

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, 2024

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

(State or other jurisdiction of incorporation or organization)

36-7730868

(I.R.S. Employment Identification No.)

201 N. Brand Blvd.,

Suite 200

Glendale, California

(Address of principal executive offices)

91203

(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

Non-accelerated filer

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, 2024
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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, 2024 and June 30, 2023

(\$ In Thousands)

	3/31/2024 (Unaudited)	6/30/2023
Assets		
Cash and cash equivalents	\$ 57,810	\$ 25,704
Restricted cash (Note 3)	4,783	4,473
Other assets (Note 4)	3,113	3,415
Total assets	<u>\$ 65,706</u>	<u>\$ 33,592</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 20	\$ 37
Distributions payable	889	1,283
Accrued liquidation costs (Note 5)	19,928	25,499
Total liabilities	<u>\$ 20,837</u>	<u>\$ 26,819</u>
Commitments and Contingencies (Note 12)		
Net Assets in Liquidation		
Restricted for Qualifying Victims (Note 6)	\$ 4,188	\$ 3,491
All Interestholders	40,681	3,282
Total net assets in liquidation	<u>\$ 44,869</u>	<u>\$ 6,773</u>

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, 2024 and 2023***(Unaudited, \$ in Thousands)*

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Restricted For Qualifying Victims	All Interestholders	Total	Restricted For Qualifying Victims	All Interestholders	Total
Net Assets in Liquidation as of beginning of period	\$ 3,541	\$ 36,278	\$ 39,819	\$ 3,483	\$ 35,669	\$ 39,152
Change in assets and liabilities (Note 7):						
Restricted for Qualifying Victims -						
Change in carrying value of assets and liabilities, net	647	-	647	(25)	-	(25)
All Interestholders:						
Change in carrying value of assets and liabilities, net	-	4,403	4,403	-	(9,187)	(9,187)
Distributions (declared) reversed, net	-	-	-	-	6	6
Net change in assets and liabilities	-	4,403	4,403	-	(9,181)	(9,181)
Net Assets in Liquidation as of end of period	\$ 4,188	\$ 40,681	\$ 44,869	\$ 3,458	\$ 26,488	\$ 29,946

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 Nine Months Ended March 31, 2024 and 2023***(Unaudited, \$ in Thousands)*

	<u>Nine Months Ended March 31, 2024</u>			<u>Nine Months Ended March 31, 2023</u>		
	<u>Restricted For Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>	<u>Restricted For Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Net Assets in Liquidation as of beginning of period	<u>\$ 3,491</u>	<u>\$ 3,282</u>	<u>\$ 6,773</u>	<u>\$ 3,485</u>	<u>\$ 30,910</u>	<u>\$ 34,395</u>
Change in assets and liabilities (Note 7):						
Restricted for Qualifying Victims -						
Change in carrying value of assets and liabilities, net	<u>697</u>	<u>-</u>	<u>697</u>	<u>(27)</u>	<u>-</u>	<u>(27)</u>
All Interestholders:						
Change in carrying value of assets and liabilities, net	<u>-</u>	<u>37,026</u>	<u>37,026</u>	<u>-</u>	<u>(7,066)</u>	<u>(7,066)</u>
Distributions (declared) reversed, net	<u>-</u>	<u>373</u>	<u>373</u>	<u>-</u>	<u>2,644</u>	<u>2,644</u>
Net change in assets and liabilities	<u>-</u>	<u>37,399</u>	<u>37,399</u>	<u>-</u>	<u>(4,422)</u>	<u>(4,422)</u>
Net Assets in Liquidation as of end of period	<u>\$ 4,188</u>	<u>\$ 40,681</u>	<u>\$ 44,869</u>	<u>\$ 3,458</u>	<u>\$ 26,488</u>	<u>\$ 29,946</u>

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, 2024 and 2023 (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 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; (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 8, the Trust has two classes of liquidation trust interests, Class A Liquidation Trust Interests (“Class A Interests”) and Class B Liquidation Trust Interests (“Class B Interests”). The holders of Class A Interests and Class B Interests are collectively referred to as “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 asked 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.

