

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

In re:

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

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Hearing Date: April 5, 2018, at 11:00 a.m. (ET)  
Obj. Deadline: March 29, 2018, at 4:00 p.m. (ET)

**DEBTORS' MOTION FOR ENTRY OF AN ORDER, PURSUANT TO  
SECTION 1121(d) OF THE BANKRUPTCY CODE, EXTENDING THE  
EXCLUSIVE PERIODS FOR THE FILING OF A CHAPTER 11 PLAN  
AND SOLICITATION OF ACCEPTANCES THEREOF**

Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), hereby move the Court (this “Motion”) for the entry of an order, substantially in the form attached hereto as Exhibit A, pursuant to section 1121(d) of title 11 of the United States Code (the “Bankruptcy Code”), Rule 9006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 9006-2 Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), extending the Exclusive Periods (as defined below) for the filing of a chapter 11 plan and solicitation of acceptances thereof. In support of this Motion, the Debtors respectfully state as follows:

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<sup>1</sup> 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 Boulevard #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 this information may be obtained on the website of the Debtors’ noticing and claims agent at [www.gardencitygroup.com/cases/WGC](http://www.gardencitygroup.com/cases/WGC), or by contacting the undersigned counsel for the Debtors.

### **JURISDICTION**

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 Debtors consent to the entry of a final order by the Court in connection with this Motion 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 basis for the relief requested herein is section 1121(d) of the Bankruptcy Code.

### **BACKGROUND**

2. On December 4, 2017 (the “Dec. 4 Petition Date”), certain of the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code. On February 9, 2018, an additional 14 affiliated Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code and on March 9, 2018 two additional affiliated Debtors commenced voluntary chapter 11 cases (respectively, the “Feb. 9 Petition Date” and “Mar. 9 Petition Date”, and together with the Dec. 4 Petition Date, the “Petition Dates”). Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are continuing to manage their financial affairs as debtors in possession.

3. The Debtors’ chapter 11 cases (collectively, the “Cases”) are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. As of the date hereof, no trustee or examiner has been appointed in the Chapter 11 Cases.

4. 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 (the

“Committee”) [Docket No. 79]. As described in greater detail below, on January 23, 2018, the Court approved a settlement (the “Settlement”) providing for the formation of an ad hoc noteholder group (the “Noteholder Group”) and an ad hoc unitholder group (the “Unitholder Group”), and together, with the Committee and the Noteholder Group, the “Committees”) [Docket No. 357].

### **RELIEF REQUESTED**

5. By this Motion, the Debtors request entry of an order extending the Exclusive Periods by 90 days each, pursuant to section 1121(d)(1) of the Bankruptcy Code. Unless extended, the Plan Period and Solicitation Period (each as defined below) will expire on April 3, 2018 and June 4, 2018, respectively.<sup>2</sup> The Debtors seek to extend the Plan Period and Solicitation Period by 90 days each, through and including July 2, 2018 and September 4, 2018, respectively, without prejudice to the Debtors’ right to seek further extensions of the Exclusive Periods, as may be appropriate under the circumstances. This is the Debtors’ first request to extend the Exclusive Periods.

### **BASIS FOR REQUESTED RELIEF**

6. Section 1121(b) of the Bankruptcy Code provides for an initial period of one hundred and twenty (120) days after commencement of a chapter 11 case during which a debtor has the exclusive right to propose and file a chapter 11 plan (the “Plan Period”). 11 U.S.C. § 1121(b). If a debtor files a plan during this Plan Period, section 1121(c)(3) of the Bankruptcy Code provides a debtor with an additional 60 days following the expiration of such Plan Period (or 180 days following the commencement of the case) to solicit acceptances of the plan without competing plan filings (the “Solicitation Period,” and together with the Plan Period, the

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<sup>2</sup> Pursuant to Local Rule 9006-2, the filing of this Motion prior to the expiration of the current Exclusive Periods shall automatically extend the Exclusive Periods until the Court acts on the Motion without the necessity for entry of a bridge order.

“Exclusive Periods”). 11 U.S.C. § 1121(c)(3). Section 1121(d) permits the Court to extend the Exclusive Periods for “cause.” For the reasons set forth herein, “cause” exists to extend the Exclusive Periods.

