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 March 31, 2022

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.)
201 N. Brand Blvd., **Suite M** **Glendale, California**	**91203**
(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 non-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.

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 ☐

Woodbridge Liquidation Trust
Form 10-Q
March 31, 2022
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PART II. OTHER INFORMATION

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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 March 31, 2022 and June 30, 2021
(Unaudited, $ In Thousands)

	3/31/2022	6/30/2021
Assets		
Real estate assets held for sale, net (Note 3)		
Single-family homes	$ 92,544	$ 137,945
Other real estate assets	1,998	2,910
Subtotal	94,542	140,855
Cash and cash equivalents	34,393	45,369
Restricted cash (Note 4)	9,098	8,273
Other assets (Note 5)	5,731	5,473
Total assets	$ 143,764	$ 199,970
Liabilities		
Accounts payable and accrued liabilities	$ 1,366	$ 160
Distributions payable	5,031	4,687
Accrued liquidation costs (Note 6)	41,105	65,583
Total liabilities	$ 47,502	$ 70,430
Commitments and Contingencies (Note 14)		
Net Assets in Liquidation		
Restricted for Qualifying Victims (Note 7)	$ 3,203	$ 3,167
All Interestholders	93,059	126,373
Total net assets in liquidation	$ 96,262	$ 129,540

See accompanying notes to unaudited consolidated financial statements.

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

Woodbridge Liquidation Trust and Subsidiaries
Consolidated Statements of Changes in Net Assets in Liquidation
For the Three Months Ended March 31, 2022 and 2021
(Unaudited, $ in Thousands)

	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	Restricted For Qualifying Victims	All Interestholders	Total	Restricted For Qualifying Victims	All Interestholders	Total
Net Assets in Liquidation as of beginning of period	$ 3,203	$ 124,302	$ 127,505	$ -	$ 210,476	$210,476
Change in assets and liabilities (Note 8):						
Restricted for Qualifying Victims -						
Change in carrying value of assets and liabilities, net	-	-	-	3,459	-	3,459
All Interestholders:						
Change in carrying value of assets and liabilities, net	-	8,266	8,266	-	1,974	1,974
Distributions (declared) reversed, net	-	(39,509)	(39,509)	-	(49,958)	(49,958)
Net change in assets and liabilities	-	(31,243)	(31,243)	-	(47,984)	(47,984)
Net Assets in Liquidation as of end of period	$ 3,203	$ 93,059	$ 96,262	$ 3,459	$ 162,492	$165,951

See accompanying notes to unaudited consolidated financial statements.

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Woodbridge Liquidation Trust and Subsidiaries
Consolidated Statements of Changes in Net Assets in Liquidation
For the Nine Months Ended March 31, 2022 and 2021
(Unaudited, $ in Thousands)

	Nine Months Ended March 31, 2022			Nine Months Ended March 31, 2021		
	Restricted For Qualifying Victims	All Interestholders	Total	Restricted For Qualifying Victims	All Interestholders	Total
Net Assets in Liquidation as of beginning of period	$ 3,167	$ 126,373	$ 129,540	$ -	$ 264,517	$ 264,517
Change in assets and liabilities (Note 8):						
Restricted for Qualifying Victims -						
Change in carrying value of assets and liabilities, net	36	-	36	3,459	-	3,459
All Interestholders :						
Change in carrying value of assets and liabilities, net	-	45,922	45,922	-	7,529	7,529
Distributions (declared) reversed, net	-	(79,236)	(79,236)	-	(109,554)	(109,554)
Net change in assets and liabilities	-	(33,314)	(33,314)	-	(102,025)	(102,025)
Net Assets in Liquidation as of end of period	$ 3,203	$ 93,059	$ 96,262	$ 3,459	$ 162,492	$ 165,951

See accompanying notes to unaudited consolidated financial statements.

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

Woodbridge Liquidation Trust and Subsidiaries
Notes to Consolidated Financial Statements
For the Three and Nine Months Ended March 31, 2022 and 2021
(Unaudited)

1) Formation and Description of Business

Formation

Woodbridge Liquidation Trust (the "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 of the Trust (the "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, the "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 (the "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, the "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 (the "Wind-Down Entity") or one of the Wind-Down Entity's 43 wholly-owned single member LLCs (the "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".

As further discussed in Note 10, the Trust has two classes of "Liquidation Trust Interests": Class A Liquidation Trust Interests (the "Class A Interests") and Class B Liquidation Trust Interests (the "Class B Interests"). The holders of Class A Interests and Class B Interests are sometimes collectively referred to herein as "Interestholders" or "All Interestholders".

On December 24, 2019, the Trust's Registration Statement on Form 10 became effective under the Securities Exchange Act of 1934 (the "Exchange Act"). The trading symbol for the Trust's Class A Interests is WBQNL. Bid and ask prices for 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. The Class B Interests are not registered with the SEC.

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 March 31, 2022, the Company is the plaintiff in several pending lawsuits (see Note 13 for additional information). The Trust is also liquidating its Forfeited Assets (see Note 7 for additional information).

As of March 31, 2022, the Wind-Down Entity owns three luxury single-family homes in the Los Angeles, California area. The majority of the gross carrying value of the Wind-Down Entity's real estate assets held for sale is concentrated in these three single-family homes. In addition, construction is being completed on two other single-family homes that have been sold. The Wind-Down Entity is also liquidating its remaining four other real estate assets. See Note 3 for additional information.

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

Woodbridge Liquidation Trust and Subsidiaries
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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. As of March 31, 2022, the Company estimates that the liquidation activities will be completed by February 15, 2024.

As discussed and defined in Note 2, the Company uses the Liquidation Basis of Accounting. 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 selling prices, 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. As a result, 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' 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 continued spread of COVID-19 presents challenges for the Company and its vendors, mainly due to labor and product supply shortages. 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.

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 (the "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, 2021 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.

PART I. FINANCIAL INFORMATION (CONTINUED)
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Woodbridge Liquidation Trust and Subsidiaries
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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 the terms of 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 considered 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 completion of 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 does not record any amount from the future settlement of unresolved Causes of Action or recoveries from Fair Fund or Forfeited Assets (including those that may be settled, but subject to court or other regulatory agency approval) 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, liquidation costs and the estimated date of the completion of the liquidation of the Company 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 unresolved Causes of Action when an agreement has been 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. The Forfeited Assets (Note 7) received from the United States Department of Justice (the "DOJ"), other than cash, have been recorded at their estimated net realizable value. 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. 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 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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(Unaudited)

3) Real Estate Assets Held for Sale

The Company's real estate assets held for sale as of March 31, 2022, with comparative information as of June 30, 2021, are as follows ($ in thousands):

	March 31, 2022				June 30, 2021			
	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	3	$ 98,451	$ (5,907)	$ 92,544	7	$ 146,750	$ (8,805)	$ 137,945
Other real estate assets:								
Secured loans	2	986	(40)	946	4	1,945	(87)	1,858
Other properties	2	1,107	(55)	1,052	2	1,107	(55)	1,052
Subtotal	4	2,093	(95)	1,998	6	3,052	(142)	2,910
Total	7	$ 100,544	$ (6,002)	$ 94,542	13	$ 149,802	$ (8,947)	$ 140,855

As of March 31, 2022, all of the single-family homes are located in the Los Angeles, California area and two of the single-family homes are under construction. The Company is also completing the construction of one single-family home that was sold in December 2021 and located in New York City and one that was sold in May 2021 and located in Los Angeles, California. The loans are secured by properties that are located in the Midwest and Eastern United States. The other properties are located in the state of Hawaii and the state of New York.

During the three months ended March 31, 2022, the Company settled one secured loan for net proceeds of approximately $725,000. As of March 31, 2022, the Company had two single-family homes under contract. Although the contingencies relating to these pending sales have been removed, no assurance can be given that the sales will close. During the three months ended March 31, 2021, the Company did not sell any real estate assets. During the nine months ended March 31, 2022, the Company sold four single-family homes and settled two secured loans for net proceeds of approximately $64,405,000. During the nine months ended March 31, 2021, the Company sold five single-family homes, two lots and eleven other properties for net proceeds of approximately $121,208,000. One of the single-family homes sold during the nine months ended March 31, 2021 was under construction and the buyer assumed the remaining obligations to complete construction of approximately $11,253,000.

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

Woodbridge Liquidation Trust and Subsidiaries
Notes to Consolidated Financial Statements
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(Unaudited)

4) Restricted Cash

The Company's restricted cash as of March 31, 2022, with comparative information as of June 30, 2021, is as follows ($ in thousands):

	March 31, 2022	June 30, 2021
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	$ 5,031	$ 4,687
Forfeited Assets (Note 7)	2,317	1,836
Interest reserve (Note 9)	1,750	1,750
Total restricted cash	$ 9,098	$ 8,273

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

5) Other Assets

The Company's other assets as of March 31, 2022, with comparative information as of June 30, 2021, are as follows ($ in thousands):

	March 31, 2022	June 30, 2021
Escrow receivables [(a)]	$ 3,560	$ 2,500
Forfeited Assets (Note 7)	1,059	1,549
Settlement installment receivables, net [(b)]	712	1,014
Other	400	410
Total other assets	$ 5,731	$ 5,473

(a) Escrow receivables as of March 31, 2022 relate to two single-family homes that were sold during the nine months ended March 31, 2022. and one single-family home sold prior to June 30, 2021. Escrow receivables as of June 30, 2021 relate to one single-family home sold prior to June 30, 2021. Amounts are to be released upon completion of construction and/or obtaining a certificate of occupancy.

(b) The allowance for uncollectible settlement installment receivables was approximately $6 and $9 ($ in thousands) at March 31, 2022 and June 30, 2021, respectively.

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

Woodbridge Liquidation Trust and Subsidiaries
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(Unaudited)

6) Accrued Liquidation Costs

The following is a summary of the items included in accrued liquidation costs as of March 31, 2022, with comparative information as of June 30, 2021 ($ in thousands):

	March 31, 2022	June 30, 2021
Development costs:		
Construction costs	$ 11,564	$ 23,480
Construction warranty	2,870	2,870
Indirect costs	498	712
Bond refunds	(699)	(1,134)
Total development costs	14,233	25,928
Holding costs:		
Property tax	836	1,901
Insurance	462	1,291
Maintenance, utilities and other	479	1,000
Total holding costs	1,777	4,192
General and administrative costs:		
Legal and other professional fees	10,475	17,697
Payroll and payroll-related	8,546	10,432
State, local and other taxes	2,188	2,217
Directors and officers insurance	2,024	2,576
Board fees and expenses	698	1,558
Other	1,164	983
Total general and administrative costs	25,095	35,463
Total accrued liquidation costs	$ 41,105	$ 65,583

7) Forfeited Assets - Restricted for Qualifying Victims

The Trust entered into a resolution agreement with the DOJ which provided that the Trust would receive the assets forfeited by Robert and Jeri Shapiro (the “Forfeited Assets”). In March 2021, the Trust received certain Forfeited Assets from the DOJ, including cash, wine, jewelry, handbags, clothing, shoes, art, gold and other assets. The wine and the gold were sold during the nine months ended March 31, 2022.

The agreement also provided for the Trust to liquidate the Forfeited Assets and to distribute the net sale proceeds to Qualifying Victims. Qualifying Victims include the vast majority of Trust beneficiaries (specifically, all former holders of allowed Class 3 and 5 claims and their permitted assigns), but do not include former holders of Class 4 claims. Distributions to Qualifying Victims are to be allocated pro-rata based on their net allowed claims without considering the (i) 5% enhancement for contributing their causes of action or (ii) 72.5% Class 5 coefficient.

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Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries
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(Unaudited)

The Forfeited Assets included in the Company's March 31, 2022 and June 30, 2021 consolidated financial statements are as follows ($ in thousands):

	March 31, 2022	June 30, 2021
Restricted cash (Note 4)	$ 2,317	$ 1,836
Other assets (Note 5)	1,059	1,549
Accrued liquidation costs	(173)	(218)
Net assets in liquidation - restricted for Qualifying Victims	$ 3,203	$ 3,167

8) Net Change In Assets and Liabilities

Restricted for Qualifying Victims:

The following is a summary of the change in the carrying value of assets and liabilities, net during the three months ended March 31, 2022 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ -	$ -	$ -
Cash and cash equivalents	-	-	-
Restricted cash	111	-	111
Other assets	(120)	-	(120)
Total assets	$ (9)	$ -	$ (9)
Accounts payable and accrued liabilities	$ -	$ -	$ -
Accrued liquidation costs	(9)	-	(9)
Total liabilities	$ (9)	$ -	$ (9)
Change in carrying value of assets and liabilities, net	$ -	$ -	$ -

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(Unaudited)

The following is a summary of the change in the carrying value of assets and liabilities, net during the three months ended March 31, 2021 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ -	$ -	$ -
Cash and cash equivalents	-	-	-
Restricted cash	28	-	28
Other assets	-	3,442	3,442
Total assets	$ 28	$ 3,442	$ 3,470
Accounts payable and accrued liabilities	$ -	$ 11	$ 11
Accrued liquidation costs	-	-	-
Total liabilities	$ -	$ 11	$ 11
Change in carrying value of assets and liabilities, net	$ 28	$ 3,431	$ 3,459

The following is a summary of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2022 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ -	$ -	$ -
Cash and cash equivalents	-	-	-
Restricted cash	481	-	481
Other assets	(526)	36	(490)
Total assets	$ (45)	$ 36	$ (9)
Accounts payable and accrued liabilities	$ -	$ -	$ -
Accrued liquidation costs	(45)	-	(45)
Total liabilities	$ (45)	$ -	$ (45)
Change in carrying value of assets and liabilities, net	$ -	$ 36	$ 36

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The following is a summary of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2021 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ -	$ -	$ -
Cash and cash equivalents	-	-	-
Restricted cash	28	-	28
Other assets	-	3,442	3,442
Total assets	$ 28	$ 3,442	$ 3,470
Accounts payable and accrued liabilities	$ -	$ 11	$ 11
Accrued liquidation costs	-	-	-
Total liabilities	$ -	$ 11	$ 11
Change in carrying value of assets and liabilities, net	$ 28	$ 3,431	$ 3,459

All Interestholders

The following provides details of the change in the carrying value of assets and liabilities, net during the three months ended March 31, 2022 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ (736)	$ 9,870	$ 9,134
Cash and cash equivalents	19,910	-	19,910
Restricted cash	-	-	-
Other assets	(24,991)	20	(24,971)
Total assets	$ (5,817)	$ 9,890	$ 4,073
Accounts payable and accrued liabilities	$ -	$ 79	$ 79
Accrued liquidation costs	(6,500)	2,228	(4,272)
Total liabilities	$ (6,500)	$ 2,307	$ (4,193)
Change in carrying value of assets and liabilities, net	$ 683	$ 7,583	$ 8,266

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The following provides details of the distributions (declared) reversed, net during the three months ended March 31, 2022 ($ in thousands):

Distributions declared	$ (39,981)
Distributions reversed	472
Distributions (declared) reversed, net	$ (39,509)

Distributions payable decreased by approximately $(137,000) during the three months ended March 31, 2022.

The following is a summary of the change in the carrying value of assets and liabilities, net during the three months ended March 31, 2021 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ (9)	$ -	$ (9)
Cash and cash equivalents	(11,199)	-	(11,199)
Restricted cash	1,262	-	1,262
Other assets	(287)	(1,091)	(1,378)
Total assets	$ (10,233)	$ (1,091)	$ (11,324)
Accounts payable and accrued liabilities	$ 42	$ 30	$ 72
Accrued liquidation costs	(11,238)	(2,132)	(13,370)
Total liabilities	$ (11,196)	$ (2,102)	$ (13,298)
Change in carrying value of assets and liabilities, net	$ 963	$ 1,011	$ 1,974

The following provides details of the distributions (declared) reversed, net during the three months ended March 31, 2021 ($ in thousands):

Distributions declared	$ (50,005)
Distributions reversed	47
Distributions (declared) reversed, net	$ (49,958)

Distributions payable increased by approximately $1,261,000 during the three months ended March 31, 2021.

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The following provides details of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2022 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ (64,437)	$ 18,124	$ (46,313)
Cash and cash equivalents	68,260	-	68,260
Restricted cash	-	-	-
Other assets	(25,998)	26,745	747
Total assets	$ (22,175)	$ 44,869	$ 22,694
Accounts payable and accrued liabilities	$ (184)	$ 1,390	$ 1,206
Accrued liquidation costs	(23,712)	(722)	(24,434)
Total liabilities	$ (23,896)	$ 668	$ (23,228)
Change in carrying value of assets and liabilities, net	$ 1,721	$ 44,201	$ 45,922

The following provides details of the distributions (declared) reversed, net during the nine months ended March 31, 2022 ($ in thousands):

Distributions declared	$ (79,997)
Distributions reversed	761
Distributions (declared) reversed, net	$ (79,236)

Distributions payable increased by approximately $344,000 during the nine months ended March 31, 2022.

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The following is a summary of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2021 ($ in thousands):

	Cash Activities	Remeasure-ment	Total
Real estate assets held for sale, net	$ (121,186)	$ (13,184)	$ (134,370)
Cash and cash equivalents	87,650	-	87,650
Restricted cash	2,528	-	2,528
Other assets	(2,164)	(762)	(2,926)
Total assets	$ (33,172)	$ (13,946)	$ (47,118)
Accounts payable and accrued liabilities	$ (947)	$ 423	$ (524)
Accrued liquidation costs	(41,236)	(12,887)	(54,123)
Total liabilities	$ (42,183)	$ (12,464)	$ (54,647)
Change in carrying value of assets and liabilities, net	$ 9,011	$ (1,482)	$ 7,529

The following provides details of the distributions (declared) reversed, net during the nine months ended March 31, 2021 ($ in thousands):

Distributions declared	$ (109,932)
Distributions reversed	378
Distributions (declared) reversed, net	$ (109,554)

Distributions payable increased by approximately $2,531,000 during the nine months ended March 31, 2021.

9) Credit Agreement

On June 19, 2020, two wholly-owned subsidiaries of the Wind-Down Entity entered into a $25,000,000 revolving line of credit (the "LOC") with a financial institution. The LOC had an original maturity of June 19, 2022. The LOC requires 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 was 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 had 60 days after the sale of the collateral to add 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 date of the LOC was changed to January 31, 2023 with an option to extend for one additional year, subject to the availability of collateral. There were no other significant changes to the LOC.

As of March 31, 2022, the Company was in compliance with the financial covenants of the LOC. No amounts were outstanding under the LOC as of March 31, 2022 or June 30, 2021.

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10) Liquidation Trust Interests

The following table summarizes the Liquidation Trust Interests (rounded) for the nine months ended March 31, 2022 and 2021:

	For the Nine Months Ended March 31,			
	2022		2021	
Liquidation Trust Interests	**Class A**	**Class B**	**Class A**	**Class B**
Outstanding at beginning of period	11,512,855	675,784	11,518,232	675,558
Allowed claims	4,976	-	10,367	1,133
5% enhancement for certain allowed claims	-	-	182	56
Settlement of claims by cancelling Liquidation Trust Interests	(1,392)	(167)	(15,121)	(435)
Outstanding at end of period	11,516,439	675,617	11,513,660	676,312

Of the 11,516,439 Class A Interests outstanding at March 31, 2022, 11,436,675 were held by Qualifying Victims (Note 7).

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 or Class A and (if applicable) Class B Interests are cancelled. No Class A or Class B Interests are issued on account of disallowed claims. The following table summarizes the unresolved claims against the Debtors as they relate to Liquidation Trust Interests (rounded) for the nine months ended March 31, 2022 and 2021:

	For the Nine Months Ended March 31,			
	2022		2021	
Liquidation Trust Interests	**Class A**	**Class B**	**Class A**	**Class B**
Reserved for unresolved claims at beginning of period	124,609	5,011	193,559	7,118
Allowed claims	(4,976)	-	(10,367)	(1,133)
5% enhancement for certain allowed claims	-	-	(32)	-
Disallowed claims	(28,840)	(4,678)	(44,372)	(974)
Reserved for unresolved claims at end of period	90,793	333	138,788	5,011

Of the 90,793 Class A Interests relating to unresolved claims at March 31, 2022, 3,449 would be held by Qualifying Victims (Note 7).

11) Distributions

The Plan provides for a distribution waterfall that specifies the priority and manner of distribution of available cash, excluding distributions of the net sales proceeds from Forfeited Assets. 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 in the Plan, 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 in the Plan, 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.

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During the three months ended March 31, 2022, one distribution was declared. During the nine months ended March 31, 2022, two distributions were declared. A distribution in the amount of approximately $39,981,000 was declared on February 4, 2022 which represented $3.44 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims in the amount of approximately $39,151,000, which was paid on March 3, 2022 and (ii) a deposit of approximately $830,000 into a restricted cash account, which was made on March 15, 2022, 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) for distributions that were withheld due to pending avoidance actions; and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information. A distribution in the amount of approximately $40,017,000 was declared on October 8, 2021 which represented $3.44 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims in the amount of approximately $39,134,000, which was paid on October 29, 2021 and (ii) a deposit of approximately $883,000 into a restricted cash account, which was made on October 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) for distributions that were withheld due to pending avoidance actions; and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information.

During the three months ended March 31, 2021, one distribution was declared. During the nine months ended March 31, 2021, three distributions were declared. A distribution in the amount of approximately $50,005,000 was declared on January 7, 2021 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) for distributions that were withheld due to pending avoidance actions; and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information. A distribution in the amount of approximately $29,957,000 was declared on October 19, 2020 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) for distributions that were withheld due to pending avoidance actions; and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information. A distribution in the amount of approximately $29,934,000 was declared on July 13, 2020 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) for distributions that were withheld due to pending avoidance actions; and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information.

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During the three months ended March 31, 2022 and 2021, approximately $495,000 and $229,000, respectively, and during the nine months ended March 31, 2022 and 2021, approximately $608,000 and $351,000, respectively, of distributions were paid to holders of Class A Interests from the restricted cash account and distributions payable were reduced by the same amount 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 months ended March 31, 2022 and 2021, approximately $472,000 and $47,000, respectively, and during the nine months ended March 31, 2022 and 2021, approximately $761,000 and $379,000, respectively, were released from the restricted cash account and distributions payable were reduced by the same amount as a result of claims being disallowed or Class A Interests being cancelled.

During the three months ended March 31, 2022 and 2021, approximately $0 and $197,000, respectively, and during the nine months ended March 31, 2022 and 2021, approximately $0, and $431,000, 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.

12) Related Party Transactions

Terry Goebel, a member of the Trust Supervisory Board, is president and a principal owner of G3 Group LA (G3), a construction firm specializing in the development of high-end luxury residences. G3 is owned by Terry Goebel and his son Kelly Goebel. As of March 31, 2022, the Company was under contract with G3 for the development of one single-family home in Los Angeles, California. As of March 31, 2022 and June 30, 2021 the remaining amounts payable under this contract were approximately $3,045,000 and $4,391,000, respectively. During the three months ended March 31, 2022 and 2021, approximately $267,000 and $1,496,000, respectively, and during the nine months ended March 31, 2022 and 2021, approximately $3,443,000 and $5,887,000, respectively, were paid by the Company to G3 related to this contract.

The Liquidation Trustee of the Trust is entitled to receive 5% of the total gross amount recovered by the Trust from the pursuit of the Causes of Action. During the three months ended March 31, 2022 and 2021, approximately $23,000 and $72,000, respectively, and during the nine months ended March 31, 2022 and 2021, approximately $1,334,000 and $462,000, respectively, were accrued as amounts due to the Liquidation Trustee. As of March 31, 2022 and June 30, 2021, approximately $1,310,000 and $160,000, 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 months ended March 31, 2022 and 2021, approximately $0 and $0, respectively, and during the nine months ended March 31, 2022 and 2021, approximately $184,000 and $491,000, respectively, were paid to the Liquidation Trustee. See Note 15 for additional information.

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 the 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 months ended March 31, 2022 and 2021, approximately $137,000 and $109,000, respectively, and during the nine months ended March 31, 2022 and 2021, approximately $351,000 and $314,000, respectively, were paid related to these services and there are no outstanding payables as of March 31, 2022 and June 30, 2021.

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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, as of March 31, 2022 and June 30, 2021, approximately $2,348,000 and $3,040,000, respectively, were accrued 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 months ended March 31, 2022 and 2021, approximately $692,000 and $1,025,000, respectively, and during the nine months ended March 31, 2022 and 2021, approximately $692,000 and $1,025,000, respectively, were paid related to the bonuses.

13) Causes of Action

During the three and nine months ended March 31, 2022 and 2021, the Company recorded the following amounts from the settlement of Causes of Action ($ in thousands):

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2022	**2021**	**2022**	**2021**
Comerica Bank	$ -	$ -	$ 24,815	$ -
Other settlement recoveries	468	1,278	1,868	8,443
Total	$ 468	$ 1,278	$ 26,683	$ 8,443

On August 6, 2021, the Trust agreed to settle two pending actions against Comerica Bank. As a result, the Company received proceeds of approximately $54,500,000 from the settlement during the three months ended March 31, 2022. The allocation of the proceeds is as follows ($ in thousands):

Trust's net portion	$ 24,815
Payable to non-contributing claimants	15,600
Payable for approved legal fees and litigation costs	13,960
Payable for incentive awards	100
Payable for administrative costs relating to non-contributing claimants	25
Total	$ 54,500

All of the proceeds have been distributed according to the settlement except for approximately $13,000 payable to non-contributing claimants and approximately $25,000 payable for court approved notice and administrative costs as the Company has not received all of the necessary documentation.

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14) Commitments and Contingencies

As of March 31, 2022, the Company had construction contracts under which an aggregate of approximately $5,200,000 was unpaid.

The Company had a lease for its office space that expired on August 31, 2021. The Company had one three-month option to extend the lease. On June 4, 2021, the Company opted not to extend its existing lease and entered into a new office lease at a different location. The new lease is for the period from August 1, 2021 through July 31, 2022. The annual rent is approximately $43,000 plus common area maintenance charges. The Company has two six-month options to extend the lease. The Company paid approximately $55,000 for the lease year ending July 31, 2022 relating to prepaid rent, common area maintenance charges and a security deposit for the new lease during the year ended June 30, 2021. During the three months ended March 31, 2022 and 2021, approximately $0 and $76,000, respectively, and during the nine months ended March 31, 2022 and 2021, approximately $50,000 and $221,000, respectively were paid as rent, including common area maintenance and parking charges.

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.

15) Subsequent Events

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

Distributions

During the period from April 1, 2022 through May 13, 2022, 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, distributions of approximately $92,000 were paid to holders of Class A Interests from the restricted cash account and distributions payable were reduced by the same amount.

During the period from April 1, 2022 through May 13, 2022, as a result of claims being disallowed or Class A Interests being cancelled, approximately $52,000 was released from the restricted cash account and distributions payable were reduced by the same amount.

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Sales of Real Estate Assets

During the period from April 1, 2022 through May 13, 2022, approximately $1,800,000 relating to a pending sale was released from escrow.

Construction Contracts

During the period from April 1, 2022 through May 13, 2022, the Company increased construction contracts by approximately $106,000.

Causes of Action

During the period from April 1, 2022 through May 13, 2022, the Trust recorded approximately $23,000 from the settlement of Causes of Action. The Company recorded approximately $1,000 as the amount due to the Liquidation Trustee on account of such settlements.

Related Party Transactions

During the period from April 1, 2022 through May 13, 2022, the Trust paid approximately $1,241,000 to the Liquidation Trustee.

PART I. FINANCIAL INFORMATION (CONTINUED)

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

The following discussion and analysis of changes in net assets and net assets in liquidation 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 litigation and/or settlements and the ability to recover thereon, the amount of funding required to continue litigation, 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 Part I. Financial Information, 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 administrative and priority claims, as defined in the Plan, 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 March 31, 2022, the number of Liquidation Trust Interests outstanding in each class is as follows:

Class of Interest	Number Outstanding
Class A Liquidation Trust Interests	11,516,439
Class B Liquidation Trust Interests	675,617

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 disputed claims are settled by cancelling previously issued Liquidation Trust Interests.

Since the Plan Effective Date through March 31, 2022, the Wind-Down Subsidiaries have disposed of approximately 143 properties for aggregate net sales proceeds of approximately $481.73 million. During the period from April 1, 2022 through May 13, 2022, the Company did not sell any real estate assets. As of March 31, 2022, the Company owned seven real estate assets (including two single-family homes under construction) with a gross carrying value of approximately $100.54 million. Therefore, it is unlikely that the net proceeds for the three or nine months ended March 31, 2022 will be indicative of future net proceeds, which are likely to be significantly lower. In addition, it may take longer to sell the properties than the Company has estimated. The Company expects to complete the liquidation of its assets during the fiscal year ending June 30, 2024.

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 March 31, 2022

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the three months ended March 31, 2022 ($ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Net assets in liquidation as of December 31, 2021	$ 3,203	$ 124,302	$ 127,505
Change in assets and liabilities:			
Restricted for Qualifying Victims - change in carrying value of assets and liabilities, net	-	-	-
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	8,266	8,266
Distributions (declared) reversed, net	-	(39,509)	(39,509)
Net change in assets and liabilities	-	(31,243)	(31,243)
Net assets in liquidation, as of March 31, 2022	$ 3,203	$ 93,059	$ 96,262

There was no change to Net assets in liquidation – Restricted for Qualifying Victims during the three months ended March 31, 2022.

Net assets in liquidation – All Interestholders decreased by approximately $31.24 million during the three months ended March 31, 2022. This decrease was due to an increase in the carrying value of assets and liabilities, net of approximately $8.27 million and distributions (declared) reversed, net of approximately $39.51 million.

The components of the approximately $8.27 million net change in the carrying value of assets and liabilities are as follows ($ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Other settlement recoveries recognized, net (1)	$ -	$ 445	$ 445
Remeasurement of assets and liabilities, net	-	7,627	7,627
Other	-	194	194
Change in carrying value of assets and liabilities, net	$ -	$ 8,266	$ 8,266

(1) Net of the 5% payable to the Liquidation Trustee of approximately $22 ($ in thousands).

During the three months ended March 31, 2022, the Company:

- Declared a distribution of $3.44 per Class A Interest, which totaled approximately $39.98 million.
- Sold the rest of the gold Forfeited Assets for net proceeds of approximately $0.12 million.
- Completed construction of one single-family home (642 St. Cloud).
- Settled one secured loan for net proceeds of approximately $0.72 million.
- Signed agreements to settle other Causes of Action for payment to the Trust of approximately $0.47 million.
- Paid construction costs of approximately $1.80 million relating to single-family homes under development.
- Paid holding costs of approximately $0.66 million.

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

- o Paid general and administrative costs of approximately $4.04 million, including approximately $0.17 million of board member fees and expenses, approximately $1.84 million of payroll and other general and administrative costs and approximately $2.03 million of professional fees.

For the three months ended March 31, 2021

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the three months ended March 31, 2021 ($ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Net assets in liquidation as of December 31, 2021	$ -	$ 210,476	$ 210,476
Change in assets and liabilities:			
Restricted for Qualifying Victims - change in carrying value of assets and liabilities, net	3,459	-	3,459
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	1,974	1,974
Distributions (declared) reversed, net	-	(49,958)	(49,958)
Net change in assets and liabilities	-	(47,984)	(47,984)
Net assets in liquidation, as of March 31, 2021	$ 3,459	$ 162,492	$ 165,951

Net assets in liquidation – Restricted for Qualifying Victims increased by approximately $3.46 million during the three months ended March 31, 2021.

Net assets in liquidation – All Interestholders decreased approximately $47.98 million during the three months ended March 31, 2021. This decrease was due to changes in the carrying value of assets and liabilities, net of approximately $1.97 million and distributions (declared) reversed, net of approximately $49.95 million.

The components of the approximately $3.46 million and $1.97 million net change in the carrying value of assets and liabilities, net are as follows ($ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Recognition of Forfeited Assets	$ 3,459	$ -	$ 3,459
Remeasurement of assets and liabilities, net	-	2,473	2,473
Other settlement recoveries recognized, net (1)	-	1,326	1,326
Carrying value in excess of sales proceeds	-	(1,900)	(1,900)
Other	-	75	75
Change in carrying value of assets and liabilities, net	$ 3,459	$ 1,974	$ 5,433

(1) Net of the 5% payable to the Liquidation Trustee of approximately $72 ($ in thousands).

During the three months ended March 31, 2021, the Company:

- o Declared a distribution of $4.28 per Class A Interest, which totaled approximately $50.01 million.
- o Signed agreements to settle other Causes of Action for payment to the Trust of approximately $1.28 million.
- o Recorded Forfeited Assets with an estimated net realizable value of approximately $3.46 million.

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

- o Paid construction costs of approximately $5.77 million relating to single-family homes under development.
- o Paid holding costs of approximately $0.77 million.
- o Paid general and administrative costs of approximately $4.29 million, including approximately $0.21 million of board member fees and expenses, approximately $1.90 million of payroll and other general and administrative costs and approximately $2.18 million of professional fees.

Nine months ended March 31, 2022

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the nine months ended March 31, 2022 ($ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Net assets in liquidation as of June 30, 2021	$ 3,167	$ 126,373	$ 129,540
Change in assets and liabilities:			
Restricted for Qualifying Victims - change in carrying value of assets and liabilities, net	36	-	36
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	45,922	45,922
Distributions (declared) reversed, net	-	(79,236)	(79,236)
Net change in assets and liabilities	-	(33,314)	(33,314)
Net assets in liquidation, as of March 31, 2022	$ 3,203	$ 93,059	$ 96,262

Net assets in liquidation – Restricted for Qualifying Victims increased by approximately $0.04 million during the nine months ended March 31, 2022.

Net assets in liquidation – All Interestholders decreased by approximately $33.31 million during the nine months ended March 31, 2022. This decrease was due to an increase in the carrying value of assets and liabilities, net of approximately $45.92 million and distributions (declared) reversed, net of approximately $79.23 million.

The components of the approximately $0.04 million and $45.92 million of the net change in carrying value of assets and liabilities are as follows ($ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Causes of Action, net(1) :			
Comerica Bank	$ -	$ 23,575	23,575
Other settlement agreements	-	1,777	1,777
Sales proceeds in excess of carrying value	-	6,460	6,460
Remeasurement of assets and liabilities, net	36	13,428	13,464
Other	-	682	682
Change in carrying value of assets and liabilities, net	$ 36	$ 45,922	$ 45,958

(1) Net of the 5% payable to the Liquidation Trustee of approximately $1,241 for Comerica Bank and $93 for other settlement agreements ($ in thousands).

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

During the nine months ended March 31, 2022, the Company:

- Declared two distributions, both of $3.44 per Class A Interest, which totaled approximately $80.00 million.
- Sold the wine and the gold Forfeited Assets for net proceeds of approximately $0.49 million.
- Completed construction of one single-family home (642 St. Cloud).
- Sold four single-family homes and settled two secured loans for net proceeds of approximately $64.40 million. One of the single-family homes was under construction.
- Recorded approximately $24.81 million from the settlement of the two pending actions against Comerica Bank, the California Class Action and the Delaware Adversary Action.
- Signed agreements to settle other Causes of Action for payment to the Trust of approximately $1.87 million.
- Paid construction costs of approximately $9.47 million relating to single-family homes under development.
- Paid holding costs of approximately $1.90 million.
- Paid general and administrative costs of approximately $12.56 million, including approximately $0.56 million of board member fees and expenses, approximately $4.68 million of payroll and other general and administrative costs and approximately $7.32 million of professional fees.

For the nine months ended March 31, 2021

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the nine months ended March 31, 2021 ($ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Net assets in liquidation as of June 30, 2020	$ -	$ 264,517	$ 264,517
Change in assets and liabilities:			
Restricted for Qualifying Victims - change in carrying value of assets and liabilities, net	3,459	-	3,459
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	7,529	7,529
Distributions (declared) reversed, net	-	(109,554)	(109,554)
Net change in assets and liabilities	-	(102,025)	(102,025)
Net assets in liquidation, as of March 31, 2021	$ 3,459	$ 162,492	$ 165,951

Net assets in liquidation – Restricted for Qualifying Victims increased by approximately $3.46 million during the nine months ended March 31, 2022.

Net assets in liquidation – All Interestholders decreased approximately $102.02 million during the nine months ended March 31, 2021. This decrease was due to changes in the carrying value of assets and liabilities, net of approximately $7.53 million and distributions (declared) reversed, net of approximately $109.55 million.

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

The components of the approximately $3.46 million and $7.53 million change in the carrying value of assets and liabilities, net are as follows ($ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Recognition of Forfeited Assets	$ 3,459	$ -	$ 3,459
Settlement recoveries recognized, net (1)	-	8,013	8,013
Carrying value in excess of sales proceeds	-	(1,540)	(1,540)
Remeasurement of assets and liabilities, net	-	2,775	2,775
Adjustment to insurance claim receivable	-	(1,900)	(1,900)
Other	$ -	$ 181	$ 181
Change in carrying value of assets and liabilities, net	$ 3,459	$ 7,529	$ 10,988

(1) Net of the 5% payable to the Liquidation Trustee of approximately $462 ($ in thousands).

During the nine months ended March 31, 2021, the Company:

- Declared three distributions, two each of $2.56 and one of $4.28 per Class A Interest, which totaled approximately $109.93 million.
- Sold five single-family home, two lots and eleven other properties for net proceeds of approximately $121.16 million. One of the single-family homes was under construction and the buyer assumed the remaining obligations to complete the construction of the property of approximately $11.25 million.
- Signed agreements to settle Causes of Action for payment to the Trust of approximately $8.44 million.
- Recorded Forfeited Assets with an estimated net realizable value of approximately $3.46 million.
- Paid construction costs of approximately $22.04 million relating to single-family homes under development.
- Paid holding costs of approximately $4.13 million.
- Paid general and administrative costs of approximately $14.39 million, including approximately $0.68 million of board member fees and expenses, approximately $6.35 million of payroll and other general and administrative costs and approximately $7.36 million of professional fees.

Liquidity and Capital Resources

Liquidity

The Company's primary sources for meeting its capital requirements are its cash and cash equivalents, 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.

Capital Resources

In addition to consolidated cash and cash equivalents at March 31, 2022 of approximately $43.49 million (of which approximately $9.10 million is restricted), the capital resources available to the Company and its uses of liquidity are as follows:

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

- Revolving Line of Credit: On June 19, 2020, two wholly-owned subsidiaries of the Wind-Down Entity entered into a $25.00 million LOC. 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. The maturity date of the LOC was changed to January 31, 2023 with an option to extend for one additional year, subject to the availability of collateral. The LOC required the borrowers to establish an interest reserve of $1.75 million, 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 two properties, 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 $20.00 million 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. No amounts were outstanding under the LOC as of March 31, 2022 or May 13, 2022.

- 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. As of March 31, 2022, the Company owned a total of seven real estate assets with a gross carrying value of approximately $100.54 million. The majority of the gross carrying value is concentrated in the three single-family homes. Four single-family homes were under construction; two that are owned as of March 31, 2022, one that was sold in December 2021 and one that was sold in May 2021. During the three months ended March 31, 2022, the Company settled one secured loan for net proceeds of approximately $725,000. During the nine months ended March 31, 2022, the Company sold four single-family homes and settled two secured loans for net proceeds of approximately $64,405,000. It is unlikely that the net proceeds for the three or nine months ended March 31, 2022 will be indicative of future net proceeds, which are likely to be significantly lower. In addition, it may take longer to sell the properties than the Company has estimated.

- Recoveries: During the three and nine months ended March 31, 2022, the Company recognized approximately $0.47 million and $26.68 million, respectively, from the settlement of Causes of Action. The recoveries for the three and nine months ended March 31, 2022 include approximately $0 and $24.81 million from Comerica Bank. There can be no assurance that the amounts the Company recovers from settling Causes of Action in the future will be consistent with the amount recovered during the three and nine months ended March 31, 2022.

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 March 31, 2022, the Company's total liabilities were approximately $47.50 million. The total liabilities recorded as of March 31, 2022 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 unresolved 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 May 13, 2022, the Liquidation Trustee has declared nine 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 Interests on account of recently allowed claims, (c) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions, (d) for distributions that were withheld due to pending avoidance actions and (e) for holders of Class A Interests for 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)

Sections 7.6 and 7.18 of the Plan provide that distributions that have not been cashed within 180 calendar days of their issuance shall be null and void and the holder of the associated Liquidation Trust Interests "shall be deemed to have forfeited its rights to any reserved and future Distributions under the Plan," with such amounts to become "Available Cash" of the Trust for all purposes. On February 1, 2022, the Trust sent letters to the holders of the Class A Interests who have failed to cash distribution checks in respect of prior distributions, which checks were issued more than 180 days prior to the date of the letter. The letter informed the holders that, unless such holders contact the Trust no later than February 28, 2022, in accordance with the Plan, the holders' reserved and future distributions will be deemed forfeited. The Trust provided this final notice simply as a one-time courtesy and reserves its rights to strictly enforce the Plan's forfeiture provisions, and any other provision of the Plan, against any person (including any recipient of the final notice) at any time in the future, without further notice.

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 March 31, 2022 and from February 15, 2019 through May 13, 2022:

			During the Period from February 15, 2019 (inception) through March 31, 2022 ($ in Millions)			During the Period from February 15, 2019 (inception) through May 13, 2022 ($ in Millions)		
	Date Declared	$ per Class A Interest	Total Declared	Paid	Restricted Cash Account	Total Declared	Paid	Restricted Cash 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	50.01	48.67	1.34
Seventh (a)	5/13/2021	2.58	30.02	29.33	0.69	30.02	29.33	0.69
Eighth	10/8/2021	3.44	40.02	39.14	0.88	40.02	39.14	0.88
Ninth	2/4/2022	3.44	39.98	39.15	0.83	39.98	39.15	0.83
Subtotal		$ 29.23	$ 343.08	$ 332.43	10.65	$ 343.08	$ 332.43	10.65
Distributions Reversed								
Disallowed/cancelled (b)					(3.57)			(3.62)
Returned (c)					0.73			0.73
Subtotal					(2.84)			(2.89)
Distributions Paid from Reserve Account (d)					(2.78)			(2.87)
Distributions Payable, Net				as of 3/31/2022:	$ 5.03		as of 5/13/2022:	$ 4.89

(a) The seventh distribution included the cash the Trust received from Fair Funds.
(b) As a result of claims being disallowed or Class A Interests cancelled.
(c) Distribution checks returned or not cashed.
(d) Paid as claims are allowed or resolved.

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

As claims are resolved, additional Class A Interests may be issued or cancelled (see the Company's Annual Report on Form 10-K filed on September 27, 2021, "Part 1, 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 and 3. Assets and liabilities of the Company"). Therefore, the total amount of a distribution declared may change between the date declared and the date paid. 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).

Management believes that, since its inception, the Wind-Down Entity has made substantial progress toward completion of its liquidation activities and is nearing the end of the liquidation of its real estate portfolio. Holders of Liquidation Trust Interests are advised that future distributions from the Trust will be limited. Once the Company's remaining real property assets have been liquidated and the net proceeds resulting therefrom, net of reserves, have been distributed, further distribution(s) will be materially reliant on future recoveries from litigation, which are uncertain and the amount and timing of which are difficult to determine.

Contractual Obligations

As of March 31, 2022, the Company has contractual commitments related to construction contracts totaling approximately $5.20 million. The Company expects to complete the construction of the single-family homes during the fiscal year ending June 30, 2022. The Company has an office lease that expires in July 2022. The Company has two six-month options to extend the lease. The Company expects that it will continue to lease office space until the liquidation process is completed.

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 from the future settlement of unresolved Causes of Action or Fair Fund 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 the terms of 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 considered 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.

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

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 reviews the estimated net realizable values, liquidation costs and the estimated date of the completion of the liquidation of the Company and records any significant changes. 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.

Causes of Action

The Company does not record any amount from the future settlement of unresolved Causes of Action or recoveries from Fair Fund or Forfeited Assets (including those that may be settled, but subject to court or other regulatory agency approval) in the accompanying consolidated financial statements since they cannot be reasonably estimated. The Company recognizes recoveries from the settlement of unresolved Causes of Action when an agreement has been executed and collectability is reasonably assured.

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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

Disclosure Controls and Procedures

As of the end of the period covered by this report, management and the Liquidation Trustee evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based upon, and as of the date of, the evaluation, management and the Liquidation Trustee concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported as and when required. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file and submit under the Exchange Act is accumulated and communicated to our management, including the Liquidation Trustee, as appropriate to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended.

In connection with the preparation of our Form 10-Q, our management and the Liquidation Trustee assessed the effectiveness of our internal control over financial reporting as of March 31, 2022. In making that assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework* (2013).

Based on its assessment, our management and the Liquidation Trustee believes that, as of March 31, 2022, our internal control over financial reporting was effective based on those criteria. There have been no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

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 and collectability is reasonably assured.

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.

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 March 1, 2021, the Trustee filed a notice of appeal of the order granting fees and costs.

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

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. The other appeals remain pending. On June 14, 2021, the Trustee filed a combined opening brief for all of the appeals other than his appeal of the order granting fees and costs to Sidley Austin LLP. Between September 22-29, 2021, the respondents filed their opening briefs. On March 17, 2022, the Trustee filed a combined reply brief for all of the appeals other than his appeal of the order granting fees and costs to Sidley Austin LLP.

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 section 10(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 on March 4, 2021, the court entered an order granting those motions in part by dismissing the first count (arising under the federal securities laws), without ruling on the remaining counts (arising under state law) in light of potential personal jurisdiction issues. On March 29, 2021, the same four defendants again moved to dismiss the remaining counts for lack of personal jurisdiction. On April 23, 2021 the federal court entered an order granting those motions, but has not yet entered a final judgment.

Comerica Bank litigation. On August 6, 2021, the Trust agreed to the terms of a settlement of two actions against Comerica Bank. The terms of the settlement, reached following negotiations with Comerica Bank and the plaintiffs in a putative class action against Comerica Bank in the United States District Court for the Central District of California (the "District Court"), are the subject of a Settlement Agreement among the plaintiffs, Comerica Bank, and the Trust ("Comerica Settlement Agreement"). Comerica Bank is the institution at which the Debtors maintained all of their bank accounts, and these actions arise out of the Debtors' former banking relationships with Comerica Bank. The Comerica Settlement Agreement is referenced hereto as Exhibit 10.16.

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

The Comerica Settlement Agreement resolves two actions. One of the actions, captioned *In re Woodbridge Investments Litigation*, Case No. 2:18-cv-00103-DMG-MRW (C.D. Cal.), was a consolidated putative class action in District Court brought on behalf of former noteholders and unitholders of the Debtors (the "California Class Action"). The California Class Action was comprised of five separate lawsuits filed between January 4, 2018 and April 26, 2018 and, as consolidated, asserted claims for aiding and abetting fraud, aiding and abetting breach of fiduciary duty, negligence, and violations of California's unfair competition law. The Trust believes that it is the largest member of the putative class in the California Class Action, as holder of approximately 60.9% of all claims against Comerica based on the claims contributed to the Trust by former investors of the Debtors.

The other action resolved by the settlement, captioned *Michael I. Goldberg as trustee for the Woodbridge Liquidation Trust v. Comerica Bank*, Adv. Pro. No. 20-ap-50452-BLS (Bankr. D. Del.), is an adversary proceeding in the Bankruptcy Court, in which the Trust asserted claims against Comerica Bank for fraudulent transfers under the California Civil Code the (the "Delaware Adversary Action"). The Delaware Adversary Action also incorporated the claims asserted against Comerica Bank in the California Class Action to the extent that such claims may ultimately be determined to belong to the Debtors' estates rather than to individual former noteholders and unitholders.

Under the terms of the Comerica Settlement Agreement, the California Class Action has been settled as a class action on the basis of a class defined to consist of (i) the Trust, as assignee of the claims of the holders of Net Claims (as defined in the Settlement Agreement) in Class 3 (Standard Note Claims, as defined in the Plan) and Class 5 (Unit Claims, as defined in the Plan) of the Plan who are Contributing Claimants (as defined in the Plan) and (ii) the holders of Net Claims (as defined in the Settlement Agreement) in Class 3 (Standard Note Claims, as defined in the Plan) and Class 5 (Unit Claims, as defined in the Plan) of the Plan who are not Contributing Claimants (as defined in the Plan). For purposes of distributions under the Settlement Agreement, the holders of Net Claims who are not Contributing Claimants are deemed to be the holders of such Net Claims as of February 15, 2019.

Under the Comerica Settlement Agreement, Comerica Bank agreed to pay (including through its insurers) an aggregate of $54.5 million, consisting of $54.2 million to settle the California Class Action (the "Class Payment") and $300,000 to settle the Delaware Adversary Action (the "FT Payment"). The Class Payment was intended to provide recoveries to members of the plaintiff class and to fund, in amounts to be determined by the District Court, the legal fees of plaintiffs' counsel in the California Class Action, not to exceed 25% of the California Class Action settlement payment, the costs of administering the settlement, and certain incentive award for the class representatives. Under the Comerica Settlement Agreement, Comerica Bank (and certain related parties) has been released from all claims advanced, or that could have been advanced, related to the facts alleged in the California Class Action or the Delaware Adversary Action.

The settlement amount was required to be paid within ten business days of the Settlement Effective Date (as defined in the Comerica Settlement Agreement), and was paid, in its entirety, between January 19, 2022 and January 27, 2022.

On December 17, 2021, the court entered an order granting final approval to the settlement of the California Class Action, and the "Effective Date" of the settlement occurred on or about January 20, 2022. Since that time, the settlement payment has been paid by Comerica Bank (or its insurers) and the Trust has commenced administration of that payment. The Trust has recorded approximately $24.81 million from the settlement, comprised of (i) the Trust's share (approximately 60.9%) of the Net Class Consideration (without reduction for costs of administration or incentive awards) and (ii) the $300,000 FT Payment (without reduction for any reason).

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 (the "Bankruptcy Court"), are pending before the Honorable J. Kate Stickles, 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.

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PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

- o *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.

- o *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.

- o *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.

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 April 30, 2022, the Trust has obtained judgments of approximately $23.60 million, including default judgments of approximately $15.43 million and stipulated judgement of approximately $8.17 million and has entered into settlements in approximately 210 legal actions and in an additional approximately 245 potential avoidance claims for which litigation was not filed, resulting in aggregate settlements of approximately $17.17 million of cash payments made or due to the Trust and approximately $9.98 million in reductions of claims against the Trust.

- o *Other legal proceedings.* 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:

  - o *Actions regarding the Shapiro's personal assets.* On December 4, 2019, the Trust filed an action in the Bankruptcy Court, 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. On February 4, 2022, the Trust entered into a Settlement Agreement with Ms. Jeri Shapiro resolving the Trust's adversary proceeding against Ms. Shapiro. In connection with the Settlement Agreement, Ms. Shapiro responded to interrogatories from the Trust and submitted a declaration under penalty of perjury detailing her lack of assets. Upon execution of the Settlement Agreement, Ms. Shapiro executed and delivered a Stipulated Judgment for approximately $20.6 million that will be held by the Trust in escrow for three years that can be entered without notice if the Trust learns Ms. Shapiro's representations in her declaration were false or materially inaccurate. Additionally, Ms. Shapiro authorized the Trust to expunge the filed claims of certain co-defendants she was listed as an officer and turned over payments to the Trust that were received by certain co-defendants in the adversary proceeding. A stipulation of dismissal (as to Ms. Shapiro only) was entered on April 1, 2022.

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PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

- *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 under the Plan and their permitted assigns—but do not include former holders of Class 4 claims under the Plan. The Trust has taken possession of the Forfeited Assets and has sold the wine and gold 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. Among other litigation, certain Woodbridge entities (including the Trust, the Wind-Down Entity, and WB 8607 Honoapiilani, LLC) filed an action against Certain Underwriters at Lloyd's of London in Los Angeles Superior Court, alleging that the defendant insurer breached its obligations under an insurance policy purchased to protect a property owned by WB 8607 Honoapiilani (a subsidiary of the Wind-Down Entity) in Hawaii, which property was destroyed by fire in August 2017. The Superior Court granted the defendant's motion for summary judgment, and on March 25, 2021 entered judgment in favor of the defendant. The judgment provided that plaintiffs take nothing by way of the complaint. Further, the judgment provided that defendant refund plaintiffs for the premium payments under the insurance policy at issue in the lawsuit ($110,829.43), less all amounts paid by the defendant in respect of claims under the policy ($97,770.38) and less defendant's costs (defendant has requested costs of $9,874.71). Plaintiffs have appealed the judgment. The appeal has been fully briefed and is awaiting oral argument before the Court of Appeal.

Item 1A. Risk Factors

Please see the applicable risk in Item 1A. of our Annual Report on Form 10-K filed with the SEC on September 27, 2021 and Item 1A. of our Quarterly Report on Form 10-Q filed on February 11, 2022 or contained in any of the Trust's subsequent filings with the SEC.

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 under the Plan 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 27, 2021. During the period from February 15, 2019 (inception) through March 31, 2022, the Trust has issued an aggregate of 11,539,281 Class A Interests and an aggregate of 677,624 Class B Interests. As of March 31, 2022, the Trust had 11,516,439 Class A Interests and 675,617 Class B Interests outstanding. 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.

PART II. OTHER INFORMATION
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds (Continued)

During the three months ended March 31, 2022, the Trust issued the following Liquidation Trust Interests:

Date of Sale	Number of Class A Interests Sold	Number of Class B Interests Sold	Nature of the Transaction	Consideration Received
January 31, 2022	4,674.25	-	Allowance of claims	Allowance of claims
Total	4,674.25	-		

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 under the Plan.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

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EXHIBITS (CONTINUED)

Exhibit Description

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	Agreement and Amendment to Loan and Security Agreement dated December 18, 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 by reference herein to the Form 10-Q filed by the Trust on May 17, 2021.
10.4	Assumption Agreement and Joinder dated February 11, 2021 by and among WB Propco, LLC, WB 638 Siena, LLC and WB 642 St. Cloud, LLC, as co-borrowers, Woodbridge Wind Down Entity, LLC, as guarantor, and City National Bank of Florida, incorporated by reference herein to the Form 10-Q filed by the Trust on May 17, 2021.
10.5	Amended and Restated Security Agreement dated February 11, 2021 by WB Propco, LLC, WB 638 Siena, LLC and WB 642 St. Cloud, LLC in favor of City National Bank of Florida, incorporated by reference herein to the Form 10-Q filed by the Trust on May 17, 2021.
10.6	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.
10.7	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.

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EXHIBITS (CONTINUED)

10.8 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.

10.9 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.

10.10 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.

10.11 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.

10.12 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.

10.13 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.

10.14 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.

10.15 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.

10.16 Settlement Agreement dated August 6, 2021 by and among Mark Baker, Jay Beynon as Trustee for the Jay Beynon Family Trust DTD 10/23/1998, Alan and Marlene Gordon, Joseph C. Hull, Lloyd and Nancy Landman, and Lilly A. Shirley on behalf of themselves and the proposed Settlement Class, Michael I. Goldberg, as Trustee for Woodbridge Liquidation Trust, and Comerica Bank, incorporated herein by reference to the Form 10-K filed by the Trust on September 27, 2021.

10.17† California Residential Purchase Agreement and Joint Escrow Instructions dated October 19, 2021 for 642 St. Cloud Rd., Los Angeles, CA, including amendments, incorporated herein by reference to the Form 10-Q filed by the Trust on February 11, 2022.

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.

101 The following financial statements from the Woodbridge Liquidation Trust Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Statements of Net Assets in Liquidation as of March 31, 2022 and June 30, 2021, (ii) Consolidated Statements of Changes in Net Assets in Liquidation for the three months ended March 31, 2022 and 2021, (iii) Consolidated Statements of Changes in Net Assets in Liquidation for the nine months ended March 31, 2022 and 2021, (iv) the Notes to the Consolidated Financial sSatements. XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

104 Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith
† Portions omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K (17 CFR § 220.601(b)(10)(iv)).

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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: May 13, 2022

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee