge Liquidation Trust

EXHIBIT A

Proposed Order

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

In re:

WOODBIDGE GROUP OF COMPANIES, LLC, *et al.*,¹

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

Re Docket No:

**ORDER (I) SUSTAINING TRUST’S OBJECTION TO PROOF OF CLAIM NO. 7562
ASSERTED BY STEVE J. NORRIS AND (II) WAIVING,
TO THE EXTENT APPLICABLE, LOCAL RULE 3007-1(f)(iii)**

Upon the objection (the “Objection”)² filed by the Woodbridge Liquidation Trust (the “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”) 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”), seeking entry of an order, pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3001, 3003, and 3007, and Local Rules 3007-1 and 3007-2, (i) disallowing and expunging Claim No. 7562 (the “Disputed Claim”) asserted by Steve J. Norris (“Claimant”), (ii) directing the Claims Agent to reflect the foregoing modifications in the Claims Register, and (iii) waiving Local Rule 3007-1(f)(iii) to the extent such rule may otherwise bar the assertion of any subsequent substantive objection (if any) to the Disputed

¹ 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.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Objection.

Claim; and upon consideration of the record of these Chapter 11 Cases and the Jeremiassen Declaration; and it appearing that the Court has jurisdiction to consider the Objection 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 the Objection is a core matter pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of these Cases and of the Objection is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Objection has been given under the circumstances and that no other or further notice need be given; and after due deliberation, and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, and DECREED THAT:

1. The Objection is SUSTAINED as set forth herein.
2. The Disputed Claim is disallowed and expunged in its entirety.
3. The Claims Agent is directed to modify the Claims Register to comport with the relief granted by this Order.
4. For the avoidance of doubt and to the extent applicable, Local Rule 3007-1(f)(iii) is hereby deemed waived with respect to the relief requested in the Objection and granted by this Order.
5. Nothing in this Order shall be deemed (i) an admission as to the validity of any claim, (ii) a waiver of the Trust's rights to dispute any claim on any grounds, (iii) a promise or requirement to pay any claim, (iv) an implication or admission that any claim is of a type referenced or defined in the Objection, (v) an implication or admission that any contract or lease is executory or unexpired, as applicable, (vi) a waiver or limitation of any of the Trust's rights

under the Bankruptcy Code or applicable law, (vii) a request or authorization to assume or reject any agreement under Bankruptcy Code section 365, (viii) a waiver of any party's rights to assert that any other party is in breach or default of any agreement, or (ix) an implication or admission that any contract or lease is integrated with any other contract or lease.

6. Notwithstanding any applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, or the Local Rules, this Order shall be effective immediately upon its entry.

7. The Trust is authorized to take all actions necessary or appropriate to effectuate the relief granted pursuant to this Order in accordance with the Objection.

8. This Court shall retain jurisdiction and power with respect to all matters arising from or related to the implementation or interpretation of this Order.

EXHIBIT B

Jeremiassen Declaration

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

In re:

WOODBIDGE GROUP OF COMPANIES, LLC, *et al.*,¹

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

**DECLARATION OF THOMAS P. JEREMIASSEN IN SUPPORT OF TRUST'S
OBJECTION TO CLAIM NO. 7562 ASSERTED BY STEVE J. NORRIS**

I, Thomas P. Jeremiassen, hereby declare under penalty of perjury, pursuant to section 1746 of title 28 of the United States Code, as follows:

1. I am a Senior Managing Director of Development Specialists, Inc. ("DSI"), located at 333 S. Grand Avenue Suite 4100, Los Angeles, California 90071. Following the "Effective Date" of the *First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* (the "Plan"), DSI has been engaged to provide forensic accounting and financial advisory services to the Woodbridge Wind-Down Entity LLC (the "Wind-Down Entity") and the Woodbridge Liquidation Trust (the "Trust").

2. Prior to the "Effective Date" of the Plan, I supported the Chief Restructuring Officer of WGC Independent Manager LLC, a Delaware limited liability company ("WGC Independent Manager"), which was the sole manager of debtor Woodbridge Group of Companies, LLC, a Delaware limited liability company and an affiliate of each of the entities

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that were debtors and debtors in possession (each, a “Debtor” and collectively, the “Debtors”) in the above-captioned jointly administered chapter 11 cases (the “Chapter 11 Cases”).

3. On February 13, 2018, the Court entered an order authorizing the Debtors to retain and employ DSI as their restructuring advisor. In such capacity, I became familiar with the day-to-day operations and financial affairs of the Debtors. I was one of the individuals responsible for implementing the Debtors’ wind-down and liquidation strategies and overseeing the Debtors’ financial and operational affairs. I have been consistently involved in or am familiar with the Debtors’ wind-down activities and development of the Plan.

4. I have reviewed and am generally familiar with the Objection and the Disputed Claim that is the subject thereof. Based on that review, the information contained in the Objection is true and correct to the best of my knowledge and belief.

5. As described in the Trust’s objection to the Structured Settlement Claim, Norris IRA previously purchased a structured settlement investment from the Debtors. In June 2015, the Debtors agreed to purchase back the structured settlement investment from Norris IRA for \$86,865.98 pursuant to the Settlement. In lieu of receiving the cash proceeds from the Settlement, Norris IRA elected to apply such proceeds to the purchase of a note from the Debtors. Accordingly, Norris IRA executed that certain *Promissory Note*, dated August 7, 2015, and the related *Loan Agreement*, dated August 7, 2015 (collectively the “Former Note”), in order to lend Woodbridge Mortgage Investment Fund 2, LLC (“Fund 2”) the sum of \$86,000.00 at 6% interest. In connection therewith, Norris IRA tendered to the Debtors \$86,000.00 by applying \$86,000.00 of the proceeds of the Settlement to the purchase of the Former Note. Thereafter, the Debtors’ books and records reflect that the Debtors made prepetition distributions (*i.e.*, putative

interest payments) on account of the Former Note to Norris IRA from August 2015 through September 2016 in the amount of \$5,535.64 in the aggregate.

6. In addition to these distributions, the Debtors also erroneously continued to make payments to Norris IRA on account of the structured settlement investment, notwithstanding that Norris IRA was no longer entitled to such payments as a result of the Settlement. Specifically, the Debtors made 13 payments to Norris IRA from August 2015 through August 2016 in the amount of \$9,750.00 in the aggregate on account of the structured settlement investment. In order to correct this error, on September 6, 2016, the Debtors repaid Norris IRA the principal on account of the Former Note in the amount of \$76,250.00 in the aggregate, which amount represents the \$86,000.00 principal of the Former Note less the \$9,750.00 that was erroneously paid to Norris IRA on account of the structured settlement investment after Norris IRA had already sold that investment back to the Debtors pursuant to the Settlement.

7. Attached to the Objection as **Exhibit D** is a true and correct repayment and reconciliation schedule showing all the prepetition distributions paid to Norris IRA on account of the Former Note and the erroneous payments made to Norris IRA on account of the structured settlement investments. As the repayment schedule reflects, the Debtors repaid Norris IRA in full for the principal amount of the Former Note plus the putative interest set forth in the Former Note, less the \$9,750.00 that was erroneously paid to Norris IRA on account of the structured settlement investment.

8. The Claimant erroneously filed the Disputed Claim against Debtor WGC, when in fact the Claimant is not owed any money from any of the Debtors and has no “right to payment.” In addition, in connection with the Settlement, the Claimant and Norris IRA executed a release in

favor of the Debtors. Because the Claimant actually has no claim, the Debtors are not liable to the Claimant for the Disputed Claim.

9. Accordingly, as requested in the Objection, the Disputed Claim should be disallowed and expunged in its entirety.

10. Attached to the objection to the Structured Settlement Claim as **Exhibit E** is a true and correct copy of the Settlement.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: May 7, 2020

/s/ Thomas P. Jeremiassen

Thomas P. Jeremiassen

EXHIBIT C

Disputed Claim

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

To select a debtor, please see attached Exhibit A.

Woodbridge Group of Companies, LLC, et al.,

FILED - 07562

DISTRICT OF DELAWARE

WOODBRIDGE GROUP OF COMPANIES, LLC

17-12560/JUDGE KEVIN J. CAREY

WGC0223961846

Claim Number: 01004371

Your Claim is Scheduled As Follows:PROV. TR GP-FBO STEVE J NORRIS IRA
615 CORTEZ ST
LAKELAND, FL 33813

If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. Please consult the Bar Date Notice for details regarding who is and is not required to file a proof of claim. If you assert an ownership interest, rather than a claim, in a Debtor, please do not use this form. Please instead use the form available at <http://cases.gardencitygroup.com/wgc>.

Proof of Claim

Official Form 410*

Read the instructions before filling out this form. Do not use this form to make a request for payment of an administrative expense except for pursuant to Bankruptcy Code section 503(b)(9). Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

This chapter 11 case was commenced in the United States Bankruptcy Court for the District of Delaware, on December 4, 2017 (the "Petition Date.") Fill in all the information for the claim as of the Petition Date.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Steve J. Norris</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>Steve J. Norris</u> Name	_____ Name
	<u>615 Cortez St.</u> Number Street	_____ Number Street
	<u>Lakeland</u> <u>FL</u> <u>33813</u> City State ZIP Code	_____ City State ZIP Code
	Contact phone <u>863 709 3044</u>	Contact phone _____
	Contact email <u>scubasteve17@verizon.net</u>	Contact email _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM/DD/YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	


Part 2: Give Information About the Claim as of the Date the Case Was Filed

6.	Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____													
7.	How much is the claim?	\$ <u>9,750</u>	Does this amount include interest or other charges? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).												
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">secured notes</div>													
9.	Is all or part of the claim secured?	<input checked="" type="checkbox"/> Yes. The claim is secured by a lien on property. Nature of property: <input checked="" type="checkbox"/> Real estate. If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ <u>2,200,000</u> Amount of the claim that is secured: \$ <u>9,700</u> Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) <u>6</u> % <input checked="" type="checkbox"/> Fixed <input type="checkbox"/> Variable													
10.	Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____													
11.	Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____													
12.	Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Check all that apply:	Amount entitled to priority <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; border: none;"> <input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). </td> <td style="width: 30%; border: none; text-align: right;">\$ _____</td> </tr> <tr> <td style="border: none;"> <input type="checkbox"/> Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). </td> <td style="border: none; text-align: right;">\$ _____</td> </tr> <tr> <td style="border: none;"> <input type="checkbox"/> Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). </td> <td style="border: none; text-align: right;">\$ _____</td> </tr> <tr> <td style="border: none;"> <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). </td> <td style="border: none; text-align: right;">\$ _____</td> </tr> <tr> <td style="border: none;"> <input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). </td> <td style="border: none; text-align: right;">\$ _____</td> </tr> <tr> <td style="border: none;"> <input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. </td> <td style="border: none; text-align: right;">\$ _____</td> </tr> </table>	<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____	<input type="checkbox"/> Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____	<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____	<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____	<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$ _____
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____														
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<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____														
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____														
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$ _____														

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.



13. Is all or part of the claim entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9)? ☒ No
☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$ _____

14. Has the claimant asserted any Debtor-related claims against any third party? ☒ No
☐ Yes. Provide the details of where you asserted any Debtor-related claims against a third party. _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.

☐ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this Proof of Claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this Proof of Claim and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 6 6 2018
MM / DD / YYYY

Signature Steven J. Norris

Print the name of the person who is completing and signing this claim:

Name Steven John Norris
First name Middle name Last name

Title Creditor

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 615 Cortez St.
Number Street

Lakeland FL 33813
City State ZIP Code

Contact phone 863 709 3044 Email Scubasteve17@Verizon.net

IF SUBMITTING A HARD COPY OF A PROOF OF CLAIM FORM, PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: IF BY MAIL: WOODBRIDGE GROUP OF COMPANIES, LLC, ET AL. P.O. BOX 10545, DUBLIN, OHIO 43017-0208. IF BY HAND OR OVERNIGHT COURIER: WOODBRIDGE GROUP OF COMPANIES, LLC, ET AL., C/O GCG, 5151 BLAZER PARKWAY, SUITE A, DUBLIN, OH 43017. ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR EMAIL WILL NOT BE ACCEPTED.

THE GENERAL BAR DATE IN THESE CHAPTER 11 CASES IS JUNE 19, 2018 AT 5:00 P.M. (PREVAILING EASTERN TIME)
 THE GOVERNMENT BAR DATE IS EITHER JUNE 4, 2018, AUGUST 8, 2018, SEPTEMBER 5, 2018 SEPTEMBER 19, 2018, OR SEPTEMBER 24, 2018, DEPENDING ON WHICH DEBTOR YOUR CLAIM IS AGAINST, AS SET FORTH ON EXHIBIT I TO THE BAR DATE ORDER, AVAILABLE AT <http://cases.gardencitygroup.com/wgc/>

Official Form 410

Instructions for Proof of Claim

United States Bankruptcy Court

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the Debtor, exceptions to these general rules may apply. The attorneys for the Debtors and their court-appointed claims agent, Garden City Group, LLC ("GCG"), are not authorized and are not providing you with any legal advice.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both.
18 U.S.C. §§ 152, 157 and 3571.

How to fill out this form

- **Fill in all the information for the claim as of the Petition Date.**
- **If the claim has been acquired from someone else, then state the identity of the last party** who owned the claim or was the holder of the claim and who transferred it to you before the initial claim was filed.
- **Attach any supporting documents to this form.**
Attach redacted copies of any documents that show that the debt exists, a lien secures the debt, or both. (See the definition of *Redaction* of information in the section below.)
Also attach redacted copies of any documents that show perfection of any security interest or any assignments or transfers of the debt. In addition to the documents, a summary may be added. Federal Rule of Bankruptcy Procedure (called "Bankruptcy Rule") 3001(c) and (d).
- **Do not attach original documents because attachments may be destroyed after scanning.**
- **If the claim is based on delivering health care goods or services, do not disclose confidential health care information. Leave out or redact confidential information both in the claim and in the attached documents.**
- **A Proof of Claim form and any attached documents must show only the last 4 digits of any social security number, individual's tax identification number, or financial account number, and only the year of any person's date of birth.** See Bankruptcy Rule 9037.
- **For a minor child, fill in only the child's initials and the full name and address of the child's parent or guardian.** For example, write *A.B., a minor child (John Doe, parent, 123 Main St., City, State)*. See Bankruptcy Rule 9037.

Confirmation that the claim has been filed

To receive confirmation that the claim has been filed, enclose a stamped self-addressed envelope and a copy of this form. You will also receive an acknowledgment letter from GCG after your proof of claim form has been processed. You will also be able to view the details of your claim and your Proof of Claim form, including supporting documentation, on the claims register hosted on the case administration website, <http://cases.gardencitygroup.com/wgc/>.



Understand the terms used in this form

Administrative expense: Generally, an expense that arises after a bankruptcy case is filed in connection with operating, liquidating, or distributing the bankruptcy estate. 11 U.S.C. § 503.

Claim: A creditor's right to receive payment for a debt that the debtor owed on the date the debtor filed for bankruptcy. 11 U.S.C. § 101 (5). A claim may be secured or unsecured.

Creditor: A person, corporation, or other entity to whom a debtor owes a debt that was incurred on or before the date the debtor filed for bankruptcy. 11 U.S.C. § 101 (10).

Debtor: A person, corporation, or other entity who is in bankruptcy. Use the debtor's name and case number as shown in the bankruptcy notice you received. 11 U.S.C. § 101 (13).

Evidence of perfection: Evidence of perfection of a security interest may include documents showing that a security interest has been filed or recorded, such as a mortgage, lien, certificate of title, or financing statement.

Information that is entitled to privacy: A Proof of Claim form and any attached documents must show only the last 4 digits of any social security number, an individual's tax identification number, or a financial account number, only the initials of a minor's name, and only the year of any person's date of birth. If a claim is based on delivering health care goods or services, limit the disclosure of the goods or services to avoid embarrassment or disclosure of confidential health care information. You may later be required to give more information if the trustee or someone else in interest objects to the claim.

Priority claim: A claim within a category of unsecured claims that is entitled to priority under 11 U.S.C. § 507(a). These claims are paid from the available money or property in a bankruptcy case before other unsecured claims are paid. Common priority unsecured claims include alimony, child support, taxes, and certain unpaid wages.

Proof of claim: A form used by the creditor to indicate the amount of the debt owed by the Debtor on the date of the bankruptcy filing. The creditor must file the form with GCG as described in the instructions above and in the Bar Date Notice.

Redaction of information: Masking, editing out, or deleting certain information to protect privacy. Filers must redact or leave out information entitled to privacy on the Proof of Claim form and any attached documents.

Secured claim under 11 U.S.C. § 506(a): A claim backed by a lien on particular property of the debtor. A claim is secured to the extent that a creditor has the right to be paid from the property before other creditors are paid. The amount of a secured claim usually cannot be more than the value of the particular property on which the creditor has a lien. Any amount owed to a creditor that is more than the value of the property normally may be an unsecured claim. But exceptions exist; for example, see 11 U.S.C. § 1322(b) and the final sentence of 1325(a).

Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment may be a lien.

Setoff: Occurs when a creditor pays itself with money belonging to the debtor that it is holding, or by canceling a debt it owes to the debtor.

Uniform claim identifier: An optional 24-character identifier that some creditors use to facilitate electronic payment.

Unsecured claim: A claim that does not meet the requirements of a secured claim. A claim may be unsecured in part to the extent that the amount of the claim is more than the value of the property on which a creditor has a lien.

Display of Proof of Claim on Case Administration Website: As the official claims agent, and in accordance with Federal Bankruptcy Rule 9037(g), GCG will display your proof of claim form, including supporting documentation, on the case administration website. Please be aware that any personal information not otherwise redacted on your proof of claim form will be displayed over the internet.

Offers to purchase a claim

Certain entities purchase claims for an amount that is less than the face value of the claims. These entities may contact creditors offering to purchase their claims. Some written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court, the bankruptcy trustee, or the debtor. A creditor has no obligation to sell its claim. However, if a creditor decides to sell its claim, any transfer of that claim is subject to Bankruptcy Rule 3001(e), any provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.) that apply, and any orders of the bankruptcy court that apply.

Do not file these instructions with your form.

Reason for Filing Claim

I'm filing this Proof of Claim for two reasons: one, when I got the money back from Woodbridge after the loan ran to term (\$86,000) and I rolled the money over to another IRA (Edward Jones), only \$80,449 actually rolled over to the Edward Jones IRA, so I was shorted \$5,550 in that transaction. The second reason is that \$9,750 in secured notes ^{from Woodbridge} failed to roll over in the previously mentioned rollover to Edward Jones. I'm not even able to close the IRA account at Provident Trust Group because I've been told by Provident that the funds (\$9,750) are tainted or worthless. In other words I'm not able to liquidate. So the only thing I can assume is that the funds are worthless due to Woodbridge's Bankruptcy. All investing activity in my Provident IRA was done by Woodbridge and only Woodbridge.

