

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)	
)	
Woodbridge Group of Companies, LLC;)	CONSENT ORDER
)	
Respondent.)	Matter No. 2016111
)	
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I. PRELIMINARY STATEMENT

This Consent Order is entered into between the Securities Division of the Office of the Attorney General of South Carolina (the "Division") and the Woodbridge Group of Companies, LLC ("Woodbridge" or the "Respondent"), in order to resolve the Division's investigation in Matter No. 2016111 into whether certain conduct by Woodbridge violated the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the "Act") and the regulations promulgated thereunder.

Without admitting to or denying the findings of fact and conclusions of law set forth in this Consent Order, except as to the jurisdiction of the Securities Commissioner of South Carolina (the "Securities Commissioner") over it and the subject matter of this proceeding, which is admitted, the Respondent expressly consents to the entry of this Consent Order. Respondent elects to permanently waive any right to a hearing and appeal under S.C. Code Ann. § 35-1-609 with respect to this Consent Order.

II. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

III. FINDINGS OF FACT

2. The Respondent is a Delaware limited liability company with a business address of 14225 Ventura Blvd., Suite 100, Sherman Oaks, California 91423.

3. Woodbridge was purportedly in the business of offering short-term, high-interest loans on commercial real estate.

4. Woodbridge funded these purported commercial real estate loans through the offer and sale of promissory notes (the "Notes") to investors throughout the United States.

5. The Notes were offered and sold through a network of agents, to whom Woodbridge paid transaction-based compensation.

6. Between 2012 and 2017, Woodbridge sold at least \$10,000,000 worth of the Notes to investors in South Carolina.

7. The Notes were not registered with the Division or exempt from registration.

8. Between 2012 and 2017, Woodbridge paid transaction-based compensation to at least five (5) South Carolina-based agents (the "Agents").

9. None of the Agents was registered with the Division or exempt from registration.

10. On December 4, 2017, Woodbridge and other related entities (collectively, the "Debtors") filed voluntary petitions under chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware (the "Woodbridge Bankruptcy").

11. Before the filing of the Woodbridge Bankruptcy, the Debtors stopped making payments to investors.

12. On February 15, 2019, as part of the Woodbridge Bankruptcy, a liquidation trust (the "Liquidation Trust") was formed pursuant to an order of the Bankruptcy Court. The Liquidation Trust and its subsidiaries have the obligation of disposing of the Respondent's assets and the distribution of any net proceeds to, among others, the Debtors' investors.

13. The Securities Commissioner has elected not to impose a civil penalty against Respondent as part of this action, in furtherance of maximizing recovery to the South Carolina investors and other investors through the Woodbridge Bankruptcy.

IV. CONCLUSIONS OF LAW

14. The Notes, as offered and sold by the Respondent, constituted securities pursuant to S.C. Code Ann. § 35-1-102(29).
15. The Notes, as offered and sold by the Respondent, were not registered with the Division or exempt from registration in violation of S.C. Code Ann. § 35-1-301.
16. The Respondent employed unregistered agents in South Carolina in violation of S.C. Code Ann. § 35-1-402(d).
17. The conduct set forth above provides the basis for the issuance of this Consent Order pursuant to S.C. Code Ann. § 35-1-604(a)(1).
18. This Consent Order is in the public interest.

V. ORDER

It is hereby ORDERED that:

- a. The Respondent CEASE AND DESIST from transacting business in this State in violation of the Act;
- b. As part of this Consent Order the Respondent agrees that it: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in this Consent Order or creating the impression that this Consent Order is without factual basis; and (ii) will not make or permit to be made any public statement to the effect that the Respondent does not admit the allegations of this Consent Order, or that this Consent Order contains no admission of the allegations, without also stating that Respondent does not deny the allegations. If the Respondent breaches this agreement, the Securities Commissioner may vacate this Consent Order and restore this action. Nothing in this paragraph affects the Respondent's: (i) testimonial obligations; or (ii) right to take differing legal or factual positions in litigation or other legal proceedings. Moreover, nothing in this Consent Order shall be, or deemed to be, an admission or a declaration against interest by the Respondent or used in any way by the Respondent or any party to the

Respondent's cases in the Woodbridge Bankruptcy to prejudice any rights or claims made by any party in these cases;

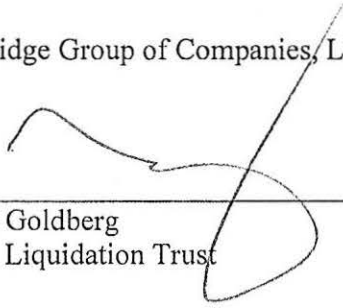
- c. Restitution to South Carolina investors and others will be made by the Liquidation Trust established in the Woodbridge Bankruptcy and pursuant to the terms of the Bankruptcy Court's confirmation order issued on October 26, 2018; and
- d. Upon execution by the Securities Commissioner, this Consent Order resolves South Carolina Administrative Proceeding Matter No. 2016111.

Entry of this Consent Order in no way limits or prevents further remedies, sanctions, or actions which may be available to the Securities Commissioner under South Carolina law to enforce this Order, for violations of this Order, for conduct or actions of Respondent that are not covered by this Order, or against any party not covered by this Order. In addition, this Order should not be interpreted to waive any (i) criminal cause of action, or (ii) private cause of action that may have accrued to investors as a result of the activities described above.

IT IS SO ORDERED this 8TH day of August, 2019.

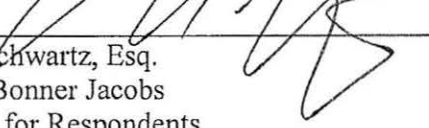
By: Alan Wilson
The Honorable Alan Wilson
Securities Commissioner
State of South Carolina

Woodbridge Group of Companies, LLC

By: 
Michael Goldberg
Trustee, Liquidation Trust

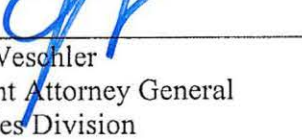
Date: 8/5/19

Reviewed By:

By: 
Adam Schwartz, Esq.
Homer Bonner Jacobs
Counsel for Respondents

Date: 8/5/19

South Carolina Securities Division:

By: 
Ian P. Weschler
Assistant Attorney General
Securities Division

Date: August 5, 2019