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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION**

IN RE WOODBRIDGE  
INVESTMENTS LITIGATION

Case No. CV 18-103-DMG (MRWx)

**ORDER GRANTING PLAINTIFFS'  
MOTION FOR PRELIMINARY  
APPROVAL OF CLASS ACTION  
SETTLEMENT AND PROVIDING  
FOR NOTICE**

1 WHEREAS, Plaintiffs Mark Baker, Jay Beynon Family Trust DTD 10/23/1998,  
2 Alan and Marlene Gordon, Joseph C. Hull, Lloyd and Nancy Landman, and Lilly A.  
3 Shirley (“Plaintiffs”) and Defendant Comerica Bank (“Defendant”) entered into a  
4 Settlement Agreement on August 6, 2021, which sets forth the terms and conditions for a  
5 proposed settlement of this consolidated action (“Action” or “Litigation”) and for its  
6 dismissal with prejudice upon the terms and conditions set forth therein;

7 WHEREAS, Plaintiffs have moved the Court for an order (i) preliminarily  
8 approving the Settlement under Federal Rule of Civil Procedure 23, (ii) finding that the  
9 Court will likely be able to certify the Settlement Class after the Final Approval Hearing,  
10 and (iii) directing notice as set forth herein;

11 WHEREAS, the Settlement appears to be the product of informed, arms’ length  
12 settlement negotiations among Interim Lead Class Counsel, counsel for Defendant, and  
13 the Trustee of the Woodbridge Liquidation Trust formed pursuant to the chapter 11 plan  
14 confirmed in the jointly-administered bankruptcy cases styled *In re Woodbridge Group*  
15 *of Companies, LLC, et al.*, Case No. 17-12560 (Bankr. D. Del.), Doc. No. 2903, which  
16 negotiations were conducted over a period of months and mediation sessions including  
17 before the mediator Hon. W. Royal Furgeson (Ret.);

18 WHEREAS, the Court is familiar with and has reviewed the record, the Settlement  
19 Agreement, Plaintiffs’ Notice of Motion and Motion for Preliminary Approval of Class  
20 Action Settlement, the Memorandum of Points and Authorities in Support Thereof, and  
21 the supporting Declarations and has found good cause for entering this Order; and

22 WHEREAS, unless otherwise specified, all capitalized terms used herein have the  
23 same meanings as set forth in the Settlement Agreement.

24 NOW THEREFORE, it is hereby ORDERED and ADJUDGED as follows:

25 **Settlement Class Certification**

26 1. This Order incorporates by reference the definitions in the Settlement  
27 Agreement dated August 6, 2021 (the “Settlement”), and all defined terms used herein  
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1 have the same meanings ascribed to them in the Settlement.

2 2. The Court finds, upon preliminary evaluation and for purposes of the  
3 Settlement only, that the Court will likely be able to certify the following proposed  
4 Settlement Class pursuant to Federal Rule of Civil Procedure 23:

5 The Non-Contributing Claimants and the Woodbridge  
6 Liquidation Trust, as assignee of the claims of the  
7 Contributing Claimants.

8 3. The Court preliminarily finds, for purposes of the Settlement only, that the  
9 requirements of Federal Rules of Civil Procedure 23(a) and (b)(3) are likely to be satisfied  
10 for the Settlement Class. In support of this conclusion, the Court provisionally finds as  
11 follows:

12 a. The members of the class are too numerous for their joinder to be  
13 practicable. The Settlement Class consists of approximately 3,274 Woodbridge investors,  
14 in addition to the Woodbridge Liquidation Trust as assignee of thousands of investor  
15 claims.

16 b. Questions of law and fact common to the Settlement Class  
17 predominate over individualized questions. Whether Defendant knew that Robert Shapiro  
18 was engaging in fraud or breaches of fiduciary duty in connection with his Woodbridge  
19 investment business, and whether Defendant provided substantial assistance to Shapiro in  
20 carrying out such unlawful conduct, are common questions that predominate over  
21 individual questions for settlement purposes.

22 c. Plaintiffs' claims are typical of the claims of the Settlement Class.  
23 Each claim arises from Defendant's alleged common conduct in aiding and abetting  
24 Shapiro's Ponzi scheme and seeks redress for the same injury in the form of lost  
25 investments.

26 d. Plaintiffs are adequate class representatives whose interests in this  
27 matter are aligned with those of the other Settlement Class Members, and the Court  
28 hereby appoints them as Settlement Class Representatives. Additionally, Interim Lead

1 Class Counsel, Daniel C. Girard of the law firm of Girard Sharp LLP, is experienced in  
2 prosecuting complex class actions, and the firm has committed the necessary resources  
3 to represent the Settlement Class, and is hereby appointed as Settlement Class Counsel.

4 e. A class action is a superior method for the fair and efficient resolution  
5 of this matter.

#### 6 **Preliminary Approval of the Settlement**

7 4. The Settlement is the product of non-collusive, arm's-length negotiations  
8 between experienced class action and bankruptcy attorneys who were well informed of  
9 the strengths and weaknesses of the Action, including through discovery and motion  
10 practice, and whose settlement negotiations were supervised by Hon. Royal Furgeson  
11 (Ret.). The Settlement confers substantial benefits upon the Settlement Class and avoids  
12 the costs, uncertainty, delays, and other risks associated with continued litigation, trial  
13 and/or appeal concerning the claims at issue. The Settlement falls within the range of  
14 possible recovery, compares favorably with the potential recovery when balanced against  
15 the risks of continued prosecution of the claims in the Action, and does not grant  
16 preferential treatment to Plaintiffs, their counsel, or any subgroup of the Settlement Class.

17 5. The Court preliminarily approves the Settlement as fair, reasonable, and  
18 adequate and in the best interest of Plaintiffs and the other Settlement Class Members,  
19 subject to further consideration at the Final Approval Hearing to be conducted as described  
20 below.

21 6. The Settlement Amount shall be paid to and managed by the Trustee as  
22 detailed in the Settlement Agreement. All funds held by the Trustee shall be deemed and  
23 considered to be *in custodia legis* and shall remain subject to the jurisdiction of the Court,  
24 until such time as such funds are distributed pursuant to the Settlement Agreement.

#### 25 **Manner and Form of Notice**

26 7. The Court approves the Notice substantially in the form attached at Doc. #  
27 188-2, subject to the Court's edits. The proposed notice plan, which provides for direct  
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1 notice via first-class mail and via online publication, will provide the best notice  
2 practicable under the circumstances. This plan and the Notice are reasonably calculated,  
3 under the circumstances, to apprise Settlement Class Members of the pendency of the  
4 Action, the effect of the proposed Settlement (including on the Released Claims); the  
5 anticipated motion for attorneys' fees, reimbursement of litigation expenses, and service  
6 awards; and their rights to participate in, opt-out of, or object to any aspect of the proposed  
7 Settlement; constitute due, adequate and sufficient notice to Settlement Class Members;  
8 and satisfy the requirements of Rule 23 of the Federal Rules of Civil Procedure, due  
9 process, and all other applicable laws and rules. The date and time of the Final Approval  
10 Hearing shall be included in the Notice before dissemination.

11 8. The Court hereby appoints Michael I. Goldberg, Trustee of the Woodbridge  
12 Liquidation Trust formed pursuant to the Chapter 11 plan of bankruptcy approved in *In re*  
13 *Woodbridge Group of Companies, LLC, et al.*, Case No. 17-12560 (Bankr. D. Del.), ECF  
14 No. 2903, to carry out the Notice program, effect payment to Settlement Class Members,  
15 and otherwise perform all administrative tasks set forth in Section VI of the Settlement  
16 Agreement.

17 9. By September 23, 2021, the Trustee shall cause the Notice to be mailed to all  
18 Non-Contributing Claimant members of the Settlement Class at the mailing address on  
19 file for such members of the Settlement Class with the Trust (the "Notice Date").  
20 Substantially contemporaneously with the mailing of the Notice, the Trustee shall cause a  
21 PDF version of the Notice to be posted on the website of the Trust. The Trustee shall also  
22 cause the Settlement Agreement, Motion for Preliminary Approval and supporting  
23 documents, as well as all other documents ultimately filed in support of Final Approval,  
24 including the forthcoming Motion for Attorneys' Fees and Costs and Motion for Final  
25 Approval, to be posted on the website of the Trust substantially contemporaneously with  
26 the filing of those documents with the Court.



1 comment on or oppose Class Counsel’s application for attorneys’ fees, reimbursement of  
2 litigation expenses, and service awards. No person shall be heard or entitled to contest the  
3 approval of the Settlement or, if approved, the judgment to be entered approving the  
4 Settlement, Class Counsel’s application for an award of attorneys’ fees, reimbursement of  
5 litigation expenses, and service awards, unless that person submitted an objection to the  
6 Trustee in writing by November 8, 2021 (the “Objection and Opt-Out Deadline”).

7 16. Any Settlement Class Member who does not make his, her, or its objection  
8 in the time and manner provided for herein shall be deemed to have waived such objection  
9 and shall forever be barred from making any objection to the fairness, reasonableness, or  
10 adequacy of the proposed Settlement, to entry of the Final Approval Order and Judgment  
11 of Dismissal, or to Class Counsel’s application for an award of attorneys’ fees, costs, and  
12 expenses and for service awards. By objecting, or otherwise requesting to be heard at the  
13 Final Approval Hearing, a person shall be deemed to have submitted to the jurisdiction of  
14 the Court with respect to the objection or request to be heard and the subject matter of the  
15 Settlement, including but not limited to enforcement of the terms of the Settlement.

16 17. For an objection to be considered by the Court, the objection must include  
17 the following: the Settlement Class Member’s full name, signature, address, email  
18 address, and telephone number; an explanation of the basis upon which the objector claims  
19 to be a Settlement Class Member; whether the objection applies only to the objector, to a  
20 specific subset of the class, or to the entire class, and the reasons for the objection,  
21 accompanied by any legal or factual support for the objection; the name of counsel for the  
22 objector (if any), including any former or current counsel who may seek or receive  
23 compensation for any reason related to the objection; the case name and civil action  
24 number associated with any other objections the objector or their counsel have made in  
25 any other class action cases in the last four years; and whether the objector intends to  
26 appear at the Final Approval Hearing on their own behalf or through counsel.

27 18. Any Settlement Class Member who timely and properly objects may appear  
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1 at the Final Approval Hearing, either in person or through an attorney hired at the  
2 Settlement Class Member's expense. Any objector who wishes to present evidence at the  
3 Final Approval Hearing must include in their written objection(s) the identity of any  
4 witness(es) they may call to testify and copies of any exhibit(s) they intend to offer at the  
5 hearing. Counsel for any objector must enter a Notice of Appearance no later than 14 days  
6 before the Final Approval Hearing.

7 19. Attendance at the Final Approval Hearing is not necessary, but persons  
8 wishing to be heard orally in connection with approval of the approval of the Settlement  
9 and/or the application for an award of attorneys' fees, reimbursement of expenses, and  
10 service awards must indicate in their written objection their intention to appear at the  
11 hearing.

#### 12 **Exclusions from the Settlement Class**

13 20. Any requests for exclusion are due by the Objection and Opt-Out Deadline,  
14 November 8, 2021. Any person who would otherwise be a member of the Settlement Class  
15 who wishes to be excluded/opt-out from the Settlement Class must notify the Girard Sharp  
16 law firm and the Winston & Strawn law firm (collectively, the "Notice Parties") in writing  
17 of that intent by submitting a written exclusion request postmarked by the Objection and  
18 Opt-Out Deadline. All persons who submit valid and timely notifications of exclusion/opt-  
19 out in the manner set forth in this paragraph shall have no rights under the Settlement  
20 Agreement, shall not share in the relief provided by the Settlement, and shall not be bound  
21 by the Settlement Agreement or any Orders or final judgment of the Court.

22 21. For an exclusion/opt-out request to be valid and binding, it must include the  
23 following: the Settlement Class member's full name, address, telephone number, and  
24 email address; a statement indicating that they are a member of the Settlement Class and  
25 wish to opt-out of the Settlement; and the member's signature.

26 22. Any member of the Settlement Class who does not notify the Notice Parties  
27 of their intent to be excluded/opt-out from the Settlement Class in the manner stated herein  
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1 shall be deemed to have waived his or her right to be excluded/opt-out from the Settlement  
2 Class. If the Court approves the Settlement, any such person shall forever be barred from  
3 requesting exclusion/opt-out from the Settlement Class in this or any other proceeding,  
4 and shall be bound by the Settlement and the judgment, including the release of the  
5 Released Claims provided for in the Settlement Agreement and in the Final Approval  
6 Order and Judgment of Dismissal.

7 **Termination of the Settlement**

8 23. If the Settlement fails to become effective in accordance with its terms, or if  
9 the Final Approval Order and Judgment of Dismissal is not entered or is reversed or  
10 vacated on appeal, this Order shall be null and void, the Settlement Agreement shall be  
11 deemed terminated, and the Parties shall return to their positions without any prejudice,  
12 as provided for in the Settlement Agreement.

13 **Limited Use of This Order**

14 24. The fact and terms of this Order or the Settlement, all negotiations,  
15 discussions, drafts and proceedings in connection with this Order or the Settlement, and  
16 any act performed or document signed in connection with this Order or the Settlement,  
17 shall not, in this or any other Court, administrative agency, arbitration forum, or other  
18 tribunal, constitute an admission, or evidence, or be deemed to create any inference (i) of  
19 any acts of wrongdoing or lack of wrongdoing, (ii) of any liability on the part of Defendant  
20 to Plaintiffs, the Settlement Class, or anyone else, (iii) of any deficiency of any claim or  
21 defense that has been or could have been asserted in this Action, (iv) of any damages or  
22 absence of damages suffered by Plaintiffs, the Settlement Class, or anyone else, or (v) that  
23 any benefits obtained by the Settlement Class under the Settlement represent the amount  
24 that could or would have been recovered from Defendant in this Action if it were not  
25 settled at this time. The fact and terms of this Order or the Settlement, and all negotiations,  
26 discussions, drafts, and proceedings associated with this Order or the Settlement,  
27 including the judgment and the release of the Released Claims provided for in the  
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1 Settlement Agreement, shall not be offered or received in evidence or used for any other  
2 purpose in this or any other proceeding in any court, administrative agency, arbitration  
3 forum, or other tribunal, except as necessary to enforce the terms of this Order, the Final  
4 Approval Order and Judgment of Dismissal, and/or the Settlement.

5 25. No Party or counsel to a Party in this Litigation shall have any liability to any  
6 Settlement Class Member for any action taken substantially in accordance with the terms  
7 of this Order.

#### 8 **Reservation of Jurisdiction**

9 26. The Court retains exclusive jurisdiction over the Action to consider all further  
10 matters arising out of or connected with the Settlement.

#### 11 **Schedule and Deadlines**

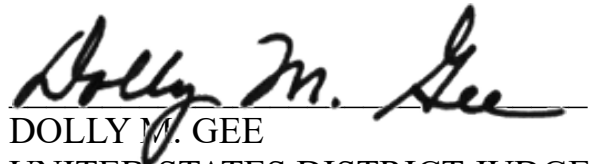
12 27. The Court orders the following schedule for the specified action and further  
13 proceedings:

14 <b>Event</b>	14 <b>Proposed Deadline</b>
15 Entry of preliminary approval order	15 September 3, 2021 (“Preliminary Approval Date”)
16 Deadline to mail notice and post notice on Woodbridge website	16 September 23, 2021
17 Plaintiffs to move (1) for final approval of the settlement and (2) for attorneys’ fees, reimbursement of litigation expenses, and service awards	17 October 8, 2021
18 Objection and Opt-Out Deadline	18 November 8, 2021
19 Plaintiffs to file reply in support of motions for final approval of the settlement and for attorneys’ fees, reimbursement of litigation expenses, and service awards	19 November 24, 2021
20 Final Fairness Hearing	20 December 17, 2021 @ 10:00 a.m.

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**IT IS SO ORDERED.**

DATED: September 3, 2021

  
DOLLY M. GEE  
UNITED STATES DISTRICT JUDGE