

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re

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

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Hearing Date: March 28, 2018 at 9:00 a.m. (EST)

Obj. Deadline: March 15, 2018 at 4:00 p.m. (EST)

**DEBTORS' MOTION FOR ENTRY OF AN ORDER, PURSUANT TO BANKRUPTCY
RULES 9006 AND 9027, EXTENDING THE PERIOD WITHIN WHICH THE
DEBTORS MAY REMOVE ACTIONS PURSUANT TO 28 U.S.C. § 1452**

Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (the "Debtors") in the above-captioned jointly administered chapter 11 cases (the "Cases"), hereby submit this motion (the "Motion") for entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"), pursuant to Rules 9006 and 9027 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), extending the period within which the Debtors may remove actions pursuant to 28 U.S.C. § 1452 through and including June 4, 2018. In support of the Motion, the Debtors respectfully state as follows:

I. JURISDICTION

1. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over these 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

¹ The last four digits of Woodbridge Group of Companies, LLC's federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14140 Ventura Blvd #302, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of such information may be obtained on the website of the Debtors' noticing and claims agent at www.gardencitygroup.com/cases/WGC, or by contacting the undersigned counsel for the Debtors.

of 28 U.S.C. § 157(b)(2). Venue of these Cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. Pursuant to Local Rule 9013-1(f), the Debtors consent 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.

3. The statutory and legal predicates for the relief requested herein are Bankruptcy Rules 9006 and 9027.

II. BACKGROUND

4. On December 4, 2017 (the "Dec. 4 Petition Date"), certain of the Debtors (the "Original Debtors") commenced voluntary cases under chapter 11 of the Bankruptcy Code, and on February 9, 2018, an additional fourteen affiliated Debtors (the "Additional Debtors") commenced voluntary cases under chapter 11 of the Bankruptcy Code (the "Feb. 9 Petition Date" and together with the Dec. 4 Petition Date, the "Petition Dates"). The Debtors' Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1.

5. The Debtors are authorized to continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no trustee has been appointed in these Cases. On December 14, 2017, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors [Docket No. 79] (the "Committee").

6. On January 23, 2018, the Court held a hearing to resolve, among other matters, two motions to appoint a chapter 11 trustee, and entered an order approving the settlement reached between the Debtors and other parties in interest [Docket No. 357] (the

“Settlement Order”). Attached as Exhibit 1 to the Settlement Order was a term sheet enumerating the terms of the settlement (the “Joint Resolution”). By the terms of the Joint Resolution, the Debtors’ board of managers was to be reconstituted as a three-person board (the “New Board”). Further, the Joint Resolution provided for the formation of an ad hoc noteholder group (the “Noteholder Group”) and an ad hoc unitholder group (the “Unitholder Group”).

7. The detailed factual background relating to the Debtors and the commencement of these Cases is set forth in the *Declaration of Lawrence R. Perkins in Support of the Debtors’ Chapter 11 Petitions and Requests First Day Relief* [Docket No. 12] (the “First Day Declaration”).

III. RELIEF REQUESTED

8. The current deadline to file notices of removal pursuant to 28 U.S.C. § 1452 and Bankruptcy Rule 9027 is March 5, 2018 for the Original Debtors (the “Original Debtors’ Current Removal Deadline”)² and May 10, 2018 for the Additional Debtors (the “Additional Debtors’ Current Removal Deadline” and, together with the Original Debtors’ Current Removal Deadlines, the “Current Removal Deadlines”). By this Motion, the Debtors seek to consolidate and extend the Current Removal Deadlines. Specifically, the Debtors request the Court enter the Proposed Order, extending the period within which the Debtors may remove actions and related proceedings through and including June 4, 2018,³ without prejudice to the rights of the Debtors and their estates to seek further extensions of the time within which to remove actions and related proceedings. The Debtors’ request, if granted, would extend the Original Debtors’ Current Removal Deadline by approximately three months and would extend

² The Original Debtors’ Current Removal Deadline falls on Sunday, March 4, 2018. Accordingly, pursuant to Bankruptcy Rule 9006(a)(1)(C), this deadline rolls forward to Monday, March 5, 2018.

³ Pursuant to Local Rule 9006-2, the filing of the Motion prior to the expiration of the Current Removal Deadlines shall automatically extend the Current Removal Deadlines until the Court acts on the Motion without the necessity for entry of a bridge order.

the Additional Debtors' Current Removal Deadline by approximately twenty-five days. This is the Debtors' first request for an extension of the Current Removal Deadlines.

IV. BASIS FOR RELIEF

9. Bankruptcy Rule 9027 and 28 U.S.C. § 1452 govern the removal of pending civil actions. Specifically, section 1452(a) provides that:

[a] party may remove any claim or cause of action in a civil action other than a proceeding before the United States Tax Court or a civil action by a governmental unit to enforce such governmental unit's police or regulatory power, to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title.

28 U.S.C. § 1452(a). Bankruptcy Rule 9027(a)(2) further provides, in pertinent part, that:

[i]f the claim or cause of action in a civil action is pending when a case under the [Bankruptcy] Code is commenced, a notice of removal may be filed in the bankruptcy court only within the longest of (A) 90 days after the order for relief in the case under the Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under § 362 of the Code, or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief.

Fed. R. Bankr. P. 9027(a)(2).

10. Bankruptcy Rule 9006(b) makes clear that the Court may extend unexpired time periods, such as the Debtors' removal period, 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.

Id. at 9006(b)(1). Accordingly, because the Current Removal Deadlines have not yet expired, the Court is authorized to grant the relief requested herein. *See Robert Plan Corp. v. Am. Int'l*

Grp. Inc., No. 09-200 (GEB) (DEA), 2009 U.S. Dist. LEXIS 69540, at *15 (D. N.J. Aug. 10, 2009) (stating that the period in which to file a motion to remove actions may be expanded pursuant to Bankruptcy Rule 9006); *Raff v. Gordon*, 58 B.R. 988 (Bankr. E.D. Pa. 1986) (same); *Jandous Elec. Constr. Corp. v. City of N.Y. (In re Jandous Elec. Constr. Corp.)*, 106 B.R. 48, 50 (Bankr. S.D.N.Y. 1989) (same); *In re Boyer*, 108 B.R. 19 (Bankr. N.D.N.Y. 1988) (same).

11. The Debtors are parties to actions currently pending in the courts of certain states and federal districts (each an “Action,” and, collectively, the “Actions”), and believe that it is prudent to seek an extension of the time established by Bankruptcy Rule 9027 to protect the rights of the Debtors and their estates to remove these Actions.

12. As this Court is aware, the Debtors have recently undergone substantial changes to their management. First, as a result of the Joint Resolution on January 23, 2018, the Debtors came under the control of the New Board. The New Board thereafter retained a new Chief Restructuring Officer, Bradley D. Sharp, and a new Chief Executive Officer, Frederick Chin. The New Board has also, in mid-February, retained new bankruptcy co-counsel, Klee, Tuchin, Bogdanoff & Stern LLP. The Debtors’ new management and professionals have worked tirelessly since their respective appointments and retentions to become familiar with the many important matters in these Cases.

13. In addition, since the Petition Dates, the Debtors have devoted a substantial amount of time, energy, and resources toward several other important matters in these Cases. Specifically, in the less than three months these Cases have been pending, the Debtors have been focused on, among other things, (i) resolving formal and informal objections from various parties in interest to the Debtors’ proposed orders in these Cases; (ii) meetings and discussions with the Committee, the Noteholder Group, and the Unitholder Group; (iii) obtaining

this Court's approval of the sale of certain real property owned by the Debtors, *see* Docket No. 574; (iv) preparing a motion for approval of the Debtors' entry into a consent order with the Department of Business Oversight of the State of California pertaining to the offer or sale of securities in California, *see* Docket No. 639; (v) retaining necessary estate professionals; (vi) preparing schedules of assets and liabilities and statements of financial affairs; (vii) preparing motions to reject certain of the Debtors' leases and executory contracts, *see* Docket Nos. 448, 673 & 674; and (viii) handling numerous additional tasks concerning the administration of the Debtors' bankruptcy estates and the Cases.

14. As a result of the recent changes in the Debtors' management and professionals as well as the time spent on the foregoing important efforts (among others), the Debtors have not yet had sufficient time to review the Actions to determine if any should be removed pursuant to Bankruptcy Rule 9027(a). In addition, the Debtors believe that it would better serve the interests of efficiency and administrative convenience if the Original Debtors' Current Removal Deadline and the Additional Debtors' Current Removal Deadline fell on the same day. Accordingly, the Debtors submit that consolidating and extending the Current Removal Deadlines is in the best interests of the Debtors, their estates, and creditors. The extension sought will afford the Debtors, and their management and professionals, an opportunity to make more fully informed decisions concerning the removal of any Actions and will ensure that the Debtors and their estates do not forfeit the valuable rights afforded to them under 28 U.S.C. § 1452. Furthermore, the Debtors submit that granting the extension requested herein will not prejudice the rights of their adversaries in the Actions because, in many (if not all) circumstances, such parties may not prosecute these actions absent relief from the automatic stay. In addition, nothing herein will prejudice any party to an Action that the Debtors may

ultimately attempt to remove from seeking the remand of such action under 28 U.S.C § 1452(b) at the appropriate time.

15. For the reasons set forth above, the Debtors submit that extending the Current Removal Deadlines through and including June 4, 2018 is necessary, prudent, and in the best interests of the Debtors, their estates, and creditors.

V. NOTICE

16. Notice of this Motion will be provided to the following parties: (i) the U.S. Trustee; (ii) counsel to the Committee; (iii) counsel to the Noteholder Group; (iv) counsel to the Unitholder Group; (v) counsel to the DIP Lender (as defined in the First Day Declaration); (vi) all parties to the Actions and their counsel, if known; and (vii) 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 Debtors respectfully submit that no other or further notice is necessary.

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

Dated: March 1, 2018
Wilmington, Delaware

/s/ Allison S. Mielke
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Sean M. Beach, Esq. (No. 4070)
Edmond L. Morton, Esq. (No. 3856)
Ian J. Bambrick, Esq. (No. 5455)
Allison S. Mielke, Esq. (No. 5934)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Tel: (302) 571-6600
Fax: (302) 571-1253

Counsel for the Debtors and Debtors in Possession

-and-

KLEE, TUCHIN, BODGANOFF & STERN LLP
Kenneth N. Klee, Esq. (admitted *pro hac vice*)
Michael L. Tuchin, Esq. (admitted *pro hac vice*)
David A. Fidler, Esq. (admitted *pro hac vice*)
Jonathan M. Weiss, Esq. (admitted *pro hac vice*)
1999 Avenue of the Stars, 39th Floor
Los Angeles, CA 90067
Telephone: (310) 407-4029
Facsimile: (310) 407-9090

Proposed Counsel to the Debtors and Debtors in Possession

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

In re:

WOODBRIIDGE GROUP OF COMPANIES, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Hrg. Date: March 28, 2018, at 9:00 a.m. (ET)

Obj. Deadline: March 15, 2018, at 4:00 p.m. (ET)

NOTICE OF MOTION

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE; (II) COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS; (III) COUNSEL TO THE NOTEHOLDER GROUP; (IV) COUNSEL TO THE UNITHOLDER GROUP; (V) COUNSEL TO THE DIP LENDER; (VI) ALL PARTIES TO THE ACTIONS AND THEIR COUNSEL, IF KNOWN; AND (VII) ANY OTHER PARTY REQUESTING NOTICE PURSUANT TO BANKRUPTCY RULE 2002

PLEASE TAKE NOTICE that Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) have filed the attached *Debtors’ Motion for Entry of an Order, Pursuant to Bankruptcy Rules 9006 And 9027, Extending the Period Within Which the Debtors May Remove Actions Pursuant to 28 U.S.C. § 1452* (the “Motion”).

PLEASE TAKE FURTHER NOTICE that, any objections to the Motion must be filed on or before **March 15, 2018, at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

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PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON MARCH 28, 2018 AT 9:00 A.M. (ET) BEFORE THE HONORABLE KEVIN J. CAREY, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 5th FLOOR, COURTROOM NO. 5, WILMINGTON, DELAWARE 19801.

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

Dated: March 1, 2018
Wilmington, Delaware

/s/ Allison S. Mielke

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

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP
Kenneth N. Klee (admitted *pro hac vice*)
Michael L. Tuchin (admitted *pro hac vice*)
David A. Fidler (admitted *pro hac vice*)
Jonathan M. Weiss (admitted *pro hac vice*)
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Tel: (310) 407-4000
Fax: (310) 407-9090

*Proposed Counsel for the Debtors and
Debtors in Possession*

EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re

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

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Re Docket No. _____

**ORDER, PURSUANT TO BANKRUPTCY RULES
9006 AND 9027, EXTENDING THE PERIOD WITHIN WHICH THE
DEBTORS MAY REMOVE ACTIONS PURSUANT TO 28 U.S.C. § 1452**

Upon consideration of the motion (the “Motion”)² of the Debtors for the entry of an order, pursuant to Bankruptcy Rules 9006 and 9027, extending the period within which the Debtors may remove actions pursuant to 28 U.S.C. § 1452 through and including June 4, 2018 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

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² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

estates, their creditors, and all parties in interest; and 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 provided by Bankruptcy Rule 9027 within which the Debtors and their estates may file notices of removal of claims and causes of action is hereby enlarged and extended through and including June 4, 2018 (the "Removal Deadline"). This Removal Deadline shall apply to both the Original Debtors and the Additional Debtors.
3. This Order shall be without prejudice to the rights of the Debtors and their estates to seek further extensions of the Removal 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.

Dated: _____, 2018
Wilmington, Delaware

KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE