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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended December 31, 2020
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to _____
Commission File Number: 000-56115

Woodbridge Liquidation Trust

(Exact name of registrant as specified in its charter)

Delaware	**36-7730868**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employment Identification No.)
14140 Ventura Boulevard **Suite 302** **Sherman Oaks, California**	**91423**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(310) 765-1550**

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of ''large accelerated filer,'' ''accelerated filer,'' ''smaller reporting company'' and "emerging growth company" in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes ☒ No ☐

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Form 10-Q
December 31, 2020
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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

Woodbridge Liquidation Trust and Subsidiaries
Consolidated Statements of Net Assets in Liquidation
As of December 31, 2020 and June 30, 2020
(Unaudited, $ In Thousands)

	12/31/2020	6/30/2020
Assets		
Real estate assets held for sale, net (Note 3):		
Single-family homes	$ 152,045	$ 281,296
Other real estate assets	2,931	8,041
Subtotal	154,976	289,337
Cash and cash equivalents	126,596	86,073
Restricted cash (Note 4)	6,624	5,358
Other assets (Note 5)	2,635	4,183
Total assets	$ 290,831	$ 384,951
Liabilities		
Accounts payable and accrued liabilities	$ 19	$ 615
Distributions payable	3,638	2,368
Accrued liquidation costs (Note 6)	76,698	117,451
Total liabilities	$ 80,355	$ 120,434
Commitments and Contingencies (Note 12)		
Net Assets in Liquidation	$ 210,476	$ 264,517

See accompanying notes to unaudited consolidated financial statements.

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PART I. FINANCIAL INFORMATION
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Woodbridge Liquidation Trust and Subsidiaries
Consolidated Statements of Changes in Net Assets in Liquidation
For the Three and Six Months Ended December 31, 2020 and 2019
(Unaudited, $ in Thousands)

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Six Months Ended December 31, 2020	Six Months Ended December 31, 2019
Net Assets in Liquidation as of beginning of period	$ 239,723	$ 333,582	$ 264,517	$ 329,971
Change in assets and liabilities (Note 7):				
Change in carrying value of assets and liabilities, net	472	960	5,555	4,535
Distributions (declared) reversed, net	(29,719)	41	(59,596)	77
Net change in assets and liabilities	(29,247)	1,001	(54,041)	4,612
Net Assets in Liquidation as of end of period	$ 210,476	$ 334,583	$ 210,476	$ 334,583

See accompanying notes to unaudited consolidated financial statements.

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Woodbridge Liquidation Trust and Subsidiaries
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1) Formation and Description of Business

Formation

Woodbridge Liquidation Trust (Trust) was established (i) for the purpose of collecting, administering, distributing and liquidating the Trust assets for the benefit of the Trust beneficiaries in accordance with the Liquidation Trust Agreement and the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors dated August 22, 2018, as amended, modified, supplemented or restated from time to time, (Plan); (ii) to resolve disputed claims asserted against the Debtors, as defined in the Plan; (iii) to litigate and/or settle causes of action (Causes of Action); and (iv) to pay certain allowed claims and statutory fees, as required by the Plan. Woodbridge Group of Companies, LLC and its affiliated debtors are individually referred to herein as a Debtor and collectively as the Debtors. The Trust was formed on February 15, 2019 (Plan Effective Date) as a statutory trust under Delaware law.

On the Plan Effective Date, in accordance with the Plan, (a) the following assets automatically vested in the Trust: (i) an aggregate $5,000,000 in cash from the Debtors for the purpose of funding the Trust's initial expenses of operation; (ii) certain claims and Causes of Action; (iii) all of the outstanding equity interests of the Wind-Down Entity (as defined below); and (iv) certain other non-real estate related assets, (b) the equity interests of Woodbridge Group of Companies, LLC and Woodbridge Mortgage Investment Fund 1, LLC (together, Remaining Debtors) were cancelled and new equity interests representing all of the newly issued and outstanding equity interests in the Remaining Debtors were issued to the Trust, (c) all of the other Debtors other than the Remaining Debtors were dissolved and (d) the real estate-related assets of the Debtors were automatically vested in the Trust's wholly-owned subsidiary, Woodbridge Wind-Down Entity LLC (Wind-Down Entity) or one of the Wind-Down Entity's 43 wholly-owned single member LLCs (Wind-Down Subsidiaries) formed to own the respective real estate assets. The Trust, the Remaining Debtors, the Wind-Down Entity and the Wind-Down Subsidiaries are collectively referred to herein as the Company.

On December 24, 2019, the Trust's Registration Statement on Form 10 became effective under the Securities Exchange Act of 1934 (Exchange Act). The trading symbol for the Trust's Class A Liquidation Trust Interests (Class A Interests) is WBQNL. The Trust's Class A Interests are quoted on the OTC Link ATS, the SEC-registered alternative trading system. The Class A Interests are eligible for the Depository Trust Company's Direct Registration System (DRS) services.

Description of Business

The Trust is prosecuting various Causes of Action acquired by the Trust pursuant to the Plan and is resolving claims asserted against the Debtors. As of December 31, 2020, the Company is the plaintiff in several pending lawsuits. The Company is unable to estimate the amount of recovery, if any, related to these lawsuits. During the three and six months ended December 31, 2020 and 2019, the Company recorded approximately $585,000 and $1,483,000 and $7,165,000 and $3,666,000, respectively, from the settlement of Causes of Action. The Company has accrued an estimate of the amount of legal costs to be incurred to pursue these litigations, excluding contingent fees. As more fully discussed in Note 2, the Company's consolidated financial statements do not include any estimate of future net recoveries from litigation and settlement, since the Company cannot reasonably estimate them.

As of December 31, 2020, the Wind-Down Subsidiaries own eight single-family homes, all except one are located in Los Angeles, California. One of the single-family homes is listed for sale. All of the other single-family homes are under construction. The Wind-Down Subsidiaries also own secured loans (performing and non-performing) and other properties located in other states.

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The Company is required to liquidate its assets and distribute available cash to the Trust beneficiaries. The liquidation activities are carried out by the Trust, the Wind-Down Entity and the Wind-Down Subsidiaries. The Trust currently operates as one reportable segment comprised primarily of real estate assets held for sale.

Net assets in liquidation represent the remaining estimated aggregate value available to Trust beneficiaries upon liquidation, with no discount for the timing of proceeds (undiscounted). Due to the unpredictability of real estate market values, the impact of the COVID-19 virus (see below), as well as the uncertainty in the timing of liquidation of the real estate and other assets, net liquidation proceeds, other recoveries and actual liquidation costs may differ materially from the estimated amounts.

The Trust's expectations about the amount of any additional distributions and when they will be paid are subject to risks and uncertainties and are based on certain estimates and assumptions, one or more of which may prove to be incorrect. Therefore, the actual amount of any additional distributions may differ materially, perhaps in adverse ways, from the Trust estimates. Furthermore, it is not possible to predict the timing of any additional distributions and any such distributions may not be made within the timing referenced in the consolidated financial statements.

No assurance can be given that total distributions will equal or exceed the estimate of net assets in liquidation presented in the consolidated statements of net assets in liquidation.

As a result of the COVID-19 outbreak, three of the Wind-Down Subsidiaries' home construction sites were closed for about three months during the summer of 2020. One construction site was closed for about two weeks in late December 2020. The Company continues to observe health and safety guidelines, including allowing its employees to work remotely. The Company will continue to evaluate the impact of the COVID-19 outbreak on its activities, including the cost of construction, the timing of completion of the single-family homes that are under construction, the time needed to market and sell the single-family homes, and the price at which these single-family homes will be sold.

The ultimate impact of the COVID-19 outbreak will depend on many factors, some of which cannot be foreseen, including the duration, severity, and geographic concentrations of the pandemic and any resurgence of the disease; the impact of COVID-19 on the nation's economy and debt and equity markets and the local economies in the markets in which our real estate assets are located; the development and availability of COVID-19 infection and antibody testing, therapeutic agents and vaccines and the prioritization of such resources among businesses and demographic groups; government financial and regulatory relief efforts that may become available to businesses and individuals; and changes in unemployment rates, consumer confidence and equity markets caused by COVID-19.

2) Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) and pursuant to the rules and regulations of the Securities and Exchange Commission (SEC), including the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, the consolidated financial statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary for a fair and consistent presentation of the results for such periods. These consolidated financial statements have been presented in accordance with Accounting Standards Codification (ASC) Subtopic 205-30, "Liquidation Basis of Accounting," as amended by Accounting Standards Update (ASU) No. 2013-07, "Presentation of Financial Statements (Topic 205), Liquidation Basis of Accounting." The June 30, 2020 consolidated statement of net assets in liquidation included herein was derived from the audited consolidated financial statements but does not include all disclosures or notes required by U.S. GAAP for complete financial statements.

All material intercompany accounts and transactions have been eliminated.

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Use of Estimates

U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and for the period then ended. Actual results could differ from these estimates. Estimates and assumptions are reviewed periodically, and the carrying amounts of assets and liabilities are revised in the period that available information supports a change in the carrying amount.

Liquidation Basis of Accounting

Under the liquidation basis of accounting, all assets are recorded at their estimated net realizable value or liquidation value, which represents the estimated amount of net cash that will be received upon the disposition of the assets (on an undiscounted basis). The measurement of real estate assets held for sale is based on current contracts (if any), estimates and other indications of sales value, net of estimated selling costs. To determine the value of real estate assets held for sale, the Company considers the three traditional approaches to value (cost, income and sales comparison) commonly used by the real estate appraisal community. The applicability and relevancy of each valuation approach as applied may differ by asset. In most cases, the sales comparison approach was accorded the greatest weight. This approach compares a property to other properties with similar characteristics that have recently sold. To validate management's estimate, the Company also considers opinions from qualified real estate professionals and local real estate brokers and, in some cases, obtained third party appraisals. The estimated selling costs range from 5.0% to 6.0% of the property sales price.

Liabilities, including estimated costs associated with implementing and completing the Plan, are measured in accordance with U.S. GAAP that otherwise applies to those liabilities. The Company has also recorded the estimated development costs to be incurred to prepare the assets for sale as well as the estimated holding costs to be incurred until the projected sale date and the estimated general and administrative costs to be incurred until the completion of the liquidation of the Company. When estimating development costs, the Company considered third party construction contracts and estimates of costs to complete based on construction status, progress and projected completion timing. Estimated development costs also include the costs of design and furnishings necessary to prepare and stage the homes for marketing. Holding cost estimates consider property taxes, insurance, utilities, maintenance and other costs to be incurred until the sale of the property is closed. Projected general and administrative cost estimates take into account operating costs through the liquidation of the Company.

These estimated amounts are presented in the accompanying consolidated statements of net assets in liquidation. All changes in the estimated liquidation value of the Company's real estate held for sale, or other assets and liabilities are reflected as a change to the Company's net assets in liquidation.

The Company has not recorded any amount for future recoveries from unsettled Causes of Action, Fair Funds or Forfeited Assets, as defined in Note 5(c), in the accompanying consolidated financial statements since they cannot be reasonably estimated. The amount recovered may be material to the Company's net assets in liquidation.

On a quarterly basis, the Company reviews the estimated net realizable values and liquidation costs and records any significant changes. The Company will also revalue an asset when it is under contract for sale and the buyer's contingencies have been removed. During the period when this occurs, the carrying value of the asset and the estimated closing and other costs will be adjusted, if necessary. If the Company has a change in its plan for the disposition of an asset, the carrying value will be adjusted to reflect this change in the period that the change is approved. The change in value may include the accrued liquidation costs related to the asset.

