

## Woodbridge Liquidation Trust

### 2019 Grantor Letter Information

Each beneficiary of the Woodbridge Liquidation Trust (“WLT”) recently received a 2019 Grantor Letter. This Grantor Letter reports each beneficiary’s proportionate share of the 2019 activity from the WLT to the Internal Revenue Service and the California Franchise Tax Board. The tax treatment of the information reported to you on this Grantor Letter should be consistent with previous tax treatment of your Woodbridge investment. Please consult your tax advisor to determine the proper tax treatment of the information provided on the Grantor Letter.

The Account Reconciliation that was included with the 2019 Grantor Letter has been provided to each beneficiary for information purposes only. The Account Reconciliation has not been provided to taxing authorities. The Account Reconciliation provides information regarding 2019 contributions, activity and distributions for each beneficiary. The contribution amount reported on the Account Reconciliation represents each beneficiary’s allocable portion of the value of assets transferred from the Woodbridge Capital Group et. al. bankruptcy estates to the WLT. The Account Reconciliation does not represent amounts invested with Woodbridge entities, nor does it represent the amount of claim that beneficiaries have in the WLT.

The WLT was created pursuant to the Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors (“Plan”), which was voted on and approved by the creditors of the Woodbridge Bankruptcy Estate (“Bankruptcy Estate”). Pursuant to IRS Revenue Procedure 94-45 (I.R.B. 1994-28, 124), upon Plan confirmation the Bankruptcy Estate was deemed to have transferred all of its assets to the allowed creditors of the Bankruptcy Estate. These same assets were, in turn, deemed transferred to the WLT. At that time each creditor of the Bankruptcy Estate became a beneficiary of the WLT. Upon formation of the WLT, adjusted tax basis of each beneficiary’s interest in the WLT was equal to his/her proportionate share of the value of assets transferred to the WLT. When a transaction occurs within the WLT the tax reporting of such transaction is determined based on the character, adjusted tax basis and other tax attributes associated with such asset. This activity is then reported to you, the beneficiaries. As stated earlier, the manner in which you have treated your Woodbridge investment in the past will determine the proper tax treatment of the information reported to you on this Grantor Letter.

We realize that this Grantor Letter can be perceived as very complicated and you may have many questions. However, please consult your tax advisor with questions you may have, prior to contacting the trustee or his accountants.