

Woodbridge Group of Companies Takes Action to Protect and Maximize Recoveries to its Stakeholders

SHERMAN OAKS, Calif., December 28, 2017 – Woodbridge Group of Companies, LLC and certain of its affiliates and subsidiaries (together “the Company” or “Woodbridge”), announced today that as part of its effort to preserve order and value for investors and other stakeholders in the Company’s bankruptcy cases, the Company filed a motion seeking to prevent the Securities and Exchange Commission (“SEC”) from appointing a Receiver over the Debtor’s Chapter 11 bankruptcy estates, which are currently under the supervision of the United States Bankruptcy Court in the District of Delaware and finding that the SEC violated the automatic stay set forth in the Bankruptcy Code. On December 4, Woodbridge filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code in an effort to restructure its debt and maximize value for its investors.

Since the SEC commenced its investigation into Robert Shapiro, former principal of Woodbridge, and Woodbridge, and prior to new Independent Manager, Beilinson Advisory Group, taking control of Company management and filing Chapter 11 cases, the SEC had taken no enforcement or disciplinary action against Mr. Shapiro or Woodbridge. During the year prior to the Independent Manager taking control, Woodbridge raised approximately \$350M.

Since the appointments of Beilinson Advisory Group and Chief Restructuring Officer, Larry Perkins, new management has focused on protecting investors and maximizing the estate for the benefit all stakeholders.

Specific actions include:

- **Immediately ceased all fundraising**, which was the subject of the SEC’s investigation—an action protecting the public good.
- **Commenced Chapter 11 cases** to maximize value for the benefit of all stakeholders.
- **Implemented a process to protect the value of the Company’s assets**, evaluate the company’s obligations to its creditors, resolve their claims promptly, and make appropriate use of the Bankruptcy Code to ensure a fair and equitable distribution.
- **Removed Robert Shapiro from all involvement in the Company’s business** and ensured that he is currently receiving no compensation from the debtors.
- **Secured control** of additional non-debtor entities with a value exceeding \$20M.

Nevertheless, on December 21, 2017, after more than a year of investigating Mr. Robert Shapiro and well after the Company had initiated a Chapter 11 bankruptcy case intended to protect creditors’ interests, the SEC filed a motion to appoint a receiver over Woodbridge’s property, including those that are part of the Chapter 11 cases.

"It is disappointing that the SEC has taken this action despite the productive

conversations we held with them and the actions we have taken to protect creditors' interests since I stepped into this role in early December," said Mr. Perkins. "The SEC fails to see that its action could cause irreparable harm to our creditors – dramatically alter the Company's rights, impair and deplete assets of the estate and hinder the reorganization efforts. We are seeking Court protection to ensure we are able to continue with the bankruptcy process and maximize recovery for creditors."

"The SEC's action would erase the extensive efforts the Company's independent management has taken to bring transparency to the business and maximize recoveries for all the Company's constituents," said Sam Newman, partner at Gibson, Dunn & Crutcher LLP and counsel to Woodbridge.

The Company is seeking a hearing on January 5, 2018 at 11:00am ET for these matters.

Woodbridge investors can visit <http://dm.epiq11.com/#/case/woodbridge/info> or call toll-free in North America 855-590-2141 or toll-free outside of North America at 503-520-4477 for additional information pertaining to investments. Court filings and other information related to the restructuring are available at www.gardencitygroup.com/cases/WGC or by calling toll-free at 888-735-7613.

Gibson Dunn & Crutcher LLP is serving as legal advisor, SierraConstellation Partners LLC is serving as chief restructuring officer and financial advisor, and Beilinson Advisory Group is serving as independent management to the debtors.

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