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Other Assets

The Company recognizes recoveries from the settlement of Causes of Action when an agreement is executed and collectability is reasonably assured. An allowance for uncollectible settlement installment receivables is recorded when there is doubt about the collectability of the receivable. Insurance claims are recognized when the insurance company accepts the claim or if a claim is pending and the recoverable amount can be estimated. The Company records escrow receivables at the amount that is expected to be received when the escrow receivable is released. In addition, the Company recognizes other amounts to be received based on contractual terms or when the amounts to be received are certain.

Accrued Liquidation Costs

The Company accrues for estimated liquidation costs to the extent they are reasonably determinable. These costs consist of (a) estimated development costs of the single-family homes under development, other project related costs, architectural and engineering, project management, city fees, bond payments (net of refunds), furnishings, marketing and other costs; (b) estimated holding costs, including property taxes, insurance, maintenance, utilities and other; and (c) estimated general and administrative costs including payroll, legal and other professional fees, trustee and board fees, rent and other office related expenses, interest on financing and other general and administrative costs to operate the Company.

Cash Equivalents

The Company considers short-term investments that have a maturity date of ninety days or less at the time of investment to be a cash equivalent. The Company's cash equivalents include money market savings deposits and money market funds.

Restricted Cash

Restricted cash includes cash that can only be used for certain specified purposes.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and restricted cash. At times, balances in any one financial institution may exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. The Company mitigates this risk by depositing its cash, cash equivalents and restricted cash in high-credit quality financial institutions. In addition, the Company uses strategies to reduce deposit balances at any one financial institution consistent with FDIC insurance limits.

Income Taxes

The Trust is intended to be treated as a grantor trust for income tax purposes and, accordingly, is not subject to federal or state income tax on any income earned or gain recognized by the Trust. The Trust's beneficiaries will be treated as the owner of a pro rata portion of each asset, including cash and each liability received by and held by the Trust, and each beneficiary will be required to report on his or her federal and state income tax return his or her pro rata share of taxable income, including gains and losses recognized by the Trust. Accordingly, there is no provision for federal or state income taxes recorded in the accompanying consolidated financial statements.

The Company regularly analyzes its various federal and state filing positions and only recognizes the income tax effect in the consolidated financial statements when certain criteria regarding uncertain income tax positions have been met. The Company believes that its income tax positions would be more likely than not be sustained upon examination by all relevant taxing authorities. Therefore, no provision for uncertain income tax positions has been recorded in the consolidated financial statements.

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Reclassifications

Certain amounts in the June 30, 2020 consolidated statement of net assets in liquidation have been reclassified to conform with the December 31, 2020 presentation.

3) Real Estate Assets Held for Sale, Net

The Company's real estate assets held for sale as of December 31, 2020, with comparative information as of June 30, 2020, are as follows ($ in thousands):

	December 31, 2020				June 30, 2020			
	Number of Assets	Gross Value	Closing and Other Costs	Net Value	Number of Assets	Gross Value	Closing and Other Costs	Net Value
Single-family homes	8	$ 161,750	$ (9,705)	$ 152,045	13	$ 298,368	$ (17,072)	$ 281,296
Other real estate assets:								
Lots	-	-	-	-	2	3,500	(193)	3,307
Secured loans	4	1,965	(86)	1,879	4	1,984	(86)	1,898
Other properties	2	1,107	(55)	1,052	13	3,018	(182)	2,836
Subtotal	6	3,072	(141)	2,931	19	8,502	(461)	8,041
Total	14	$ 164,822	$ (9,846)	$ 154,976	32	$ 306,870	$ (17,533)	$ 289,337

The single-family homes, except one, are located in the Los Angeles, California area. One of the single-family homes is listed for sale. All of the other single-family homes are under construction. The loans are secured by properties located primarily in the Midwest and Eastern United States. The other properties are located in the states of Hawaii and New York.

During the three months ended December 31, 2020, the Company sold one single-family home, two lots and two other properties for net proceeds of approximately $87,666,000. During the three months ended December 31, 2019, the Company sold four single-family homes, six lots and one other property and collected a principal paydown on one secured loan for net proceeds of approximately $82,967,000. During the six months ended December 31, 2020, the Company sold five single-family homes, two lots and eleven other properties for net proceeds of approximately $121,158,000. One of the single-family homes sold during the six months ended December 31, 2020 was under construction and the buyer assumed the remaining obligations to complete construction of approximately $11,253,000. During the six months ended December 31, 2019, the Company sold eight single-family homes, sixteen lots, two other properties, settled two secured loans and collected a principal paydown on one secured loan for net proceeds of approximately $103,929,000.

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4) Restricted Cash

The Company's restricted cash as of December 31, 2020, with comparative information as of June 30, 2020, is as follows ($ in thousands):

	December 31, 2020	June 30, 2020
Distributions restricted by the Company related to unresolved claims, distributions for recently allowed claims, uncashed distribution checks, distributions withheld due to pending avoidance actions and distributions that the Trust is waiting for further beneficiary information	$ 3,638	$ 2,372
Interest reserve (Note 8)	1,750	1,750
Fair Funds, legally restricted for distribution	1,236	1,236
Total restricted cash	$ 6,624	$ 5,358

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5) Other Assets

The Company's other assets as of December 31, 2020, with comparative information as of June 30, 2020, are as follows ($ in thousands):

	December 31, 2020	June 30, 2020
Insurance claim receivable	$ 1,900	$ 1,900
Escrow receivables (a)	-	1,500
Settlement installment receivables, net (b)	305	575
Other (c)	430	208
Total other assets	$ 2,635	$ 4,183

(a) Escrow holdbacks relating to two single-family homes that were sold at June 30, 2020, respectively; amounts were released upon completion of repairs and construction.

(b) The allowance for uncollectible settlement installment receivables was approximately $129,000 and $40,000 at December 31, 2020 and June 30, 2020, respectively.

(c) The Trust entered into a resolution agreement with the United States Department of Justice which provided that the Trust would receive the assets forfeited (Forfeited Assets) by, among others, Robert and Jeri Shapiro. The agreement provides for the release of specified forfeited assets by the United States Department of Justice to the Trust, and for the Trust to liquidate those assets and distribute the net sale proceeds to "Qualifying Victims," which include the vast majority of Trust beneficiaries (specifically, all former holders of Class 3 and 5 claims and their permitted assigns), but do not include former holders of Class 4 claims. The Bankruptcy Court approved this settlement on September 17, 2020 and the District Court approved the settlement on October 1, 2020. The Trust is in the process of transferring the Forfeited Assets from the United States Department of Justice. As of December 31, 2020, the Trust is in the process of transferring the Forfeited Assets.

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6) Accrued Liquidation Costs

The following is a summary of the items included in accrued liquidation costs as of December 31, 2020, with comparative information as of June 30, 2020 ($ in thousands):

	December 31, 2020	June 30, 2020
Development costs:		
Construction costs	$ 39,173	$ 67,204
Construction warranty	2,870	2,870
Indirect costs	1,160	1,407
Bond refunds	(1,446)	(1,562)
Total development costs	41,757	69,919
Holding costs:		
Property tax	2,492	5,918
Insurance	1,611	2,125
Maintenance, utilities and other	969	1,518
Total holding costs	5,072	9,561
General and administrative costs:		
Legal and other professional fees	13,174	17,588
Payroll and payroll related	10,389	13,425
State, local and other taxes	2,186	1,725
Board fees and expenses	1,345	2,118
Marketing	717	765
Other	2,058	2,350
Total general and administrative costs	29,869	37,971
Total accrued liquidation costs	$ 76,698	$ 117,451

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7) Net Change In Assets and Liabilities

The following provides details of the change in the carrying value of assets and liabilities, net during the three months ended December 31, 2020 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ (87,675)	$ (1,277)	$ (88,952)
Cash and cash equivalents	72,508	-	72,508
Restricted cash	578	-	578
Other assets	(1,293)	248	(1,045)
Total assets	$ (15,882)	$ (1,029)	$ (16,911)
Accounts payable and accrued liabilities	$ (493)	$ 31	$ (462)
Accrued liquidation costs	(18,067)	1,146	(16,921)
Total liabilities	$ (18,560)	$ 1,177	$ (17,383)
Change in carrying value of assets and liabilities, net	$ 2,678	$ (2,206)	$ 472

The following provides details of the distributions (declared) reversed, net during the three months ended December 31, 2020 ($ in thousands):

Distributions (declared)	$ (29,957)
Distributions reversed	238
Distributions (declared) reversed, net	$ (29,719)

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The following provides details of the change in the carrying value of assets and liabilities, net during the three months ended December 31, 2019 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ (82,967)	$ (7,040)	$ (90,007)
Cash and cash equivalents	61,843	-	61,843
Restricted cash	(358)	-	(358)
Other assets	(968)	1,950	982
Total assets	$ (22,450)	$ (5,090)	$ (27,540)
Accounts payable and accrued liabilities	$ (365)	$ 117	$ (248)
Accrued liquidation costs	(25,839)	(2,413)	(28,252)
Total liabilities	$ (26,204)	$ (2,296)	$ (28,500)
Change in carrying value of assets and liabilities, net	$ 3,754	$ (2,794)	$ 960

The following provides details of the distributions (declared) reversed, net during the three months ended December 31, 2019 ($ in thousands):

Distributions (declared)	$ -
Distributions reversed	41
Distributions (declared) reversed, net	$ 41

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The following provides details of the change in the carrying value of assets and liabilities, net during the six months ended December 31, 2020 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ (121,167)	$ (13,194)	$ (134,361)
Cash and cash equivalents	98,849	-	98,849
Restricted cash	1,266	-	1,266
Other assets	(1,877)	329	(1,548)
Total assets	$ (22,929)	$ (12,865)	$ (35,794)
Accounts payable and accrued liabilities	$ (989)	$ 393	$ (596)
Accrued liquidation costs	(29,998)	(10,755)	(40,753)
Total liabilities	$ (30,987)	$ (10,362)	$ (41,349)
Change in carrying value of assets and liabilities, net	$ (8,058)	$ (2,503)	$ 5,555

The following provides details of the distributions (declared) reversed, net during the six months ended December 31, 2020 ($ in thousands):

Distributions (declared)	$ (59,927)
Distributions reversed	331
Distributions (declared) reversed, net	$ (59,596)

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The following provides details of the change in the carrying value of assets and liabilities, net during the six months ended December 31, 2019 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ (103,929)	$ (5,251)	$ (109,180)
Cash and cash equivalents	63,832	-	63,832
Restricted cash	(394)	-	(394)
Other assets	(1,396)	2,556	1,160
Total assets	$ (41,887)	$ (2,695)	$ (44,582)
Accounts payable and accrued liabilities	$ (370)	$ 226	$ (144)
Accrued liquidation costs	(46,231)	(2,742)	(48,973)
Total liabilities	$ (46,601)	$ (2,516)	$ (49,117)
Change in carrying value of assets and liabilities, net	$ 4,714	$ (179)	$ 4,535

The following provides details of the distributions (declared) reversed, net during the six months ended December 31, 2019 ($ in thousands):

Distributions (declared)	$ -
Distributions reversed	77
Distributions (declared) reversed, net	$ 77

PART I. FINANCIAL INFORMATION (CONTINUED)
Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries
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For the Three and Six Months Ended December 31, 2020 and 2019
(Unaudited)

8) Credit Agreements

Revolving Line of Credit

On June 19, 2020, two wholly-owned subsidiaries of the Wind-Down Entity entered into a $25,000,000 revolving line of credit (LOC) with a financial institution. The LOC may be increased to up to $30,000,000 with the pledge of one or more additional properties and lender approval. The LOC matures on June 19, 2022 but may be extended for one additional year thereafter. The LOC required the borrowers to establish an interest reserve of $1,750,000 (Note 4), which is to be used to pay the potential monthly interest payments. Outstanding borrowings bear interest at a fixed rate of 3.50% per annum. Indebtedness under the LOC is secured by a deed of trust on one property, the personal property associated therewith and the interest reserve. The Wind-Down Entity is the guarantor of the LOC. The Company is required to keep a cash balance of $20,000,000 on deposit with the lender in order to avoid a non-compliance fee of 2% of the shortfall in the required deposit and is required to comply with various covenants.

The property that was collateral for the LOC was sold in December 2020. The LOC agreement provides that the borrower has 60 days after the sale of the property that was collateral to add an additional borrower(s) and additional property(ies) as collateral. During the 60-day period, the available borrowings under the LOC were reduced to $100,000 (see Note 13).

As of December 31, 2020, the Company was in compliance with the financial covenants of the LOC. No amounts were outstanding under the LOC as of December 31, 2020 or June 30, 2020.

PPP Loan

On April 20, 2020, the Wind-Down Entity obtained unsecured credit in the form of a loan under the federal government's Paycheck Protection Program (PPP) in the amount of $324,700. The loan bears interest at a rate of 1.00% per annum. The loan matures on April 20, 2022. No payments are due on the loan until the date on which the amount of forgiveness is determined (Deferment Period). Beginning on the tenth day of the first month after the expiration of the Deferment Period, the then outstanding balance of the loan must be repaid in equal monthly payments of principal and interest, to be fully amortized over the remaining term of the loan.

The Company expects to have 100% of the loan balance forgiven and therefore no amounts are accrued under the liquidation basis of accounting as of December 31, 2020 (see Note 13).

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(Unaudited)

9) Beneficial Interests

The following table summarizes the Liquidation Trust Interests (rounded) for the six months ended December 31, 2020 and 2019:

	For the Six Months Ended December 31,			
	2020		2019	
Liquidation Trust Interests	Class A	Class B	Class A	Class B
Outstanding at beginning of period	11,518,232	675,558	11,433,623	655,261
Allowed claims	7,388	1,133	84,855	21,334
5% enhancement for certain allowed claims	166	56	459	5
Settlement of claims by cancelling Liquidation Trust Interests	(9,742)	(435)	(2,663)	(761)
Outstanding at end of period	11,516,044	676,312	11,516,274	675,839

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At the Plan Effective Date, certain claims were disputed. As those disputed claims are resolved, additional Class A and (if applicable) Class B Interests are issued on account of allowed claims. No Class A or Class B Interests are issued on account of disallowed claims. The following table summarizes the Trust's unresolved claims against the Debtors as they relate to Liquidation Trust Interests (rounded) for the six months ended December 31, 2020 and 2019:

	For the Six Months Ended December 31,			
	2020		2019	
Liquidation Trust Interests	Class A	Class B	Class A	Class B
Outstanding at beginning of period	193,559	7,118	482,734	34,697
Allowed claims	(7,388)	(1,133)	(84,855)	(21,334)
5% enhancement for certain allowed claims	(16)	-	-	-
Disallowed claims	(18,682)	(974)	(41,688)	(5,406)
Outstanding at end of period	167,473	5,011	356,191	7,957

10) Distributions

The Plan provides for a distribution waterfall that specifies the priority and manner of distribution of available cash. Distributions are to be made (a) to the Class A Interests until they have received distributions of $75.00 per Class A Interest; thereafter (b) to the Class B Interests until they have received distributions of $75.00 per Class B Interest; thereafter (c) to each Liquidation Trust Interest (whether a Class A or Class B Interest) until the aggregate of all distributions made pursuant to this clause equals an amount equivalent to interest, at a per annum fixed rate of 10%, compounded annually, accrued on the aggregate principal amount of all Net Note Claims, Allowed General Unsecured Claims and Net Unit Claims, all as defined, treating each distribution pursuant to (a) and (b) above as reductions of such principal amount; and thereafter (d) to the holders of Allowed Subordinated Claims, as defined, until such claims are paid in full, including interest, at a per annum fixed rate of 10% or such higher rate as may be agreed to, as provided for in the Plan, compounded annually, accrued on the principal amount of each Allowed Subordinated Claim, as defined.

On July 13, 2020, a distribution in the amount of approximately $29,934,000 was declared which represented $2.56 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims in the amount of approximately $29,201,000, which was paid on July 16, 2020 and (ii) a deposit of approximately $733,000 into a restricted cash account, which was made on August 25, 2020, for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims; (b) in respect of Class A Interests issued on account of recently allowed claims; (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) that were withheld due to pending avoidance actions; and (e) in respect of which the Trust is waiting for further beneficiary information.

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PART I. FINANCIAL INFORMATION (CONTINUED)
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Woodbridge Liquidation Trust and Subsidiaries
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On October 16, 2020, a distribution in the amount of approximately $29,957,000 was declared which represented $2.56 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims in the amount of approximately $29,204,000, which was paid on November 6, 2020 and (ii) a deposit of approximately $753,000 into a restricted cash account, which was made on November 3, 2020, for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims; (b) in respect of Class A Interests issued on account of recently allowed claims; (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) that were withheld due to pending avoidance actions; and (e) in respect of which the Trust is waiting for further beneficiary information.

During the three and six months ended December 31, 2020 and 2019, distributions of approximately $50,000 and $26,000, and $164,000 and $670,000, respectively, were paid from the restricted cash account to holders of Class A Interests as (a) claims were resolved, (b) claims were recently allowed, (c) addresses for holders of uncashed distribution checks were obtained, (d) pending avoidance actions were resolved and (e) further beneficiary information was received.

During the three and six months ended December 31, 2020 and 2019, as a result of claims being disallowed or cancelled, approximately $238,000 and $0, and $331,000 and $0, respectively, were released from the restricted cash account and distributions payable were reduced by the same amount.

During the three and six months ended December 31, 2020 and 2019, approximately $114,000 and $112,000, and $234,000 and $112,000, respectively, were received from the Company's transfer agent and others relating to distribution checks that were returned or not cashed. These amounts were deposited into the restricted cash account and distributions payable were increased by the same amount.

11) Related Party Transactions

Terry Goebel, a member of the Trust Supervisory Board, is president and a principal owner of G3 Group LA, a construction firm specializing in the development of high-end luxury residences. G3 Group LA is owned by Terry Goebel and his son Kelly Goebel. As of December 31, 2020, the Company was under contract with G3 Group LA for the development of one single-family home in Los Angeles, California. One additional construction contract was assumed by the buyer of a single-family home in November 2019. As of December 31, 2020 and June 30, 2020, the remaining amounts payable under these contracts were approximately $7,342,000 and $8,133,000, respectively. During the three and six months ended December 31, 2020 and 2019, approximately $2,157,000 and $4,391,000, and $1,654,000 and $5,924,000, respectively, were paid by the Company to G3 Group LA related to these contracts.

The liquidation trustee of the Trust is entitled to receive 5% of the total gross amount recovered by the Trust from the pursuit of Trust claims and Causes of Action. During the three and six months ended December 31, 2020 and 2019, approximately $31,000 and $81,000, and $393,000 and $190,000, respectively, were accrued as amounts due to the liquidation trustee. As of December 31, 2020 and June 30, 2020, approximately $19,000 and $119,000, respectively, were payable to the liquidation trustee. These amounts are included in accounts payable and accrued liabilities in the accompanying consolidated statements of net assets in liquidation. During the three and six months ended December 31, 2020 and 2019, approximately $491,000 and $0, and $491,000 and $0, respectively, were paid to the liquidation trustee.

In November 2019, the Trust entered into an arrangement with Akerman LLP, a law firm based in Miami, Florida of which the liquidation trustee is a partner, for the provision, at the option of the Trust on an as-needed basis, of e-discovery and related litigation support services in connection with the Trust's prosecution of Causes of Action. Under the arrangement, the Trust is charged for the services at scheduled rates per task which, depending on specific task, include flat rates, rates based on volume of data processed, rates based on the number of data users, the hourly rates of Akerman LLP personnel, or other rates. During the three and six months ended December 31, 2020 and 2019, approximately $102,000 and $0, and $206,000 and $0, respectively, were paid related to these services and there are no outstanding payables as of December 31, 2020 or June 30, 2020.

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PART I. FINANCIAL INFORMATION (CONTINUED)
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Woodbridge Liquidation Trust and Subsidiaries
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(Unaudited)

The executive officers of the Wind-Down Entity are entitled to a bonus based on the Wind-Down Entity achieving certain specified cumulative amounts of distributions to the Trust. Based on the carrying amounts of the net assets in liquidation included in the accompanying consolidated statements of net assets in liquidation, approximately $3,040,000 and $3,840,000, were accrued as of December 31, 2020 and June 30, 2020, respectively, as the estimated amount of the bonus (including associated payroll taxes). These amounts are included in the payroll and payroll related costs portion of accrued liquidation costs in the accompanying consolidated statement of net assets in liquidation. During the three and six months ended December 31, 2020 and 2019, approximately $1,025,000 and $0, and $1,025,000 and $0, respectively, were paid related to the bonuses.

12) Commitments and Contingencies

As of December 31, 2020, the Company had construction contracts, of which approximately $17,700,000 was unpaid.

The Company has a lease for its office space that expires on August 31, 2021. The Company has one three month option to extend the lease. The amount of rent paid, including common area maintenance and parking charges, during the three and six months ended December 31, 2020 and 2019 were approximately $79,000 and $68,000, and $145,000 and $135,000, respectively.

The Company is not presently the defendant in any material litigation nor, to the Company's knowledge, is any material litigation threatened against the Company.

The Company is not aware of any environmental liabilities that it believes would have a material adverse effect on its net assets in liquidation.

13) Subsequent Events

The Company evaluates subsequent events up until the date the unaudited consolidated financial statements are issued.

On January 7, 2021, a distribution in the amount of approximately $50,005,000 declared which represented $4.28 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims in the amount of approximately $48,665,000, which was paid on January 27, 2021 and (ii) a deposit of approximately $1,340,000 into a restricted cash account, which was made on January 28, 2021, for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims; (b) in respect of Class A Interests issued on account of recently allowed claims; (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) that were withheld due to pending avoidance actions; and (e) in respect of which the Trust is waiting for further beneficiary information.

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PART I. FINANCIAL INFORMATION (CONTINUED)
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Woodbridge Liquidation Trust and Subsidiaries
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(Unaudited)

The following table summarizes the Liquidation Trust Interests during the period from December 31, 2020 through February 12, 2021:

Liquidation Trust Interests	Class A	Class B
Outstanding at January 1, 2021	11,516,044	676,312
Allowed claims	-	-
5% enhancement for certain allowed claims	-	-
Settlement of claims by cancelling Liquidation Trust Interests	(2,529)	-
Outstanding at February 12, 2021	11,513,515	676,312

The following table summarizes unresolved claim against the Debtors as they relate to Liquidation Trust Interests (rounded) during the period from December 31, 2020 through February 12, 2021:

Liquidation Trust Interests	Class A	Class B
Outstanding at January 1, 2021	167,473	5,011
Allowed claims	-	-
Disallowed claims	-	-
Outstanding at February 12, 2021	167,473	5,011

During the period from January 1, 2021 through February 12, 2021, distributions of approximately $160,000 were paid from the restricted cash account.

During the period from January 1, 2021 through February 12, 2021, as a result of claims being disallowed or cancelled, approximately $29,000 was released from the restricted cash account and distributions payable were reduced by the same amount.

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries
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(Unaudited)

During the period from January 1, 2021 through February 12, 2021, approximately $197,000 was received from the Company's transfer agent and others relating to distribution checks that were returned or not cashed. These amounts were deposited into the restricted cash account and distributions payable were increased by the same amount.

During the period from January 1, 2021 through February 12, 2021, the Trust recorded approximately $317,000 from the settlement of Causes of Action. The Company recorded approximately $17,000 as the amount due to the liquidation trustee on account of such settlement.

On February 11, 2021, the LOC was amended. Two additional wholly owned subsidiaries of the Wind-Down Entity were joined to the LOC as co-borrowers and two properties were added as replacement collateral as allowed for in the original agreement. As a result of this amendment, the available borrowing commitment was adjusted back up to $25,000,000. The maturity of the LOC was amended to January 31, 2023 with an option to extend for one additional year. There were no other significant changes to the LOC.

On February 2, 2021, the Wind-Down Entity applied for forgiveness of the full amount of the PPP loan based on the qualifying costs incurred by the Wind-Down Entity during the 24-week period beginning on the date of first disbursement of the loan (April 22, 2020).

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying unaudited consolidated financial statements of Woodbridge Liquidation Trust and the related notes thereto. The Trust, the Remaining Debtors, the Wind-Down Entity and the Wind-Down Subsidiaries, as used herein, are defined in Note 1 to the consolidated financial statements and are collectively referred to herein as the Company.

Forward-Looking Statements

Certain statements included in this Quarterly Report on Form 10-Q are forward-looking statements. Those statements include, without limitation, financial guidance, and projections and statements with respect to expectation of future financial condition, changes in net assets in liquidation, cash flows, plans, targets, goals, objectives and performance of the Trust. Such forward-looking statements also include statements that are preceded by, followed by, or that include the words "believes", "estimates", "plans", "expects", "intends", "is anticipated", "will continue", "project", "outlook", "evaluate", "may", "could", "would", "should" and similar expressions, and all other statements that are not historical facts. All such forward-looking statements are based on the Trust's current expectations and involve risks and uncertainties which may cause actual results to differ materially from those set forth in such statements. Such risks and uncertainties include the amount of sales proceeds, timing of sales of real estate assets, timing and amount of funds needed to complete construction of single-family homes, amount of general and administrative costs, the number and amount of successful litigations and/or settlements and the ability to recover thereon, the amount of funding required to continue litigations, the continuing impact of the COVID-19 pandemic, interest rates, adverse weather conditions in the regions in which properties to be sold are located, economic and political conditions, changes in tax and other governmental rules and regulations applicable to the Trust and its subsidiaries and other risks and uncertainties identified in Item 1A. Risk Factors of the Company's Annual Report on Form 10-K, or contained in any of the Trust's subsequent filings with the SEC including in Part II. Other Information, Item 1A. Risk Factors of this Form 10-Q. These risks and uncertainties are beyond the ability of the Trust to control, and in many cases, the Trust cannot predict the risks and uncertainties, that could cause its actual results to differ materially from those indicated by the forward-looking statements.

In connection with the "safe harbor" provisions of the Securities Act of 1933 and the Exchange Act, the Trust has identified and is disclosing important factors, risks and uncertainties that could cause its actual results to differ materially from those projected in forward-looking statements made by the Trust, or on the Trust's behalf. (See "Part II. Other Information, Item 1A. Risk Factors" of this Form 10-Q.) These cautionary statements are to be used as a reference in connection with any forward-looking statements. The factors, risks and uncertainties identified in these cautionary statements are in addition to those contained in any other cautionary statements, written or oral, which may be made or otherwise addressed in connection with a forward-looking statement or contained in any of the Trust's subsequent filings with the SEC. Because of these factors, risks and uncertainties, the Trust cautions against placing undue reliance on forward-looking statements. Although the Trust believes that the assumptions underlying forward-looking statements are currently reasonable, any of the assumptions could be incorrect or incomplete, and there can be no assurance that forward-looking statements will prove to be accurate. Forward-looking statements speak only as of the date on which they are made. Except as may be required by law, the Trust does not undertake any obligations to modify, update or revise any forward-looking statement to take into account or otherwise reflect subsequent events, corrections in or revisions of underlying assumptions, or changes in circumstances arising after the date that the forward-looking statement was made.

Overview

Pursuant to the Plan, the Trust was formed on February 15, 2019 to hold, either directly or indirectly through the Wind-Down Entity and the Wind-Down Subsidiaries, the assets and equity interests formerly owned by the Debtors. Each of the real properties formerly owned by the Debtors was, as of February 15, 2019, owned by one of the Wind-Down Subsidiaries. The purpose of the Wind-Down Entity and the Wind-Down Subsidiaries is to develop (as applicable), market and sell those properties to generate cash. Assets formerly owned by the Debtors other than real estate assets and certain cash were transferred to the Trust. The purpose of the Trust is to receive remittances of cash from the Wind-Down Entity, to resolve disputed claims, to prosecute the Causes of Action, to pay allowed unimpaired claims and, subject to the payment of Trust expenses and the retention of various reserves, to make distributions of cash to Interestholders in accordance with the Plan.

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The Trust operates pursuant to the Plan and the Trust Agreement. The Trust was formed as a Delaware statutory trust and is administered by the liquidation trustee under the supervision of its Supervisory Board. The Wind-Down Entity, a wholly-owned subsidiary of the Trust, operates pursuant to the Plan and the Wind-Down Entity LLC Agreement. The Wind-Down Entity was formed as a Delaware limited liability company and is administered by its Board of Managers, one of which is the chief executive officer. One member of the Board of Managers is also a member of the Supervisory Board of the Trust.

The Bankruptcy Court has retained certain jurisdictions regarding the Trust, the liquidation trustee, the Supervisory Board, the Wind-Down Entity, the Board of Managers, and assets of the Trust and the Wind-Down Entity, including the determination of all disputes arising out of or related to administration of the Trust and the Wind-Down Entity and its subsidiaries.

As of December 31, 2020, the number of Liquidation Trust Interests outstanding in each class is as follows:

Class of Interest	Number Outstanding
Class A Liquidation Trust Interests	11,516,044
Class B Liquidation Trust Interests	676,312

For each of the classes of Liquidation Trust Interests, the number of Liquidation Trust Interests outstanding will increase to the extent that the disputed claims become allowed claims. In addition, the number of Liquidation Trust Interests outstanding will decrease to the extent that claims are settled by cancelling Liquidation Trust Interests.

On December 24, 2019, the Trust's Registration Statement on Form 10 became effective under the Exchange Act. The trading symbol for the Trust's Class A Interests is WBQNL. The Trust's Class A Interests are quoted on OTC Link ATS, the SEC-registered alternative trading system. The Class A Interests are eligible for the Depository Trust Company's DRS services.

Since the Plan Effective Date through December 31, 2020, the Wind-Down Subsidiaries have disposed of approximately 131 properties for aggregate net sales proceeds of approximately $403.73 million. As of December 31, 2020, the Company owned fourteen real estate assets with a gross carrying value of approximately $164.82 million. Therefore, it is unlikely that the amount of net sales proceeds that the Company will receive in the future will be consistent with the amount received from the Plan Effective Date through December 31, 2020. During the three months ended December 31, 2020 and 2019, the Company completed construction of zero and three single-family homes, respectively. During the six months ended December 31, 2020, the Company sold one single-family home that was under construction. The buyer assumed the remaining obligations to complete the construction of the property. The Company expects to complete the liquidation of its assets during the fiscal year ending June 30, 2023.

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Discussion of the Company's Operations

Three months ended December 31, 2020

Consolidated Statement of Changes in Net Assets in Liquidation
For the three months ended December 31, 2020
($ in thousands)

Net assets in liquidation, as of September 30, 2020	$	239,723
Change in assets and liabilities:		
Change in carrying value of assets and liabilities, net		472
Distributions (declared) reversed, net		(29,719)
Net change in assets and liabilities		(29,247)
Net assets in liquidation, as of December 31, 2020	$	210,476

Net assets in liquidation decreased approximately $29.25 million during the three month period ended December 31, 2020. This decrease was due to: (a) an increase in the carrying value of assets and liabilities of approximately $0.47 million and (b) net distributions of approximately $29.72 million. The components of the approximately $0.47 million net change in the carrying value of assets and liabilities are as follows ($ in thousands):

Settlement recoveries recognized, net	$	530
Carrying value in excess of sales proceeds		(1,277)
Remeasurement of assets and liabilities, net		1,147
Other		72
Change in carrying value of assets and liabilities, net	$	472

During the three months ended December 31, 2020, the Company:

- Declared a distribution of $2.56 per Class A Liquidation Trust Interest, which totaled approximately $29.95 million.
- Sold one single-family home, two lots and two other properties for net proceeds of approximately $87.67 million.
- Signed agreements to settle Causes of Action for payment to the Trust of approximately $0.60 million.
- Paid construction costs of approximately $8.43 million relating to single-family homes under development.
- Paid holding costs of approximately $2.26 million.
- Paid general and administrative costs of approximately $3.08 million, including approximately $0.09 million of board member fees and expenses, approximately $2.45 million of payroll and other general and administrative costs and approximately $0.54 million of post Plan Effective Date professional fees.

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Three months ended December 31, 2019

Consolidated Statement of Changes in Net Assets in Liquidation
For the three months ended December 31, 2019
($ in thousands)

Net assets in liquidation, as of September 30, 2019	$	333,582
Change in assets and liabilities:		
Change in carrying value of assets and liabilities, net		960
Distributions (declared) reversed, net		41
Net change in assets and liabilities		1,001
Net assets in liquidation, as of December 31, 2019	$	334,583

Net assets in liquidation increased approximately $1.00 million during the three months ended December 31, 2019. This increase was due to: (a) an increase in the carrying value of assets and liabilities of approximately $0.96 million and (b) distributions that were reversed for disallowed claims of approximately $0.04 million. The components of the approximately $0.96 million net change in the carrying value of assets and liabilities, net are as follows ($ in thousands):

Reduction of state, local and other taxes	$	2,890
Settlement recoveries recognized, net		1,402
Sales proceeds in excess of carrying value		1,424
Remeasurement of assets and liabilities, net		(5,040)
Other		284
Change in carrying value of assets and liabilities, net	$	960

During the three months ended December 31, 2019, the Company:

- Sold four single-family homes, six lots, one other property and collected a principal paydown on one secured loan for net proceeds of approximately $82.97 million.
- Signed agreements to settle Causes of Action of approximately $1.48 million.
- Paid construction costs of approximately $11.45 million relating to single-family homes under development.
- Paid holding costs of approximately $5.16 million.
- Paid general and administrative costs of approximately $6.06 million, including approximately $0.31 million of board member fees and expenses, approximately $1.17 million of payroll and other general and administrative costs and approximately $4.58 million of post Plan Effective Date professional fees.
- Paid professional fee incurred before the Plan Effective Date of approximately $0.36 million.

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Six months ended December 31, 2020

Consolidated Statement of Changes in Net Assets in Liquidation
For the six months ended December 31, 2020
($ in thousands)

Net assets in liquidation, as of June 30, 2020	$	264,517
Change in assets and liabilities:		
Change in carrying value of assets and liabilities, net		5,555
Distributions (declared) reversed, net		(59,596)
Net change in assets and liabilities		(54,041)
Net assets in liquidation, as of December 31, 2020	$	210,476

Net assets in liquidation decreased approximately $54.04 million during the six month period ended December 31, 2020. This decrease was due to: (a) an increase in the carrying value of assets and liabilities of approximately $5.55 million and (b) net distributions of approximately $59.59 million. The components of the approximately $5.55 million net change in the carrying value of assets and liabilities are as follows ($ in thousands):

Settlement recoveries recognized, net	$	6,687
Carrying value in excess of sales proceeds		(1,540)
Remeasurement of assets and liabilities, net		302
Other		106
Change in carrying value of assets and liabilities, net	$	5,555

During the six months ended December 31, 2020, the Company:

- Declared two distributions, each of $2.56 per Class A Liquidation Trust Interest, which totaled approximately $59.92 million.
- Sold five single-family homes, two lots and eleven other properties for net proceeds of approximately $121.16 million.
- Signed agreements to settle Causes of Action for payment to the Trust of approximately $7.18 million.
- Paid construction costs of approximately $16.27 million relating to single-family homes under development.
- Paid holding costs of approximately $3.36 million.
- Paid general and administrative costs of approximately $5.00 million, including approximately $0.18 million of board member fees and expenses, approximately $3.66 million of payroll and other general and administrative costs and approximately $1.16 million of post Plan Effective Date professional fees.

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Six months ended December 31, 2019

Consolidated Statement of Changes in Net Assets in Liquidation
For the six months ended December 31, 2019
($ in thousands)

Net assets in liquidation, as of June 30, 2019	$	329,971
Change in assets and liabilities:		
Change in carrying value of assets and liabilities, net		4,535
Distributions (declared) reversed, net		77
Net change in assets and liabilities		4,612
Net assets in liquidation, as of December 31, 2019	$	334,583

Net assets in liquidation increased approximately $4.61 million during the six months ended December 31, 2019. This increase was due to: (a) changes in the carrying value of assets and liabilities, net of approximately $4.53 million and (b) distributions that were reversed for disallowed claims of approximately $0.08 million. The components of the approximately $4.53 million net change in the carrying value of assets and liabilities, net are as follows ($ in thousands):

Reduction of state, local and other taxes	$	2,890
Settlement recoveries recognized, net		3,476
Sales proceeds in excess of carrying value		3,291
Remeasurement of assets and liabilities, net		(5,314)
Other		192
Change in carrying value of assets and liabilities, net	$	4,535

During the six months ended December 31, 2019, the Company:

- Sold eight single-family homes, 16 lots, two other properties, settled two secured loans and collected a principal paydown on one secured loan for net proceeds of approximately $109.93 million.
- Signed agreements to settle Causes of Action of approximately $3.67 million.
- Paid construction costs of approximately $25.54 million relating to single-family homes under development.
- Paid holding costs of approximately $6.58 million.
- Paid general and administrative costs of approximately $11.57 million, including approximately $0.59 million of board member fees and expenses, approximately $2.54 million of payroll and other general and administrative costs and approximately $8.44 million of post Plan Effective Date professional fees.
- Paid professional fee incurred before the Plan Effective Date of approximately $0.36 million.

Liquidity and Capital Resources

Liquidity

The Company's primary sources for meeting its capital requirements are its cash, availability under the LOC, proceeds from the sale of its real estate assets and recoveries from Causes of Action. The Company's primary uses of funds are and will continue to be for distributions, development costs, holding costs and general and administrative costs, all of which the Company expects to be able to adequately fund over the next twelve months from its primary sources of capital.

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Capital Resources

In addition to consolidated cash and cash equivalents at December 31, 2020 of approximately $133.22 million (of which approximately $6.62 million is restricted), the capital resources available to the Company and its uses of liquidity are as follows:

Revolving Line of Credit

On June 19, 2020, two wholly-owned subsidiaries of the Wind-Down Entity entered into a $25,000,000 revolving LOC. The LOC may be increased to up to $30,000,000 with the pledge of one or more additional properties and lender approval. The LOC matures on June 19, 2022, but may be extended for one additional year thereafter. The LOC required the borrowers to establish an interest reserve of $1,750,000, which is to be used to pay the potential monthly interest payments. Outstanding borrowings bear interest at a fixed rate of 3.50% per annum. Indebtedness under the LOC is secured by a deed of trust on one property, the personal property associated therewith and the interest reserve. The Wind-Down Entity is the guarantor of the LOC. The Company is required to keep a cash balance of $20,000,000 on deposit with the lender in order to avoid a non-compliance fee of 2% of the shortfall in the required deposit and is required to comply with various covenants.

The property that was collateral for the LOC was sold in December 2020. The LOC agreement provides that the borrower has 60 days after the sale of the property that was collateral to add an additional borrower(s) and additional property(ies) as collateral. During the 60-day period, the available borrowings under the LOC were reduced to $100,000.

On February 11, 2021, the LOC was amended. Two additional wholly owned subsidiaries of the Wind-Down Entity were joined to the LOC as co-borrowers and two properties were added as replacement collateral as allowed for in the original agreement. As a result of this amendment, the available borrowing commitment was adjusted back up to $25,000,000. The maturity of the LOC was amended to January 31, 2023 with an option to extend for one additional year. There were no other significant changes to the LOC.

No amounts were outstanding under the LOC as of December 31, 2020 and February 12, 2021.

Sales of Real Estate Assets

The Wind-Down Entity and the Wind-Down Subsidiaries are in the process of developing, marketing and selling their real estate assets, all of which are held for sale, with the exception of seven single-family homes which were under development as of December 31, 2020. There can be no assurance as to the amount of net proceeds that the Company will receive from the sale of real estate assets or when the net sales proceeds will be received. As of December 31, 2020, the Company owned fourteen real estate assets with a gross carrying value of approximately $164.82 million. Therefore, it is unlikely that the net proceeds for the three and six months ended December 31, 2020 will be indicative of future net proceeds, which may be significantly lower. In addition, it may take longer to sell the properties than the Company has estimated.

Recoveries

During the three and six months ended December 31, 2020, the Company recognized approximately $0.58 and $6.74 million, net, respectively, from the settlement of Causes of Action. There can be no assurance that the amounts the Company recovers from settling Causes of Action, Fair Funds recoveries and Forfeited Assets' recoveries in the future will be consistent with the amount recovered during the three and six months ended December 31, 2020.

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Forfeited Assets

The Trust is in the process of transferring the Forfeited Assets. The assets consist of cash and other assets. The Trust is required to distribute the net sale proceeds from liquidating the Forfeited Assets to the Qualifying Victims. Qualifying Victims are the former holders of Class 3 and Class 5 Claims and their permitted assigns. Former holders of Class 4 claims are not Qualifying Victims. Because of the requirement to distribute the net sale proceeds of the Forfeited Assets to the Qualifying Victims, the net sales proceeds will be presented in the consolidated statement of net assets as restricted net assets in liquidation. At December 31, 2020, approximately 11,444,832 of the 11,516,044 Class A Interests were held by Qualifying Victims.

Uses of Liquidity

The primary uses of the Company's liquidity are to pay (a) distributions payable, (b) development costs, (c) holding costs, and (d) general and administrative costs. As of December 31, 2020, the Company's total liabilities were approximately $80.35 million. The total liabilities recorded as of December 31, 2020 may not be indicative of the costs paid in future periods, which may be significantly higher.

Given current cash and cash equivalent balances, projected sales of real estate assets, availability under the LOC, Causes of Action recoveries, distributions declared and expected cash needs, the Company does not expect a deficiency in liquidity in the next twelve months. Due to the uncertain nature of future net sales proceeds, recoveries and costs to be incurred, it is not possible to be certain that the current liquidity will be adequate to cover all future financial needs of the Company. Creating contingent obligation agreements and/or seeking methods to reduce professional costs, including legal fees, and administrative costs are strategies that could be undertaken to address liquidity issues should they arise. These strategies could impact the Company's ability to maximize recoveries from the settlement of Causes of Action.

Distributions

Distributions will be made at the sole discretion of the Liquidation Trustee in accordance with the provisions of the Plan and the Trust Agreement. As of February 12, 2021, the Liquidation Trustee has declared six distributions to the Class A Interestholders. The distributions are paid on account of the then-allowed claims and a deposit is made into a restricted cash account for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims, (b) in respect of Class A Interest on account of recently allowed claims, (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions, (d) that were withheld due to pending avoidance actions and (e) in respect of which the Trust is waiting for further beneficiary information.

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PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The following tables summarize the distributions declared, distributions paid and the activity in the restricted cash account for the periods from February 15, 2019 (inception) through December 31, 2020 and from February 15, 2019 (inception) through February 12, 2021:

			During the Period from February 15, 2019 (inception) through December 31, 2020 ($ in Millions)			During the Period From February 15, 2019 (inception) through February 12, 2021 ($ in Millions)		
	Date	$ per Class A Interest	Total Declared	Paid	Distribution Reserve Account	Total Declared	Paid	Distribution Reserve Account
Distributions Declared								
First	3/15/2019	$ 3.75	$ 44.70	$ 42.32	$ 2.38	$ 44.70	$ 42.32	2.38
Second	1/2/2020	4.50	53.43	51.19	2.24	53.43	51.19	2.24
Third	3/31/2020	2.12	25.00	24.19	0.81	25.00	24.19	0.81
Fourth	7/13/2020	2.56	29.97	29.24	0.73	29.97	29.24	0.73
Fifth	10/19/2020	2.56	29.95	29.20	0.75	29.95	29.20	0.75
Sixth	1/7/2021	4.28	-	-	-	50.01	48.67	1.34
Subtotal		$ 19.77	$ 183.05	$ 176.14	$ 6.91	$ 233.06	$ 224.81	$ 8.25
Distributions Reversed								
(a)Disallowed					(1.97)			(2.00)
(b)Returned					0.38			0.58
Subtotal					(1.59)			(1.42)
(c)**Distributions Paid from Reserve Account**					(1.68)			(1.84)
Distributions Payable, Net				as of 12/31/2020:	$ 3.64		as of 2/12/2021:	$ 4.99

(a) As a result of claims being disallowed.
(b) Distribution checks returned or not cashed.
(c) Paid as claims are allowed or resolved.

The liquidation trustee will continue to assess the adequacy of funds held and expects to make additional cash distributions on account of Class A Interests, but does not currently know the timing or amount of any such distribution(s).

Contractual Obligations

As of December 31, 2020, the Company has contractual commitments related to construction contracts totaling approximately $17.70 million. The Company expects to complete the construction of these single-family homes during the fiscal year ending June 30, 2022. The Company has an office lease that expires in August 2021. The Company expects that it will continue to lease office space until the liquidation process is completed.

Off-Balance Sheet Arrangements

As of December 31, 2020, the Company did not have any off-balance sheet arrangements, other than those disclosed under "Contractual Obligations" above, that have or are reasonably likely to have a material effect on its consolidated financial statements, liquidity or capital resources.

Quantitative Disclosures about Market Risk

As of December 31, 2020, the Company does not have any market risk exposure as defined by Securities and Exchange Commission Regulation 229.305.

Inflation

Until the Company completes the liquidation of its assets, it may be exposed to inflation risks relating to increases in the costs of construction and other accrued liquidation costs.

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PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Critical Accounting Policies and Practices

The Company's consolidated financial statements are prepared in accordance with U.S. GAAP. The accounting policies and practices that the Company believes are the most critical are discussed below. These accounting policies and practices require management to make decisions on subjective and/or complex matters that may inherently be uncertain. Estimates are required to prepare the consolidated financial statements in conformity with U.S. GAAP. Significant estimates, judgments and assumptions are required in a number of areas, including, but not limited to, the sales price of real estate assets, selling costs, development costs, holding costs and general and administrative costs to be incurred until the completion of the liquidation of the Company. In many instances, changes in the accounting estimates are likely to occur from period to period. Actual results may differ from the estimates. The Company believes the current assumptions and other considerations used in preparing the consolidated financial statements are appropriate. However, if actual experience differs from the assumptions and other considerations used in estimating amounts reflected in the Company's consolidated financial statements, the resulting changes could have a material adverse effect on the Company's net assets in liquidation.

Liquidation Basis of Accounting

Under the liquidation basis of accounting, all assets are recorded at their estimated net realizable value or liquidation value, which represents the estimated amount of net cash that may be received upon the disposition of the assets (on an undiscounted basis). Liabilities are measured in accordance with U.S. GAAP that otherwise applies to those liabilities. The Company has not recorded any amount for future recoveries from unsettled Causes of Action, Fair Funds or Forfeited Asset recoveries in the accompanying consolidated financial statements because they cannot be reasonably estimated.

Valuation of Real Estate

The measurement of real estate assets held for sale is based on current contracts (if any), estimates and other indications of sales value, net of estimated selling costs. To determine the value of real estate assets held for sale, the Company considers the three traditional approaches to value (cost, income and sales comparison) commonly used by the real estate appraisal community. The applicability and relevancy of each valuation approach as applied may differ by asset. In most cases, the sales comparison approach was accorded the greatest weight. This approach compares a property to other properties with similar characteristics that have recently sold. To validate management's estimate, the Company also considers opinions from qualified real estate professionals and local real estate brokers and, in some cases, obtained third party appraisals.

Accrued Liquidation Costs

The estimated costs associated with implementing and completing the Company's plan of liquidation are recorded as accrued liquidation costs. The Company has also recorded the estimated development costs to be incurred to prepare the assets for sale as well as the estimated holding costs to be incurred until the projected sale date and the estimated general and administrative costs to be incurred until the completion of the liquidation of the Company.

Changes in Carrying Value

On a quarterly basis, the Company will review the estimated net realizable values and liquidation costs and record any significant variances. The Company will also evaluate an asset when it is under contract for sale and the buyer's contingencies have been removed. During the period that this occurs, the carrying value of the asset and the estimated closing and other costs will be adjusted, if necessary. If the Company has a change in its plan for the disposition of an asset, the carrying value will be adjusted to reflect this change in the period that the change is approved. The change in value may also include a change to the accrued liquidation costs related to the asset.

All changes in the estimated liquidation value of the Company's assets, real estate held for sale, or other assets and liabilities are reflected as a change to the Company's net assets in liquidation.

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PART I. FINANCIAL INFORMATION (CONTINUED)

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable, as the Company is a “smaller reporting company” within the meaning of Rule 12b-2 of the Exchange Act.

Item 4. Controls and Procedures

This quarterly report does not include a report of management’s assessment of internal controls over financial reporting due to a transition period established by rules of the SEC for newly public companies.

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PART II. OTHER INFORMATION (CONTINUED)
Item 1. Legal Proceedings

Below is a description of pending litigation. As the Company is the plaintiff in these legal proceedings and does not have the ability to estimate the ultimate recovery amount until they are settled, and in accordance with the Company's accounting policy, no recoveries have been recorded in the Company's consolidated financial statements for these legal proceedings, other than for settlements for which the Trust has entered into a signed settlement agreement.

Goldberg v. Halloran & Sage LLP, et al., Case No. 19STCV42900 (Cal. Super. Ct., L.A. Cnty., filed Dec. 2, 2019), is an action by the Trust against nine law firms (Halloran & Sage LLP; Balcomb & Green, P.C.; Rome McGuigan, P.C.; Haight Brown & Bonesteel LLP; Bailey Cavalieri LLC; Sidley Austin LLP; Davis Graham & Stubbs LLP; Robinson & Cole LLP; and Finn Dixon & Herling LLP) and ten individual attorneys (Richard Roberts, Lawrence R. Green, Jon H. Freis, Brian Courtney, Ted Handel, Thomas Geyer, Neal Sullivan, S. Lee Terry, Jr., Shant Chalian, and Reed Balmer) for conduct in connection with their representation of Robert Shapiro, the Debtors or their affiliates before the commencement of the Bankruptcy Cases, as well as against up to 100 "Doe" defendants. The conduct challenged in the complaint includes knowingly and/or negligently preparing loan documents and investment agreements with material misstatements and omissions, designing deceptive securities products, preparing incorrect legal opinion memoranda on which investors relied, and assisting in the creation of nominally third-party borrower entities that were in fact controlled by Robert Shapiro.

The first set of counts in the complaint are against law firm Halloran & Sage LLP, attorney Richard Roberts, and the "Doe" defendants for aiding and abetting securities fraud (First Count), aiding and abetting fraud (Second Count), aiding and abetting breach of fiduciary duty (Third Count), negligent misrepresentation (Fourth Count), professional negligence (Fifth Count), and aiding and abetting conversion (Sixth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $500 million, as well as for punitive damages.

The second set of counts in the complaint are against law firm Balcomb & Green, P.C., attorney Lawrence R. Green, and the "Doe" defendants for aiding and abetting securities fraud (Seventh Count), aiding and abetting fraud (Eighth Count), aiding and abetting breach of fiduciary duty (Ninth Count), negligent misrepresentation (Tenth Count), professional negligence (Eleventh Count), and aiding and abetting conversion (Twelfth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $500 million, as well as for punitive damages.

The third set of counts in the complaint are against attorney Jon H. Freis and the "Doe" defendants for aiding and abetting securities fraud (Thirteenth Count), aiding and abetting fraud (Fourteenth Count), aiding and abetting breach of fiduciary duty (Fifteenth Count), negligent misrepresentation (Sixteenth Count), professional negligence (Seventeenth Count), and aiding and abetting conversion (Eighteenth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $500 million, as well as for punitive damages.

The fourth set of counts in the complaint are against law firm Rome McGuigan, P.C., attorney Brian Courtney, and the "Doe" defendants for aiding and abetting securities fraud (Nineteenth Count), aiding and abetting fraud (Twentieth Count), aiding and abetting breach of fiduciary duty (Twenty-First Count), negligent misrepresentation (Twenty-Second Count), professional negligence (Twenty-Third Count), and aiding and abetting conversion (Twenty-Fourth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $500 million, as well as for punitive damages.

The fifth set of counts in the complaint are against law firm Haight Brown & Bonesteel LLP, attorney Ted Handel, and the "Doe" defendants for aiding and abetting securities fraud (Twenty-Fifth Count), aiding and abetting fraud (Twenty-Sixth Count), aiding and abetting breach of fiduciary duty (Twenty-Seventh Count), negligent misrepresentation (Twenty-Eighth Count), professional negligence (Twenty-Ninth Count), and aiding and abetting conversion (Thirtieth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $20 million, as well as for punitive damages.

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PART II. OTHER INFORMATION (CONTINUED)
Item 1. Legal Proceedings (Continued)

The sixth set of counts in the complaint are against law firm Bailey Cavalieri LLC, Thomas Geyer, and the "Doe" defendants for aiding and abetting securities fraud (Thirty-First Count), aiding and abetting fraud (Thirty-Second Count), aiding and abetting breach of fiduciary duty (Thirty-Third Count), negligent misrepresentation (Thirty-Fourth Count), professional negligence (Thirty-Fifth Count), and aiding and abetting conversion (Thirty-Sixth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $500 million, as well as for punitive damages.

The seventh set of counts in the complaint are against law firm Sidley Austin LLP, attorney Neal Sullivan, and the "Doe" defendants for aiding and abetting securities fraud (Thirty-Seventh Count), aiding and abetting fraud (Thirty-Eighth Count), aiding and abetting breach of fiduciary duty (Thirty-Ninth Count), negligent misrepresentation (Fortieth Count), professional negligence (Forty-First Count), and aiding and abetting conversion (Forty-Second Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $500 million, as well as for punitive damages.

The eighth set of counts in the complaint are against law firm Davis Graham & Stubbs LLP, attorney S. Lee Terry, Jr., and the "Doe" defendants for aiding and abetting securities fraud (Forty-Third Count), aiding and abetting fraud (Forty-Fourth Count), aiding and abetting breach of fiduciary duty (Forty-Fifth Count), negligent misrepresentation (Forty-Sixth Count), professional negligence (Forty-Seventh Count), and aiding and abetting conversion (Forty-Eighth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $200 million, as well as for punitive damages.

The ninth set of counts in the complaint are against law firm Robinson & Cole LLP, attorney Shant Chalian, and the "Doe" defendants for aiding and abetting securities fraud (Forty-Ninth Count), aiding and abetting fraud (Fiftieth Count), aiding and abetting breach of fiduciary duty (Fifty-First Count), negligent misrepresentation (Fifty-Second Count), professional negligence (Fifty-Third Count), and aiding and abetting conversion (Fifty-Fourth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $5 million, as well as for punitive damages.

The tenth set of counts in the complaint are against law firm Finn Dixon & Herling LLP, attorney Reed Balmer, and the "Doe" defendants for aiding and abetting securities fraud (Fifty-Fifth Count), aiding and abetting fraud (Fifty-Sixth Count), aiding and abetting breach of fiduciary duty (Fifty-Seventh Count), negligent misrepresentation (Fifty-Eighth Count), professional negligence (Fifty-Ninth Count), and aiding and abetting conversion (Sixtieth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of $5 million, as well as for punitive damages.

The eleventh set of counts in the complaint are against law firms Halloran & Sage LLP; Balcomb & Green, P.C.; Rome McGuigan, P.C.; Haight Brown & Bonesteel LLP; Bailey Cavalieri LLC; Sidley Austin LLP; Davis Graham & Stubbs LLP; Robinson & Cole LLP; and Finn Dixon & Herling LLP; attorney Jon H. Freis, and the "Doe" defendants for actual-intent fraudulent transfer (Sixty-First Count) and constructive fraudulent transfer (Sixty-Second Count). These defendants are alleged to be liable for damages in an amount believed to be in excess of $5 million, as well as for provisional remedies, avoidance of the transfers, and punitive damages.

The case was designated as a complex matter on December 18, 2019, and was assigned to the Honorable Amy Hogue.

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PART II. OTHER INFORMATION (CONTINUED)
Item 1. Legal Proceedings (Continued)

On March 20, 2020, two sets of defendants – Sidley Austin LLP and Neal Sullivan; and Davis Graham & Stubbs LLP and S. Lee Terry, Jr. – filed special motions to strike the portions of the complaint directed at them under a California statute (Civil Procedure Code section 425.16) that permits defendants to bring early challenges to causes of action against them that allegedly arise from protected litigation activity if those causes of action lack minimal merit. The defendants that filed these special motions to strike asserted that the claims against them arise from communicative conduct in the course of quasi-judicial proceedings, such as regulatory inquiries, and that the Trust cannot establish a likelihood of prevailing on its claims against them. The Trust opposed these motions, and the matters were heard on July 28, 2020, and taken under submission on that date. On August 14, 2020, the Court entered orders: (i) granting the motion to strike filed by Sidley Austin LLP and Neal Sullivan, and (ii) granting in part and denying in part the motion to strike filed by Davis Graham & Stubbs LLP and S. Lee Terry, Jr. In September 2020, the Trust filed notices of appeal of the foregoing orders, and Davis Graham & Stubbs LLP and S. Lee Terry, Jr. subsequently filed a cross-appeal. On January 27, 2021, the Court entered an order granting, in part, a motion for attorneys' fees filed by Sidley Austin LLP and Neal Sullivan, pursuant to which the movants were awarded $282,500.00 in fees and $5,557.87 in costs.

On April 13, 2020, four sets of defendants – Rome McGuigan, P.C. and Brian Courtney; Bailey Cavalieri LLC and Thomas Geyer; Robinson & Cole LLP and Shant Chalian; and Finn Dixon & Herling LLP and Reed Balmer – filed motions to quash the service of summonses. The defendants that filed these motions asserted that they are not subject to suit in California because they do not have sufficient contacts with California to justify a California court's exercise of jurisdiction over them. The Trust opposed these motions, and the matters were heard in part on July 15, 2020 and in part on July 20, 2020, and (with exception of the motion filed by Finn Dixon & Herling LLP and Reed Balmer) were taken under submission on July 20, 2020. The motion filed by Finn Dixon & Herling LLP and Reed Balmer was taken off calendar prior to July 20, 2020, and the parties thereafter reached a confidential settlement. On July 21, 2020, the Court entered orders granting the motions to quash filed by Rome McGuigan, P.C. and Brian Courtney; Bailey Cavalieri LLC and Thomas Geyer; and Robinson & Cole LLP and Shant Chalian. On September 10, 2020, the Trust filed a notice of appeal of the foregoing orders.

On June 16, 2020, the Trust reached a confidential settlement with Balcomb & Green, P.C. and Lawrence R. Green. On July 6, 2020, these defendants filed a motion seeking the Court's determination that the settlement was made in good faith under a California statute (Civil Procedure Code section 877.6) that permits settling defendants to seek a good faith settlement finding in order to bar any other defendant from seeking contribution or indemnity. The motion was unopposed, and the Court entered an order granting it on August 12, 2020.

On January 21, 2021, the Trust reached a confidential settlement with Robinson & Cole LLP and Shant Chalian. As part of that settlement, the appeal of the jurisdictional ruling as to those parties has been dismissed.

On October 28, 2020, the Trust filed a federal lawsuit against four defendants that prevailed on the motions to quash service of summons in the California state court action (Rome McGuigan, P.C.; Brian Courtney; Bailey Cavalieri LLC; and Thomas Geyer), as well as a fifth defendant (Ivan Acevedo), and certain "Doe" defendants." The case is styled *Goldberg v. Rome McGuigan, P.C., et al.*, Case No. 2:20-cv-09958-JFW-SK (C.D. Cal.). The complaint contains counts for (i) violations of section10(b) of the Exchange Act and Rule 10b-5; (i) aiding and abetting fraud; (iii) aiding and abetting breach of fiduciary duty; (iv) negligent misrepresentation; (v) professional negligence; (vi) aiding and abetting conversion; (vii) actual fraudulent transfer; and (viii) constructive fraudulent transfer. The conduct challenged in the complaint includes certain of the same conduct challenged in the California state court action, and a footnote in the complaint explains: "Plaintiff filed an action in Los Angeles Superior Court against [four of these defendants] raising some of the claims asserted in this action. Those defendants filed a motion to quash service, alleging that the court did not have personal jurisdiction. The Court granted those motions, and Plaintiff appealed. Plaintiff brings this action to preserve his rights and ensure that his claims against [the defendants] are adjudicated on the merits. Should the state court appeal be successful, resulting in two cases being simultaneously litigated on the merits in two forums, [plaintiff] will consider dismissing this action and litigating the case in state court." On January 4, 2021, the four defendants from the California state court action filed motions to dismiss this federal lawsuit, and those motions are set for hearing on February 22, 2021. On February 9, 2021, the Court entered a schedule setting certain dates and deadlines, including: (i) November 22, 2021 as the discovery (fact and expert) cut-off; (ii) December 13, 2021 as the deadline for hearings on dispositive motions; (iii) September 27, 2021 as the deadline for initial expert disclosures and reports; (iv) October 4, 2021 as the last day to conduct a settlement conference or mediation; (v) January 21, 2022 as the final pretrial conference; and (vi) February 8, 2022 as the start of what is estimated to be a 5-day jury trial.

Comerica Bank litigation. There are two pending actions against Comerica Bank, the institution at which the Debtors maintained all of their bank accounts, alleging various causes of action:

(1) *In re Woodbridge Investments Litigation,* Case No. 2:18-cv-00103-DMG-MRW (C.D. Cal.), is a consolidated class action (Class Action) in the United States District Court for the Central District of California (California District Court) brought on behalf of former Noteholders and Unitholders against Comerica Bank. It is comprised of five separate lawsuits filed between January 4, 2018 and April 26, 2018. The five lawsuits were consolidated, Lead Class Counsel was appointed, and Lead Class Counsel filed a Consolidated Class Action Complaint on September 19, 2019. The Consolidated Class Action Complaint asserted claims for aiding and abetting fraud (Count 1), aiding and abetting breach of fiduciary duty (Count 2), negligence (Count 3), and violations of California's unfair competition law (Count 4).

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PART II. OTHER INFORMATION (CONTINUED)
Item 1. Legal Proceedings (Continued)

On November 1, 2019, Comerica moved to dismiss the Consolidated Class Action Complaint under Federal Rule of Civil Procedure 12(b)(6) (failure to state a claim upon which relief can be granted) and Federal Rule of Civil Procedure 12(b)(1) (lack of subject matter jurisdiction). With respect to Count 1 (aiding and abetting fraud) and Count 2 (aiding and abetting breach of fiduciary duty), Comerica argued that the Class Plaintiffs' allegations did not demonstrate that Comerica had actual knowledge of the underlying fraud and breach of fiduciary duty that Comerica is alleged to have aided and abetted; with respect to Count 3 (negligence), Comerica argued that there is no duty of care owed to non-customers of Comerica; and with respect to Count 4 (California Unfair Competition Law), Comerica argued that a claim for unfair competition fails when there is no actual knowledge of fraud or breach of fiduciary duty and no duty owed. In addition, Comerica argued that all causes of action failed to state a claim for the additional reason that Comerica's filing or non-filing of a Suspicious Activity Report (SAR) under federal law cannot support any of the causes of action, and that the Court lacked subject matter jurisdiction because all of the causes of action belong to the Liquidation Trust such that the Class Plaintiffs lack standing to pursue them.

On August 5, 2020, the Court entered an order granting in part and denying in part Comerica's motion to dismiss. The Court denied Comerica's request to dismiss Counts 1 and 2 on the ground that the allegations of the Consolidated Class Action Complaint sufficiently alleged that Comerica had the requisite knowledge of the underlying fraud and breach of fiduciary duty. The Court granted Comerica's request to dismiss Count 3 on the ground that the allegations of the Consolidated Class Action Complaint did not sufficiently allege a duty of care owed to non-customers of Comerica. On Count 4, the Court granted the motion to dismiss to the extent it relied on a failure to file a SAR (which claim the Court found was preempted by federal law, which prohibits disclosure of a SAR), but denied the motion to dismiss to the extent the complaint relied on violations arising from non-SAR-related conduct, and the Court granted the class leave to amend the complaint. The Court also denied Comerica's request to dismiss based on Comerica's allegations that the class lacked standing and that the Trust cannot be a member of a class, finding instead that the class has plausibly alleged standing to sue, and that the question of whether the Trust can be a class member did not need to be answered at this stage.

On August 26, 2020, the putative class filed a First Amended Consolidated Class Action Complaint, which asserted claims for aiding and abetting fraud (Count 1), aiding and abetting breach of fiduciary duty (Count 2), and violations of California's unfair competition law (Count 3). Comerica answered the First Amended Consolidated Class Action Complaint on September 16, 2020. Discovery is now proceeding in the litigation, and the Court has entered a schedule setting the following dates and deadlines: (i) April 16, 2021 as the deadline for plaintiffs to move for class certification; (ii) August 3, 2021 as the fact discovery cut-off; (iii) August 20, 2021 as the deadline to file dispositive motions; (iv) September 7, 2021 as the deadline for initial expert disclosures and reports; (v) October 22, 2021 as the expert discovery cut-off; (vi) December 14, 2021 as the final pretrial conference; and (vii) January 11, 2022 as the start of what is estimated to be a 10-day jury trial.

The Trustee asserts that he is a member of the putative class and Comerica disputes that assertion.

(2) *Goldberg vs. Comerica Bank*, Adv. Pro. No. 20-ap-50452-BLS (Bankr. D. Del., originally filed Apr. 26, 2019 in California and transferred on February 5, 2020 to Delaware), is an action by the Trust against Comerica Bank alleging fraudulent transfer liability under the California Civil Code. The Trust's complaint also incorporates the claims asserted against Comerica Bank in the class action (referenced in paragraph (1) above) to the extent that such claims are ultimately determined to belong to the Trust rather than to individual former Noteholders and Unitholders.

On June 28, 2019, Comerica filed three motions: (i) a motion to transfer venue to the Bankruptcy Court; (ii) alternatively, a motion to dismiss the action for failure to state a claim; and (iii) a motion to strike the portion of the Complaint that incorporates the class action claims. Comerica argued that venue should be transferred to the Bankruptcy Court on the grounds that, *inter alia*, that court is familiar with the facts underlying the litigation and is best positioned to adjudicate it. In the alternative, in the event that the court declines to transfer venue, Comerica argued that the Complaint should be dismissed on the grounds that, among other grounds, (i) the Trust's claims are barred by the doctrine of *in pari delicto*, and (ii) the transfers that the Trust seeks to recover are not avoidable as a matter of law because the payment of a secured banking obligation cannot be the subject of a fraudulent transfer claim.

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PART II. **OTHER INFORMATION (CONTINUED)**

Item 1. Legal Proceedings (Continued)

On July 22, 2019, the Trust filed its omnibus opposition to the three Comerica motions. On February 5, 2020, the court entered an order granting Comerica's motion to transfer the case to the Bankruptcy Court in Delaware, and denying the remaining two motions (to dismiss and to strike) as moot in light of the transfer, without prejudice to renewal by Comerica in the Bankruptcy Court. On February 6, 2020, the Bankruptcy Court opened the above-referenced docket number for the transferred case. On March 23, 2020, the Trust and Comerica filed a stipulation, which was approved by the Bankruptcy Court, agreeing to stay the action pending disposition of the motion to dismiss the class action (referenced in paragraph (1) above). On September 3, 2020, the Trust and Comerica filed a stipulation, which was also approved by the Bankruptcy Court, agreeing to further stay the action until thirty days after the California District Court enters a scheduling order in the Class Action. On December 18, 2020, the Bankruptcy Court approved a stipulation staying the action until one of the parties or the court determines to vacate the stay.

Avoidance actions. The Trust is currently prosecuting numerous legal actions to recover preferential payments, fraudulent transfers, and other funds subject to recovery by the bankruptcy estate. These actions were filed in the United States Bankruptcy Court for the District of Delaware, are pending before the Honorable Brendan L. Shannon, and generally fall into the following categories:

- *Preferential transfers*. Certain of the actions include claims arising under chapter 5 of the Bankruptcy Code, and seek to avoid or recover payments made by the Debtors during the 90 days prior to the December 4, 2017 bankruptcy filing, including payments to miscellaneous vendors and former Noteholders and Unitholders.

- *Fraudulent transfers (Interest to Noteholders and Unitholders)*. Certain of the actions include claims arising under chapter 5 of the Bankruptcy Code, and seek to avoid or recover payments made by the Debtors during the course of the Ponzi scheme (from July 2012 through the December 4, 2017 bankruptcy filing) for interest paid to former Noteholders and Unitholders.

- *Fraudulent transfers (Shapiro personal expenses)*. Certain of the actions include claims arising under chapter 5 of the Bankruptcy Code, and seek to avoid and recover payments made by the Debtors during the course of the Ponzi scheme (from July 2012 through the December 4, 2017 bankruptcy filing) for the personal expenses of Robert and Jeri Shapiro, including those identified in a forensic report prepared in connection with an SEC enforcement action in the United States District Court for the Southern District of Florida.

The Trust has filed over 400 legal actions of this nature, many of which have been resolved, resulting in recoveries by or judgments in favor of the Trust. Since inception and as of January 31, 2021, the Trust has obtained judgments of approximately $6.3 million and has entered into settlements in approximately 120 legal actions and approximately 245 potential avoidance claims for which litigation was not filed, resulting in an aggregate of approximately $12.9 million of cash payments made or due to the Trust and approximately $9.1 million in reductions of claims against the Trust.

In addition, other legal proceedings are being prosecuted by the Trust and United States governmental authorities, which actions may result in recoveries in favor of the Trust. Such actions currently include:

- *Fraudulent transfers and fraud (against former agents)*. These actions, which arise under chapter 5 of the Bankruptcy Code and applicable state law governing fraudulent transfers, seek to avoid and recover payments made by the Debtors during the course of the Ponzi scheme (from July 2012 through the December 4, 2017 bankruptcy filing) for commissions to former agents, as well as for fraud, aiding and abetting fraud, and the unlicensed sale of securities asserted by the Trust based on claims contributed to the Trust by defrauded investors. These actions were filed by the Trust in the United States Bankruptcy Court for the District of Delaware between November 15, 2019 and December 4, 2019. Actions of this type are also being pursued by the SEC, and it is the Trust's understanding that any recoveries obtained by the SEC will be transmitted to the Trust pursuant to a "Fair Fund" established by the SEC.

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PART II. OTHER INFORMATION (CONTINUED)
Item 1. Legal Proceedings (Continued)

- *Actions regarding the Shapiro's personal assets*. On December 4, 2019, the Trust filed an action in the United States Bankruptcy Court for the District of Delaware, Adv. Pro. No. 10-51076 (BLS), Woodbridge *Liquidation Trust v. Robert Shapiro, Jeri Shapiro, 3X a Charm, LLC, Carbondale Basalt Owners, LLC, Davana Sherman Oaks Owners, LLC, In Trend Staging, LLC, Midland Loop Enterprises, LLC, Schwartz Media Buying Company, LLC and Stover Real Estate Partners LLC*. In this action, the Trust asserts claims under chapter 5 of the Bankruptcy Code and applicable state law for avoidance of preferential and fraudulent transfers together with claims for fraud, aiding and abetting fraud, the unlicensed sale of securities, breach of fiduciary duty and unjust enrichment. The Trust seeks to recover damages and assets held in the names of Robert Shapiro, Jeri Shapiro and their family members and entities owned or controlled by them, which assets the Trust contends are beneficially owned by the Debtors or for which the Debtors are entitled to recover based on the Shapiros' defalcations, including over $20 million in avoidable transfers.

- *Criminal Proceeding and Forfeiture.* In connection with the United States' criminal case against Robert Shapiro (Case No. No. 19-20178-CR-ALTONAGA (S.D. Fla. 2019)), Shapiro agreed to the forfeiture of certain assets. The Trust filed a petition in the Florida court to claim the Forfeited Assets as property of the Debtors' estates, and therefore as property that had vested in the Trust pursuant to the Plan. The Trust has entered into an agreement with the United States Department of Justice to resolve its claim. The agreement was approved by the Bankruptcy Court on September 17, 2020 and was approved by the United States District Court on October 1, 2020. Among other things, the agreement provides for the release of specified forfeited assets by the United States to the Trust, and for the Trust to liquidate those assets and distribute the net sale proceeds to Qualifying Victims, which include the vast majority of Trust beneficiaries—specifically, all former holders of Class 3 and 5 claims and their permitted assigns—but do not include former holders of Class 4 claims. The Trust is in the process of transferring the Forfeited Assets.

Wind-Down Group Litigation. The Wind-Down Group owns a portfolio of real estate assets, which includes secured loans and other properties. As part of its recovery efforts, the Wind-Down Group, through its subsidiaries, is involved in ordinary routine litigation incidental to such assets.

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PART II. OTHER INFORMATION (CONTINUED)

Item 1A. Risk Factors

Please see the applicable risks in Item 1A of our Annual Report on Form 10-K filed with the SEC on September 28, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In accordance with the Plan, all Liquidation Trust Interests have been issued without registration under the Securities Act. The Liquidation Trust Interests have been issued only to holders of allowed claims in Class 3, Class 4, and Class 5 entirely in exchange for such claims. See "Item 1. Business - D. Plan Provisions Regarding the Company - 2. Treatment under the Plan of holders of claims against and equity interests in the Debtors" of our Annual Report on Form 10-K filed with the SEC on September 28, 2020. As of December 31, 2020, the Trust has issued an aggregate of 11,516,044 Class A Liquidation Trust Interests and an aggregate of 676,312 Class B Liquidation Trust Interests. All Liquidation Trust Interests were issued on the Plan Effective Date or from time to time thereafter as soon as practicable as and when claims in Class 3, Class 4 or Class 5 have become allowed.

During the three months ended December 31, 2020, the Trust did not issue any Liquidation Trust Interests.

The issuance of Liquidation Trust Interests has occurred in reliance upon the exemption from the registration requirements of the Securities Act afforded by Section 1145(a)(1) of the Bankruptcy Code. Section 1145(a)(1) exempts the offer and sale of securities under a plan of reorganization from registration under the Securities Act and state securities laws and regulation if (i) the securities are offered and sold under a plan of reorganization and are securities of the debtor, of an affiliate of the debtor participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (ii) the recipients of the securities hold a pre-petition or administrative claim against the debtor or an interest in the debtor; and (iii) the securities are issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in such exchange and partly for cash or property. The Trust believes that the Liquidation Trust Interests are securities of a "successor" to the Debtors within the meaning of Section 1145(a)(1), and such securities were issued under the Plan entirely in exchange for allowed claims in Class 3, Class 4, and Class 5.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

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PART II. OTHER INFORMATION (CONTINUED)

Item 6. Exhibits

Exhibit	Description
2.1	First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors dated August 22, 2018, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
3.1	Certificate of Trust of Woodbridge Liquidation Trust dated February 14 and effective February 15, 2019, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
3.2	Liquidation Trust Agreement of Woodbridge Liquidation Trust dated February 15, 2019, as amended by Amendment No. 1 dated August 21, 2019 and Amendment No. 2 dated September 13, 2019, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
3.3	Amendment No. 3 to Liquidation Trust Agreement dated as of November 1, 2019, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.
3.4	Amendment No. 4 to Liquidation Trust Agreement dated as of February 5, 2020, incorporated herein by reference to the Current Report on Form 8-K filed by the Trust on February 6, 2020.
3.5	Amended and Restated Bylaws of Woodbridge Liquidation Trust effective August 21, 2019, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
10.1	Limited Liability Company Agreement of Woodbridge Wind-Down Entity LLC dated February 15, 2019, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
10.2	Loan and Security Agreement dated June 19, 2020 by and among WB Propco, LLC and WB 141 S. Carolwood, LLC, as Borrowers, Woodbridge Wind-Down Entity LLC, as Guarantor, and City National Bank of Florida, as Lender, incorporated herein by reference to Amendment No. 1 to the Current Report on Form 8-K filed by the Trust on June 29, 2020.
10.3	Amended and Restated Employment Agreement dated July 31, 2019 between Woodbridge Wind-Down Entity LLC and Frederick Chin, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
10.4	First Amendment to Amended and Restated Employment Agreement dated September 24, 2020 between Woodbridge Wind-Down Entity LLC and Frederick Chin, incorporated herein by reference to the Form 10-K filed by the Trust on September 28, 2020.
10.5	Indemnification Agreement dated February 27, 2019 between Woodbridge Wind-Down Entity LLC and Frederick Chin, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
10.6	Employment Agreement dated November 12, 2019 between Woodbridge Wind-Down Entity LLC and Marion W. Fong, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.
10.7	First Amendment to Employment Agreement dated September 24, 2020 between Woodbridge Wind-Down Entity LLC and Marion W. Fong, incorporated herein by reference to the Form 10-K filed by the Trust on September 28, 2020.

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PART II. OTHER INFORMATION (CONTINUED)
Item 6. Exhibits (Continued)

10.8 Indemnification Agreement dated November 12, 2019 between Woodbridge Wind-Down Entity LLC and Marion W. Fong, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.

10.9 Employment Agreement dated November 12, 2019 between Woodbridge Wind-Down Entity LLC and David Mark Kemper, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.

10.10 First Amendment to Employment Agreement dated September 24, 2020 between Woodbridge Wind-Down Entity LLC and David Mark Kemper, incorporated herein by reference to the Form 10-K filed by the Trust on September 28, 2020.

10.11 Indemnification Agreement dated November 12, 2019 between Woodbridge Wind-Down Entity LLC and David Mark Kemper, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.

10.12 Stipulation and Settlement Agreement between the United States and Woodbridge Liquidation Trust, as approved by order of the United States Bankruptcy Court for the District of Delaware entered September 17, 2020, incorporated herein by reference to the Form 10-K filed by the Trust on September 28, 2020.

31.1* Certification of Liquidation Trustee pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1* Certification of Liquidation Trustee pursuant to 18 U.S.C. 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.1 Findings of Fact, Conclusions of Law, and Order Confirming the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors, entered October 26, 2018, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.

XBRL

*Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Woodbridge Liquidation Trust

Date: February 12, 2021

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee

EX-31.1 2 brhc10019743_ex31-1.htm EXHIBTI 31.2

Exhibit 31.1

Certification of Liquidation Trustee pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael I. Goldberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Woodbridge Liquidation Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the net assets in liquidation and changes in net assets in liquidation of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by other within those entities, particularly during the period in which this report is being prepared;

    b) (Omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-4933);

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 12, 2021

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee

EX-32.1 3 brhc10019743_ex32-1.htm EXHIBIT 32.1

Exhibit 32.1

**Certification of Liquidation Trustee pursuant to 18 U.S.C. 1350,
as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Woodbridge Liquidation Trust (the "Registrant") for the quarter ended December 31, 2020, as filed with the Securities and exchange Commission on the date hereof (the "Report"), the undersigned, Michael I. Goldberg, Trustee of the Registrant, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the net assets in liquidation and changes in net assets in liquidation of the Registrant.

Date: February 12, 2021 By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee