

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

In re:

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

Remaining Debtors.

MICHAEL GOLDBERG, in his capacity as
Liquidating Trustee of the WOODBRIDGE
LIQUIDATION TRUST,

Plaintiff,

vs.

TANGIBLE ASSETS INVESTMENTS, LLC, a
California limited liability company, and CHARLES
THORNGREN, an individual,

Defendants.

Chapter 11

Case No. 17-12560 (JKS)

(Jointly Administered)

Adversary Proceeding

Case No. 19-51058 (JKS)

Objection Deadline: Oct. 12, 2021 at 4:00 p.m. (ET)

Hearing Date: Oct. 29, 2021 at 10:00 a.m. (ET)

PLAINTIFF'S MOTION FOR DEFAULT JUDGMENT

1. Plaintiff, Michael Goldberg, in his capacity as Liquidating Trustee of the Woodbridge Liquidation Trust (the "Plaintiff") hereby moves the Court (this "Motion"), pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure, as made applicable to this adversary proceeding pursuant to Rule 7055(b)(2) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for entry of a judgment by default against defendants Tangible Assets Investments, LLC and Charles Thorngren (each a "Defendant"). In support of this Motion, the Plaintiff respectfully states as follows:

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).

JURISDICTION AND VENUE

2. The Court has jurisdiction over this matter 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 as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BASIS FOR THE RELIEF REQUESTED

3. On December 2, 2019, the Plaintiff commenced the above-captioned adversary proceeding against the Defendant by filing the *Adversary Complaint: (I) For Avoidance and Recovery of Avoidable Transfers; and (II) For Sale of Unregistered Securities, for Fraud, and for Aiding and Abetting Fraud* [Adv. Docket No. 1] (the “Complaint”).²

4. On December 5, 2019, service of the Complaint and summons [Adv. Docket No. 3] (the “Summons”) was made on the Defendant via United States first-class mail in accordance with Bankruptcy Rule 7004. A true and correct copy of the Summons, including the Certificate of Service, is attached to the *Plaintiff’s Request for Entry of Default* [Adv. Docket No. 27] (the “Request for Default”) as Exhibit 1 to the Declaration of Counsel filed contemporaneously with the Request for Default.

5. Pursuant to the Summons, Defendant was required to answer or otherwise respond to the Complaint within thirty (30) days of service. The Defendant failed to file an answer, motion, or other responsive pleading within the time fixed by the Court in accordance with Rule 7012(a) of the Federal Rules of Bankruptcy Procedure. The Court’s docket does not reflect the filing of a responsive pleading to the Complaint, and the undersigned counsel has not

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

been served with any responsive pleading. See Declaration of Counsel, attached to the Request for Default.

6. Upon information and belief, the Defendant is not an infant or incompetent or a person in the military service.

7. As “[e]ntry of default judgment is a two-step process,”³ the Plaintiff filed *Plaintiff’s Request for Entry of Default* to satisfy the requirements of Bankruptcy Rule 7055(a). Rule 55(b) of the Federal Rules of Civil Procedures provides that “When a plaintiff’s claim against a defendant is for a sum certain or for a sum which can by computation be made certain, the clerk upon request of the plaintiff and upon affidavit of the amount due shall enter judgment for that amount and costs against the defendant, if the defendant has been defaulted for failure to appear and is not an infant or incompetent person. Fed. R. Civ. P. 55(b), made applicable by Fed. R. Bankr. P. 7055. The Clerk of Court has entered a default against the Defendant. See *Entry of Default* entered by the Clerk of Court [Adv. Docket No. 29]. Given the entry of default by the Clerk of Court, all the requirements of Bankruptcy Rule 7055 have been satisfied, and entry of a default judgment against the Defendant is warranted and appropriate.

8. As set forth in the Complaint, the Plaintiff is entitled to entry of a judgment:

- i. On the first claim for relief, (a) avoiding the 90 Day Transfers free and clear of any interest of Defendants, (b) directing that the 90 Day Transfers be set aside, and (c) ordering Defendants, jointly and severally, to pay to Plaintiff \$19,500.00;
- ii. On the second and third claims for relief, (a) avoiding the Two Year Transfers free and clear of any claimed interest of Defendants, (b) directing that the Two Year Transfers be set aside, and (c) ordering Defendants, jointly and severally, to pay to Plaintiff \$82,812.50;
- iii. On the fourth and fifth claims for relief, (a) avoiding the Four Year Transfers free and clear of any claimed interest of Defendants,

³ *Smith v. Forester*, No. 11-893-LPS, 2013 U.S. Dist. LEXIS 45104, at *3 (D. Del. Mar. 29, 2013).

- (b) directing that the Four Year Transfers be set aside, (c) ordering Defendants, jointly and severally, to pay to Plaintiff \$117,995.00;
- iv. On the sixth claim for relief, holding Defendants jointly and severally liable for damages, in the amount of \$1,267,379.13 for sale of Notes and/or Units as set forth in Exhibit B to the Complaint, or in an amount to be proven at trial, arising from Defendants' sale of unregistered securities;
 - v. On the seventh claim for relief, holding Defendants jointly and severally liable for fraud, for \$1,267,379.13 for sale of Notes and/or Units as set forth in Exhibit B to the Complaint in an amount to be proven at trial;
 - vi. On the eighth claim for relief, holding Defendants jointly and severally liable for aiding and abetting fraud, in the amount of \$1,267,379.13 for sale of Notes and/or Units as set forth in Exhibit B to the Complaint, or in an amount to be proven at trial; and
 - vii. On all claims for relief, awarding Plaintiff prejudgment interest as permitted by law, costs of suit, and such other and further relief as is just and proper.

See generally, Complaint.

9. Pursuant to Bankruptcy Rule 7055(b)(2), the Plaintiff hereby seeks entry of judgment by default against the Defendant with respect to all claims for relief asserted in the Complaint.

WHEREFORE, for the foregoing reasons, the Plaintiff respectfully requests that the Court enter a default judgment in favor of Plaintiff and against the Defendant, and grant the Plaintiff the relief requested in the Complaint in substantially the form provided in the proposed judgment attached hereto as **Exhibit A**.

Dated: September 28, 2021

/s/ Colin R. Robinson

Bradford J. Sandler (DE Bar No. 4142)
Andrew W. Caine (CA Bar No. 110345)
Colin R. Robinson (DE Bar No. 5524)
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*Counsel to Plaintiff Michael Goldberg, in his
capacity as Liquidating Trustee of the Woodbridge
Liquidation Trust*

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

In re:

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et al.,¹

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Hearing Date: Oct. 29, 2021 at 10:00 a.m. (ET)

NOTICE OF MOTION

PLEASE TAKE NOTICE that on September 28, 2021, Plaintiff, Michael Goldberg, in his capacity as Liquidating Trustee of the Woodbridge Liquidation Trust (the “Plaintiff”) filed the *Plaintiff’s Motion for Default Judgment* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801 (the “Bankruptcy Court”). A copy of the Motion is attached hereto.

PLEASE TAKE FURTHER NOTICE that any response or objection to the entry of an order with respect to the relief sought in the Motion must be filed with the Bankruptcy Court on or before **October 12, 2021 at 4:00 p.m. prevailing Eastern Time** (the “Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve

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a copy of the response or objection upon the undersigned counsel on or prior to the Objection Deadline.

IF NO OBJECTIONS ARE TIMELY FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE RELIEF SOUGHT IN THE MOTION WILL BE HELD VIA ZOOM VIDEOCONFERENCE BEFORE THE HONORABLE J. KATE STICKLES, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 3RD FLOOR, COURTROOM NO. 7, WILMINGTON, DE 19801 ON **OCTOBER 29, 2021 AT 10:00 A.M. (PREVAILING EASTERN TIME)**.

Dated: September 28, 2021
Wilmington, Delaware

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

Andrew W. Caine (CA Bar No. 110345)

Bradford J. Sandler (DE Bar No. 4142)

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*Counsel to Plaintiff Michael Goldberg, in his capacity
as Liquidating Trustee of the Woodbridge Liquidation
Trust*

Exhibit A

**IN THE UNITED STATES BANKRUPTCY COURT
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In re:

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JUDGMENT BY DEFAULT

Upon the *Plaintiff's Motion for Default Judgment* (the "Motion") pursuant to Bankruptcy Rule 7055 for the entry of a judgment by default against defendants Tangible Assets Investments, LLC and Charles Thorngren (each a "Defendant") with respect to the *Adversary Complaint: (I) For Avoidance and Recovery of Avoidable Transfers; and (II) For Sale of Unregistered Securities, for Fraud, and for Aiding and Abetting Fraud* [Adv. Docket No. 1] (the "Complaint")² and the *Entry of Default* entered by the Clerk of Court [Adv. Docket No. 28]; and adequate notice of the Motion having been given and it appearing in the circumstances that no

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² Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Complaint.

other or further notice is required; and this Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and Defendant having failed to answer or otherwise respond to the Complaint within the applicable deadline; and the entry of a judgment by default being proper against Defendant; and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to Bankruptcy Rule 7055(b)(2), judgment by default (“Judgment”) shall be entered against Defendant with respect to all claims for relief asserted in the Complaint.
3. Judgment is awarded in favor of Plaintiff and against Defendant on the first claim for relief, (a) avoiding the 90 Day Transfers free and clear of any interest of Defendants, (b) directing that the 90 Day Transfers be set aside, and (c) ordering Defendants, jointly and severally, to pay to Plaintiff \$19,500.00.
4. Judgment is awarded on the second and third claims for relief, (a) avoiding the Two Year Transfers free and clear of any claimed interest of Defendants, (b) directing that the Two Year Transfers be set aside, and (c) ordering Defendants, jointly and severally, to pay to Plaintiff \$82,812.50.
5. Judgment is awarded on the fourth and fifth claims for relief, (a) avoiding the Four Year Transfers free and clear of any claimed interest of Defendants, (b) directing that the Four Year Transfers be set aside, (c) ordering Defendants, jointly and severally, to pay to Plaintiff \$117,995.00.
6. Judgment is awarded on the sixth claim for relief, holding Defendants jointly and severally liable for damages, in the amount of \$1,267,379.13 for sale of Notes and/or Units as set

forth in Exhibit B to the Complaint, or in an amount to be proven at trial, arising from Defendants' sale of unregistered securities.

7. Judgment is awarded on the seventh claim for relief, holding Defendants jointly and severally liable for fraud, for \$1,267,379.13 for sale of Notes and/or Units as set forth in Exhibit B to the Complaint in an amount to be proven at trial.

8. Judgment is awarded on the eighth claim for relief, holding Defendants jointly and severally liable for aiding and abetting fraud, in the amount of \$1,267,379.13 for sale of Notes and/or Units as set forth in Exhibit B to the Complaint, or in an amount to be proven at trial.

9. Judgement is awarded on all claims for relief, awarding Plaintiff prejudgment interest as permitted by law, costs of suit, and such other and further relief as is just and proper

10. The Plaintiff is authorized and empowered to take any and all actions necessary or appropriate to consummate, carry out, effectuate, or otherwise enforce the terms, conditions, and provisions of this Judgment.

11. The Clerk of Court is authorized and directed to take any action that is necessary and appropriate to give effect to this Judgment.

12. This Court shall retain jurisdiction and power over any and all matters arising from or related to the interpretation or implementation of this Judgment.

CERTIFICATE OF SERVICE

Colin R. Robinson, hereby certify that on September 28, 2021, a true and correct copy of the attached ***Plaintiff's Motion for Default Judgment*** was served as set forth on the attached service list.

/s/ Colin R. Robinson

Colin R. Robinson (DE Bar No. 5524)

Woodbridge Adv. Service List

First Class Mail

CHARLES THORNGREN
1125 NEOLA STREET
LOS ANGELES, CA 90041

First Class Mail

LEGALZOOM.COM, INC.,
REGISTERED AGENT FOR TANGIBLE ASSETS INVESTMENTS, LLC
101 N BRAND BLVD, 11TH FLOOR
GLENDALE, CA 91203

First Class Mail

CHARLES THORNGREN
117 E COLORADO BLVD
STE 600
PASADENA, CA 91105

First Class Mail

TANGIBLE ASSETS INVESTMENTS, LLC
117 E COLORADO BLVD
STE 600
PASADENA, CA 91105