**A. Section 1121(d) of the Bankruptcy Code Permits the Court to Extend the Exclusive Periods “For Cause”**

7. The Exclusive Periods are designed to provide debtors with a full and fair opportunity to propose a consensual plan and solicit acceptances of such plan, without disruption to the administration of the estate that may result from the filing of competing plans by non-debtor parties. To that end, where the Exclusive Periods prove to be unfeasible timeframes, section 1121(d) of the Bankruptcy Code allows the Court to extend such Exclusive Periods for cause. 11 U.S.C. § 1121(d).<sup>3</sup> Although the Bankruptcy Code does not define the term “cause,” the legislative history indicates it is intended to be a flexible standard to balance the competing interests of a debtor and its creditors. *See* H.R. REP. NO. 95–595, at 231–32 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5787, 6191 (noting that Congress intended to give bankruptcy courts flexibility to protect a debtor’s interests by allowing unimpeded opportunity to negotiate settlement of debts without interference from other parties in interest).

8. Congress built flexibility into section 1121 of the Bankruptcy Code to give a debtor sufficient opportunity to stabilize its operations at the outset of its chapter 11 case and to negotiate an effective plan with its creditors. *In re Newark Airport/Hotel Ltd. P’ship*, 156 B.R. 444, 451 (Bankr. D. N.J.), *aff’d*, 155 B.R. 93 (D.N.J. 1993) (noting that Congress designed chapter 11 provisions to enable a debtor to remain in control for some period of time, thereby making reorganization an attractive alternative to financially troubled companies); *Gaines v.*

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<sup>3</sup> Pursuant to section 1121(d)(1) of the Bankruptcy Code, the Plan Period may not be extended beyond a date that is 18 months after the commencement of a chapter 11 case. 11 U.S.C. § 1121(d)(1). Pursuant to section 1121(d)(2), the Solicitation Period may not be extended beyond a date that is 20 months after the commencement of a chapter 11 case. 11 U.S.C. § 1121(d)(2).

*Perkins (In re Perkins)*, 71 B.R. 294, 297–98 (W.D. Tenn. 1987) (Congress designed section 1121 to give the debtor time to reach an agreement with its creditors regarding a plan of reorganization).

9. In making the determination to affirm or deny a request to extend the Exclusive Periods for “cause,” courts have considered a variety of factors, including:

- (i) The size and complexity of the debtor’s case;
- (ii) The necessity of sufficient time to negotiate and prepare adequate information;
- (iii) The existence of good-faith progress towards reorganization;
- (iv) Whether the debtor is paying its debts as they become due;
- (v) Whether the debtor has made progress negotiating with creditors;
- (vi) The length of time a case has been pending;
- (vii) Whether the debtor is seeking an extension to pressure creditors; and
- (viii) Whether or not unresolved contingencies exist.

*In re Cent. Jersey Airport Servs., LLC*, 228 B.R. 176, 184 (Bankr. D. N.J. 2002) (citations omitted); *see also In re McLean Indus., Inc.*, 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987) (citing to most of the factors listed above in determining whether to extend the exclusive periods); *In re United Press Int’l, Inc.*, 60 B.R. 265, 269 (Bankr. D. D.C. 1986) (holding that the debtor showed “cause” to extend its exclusive period based upon certain of above-quoted factors).

10. The facts and circumstances of these Chapter 11 Cases justify extending the Exclusive Periods to provide the Debtors with an unimpeded opportunity to confirm a plan of reorganization.

**B. Cause Exists for an Extension of the Exclusive Periods in these Chapter 11 Cases**

11. As this Court is aware, the Debtors have recently undergone substantial changes to their management. First, as a result of the Settlement on January 23, 2018, the Debtors came

under the control of a new board of managers (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, among other new professionals. 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, and to address the concerns and issues of the various constituencies, including several in-person meetings with counsels to the Committee, the Noteholder Group, and the Unitholder Group, and countless telephonic meetings with the foregoing constituencies (among others). Those meetings have been substantive, productive, and cooperative—but despite those efforts, the Debtors’ new management and professionals require an extension of the Exclusive Periods in order to have a full and fair opportunity to negotiate and propose a plan and solicit acceptances of such plan, without disruption to the administration of the estates that may result from the filing of competing plans by non-debtor parties.

12. Since the institution of the Debtors’ new management and professionals, the Debtors have made significant progress toward maximization of value for the estates in a very short period of time. Among other things, the Debtors have (i) analyzed numerous prepetition agreements between the Debtors and Robert Shapiro (or his affiliates) and moved to reject the Transition Services Agreement, which had purported to pay Shapiro (through a wholly-controlled entity) \$175,000 per month; (ii) obtained final approval, on a fully consensual basis, of the \$100 million debtor-in-possession financing facility, as well as the right to use cash collateral, which approval also provided important liquidity relief to the Debtors; (iii) continued to prepare their Schedules of Assets and Liabilities and Statements of Financial Affairs, and

obtained an extension of the deadline with respect thereto; (iv) devoted significant resources to cooperating with the Committee, the Noteholder Group, and the Unitholder Group (and their respective advisors), including by responding to multiple informal discovery requests from each Committee involving, among other things, informational conference calls, document production, and the continued updating and maintenance of a comprehensive data room; (v) obtained control over, and filing chapter 11 bankruptcy cases for, additional entities connected to the Woodbridge enterprise; (vi) continued to market, sell, and/or improve (as applicable) the Debtors' portfolio of properties, including, but not limited to, the recently filed motion to sell a debtor property located at 11541 Blucher Avenue, and (vii) resolved several disputes relating to the Debtors' properties, including reaching an "adequate protection" agreement with the secured lender at the Debtors' valuable property located at 800 Stradella Court as well as an agreement to complete necessary grading work on that property.

**C. The Relevant Factors Favor Extending the Exclusive Periods**

**(i) The Size, Complexity, and Duration of these Chapter 11 Cases**

13. The Cases are sufficiently large and complex to warrant the requested extension of the Exclusive Periods. These Cases involve nearly 300 Debtors with assets in multiple states and creditors located across the United States. Moreover, there are numerous complex and important legal issues impacting these cases that the Debtors and the other stakeholders have begun to discuss. Compounding all of the foregoing are the numerous management changes that have occurred since early December, requiring the New Board to build a cohesive infrastructure from the ground up. The complexity of the issues addressed, and the time, effort, and planning required to achieve the results that have been obtained thus far cannot be overstated.

**(ii) Good Faith Progress Made in these Chapter 11 Cases**

14. Since the institution of the New Board and subsequent retention of officers and counsel, the Debtors have worked cooperatively and in good faith with the Committee, the Noteholder Group, and the Unitholder Group, engaging in substantive and productive meetings and exchanging documents. The Debtors submit that these efforts have allowed all stakeholders to make substantial, good faith, progress on the many novel and complex issues involved in these Cases, and have helped foster a constructive dialogue. Accordingly, the Debtors submit that this factor weighs in favor of extending the Exclusive Periods.

**(iii) The Necessity of Sufficient Time to Negotiate and Prepare Adequate Information**

15. As set forth above, since the appointment of the New Board, the Debtors and their professionals have spent much time, energy and resources on fostering a constructive and cooperative tone between all stakeholders in the Cases, as well as addressing the numerous operational issues involved in these Cases. There has not yet been sufficient time to thoroughly negotiate and prepare adequate information. The Debtors respectfully submit that, in light of the progress that they have made in these Cases thus far and the significant amount of work required of the Debtors' new management and professionals to transition into these cases, it is reasonable and appropriate that the Debtors be granted additional time to negotiate and prosecute a chapter 11 plan. Accordingly, the Debtors submit that this factor weighs in favor of allowing the Debtors to extend the Exclusive Periods.

**(iv) The Debtors are Paying Their Debts as They Come Due**

16. The requested extension of the Exclusive Periods will not prejudice the legitimate interests of postpetition creditors, as the Debtors continue to make timely payments on their undisputed postpetition obligations. As such, this factor also weighs in favor of allowing the Debtors to extend the Exclusive Periods.

**(v) The Debtors are Not Seeking an Extension to Pressure Creditors**

17. The Debtors do not seek an extension of the Exclusive Periods in order to pressure creditors. To the contrary—the Debtors have worked tirelessly to confer and cooperate with the various constituencies in these Cases to maximize the value of their assets for all stakeholders, and require the extension sought by this Motion in order to attempt to continue that process unimpeded by competing plans. The Debtors are not seeking an extension to pressure creditors, shareholders, or other parties in interest.

**(vi) Termination of the Exclusive Periods Would Adversely Impact these Chapter 11 Cases**

18. Termination of the Exclusive Periods would adversely impact the Debtors' efforts to preserve and maximize the value of these estates and the progress of these Cases. In effect, if this Court were to deny the Debtors' request for an extension of the Exclusive Periods, any party in interest would be free to propose a chapter 11 plan for the Debtors. Such a ruling would foster a chaotic environment with no central focus and likely cause substantial, if not irreparable, harm to the Debtors' efforts to preserve and maximize the value of their estates.

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19. Based upon the foregoing, the Debtors respectfully submit that cause exists to extend the Exclusive Periods pursuant to section 1121(d) of the Bankruptcy Code. Specifically, the Debtors request that the Plan Period and Solicitation Period be extended through and including July 2, 2018 and September 4, 2018, respectively, without prejudice to the Debtors' right to seek further extensions of the Exclusive Periods, as may be appropriate under the circumstances.

**NOTICE**

20. The Debtors have provided notice of this Motion to: (i) the U.S. Trustee; (ii) counsel to the Committee; (iii) counsel to the DIP Lender; (iv) counsel to the Unitholder

Group; (v) counsel to the Noteholder Group; (vi) counsel to the SEC; and (vii) any party that has requested notice in these Chapter 11 Cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

**CONCLUSION**

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter the Proposed Order and (b) grant such other and further relief as the Court may deem just and proper.

Dated: March 15, 2018  
Wilmington, Delaware

*/s/ Betsy L. Feldman*

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

In re:

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

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Hearing Date: April 5, 2018, at 11:00 a.m. (ET)

Obj. Deadline: March 29, 2018, at 4:00 p.m. (ET)

**NOTICE OF MOTION**

**PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) have filed the attached *Debtors’ Motion for Entry of an Order, Pursuant to Section 1121(d) of the Bankruptcy Code, Extending the Exclusive Periods for the Filing of a Chapter 11 Plan and Solicitation of Acceptances Thereof* (the “Motion”).

**PLEASE TAKE FURTHER NOTICE** that any objections to the Motion must be filed on or before **March 29, 2018 at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

**PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON APRIL 5, 2018 AT 11:00 A.M. (ET) BEFORE THE HONORABLE KEVIN J. CAREY AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, FIFTH FLOOR, COURTROOM NO. 5, WILMINGTON, DELAWARE 19801.**

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

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<sup>1</sup> 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 Boulevard #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 this information may be obtained on the website of the Debtors’ noticing and claims agent at [www.gardencitygroup.com/cases/WGC](http://www.gardencitygroup.com/cases/WGC), or by contacting the undersigned counsel for the Debtors.

Dated: March 15, 2018  
Wilmington, Delaware

*/s/ Betsy L. Feldman*

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**EXHIBIT A**

**Proposed Order**

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

In re:

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

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Ref. Doc. No. \_\_\_\_

**ORDER PURSUANT SECTION 1121(d) OF THE BANKRUPTCY CODE  
EXTENDING THE EXCLUSIVE PERIODS FOR THE FILING OF  
A CHAPTER 11 PLAN AND SOLICITATION OF ACCEPTANCES THEREOF**

Upon the *Debtors' Motion for Entry of an Order, Pursuant to Section 1121(d) of the Bankruptcy Code, Extending the Exclusive Periods for the Filing of a Chapter 11 Plan and Solicitation of Acceptances Thereof* (the "Motion")<sup>2</sup> filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); and this Court having found that it has jurisdiction to consider the Motion and the relief requested therein 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; and this Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and it appearing that notice of the Motion has been given as set forth

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<sup>1</sup> 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 Boulevard #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 this information may be obtained on the website of the Debtors' noticing and claims agent at [www.gardencitygroup.com/cases/WGC](http://www.gardencitygroup.com/cases/WGC), or by contacting the undersigned counsel for the Debtors.

<sup>2</sup> Capitalized terms used, but not otherwise defined herein, have the meaning given to them in the Motion.

in the Motion and that such notice is adequate and no other or further notice need be given; and this Court having found and determined that the relief sought in the Motion is in the best interest of the Debtors, their estates, their creditors and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED, as set forth herein.
2. The Plan Period for each Debtor is extended through and including July 2, 2018, pursuant to section 1121(d) of the Bankruptcy Code.
3. The Solicitation Period for each Debtor is extended through and including September 4, 2018 pursuant to section 1121(d) of the Bankruptcy Code.
4. The relief granted herein shall not prejudice the Debtors from seeking further extensions made pursuant to section 1121(d) of the Bankruptcy Code.
5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: \_\_\_\_\_, 2018  
Wilmington, Delaware

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KEVIN J. CAREY  
UNITED STATES BANKRUPTCY JUDGE