Explanation of Documents

Promissory note pages 1 + 3: I invested \$86,000 in Horse Ranch real estate and was guaranteed my money back.

Steve Morris Proof of Claim 6-6-18

Loan agreement, Pg 1: I was granted security interest - second property lien - on the property

~~The balance:~~

Provident Statement, Pg. 7: of the \$86,000 returned to my Provident account after Horse Ranch loan term ended out, only \$80,449 rolled over to Edward Jones.

Provident Statement, Pg. 2 of 7: \$9,750 promissory note to Horse Ranch is worthless according to Provident; I can't roll it over or liquidate it.

Literature and letter from My advisor telling me that I would have first-lien position with my loan to Horse Ranch through Woodbridge.

*Woodbridge guarantees to buy you back!**\$86,000 invested in
Houseranch.*

Property ID : Horse Ranch Construction - Snowmass, CO
 Principal : \$86,000.00
 Int. Rate : 6.00%

PROMISSORY NOTE

\$86,000.00

100% of these mtygs have paid back
August 7, 2015
Sherman Oaks, California

FOR VALUE RECEIVED, the undersigned, **WOODBIDGE MORTGAGE INVESTMENT FUND 2, LLC**, a Delaware limited liability company having an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (hereinafter referred to as the "**Borrower**") does hereby promise to pay to the order of **PROVIDENT TRUST GROUP, LLC FBO STEVE NORRIS IRA**, an entity having an address of 8880 W. Sunset Road, Suite 250, Las Vegas, Nevada 89148 (hereinafter referred to as "**Lender**"), at such place as the Lender may designate by written notice to Borrower, the principal sum of Eighty-Six Thousand and 00/100 Dollars (\$86,000.00), together with interest on all unpaid balances beginning as of the date hereof, at the fixed rate per annum as set forth in Section 1 hereof.

1. **Interest Rate.** The unpaid balance of the principal sum of Eighty-Six Thousand and 00/100 Dollars (\$86,000.00) shall bear interest from the date hereof through September 1, 2016, at a fixed rate of interest equal to six and 00/100 percent (6.00%) per annum. From September 1, 2016 through December 1, 2016, the unpaid balance of this Note shall bear interest at a fixed rate equal to nine and 00/100 percent (9.00%) per annum. The rate of interest charged hereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be charged on the principal balance from time to time outstanding on the basis of the actual number of days elapsed computed on the basis of a 360 day year.

2. **Default Interest Rate.** During the continuance of any Event of Default (as more particularly defined in Paragraph 5 below) under this Note, or after the maturity of the loan evidenced hereby, by acceleration or otherwise, interest shall accrue from and after such event at four (4) percentage points above the interest rate then in effect hereunder (the "**Default Interest Rate**"). Notwithstanding anything herein to the contrary, upon and after maturity, this Note shall bear interest at a fixed rate of twenty-four and 00/100 percent (24.00%) per annum.

3. **Repayment.** Borrower promises to pay the interest and principal on this Note, as set forth below:

Monthly payments of interest shall be made commencing on September 1, 2015 and continuing on the same day of each and every month to occur thereafter, both before and after maturity by acceleration or otherwise until December 1, 2016, when all sums outstanding hereunder shall be due and payable in full.

The entire principal balance plus accrued and unpaid interest thereon, and all other sums and charges due the Lender hereunder, unless sooner paid, shall be due and payable on December 1, 2016 (the "**Maturity Date**").

4. **Application of Payments.** All payments pursuant to this Note shall be made in legal tender of the United States of America and shall be applied first to the payment of delinquency or late charges, if any; second, to the payment of accrued and unpaid interest on this Note; and third, the balance on account of the principal of this Note.

5. **Cure Period and Notice of Default.** Failure of Borrower to pay by its due date any installment of the principal or of interest within thirty (30) days from the date the same becomes due and payable, shall constitute a "**Payment Default**" under this Note. Borrower shall have a cure period of not less

2019-05-13

Dear Mr. [Name],

I am writing to you regarding the [Subject] matter. I have reviewed the information provided to me and I am sorry to hear that you are experiencing difficulties. I understand that this situation is frustrating and I want to ensure that we address your concerns as quickly as possible. I will be working closely with the relevant departments to resolve this issue and I will keep you updated on the progress.

In the meantime, I have taken steps to expedite the process. I have also reached out to the [Department] to ensure that they are aware of the situation and are working to resolve it as soon as possible. I will be following up with you again once a final decision has been reached. I appreciate your patience and understanding during this time.

I am confident that we will be able to resolve this issue to your satisfaction. I will be sure to provide you with a clear explanation of the reasons for the decision and any steps that can be taken to prevent a similar situation from occurring in the future. I will be in touch with you again soon.

Thank you for your understanding and cooperation.

Sincerely,
[Signature]

[Name]
[Title]
[Organization]

I am sure that you will find this information helpful. I will be sure to provide you with a clear explanation of the reasons for the decision and any steps that can be taken to prevent a similar situation from occurring in the future. I will be in touch with you again soon.

I am confident that we will be able to resolve this issue to your satisfaction. I will be sure to provide you with a clear explanation of the reasons for the decision and any steps that can be taken to prevent a similar situation from occurring in the future. I will be in touch with you again soon.

Property ID : Horse Ranch Construction - Snowmass, CO
Principal : \$86,000.00
Int. Rate : 6.00%


13. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of Delaware.

14. **No Assignment.** Neither this Note, the Loan Agreement of even date herewith between Borrower and Lender, nor all other instruments executed or to be executed in connection therewith (collectively, the "Collateral Assignment Documents") are assignable by Lender without the Borrower's written consent and any such attempted assignment without such consent shall be null and void.

15. **Commercial Transaction.** Lender and Borrower each acknowledge and stipulate that the Loan is a commercial transaction.

16. **Security.** This Note will be secured inter alia by the Collateral Assignment Documents upon execution thereof.

**WOODBIDGE MORTGAGE
INVESTMENT FUND 3, LLC**

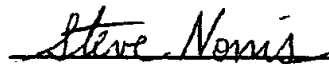
By: 
David E. Golden
Its Authorized Representative

Accepted and Agreed to by Lender:

**PROVIDENT TRUST GROUP, LLC FBO
STEVE NORRIS IRA**

By: _____
Name:
Title:

Accepted and Agreed to by Account Holder:


STEVE NORRIS

Property ID : Horse Ranch Construction - Snowmass, CO
Principal : \$86,000.00
Int. Rate : 6.00%

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") made on this August 7, 2015, by and between **PROVIDENT TRUST GROUP, LLC FBO STEVE NORRIS IRA**, an entity having an address of 8880 W. Sunset Road, Suite 250, Las Vegas, Nevada 89148 (hereinafter referred to as the "Lender") and **WOODBIDGE MORTGAGE INVESTMENT FUND 2, 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 Eighty-Six Thousand and 00/100 Dollars (\$86,000.00). The foregoing obligation shall be evidenced by Woodbridge's promissory note to Lender, in the original principal amount of Eighty-Six Thousand and 00/100 Dollars (\$86,000.00), 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 six and 00/100 percent (6.00%) 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 December 1, 2016, 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 Two Million Two Hundred Thousand and 00/100 Dollars (\$2,200,000.00) (the "Pledged Loan") extended or to be extended to Silverthorne Investments, LLC (the "Borrower") secured by a second priority lien on the real property located at Horse Ranch Subdivision Lot 8, known as No. 345 Branding Lane, Snowmass Village, Colorado 81615 (the "Premises");

(b) The promissory note evidencing the Pledged Loan (the "Underlying Note");

For the Account of:

STEVE J NORRIS IRA

Account Number: 0109

Date: JANUARY 1, 2016 THROUGH DECEMBER 31, 2016



8880 W Sunset Road Ste 250

Las Vegas, NV 89148

Customer Service: 1.888.855.9856

Transaction Detail (Continued)

Date	Description	Income Cash	Principal Cash	Investment Cost Basis
Other Disbursements of Cash				
02/11/2016	ACH Disbursement	\$0.00	-\$1,912.50	-\$1,912.50
	Paid To: STEVE J NORRIS			
	IRA NORMAL DISTRIBUTION			
	RECURRING			
	RECURRING NORMAL DISTRIBUTION			
02/11/2016	Realtime Transaction Fee	\$0.00	-\$15.00	-\$15.00
05/10/2016	Realtime Transaction Fee	\$0.00	-\$15.00	-\$15.00
05/10/2016	ACH Disbursement	\$0.00	-\$1,912.50	-\$1,912.50
	Paid To: STEVE J NORRIS			
	IRA NORMAL DISTRIBUTION			
	RECURRING			
	RECURRING NORMAL DISTRIBUTION			
08/10/2016	ACH Disbursement	\$0.00	-\$1,912.50	-\$1,912.50
	Paid To: STEVE J NORRIS			
	IRA NORMAL DISTRIBUTION			
	RECURRING			
	RECURRING NORMAL DISTRIBUTION			
08/10/2016	Realtime Transaction Fee	\$0.00	-\$15.00	-\$15.00
09/28/2016	Realtime Transaction Fee	\$0.00	-\$35.00	-\$35.00
09/28/2016	Check Disbursement	\$0.00	-\$80,449.83	-\$80,449.83
	Paid To: EDWARD JONES TRUST CO AS CUST			
	IRA TO IRA TRANSFER			
	TO EDWARD JONES			
	FBO STEVEN J NORRIS IRA ACCT # 04-1-7			
	TRANSFER			
	Total Other Disbursements of Cash	\$0.00	-\$86,267.33	-\$86,267.33
	Total Expenses and Other Disbursements	\$0.00	-\$87,674.83	-\$87,674.83
	ENDING BALANCES	\$0.00	-\$1,465.77	

Roll over - only \$80,449 of my \$86,000 rolled to Ed Jones.

For the Account of:
STEVE J NORRIS IRA
 Account Number: **0109**

Date: JANUARY 1, 2016 THROUGH OCTOBER 27, 2016



8880 W Sunset Road Ste 250
 Las Vegas, NV 89148
 Customer Service: 1.888.855.9856

Portfolio Review

Shares	Description	Estimated Unit Price	Cost	Market Value	Total Assets %
	Cash		\$0.00	\$0.00	0.00
	Total Cash		\$0.00	\$0.00	0.00
	CASH & EQUIVALENTS				
	INTEREST BEARING ACCT.-OWN INS				
500.0400	CASH IN BANK (CITIZENS)	\$1.00	\$500.04	\$500.04	3.37
	Total INTEREST BEARING ACCT.-OWN INS		\$500.04	\$500.04	3.37
	Total CASH & EQUIVALENTS		\$500.04	\$500.04	3.37
	OTHER				
	RECEIVABLES				
4,604.3900	HARTFORD LIFE INSURANCE COMPANY (HARTFORD38)	\$1.00	\$4,604.39	\$4,604.39	31.00
	Total RECEIVABLES		\$4,604.39	\$4,604.39	31.00
	SECURED NOTES				
9,750.0000	PROM NOTE TO WMIF 2 LLC-HORSE RANCH (WBHORSEANC2)	\$1.00	\$9,750.00	\$9,750.00	65.64
	Total SECURED NOTES		\$9,750.00	\$9,750.00	65.64
	Total OTHER		\$14,354.39	\$14,354.39	96.63
	Total Investments		\$14,854.43	\$14,854.43	100.00

My advisor who got me to invest in Horse Ranch, Snowmass, CO told me I had First lien position as described here:

FIRST-POSITION COMMERCIAL MORTGAGES

What are First-Position Commercial Mortgages (FPCMs)?

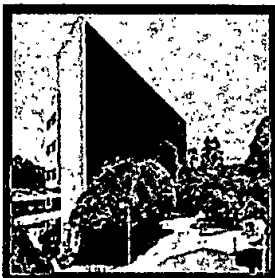
First-position commercial mortgages are short-term bridge loans, usually about one year in duration, made to commercial property owners. Each FPCM is secured by a valuable hard asset - the subject property itself - and offers the lender a lucrative yield during the limited duration, generally about 12 months, ~~while providing a recorded first-lien position.~~

Isn't real estate a risky vehicle?

Accepting that every vehicle idea has its own risks, the Woodbridge Mortgage team believes the time to offer FPCMs is when property values are low - as seen in the current economic environment. We believe that there has never been a better time. This FPCM product builds on that concept, offering higher-interest, short-term commercial loans secured by hard assets with low loan-to-value (LTV) ratios. Woodbridge looks to keep the LTV ratio low, to create greater equity. That means the hard assets that secure these FPCMs are worth more than the loans themselves at closing, to address potential foreclosure or default situations. All the while, you hold a first-lien position in the mortgage, and Woodbridge Mortgage Investment Fund 2, LLC ("the Fund") participates confidently alongside you, holding a second-lien position in that mortgage.

Woodbridge, an expert at evaluating commercial mortgages offers the following;

1. **Evaluation:** The Woodbridge Mortgage team thoroughly evaluates each subject property before allowing your hard-earned dollars, and its own, to be loaned to the prospective borrower. We base the loan on the value of the real estate, so the property will always be worth considerably more than the amount of the loan at closing. We conduct an extensive appraisal and title search of every property to ensure that we have a legally-insured first mortgage position.
2. **Continuity:** Even if the borrower does not make the required regular payments or should otherwise default on the loan, the Fund continues to make payments to you as if the default did not occur.
3. **Collateral:** The equity in the property is your collateral. If necessary, the Fund will be able to foreclose on the property on behalf of you and itself to provide for the returns that you expect to receive.
4. **Best of all:** Woodbridge is your partner; we place our money along with you and hold a second-lien position, a testament to the confidence we have in our lending standards.



NORTHBOROUGH - HOUSTON, TX

Total First-Lien Position:	Woodbridge Second-Lien Position:	Property Value:
\$1,350,000.00	\$150,000.00	\$4,000,000.00

Call Woodbridge to learn how you can start building your portfolio with lower-risk, higher-yield products offered by Woodbridge and its affiliates.

Call us now at (888) 401-2464 or visit www.woodbridgecommercialmortgage.com

the Court's decision in *United States v. [REDACTED]*, 2019 WL 1111111 (S.D. [REDACTED], 2019).

The Court's decision in *United States v. [REDACTED]*, 2019 WL 1111111 (S.D. [REDACTED], 2019).

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The Court's decision in *United States v. [REDACTED]*, 2019 WL 1111111 (S.D. [REDACTED], 2019).

costa financial insurance

STRUCTURED SETTLEMENTS

7/7/2015

Steve Norris
615 Cortez Street
Lakeland, FL 33813

*my advisor told me Horse Ranch
was First Position Commercial
Note*

Dear Steve,

Your check should be deposited in 7 – 10 days. I was pleased Woodbridge decided to refund the settlement. I know this has been not what we expected but Woodbridge stood by you and made you whole.

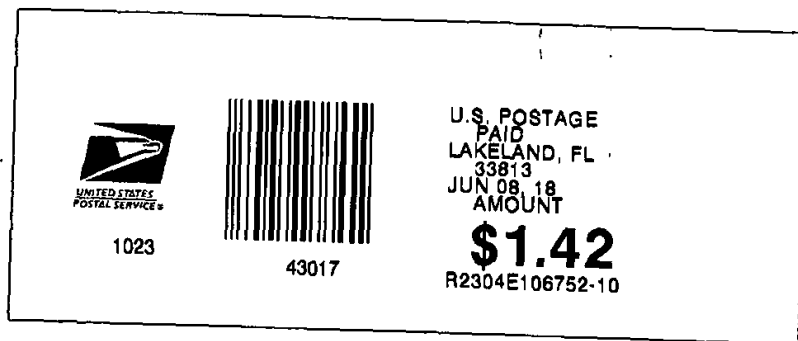
I think you should put the \$86,000 refund in another product by Woodbridge. ~~this is a first position commercial mortgage note~~ – it yields 6%, pays monthly, and all principle returned in 12 months. It is protected by the high equity in each property 35 – 40% equity. We have done 465 of these properties all 100% have paid interest and everyone has gotten the principle back !! 100%.

I am enclosing a form to sign for you to receive your income. I will pay for and IRA fees you receive with Provident. Hope this helps $\$86,000 \times 6\% = \5160 yearly all principle returned after 12 months. Please sign Direction of Investment so we can send the \$86,000 to Woodbridge for the 6% mortgage note.

Thanks!


Andy Costa

;



Woodbridge Group of Companies
LLC, ET AL
P.O. Box 10545
Dublin, OH 10 43017-020

EXHIBIT D

Repayment and Reconciliation Schedule

Woodbridge Group of Companies, LLC ("WGC")

Woodbridge Structured Funding, LLC ("WSF")

Woodbridge Mortgage Investment Fund 2, LLC ("WMIF 2")

Transaction History

Investor: PROV. TR GP-FBO STEVEN NORRIS IRA

Debtor	Date	Note Principal	Erroneous Structured Settlement Payments	Interest Payments on Note
WMIF 2	08/11/15	\$86,000.00		
WSF	08/14/15		(\$750.00)	
WMIF 2	08/17/15			(\$286.67)
WSF	09/15/15		(750.00)	
WMIF 2	09/21/15			(430.00)
WSF	10/15/15		(750.00)	
WMIF 2	10/19/15			(430.00)
WMIF 2	11/16/15			(430.00)
WSF	11/16/15		(750.00)	
WSF	12/11/15		(750.00)	
WMIF 2	12/14/15			(430.00)
WGC	01/15/16		(750.00)	
WMIF 2	01/18/16			(430.00)
WGC	02/12/16		(750.00)	
WMIF 2	02/16/16			(430.00)
WGC	03/17/16		(750.00)	
WMIF 2	03/21/16			(430.00)
WGC	04/15/16		(750.00)	
WMIF 2	04/18/16			(430.00)
WGC	05/12/16		(750.00)	
WMIF 2	05/16/16			(430.00)
WGC	06/10/16		(750.00)	
WMIF 2	06/20/16			(430.00)
WGC	07/11/16		(750.00)	
WMIF 2	07/18/16			(430.00)
WGC	08/09/16		(750.00)	
WMIF 2	08/22/16			(430.00)
WMIF 2	09/06/16			(88.97)
WMIF 2	09/06/16	(76,250.00)		
Totals		<u>\$9,750.00</u>	<u>(\$9,750.00)</u>	<u>(\$5,535.64)</u>