The Trust will be terminated upon the first to occur of (i) the making of all distributions required to be made and a determination by the Liquidation Trustee that the pursuit of additional causes of action held by the Trust is not justified or (ii) March 31, 2026, based on an extension of the term which was approved by the Bankruptcy Court on December 20, 2023 (see below). Notwithstanding the preceding, the termination date of the Trust may be further extended consistent with the terms of the Liquidation Trust Agreement and the Plan.

During the year ended June 30, 2023, the Company concluded that its liquidation activities would not be completed by February 15, 2024, which was the original outside termination date of the Trust, for a number of reasons. First, there had been significant delays in certain legal proceedings where the Company is the plaintiff. Second, a construction defect claim was asserted against one of the Wind-Down Subsidiaries by the buyer of one of the subsidiary’s single-family homes. The subsidiary has tendered the claim to its insurance carriers; however, the carriers have not yet accepted the claim. At this time, the amount of the liability exposure has not been determined and the subsidiary’s exposure is unknown. The subsidiary is investigating the claim, including the extent and causes of the alleged damage and the identification of other potentially responsible persons. Based on the foregoing, the Company currently projects a revised estimated completion date for the Company’s operations of approximately March 31, 2026.

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, 2024 and 2023 (Unaudited)

The Company filed a motion with the Bankruptcy Court to extend the termination date of the Trust from February 15, 2024 through and including March 31, 2026. On December 20, 2023, the Bankruptcy Court granted the Company's motion to extend the termination date through and including March 31, 2026, as requested by the Trust.

Description of Business

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, 2024, the Company presently estimates that the liquidation activities will be completed by approximately March 31, 2026.

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, 2024, the Company is the plaintiff in several pending lawsuits. During the three months ended March 31, 2024, the Company recorded settlement recoveries of approximately \$3,328,000. During the three months ended March 31, 2023, no settlement recoveries were recorded. During the nine months ended March 31, 2024 and 2023, the Company recorded settlement recoveries of approximately \$37,838,000 and \$231,000, respectively, from the settlement of Causes of Action (see Note 11 for additional information). The Company also recorded liabilities of 5% of the settlement recoveries as amounts payable to the Liquidation Trustee. The Company has accrued an estimate of the amount of legal costs to be incurred to pursue the remaining Causes of Action, excluding contingent fees. As more fully discussed in Note 2, the Company's consolidated financial statements do not include any estimate of future net recoveries from litigation and settlement, since the Company cannot reasonably estimate them.

The Wind-Down Entities' operations are almost complete. As of March 31, 2024, the Wind-Down Subsidiaries owned one performing secured loan and one single-family home subject to a life estate (see Note 4 for additional information). The Wind-Down Entities' primary activities currently involve overseeing the resolution of a construction defect claim and completing repairs of a previously sold home.

As more fully discussed in Note 2, the Company uses the Liquidation Basis of Accounting. The Trust currently operates as one reportable segment. 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). Net liquidation proceeds, other recoveries and actual liquidation costs may differ materially from the estimated amounts due to the uncertainty in the timing and requirements of completing the liquidation activities.

The Trust's expectations about the amount of any additional distributions, if any, 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, if any, in the consolidated financial statements. On August 3, 2023, at the recommendation of the Liquidation Trustee, the Trust suspended the making of additional distributions pending the results of the Company's investigation of a construction defect claim asserted against one of the Wind-Down Subsidiaries by the buyer of one of the subsidiary's single-family homes.

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.

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, 2023 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.

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, 2024 and 2023 (Unaudited)

All material intercompany accounts and transactions have been eliminated.

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 was based on current contracts (if any), if contingencies have been removed, estimates and other indications of sales value, net of estimated selling costs.

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 recorded estimated development costs, estimated reserves for contingent liabilities including potential construction defect claims 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 estimates of costs to complete punch list items and to address potential construction defect claims and other costs. Projected general and administrative cost estimates take into account operating costs through the completion of the liquidation of the Company, currently estimated to be approximately March 31, 2026, and an accrual for the administration of potential construction defect claims.

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 or other assets and liabilities are reflected as a change 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. 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.

Other Assets

The Company recognizes recoveries from the settlement of unresolved Causes of Action when an agreement is executed, final court approval is received (if required), and collectability is reasonably assured. The amount recovered may be material to the Company's net assets in liquidation.

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, 2024 and 2023 (Unaudited)

An allowance for uncollectible settlement installment receivables is recorded when there is doubt about the collectability of the receivable. The Company records escrow receivables at the amount that is expected to be received when the escrow receivable is released. The Forfeited Assets (Note 6) received from the United States Department of Justice (the “DOJ”), other than cash, have been recorded at their estimated net realizable value.

The Company accrues expected interest earnings when it can reasonably estimate the amount to be received. The Company uses a forward yield curve to estimate the interest rates to be earned and its expected future cash balances to estimate the dollar amount that will earn interest through the expected Trust termination date of March 31, 2026.

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 estimated liquidation costs to the extent they are reasonably determinable. These costs consist of (a) estimated development costs including the costs to complete punch list items, bond refunds and estimated reserves for contingent liabilities including potential construction defect claims and other costs and (b) estimated general and administrative costs including payroll, legal and other professional fees, trustee and board fees, rent and other office related expenses, and other general and administrative costs to operate the Company and the administration of construction defect claims.

Cash Equivalents

The Company considers short-term investments that have a maturity date of 90 days or less at the time of investment to be a cash equivalent.

Restricted Cash

Restricted cash includes cash that can only be used for certain specified purposes as described in Note 3.

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, which are held as deposits in several financial institutions. The deposit balances in any one financial institution may exceed the Federal Deposit Insurance Corporation (the “FDIC”) insurance limits. The Company mitigates this risk by using accounts at multiple financial institutions 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 of 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.

Net Assets in Liquidation - Restricted for Qualifying Victims

The Company separately presents the portion of net assets in liquidation that are restricted for Qualifying Victims (see Note 6) from the net assets in liquidation that are available to All Interestholders.

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, 2024 and 2023 (Unaudited)**Reclassifications

The Company has reclassified certain amounts related to its prior period consolidated financial statements to conform to its current period presentation.

3) Restricted Cash

The Company's restricted cash as of March 31, 2024 (unaudited), with comparative information as of June 30, 2023, is as follows (\$ in thousands):

	<u>March 31, 2024</u>	<u>June 30, 2023</u>
Forfeited Assets (Note 6)	\$ 3,891	\$ 3,190
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	892	1,283
Total restricted cash	<u>\$ 4,783</u>	<u>\$ 4,473</u>

4) Other Assets

The Company's other assets as of March 31, 2024 (unaudited), with comparative information as of June 30, 2023, are as follows (\$ in thousands):

	<u>March 31, 2024</u>	<u>June 30, 2023</u>
Accrued interest (a)	\$ 2,070	\$ 1,574
Real estate assets, net (b)	460	960
Forfeited Assets (Note 6) (a)	410	435
Settlement receivables, net (c)	79	254
Escrow receivable (d)	52	150
Other	42	42
Total other assets	<u>\$ 3,113</u>	<u>\$ 3,415</u>

(a) The Company accrues interest in the amount that it estimates it will earn on its cash on deposit during the period from April 1, 2024 through March 31, 2026 and during the period from July 1, 2023 through March 31, 2026, respectively. The accrued interest relating to Forfeited Assets is included in the Forfeited Assets line.

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, 2024 and 2023 (Unaudited)**

- (b) Real estate assets at March 31, 2024 consisted of one performing loan secured by a property located in the state of Ohio and one single-family home subject to a life estate located in the state of Florida. Real estate assets at June 30, 2023 consisted of one performing loan secured by a property located in the state of Ohio, one single-family home subject to a life estate located in the state of Florida and one real property located in the state of Hawaii.

During the three months ended March 31, 2024, the Company did not sell any real estate assets. During the three months ended March 31, 2023, the company sold one single-family home and settled one secured loan for approximately \$25,400,000 in the aggregate. During the nine months ended March 31, 2024, the Company sold the real property located in Hawaii for net proceeds of approximately \$500,000. During the nine months ended March 31, 2023, the Company sold one single-family home and settled one secured loan for net proceeds of approximately \$25,400,000 in the aggregate.

- (c) Net of an allowance for uncollectible settlement receivables, which was approximately \$141,000 and \$63,000 as of March 31, 2024 and June 30, 2023, respectively.
- (d) The escrow receivable as of March 31, 2024 and June 30, 2023 relates to one single-family home that was sold during the year ended June 30, 2023. The amount was held back at the close of escrow to cover specific repairs to the property. As repairs are completed, the costs associated with the repairs are deducted from the escrow receivable.

5) Accrued Liquidation Costs

The following is a summary of the items included in accrued liquidation costs as of March 31, 2024 (unaudited), with comparative information as of June 30, 2023 (\$ in thousands):

	<u>March 31, 2024</u>	<u>June 30, 2023</u>
Development and holding costs	\$ 4,264	\$ 4,757
General and administrative costs:		
Legal and other professional fees	9,734	13,308
Directors and officers insurance	3,068	3,442
Payroll and payroll-related	1,918	2,757
Board fees and expenses	480	742
Other	464	493
Total general and administrative costs	<u>15,664</u>	<u>20,742</u>
Total accrued liquidation costs	<u>\$ 19,928</u>	<u>\$ 25,499</u>

6) 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 (“Forfeited Assets”) by Robert and Jeri Shapiro. The agreement provided for the release of specified Forfeited Assets by the DOJ to the Trust and for the Trust to liquidate those assets and 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 and (ii) 72.5% Class 5 coefficient.

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, 2024 and 2023 (Unaudited)

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 Company recorded the total estimated net realizable value of the Forfeited Assets of approximately \$3,459,000. During the three and nine months ended March 31, 2024, the Company sold the remaining handbags and some of the jewelry and art. During the three and nine months ended March 31, 2023, the Company sold the automobile, and some of the jewelry, handbags, clothing, shoes and art.

On February 23, 2024, the Trust received approximately \$560,000 in cash from the DOJ that was forfeited by a co-defendant of Robert Shapiro. These additional Forfeited Assets are also to be distributed to Qualifying Victims.

The Forfeited Assets included in the Company's March 31, 2024 (unaudited) and June 30, 2023 consolidated financial statements are as follows (\$ in thousands):

	<u>March 31, 2024</u>	<u>June 30, 2023</u>
Restricted cash (Note 3)	\$ 3,891	\$ 3,190
Other assets (Note 4)	410	435
Accrued liquidation costs - primarily legal and professional fees	(113)	(134)
Net assets in liquidation - restricted for Qualifying Victims	<u>\$ 4,188</u>	<u>\$ 3,491</u>

7) Net Change in Assets and Liabilities

Restricted for Qualifying Victims:

The following provides details of the change in the carrying value of assets and liabilities, net during the three months ended March 31, 2024 (\$ in thousands) (unaudited):

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash	595	-	595
Other assets	(38)	84	46
Total assets	<u>\$ 557</u>	<u>\$ 84</u>	<u>\$ 641</u>
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Accrued liquidation costs	(6)	-	(6)
Total liabilities	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ (6)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 563</u>	<u>\$ 84</u>	<u>\$ 647</u>

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, 2024 and 2023 (Unaudited)

The following provides details of the change in the carrying value of assets and liabilities, net during the three months ended March 31, 2023 (\$ in thousands) (unaudited):

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash	75	-	75
Other assets	(77)	(25)	(102)
Total assets	<u>\$ (2)</u>	<u>\$ (25)</u>	<u>\$ (27)</u>
Accounts payable and accrued liabilities	\$ -	\$ 6	\$ 6
Accrued liquidation costs	(8)	-	(8)
Total liabilities	<u>\$ (8)</u>	<u>\$ 6</u>	<u>\$ (2)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 6</u>	<u>\$ (31)</u>	<u>\$ (25)</u>

The following provides details of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2024 (\$ in thousands) (unaudited):

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash	701	-	701
Other assets	(146)	121	(25)
Total assets	<u>\$ 555</u>	<u>\$ 121</u>	<u>\$ 676</u>
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Accrued liquidation costs	(21)	-	(21)
Total liabilities	<u>\$ (21)</u>	<u>\$ -</u>	<u>\$ (21)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 576</u>	<u>\$ 121</u>	<u>\$ 697</u>

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, 2024 and 2023 (Unaudited)

The following provides details of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2023 (\$ in thousands) (unaudited):

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash	775	-	775
Other assets	(793)	(25)	(818)
Total assets	<u>\$ (18)</u>	<u>\$ (25)</u>	<u>\$ (43)</u>
Accounts payable and accrued liabilities	\$ -	\$ 6	\$ 6
Accrued liquidation costs	(22)	-	(22)
Total liabilities	<u>\$ (22)</u>	<u>\$ 6</u>	<u>\$ (16)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 4</u>	<u>\$ (31)</u>	<u>\$ (27)</u>

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, 2024 (\$ in thousands) (unaudited):

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,786	\$ -	\$ 1,786
Restricted cash	-	(1)	(1)
Other assets	(3,963)	4,560	597
Total assets	<u>\$ (2,177)</u>	<u>\$ 4,559</u>	<u>\$ 2,382</u>
Accounts payable and accrued liabilities	\$ (260)	\$ 246	\$ (14)
Accrued liquidation costs	(1,920)	(87)	(2,007)
Total liabilities	<u>\$ (2,180)</u>	<u>\$ 159</u>	<u>\$ (2,021)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 3</u>	<u>\$ 4,400</u>	<u>\$ 4,403</u>

During the three months ended March 31, 2024, there were no distributions (declared) reversed.

Distributions payable decreased by approximately \$5,000 during the three months ended March 31, 2024.

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, 2024 and 2023 (Unaudited)

The following provides details of the change in the carrying value of assets and liabilities, net during the three months ended March 31, 2023 (\$ in thousands) (unaudited):

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Cash and cash equivalents	\$ 23,123	\$ -	\$ 23,123
Restricted cash	15	-	15
Other assets	(25,480)	(1,723)	(27,203)
Total assets	<u>\$ (2,342)</u>	<u>\$ (1,723)</u>	<u>\$ (4,065)</u>
Accounts payable and accrued liabilities	\$ (191)	\$ 427	\$ 236
Accrued liquidation costs	(2,273)	7,159	4,886
Total liabilities	<u>\$ (2,464)</u>	<u>\$ 7,586</u>	<u>\$ 5,122</u>
Change in carrying value of assets and liabilities, net	<u>\$ 122</u>	<u>\$ (9,309)</u>	<u>\$ (9,187)</u>

The following provides details of the distributions (declared) reversed, net during the three months ended March 31, 2023 (\$ in thousands) (unaudited):

Distributions declared	\$ (14)
Distributions reversed	20
Distributions (declared) reversed, net	<u>\$ 6</u>

Distributions payable did not change during the three months ended March 31, 2023.

The following provides details of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2024 (\$ in thousands) (unaudited):

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Cash and cash equivalents	\$ 31,728	\$ -	\$ 31,728
Restricted cash	9	(1)	8
Other assets	(39,948)	39,686	(262)
Total assets	<u>\$ (8,211)</u>	<u>\$ 39,685</u>	<u>\$ 31,474</u>
Accounts payable and accrued liabilities	\$ (2,752)	\$ 2,735	\$ (17)
Accrued liquidation costs	(5,479)	(56)	(5,535)
Total liabilities	<u>\$ (8,231)</u>	<u>\$ 2,679</u>	<u>\$ (5,552)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 20</u>	<u>\$ 37,006</u>	<u>\$ 37,026</u>

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, 2024 and 2023 (Unaudited)

The following provides details of the distributions (declared) reversed, net during the nine months ended March 31, 2024 (\$ in thousands) (unaudited):

Distributions declared	\$	-
Distributions reversed		373
Distributions (declared) reversed, net	\$	<u>373</u>

Distributions payable decreased by approximately \$394,000 during the nine months ended March 31, 2024.

The following provides details of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2023 (\$ in thousands) (unaudited):

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Cash and cash equivalents	\$ 16,584	\$ -	\$ 16,584
Restricted cash	16	-	16
Other assets	(29,345)	(1,431)	(30,776)
Total assets	<u>\$ (12,745)</u>	<u>\$ (1,431)</u>	<u>\$ (14,176)</u>
Accounts payable and accrued liabilities	\$ (224)	\$ 554	\$ 330
Accrued liquidation costs	(13,347)	5,907	(7,440)
Total liabilities	<u>\$ (13,571)</u>	<u>\$ 6,461</u>	<u>\$ (7,110)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 826</u>	<u>\$ (7,892)</u>	<u>\$ (7,066)</u>

The following provides details of the distributions (declared) reversed, net during the nine months ended March 31, 2023 (\$ in thousands) (unaudited):

Distributions declared	\$	(14)
Distributions reversed		2,658
Distributions (declared) reversed, net	\$	<u>2,644</u>

Distributions payable decreased by approximately \$67,547,000 during the nine months ended March 31, 2023.

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, 2024 and 2023 (Unaudited)

8) Liquidation Trust Interests

The following table summarizes the Liquidation Trust Interests (rounded) for the nine months ended March 31, 2024 and 2023 (unaudited):

Liquidation Trust Interests	For the Nine Months Ended March 31,			
	2024		2023	
	Class A	Class B	Class A	Class B
Outstanding at beginning of period	11,515,800	675,617	11,513,535	675,617
Allowed claims	84	-	1,348	-
5% enhancement for certain allowed claims	-	-	67	-
Settlement of claims by cancelling Liquidation Trust Interests	(1,222)	-	(760)	-
Outstanding at end of period	<u>11,514,662</u>	<u>675,617</u>	<u>11,514,190</u>	<u>675,617</u>

Of the 11,514,662 Class A Interests outstanding at March 31, 2024, 11,435,288 are held by Qualifying Victims (see Note 6).

At the Plan Effective Date, certain claims were disputed. As those disputed claims are resolved, additional Class A Interests and (if applicable) Class B Interests are issued on account of allowed claims or Class A Interests and (if applicable) Class B Interests are cancelled. No Class A Interests 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, 2024 and 2023 (unaudited):

Liquidation Trust Interests	For the Nine Months Ended March 31,			
	2024		2023	
	Class A	Class B	Class A	Class B
Reserved for unresolved claims at beginning of period	13,875	333	90,793	333
Allowed claims	(84)	-	(1,348)	-
Disallowed claims	(9,000)	-	(75,570)	-
Reserved for unresolved claims at end of period	<u>4,791</u>	<u>333</u>	<u>13,875</u>	<u>333</u>

Of the 4,791 Class A Interests relating to unresolved claims at March 31, 2024, 1,880 were for Qualifying Victims (see Note 6).

9) Distributions

The Plan provides for a distribution waterfall that specifies the priority and manner of distribution of available cash to all Interestholders, excluding distributions of the net sales proceeds from Forfeited Assets (see Note 6). 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 Interest 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, as defined.

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, 2024 and 2023 (Unaudited)

On August 3, 2023, at the recommendation of the Liquidation Trustee, the Trust suspended the making of additional distributions pending the results of the Company's investigation of a construction defect claim against one of the Wind-Down Subsidiaries by the buyer of one of the subsidiary's single-family homes. There were no distributions declared or paid during the three and nine months ended March 31, 2024.

There were no distributions declared or paid during the three months ended March 31, 2023. The following distribution was paid during the nine months ended March 31, 2023 relating to the tenth distribution (\$ in millions, except for \$ per Class A Interest):

	<u>Date Declared</u>	<u>\$ per Class A Interest</u>	<u>Nine Months Ended March 31, 2023</u> <u>(\$ in Millions)</u>		
			<u>Total Declared</u>	<u>Paid</u>	<u>Deposits Into Restricted Cash Account</u>
Tenth	6/15/2022(a)	\$ 5.63	\$ -	\$ 64.19	\$ 0.82

(a) The distribution was declared on June 15, 2022 and was paid on July 15, 2022. The deposit into the restricted cash account with respect to the tenth distribution was made on July 26, 2022.

As claims are resolved, additional Class A Interests may be issued or cancelled. Therefore, the total amount of a distribution declared may change. In addition, distributions may change if Interestholders that were previously deemed to have forfeited their rights to receive Class A Interest distributions subsequently respond and if overpaid distributions are returned.

For every distribution, 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 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, 2024 and 2023, 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 \$5,000 and \$14,000, respectively, were paid to holders of Class A Interests from the restricted cash account and distributions payable were reduced by the same amounts. During the nine months ended March 31, 2024 and 2023, distributions of approximately \$20,000 and \$718,000, respectively, were paid to holders of Class A Interests from the restricted cash account and distributions payable were reduced by the same amounts.

During both the three months ended March 31, 2024 and 2023, as a result of claims being disallowed or Class A Interests being cancelled, no amounts were released from the restricted cash account and therefore distributions payable were not reduced. During the nine months ended March 31, 2024 and 2023, approximately \$373,000 and \$2,650,000, respectively, were released from the restricted cash account and distributions payable were reduced by the same amounts.

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, 2024 and 2023 (Unaudited)

During the three and nine months ended March 31, 2023, approximately \$20,000 was received from Interestholders that had been overpaid on prior distributions. During the three and nine months ended March 31, 2024, no Interestholders repaid amounts related to prior distributions.

As a result of distribution checks that had not been cashed within 180 days of their issuance, Interestholders were deemed to have forfeited their rights to reserved and future Class A Interest distributions. During the three and nine months ended March 31, 2024, no Interestholders that had previously been deemed to have forfeited their rights to receive Class A Interest distributions had responded. During the three and nine months ended March 31, 2023, some Interestholders that had previously been deemed to have forfeited their rights to receive Class A Interest distributions had responded and, therefore, approximately \$14,000 and \$26,000, respectively, were added to the restricted cash account and distributions payable were increased by the same amounts.

10) Related Party Transactions

Terry Goebel, a former 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. During the year ended June 30, 2023, the Company completed its contract with G3 for the development of one single-family home in Los Angeles, California. As of March 31, 2024 and June 30, 2023, there were no remaining amounts payable under this contract. During the three months ended March 31, 2024 and 2023, and the nine months ended March 31, 2024 and 2023, no payments 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, 2024 and 2023, approximately \$250,000 and \$21,000, respectively, and during the nine months ended March 31, 2024 and 2023, approximately \$2,730,000 and \$30,000, respectively, were accrued as amounts due to the Liquidation Trustee. As of March 31, 2024 and June 30, 2023, approximately \$14,000 and \$32,000, 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, 2024 and 2023, approximately \$261,000 and \$83,000, respectively, and during the nine months ended March 31, 2024 and 2023, approximately \$2,748,000 and \$83,000, respectively, were paid to the Liquidation Trustee.

In November 2019, the Trust entered into an arrangement with Akerman LLP, a law firm based in Miami, Florida, of which the Liquidation Trustee is a partner, for the provision, at the option of the Trust on an as-needed basis, of e-discovery and related litigation support services in connection with the Trust’s prosecution of the Causes of Action. Under the arrangement, the Trust is charged for the services at scheduled rates per task which, depending on the 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, 2024 and 2023, approximately \$90,000 and \$94,000, respectively, and during the nine months ended March 31, 2024 and 2023, approximately \$302,000 and \$362,000, respectively, were paid related to these services and there are no outstanding payables as of March 31, 2024 and June 30, 2023.

The executive officers of the Wind-Down Entity were entitled to a bonus based on the Wind-Down Entity achieving certain specified cumulative amounts of distributions to the Trust. Effective January 1, 2023, there were no remaining bonus arrangements for the executive officers. Accordingly, no amounts are accrued as of March 31, 2024 and June 30, 2023. During the three months ended March 31, 2024 and 2023, there were no bonus payments. During the nine months ended March 31, 2024, no amounts were paid related to bonuses and during the nine months ended March 31, 2023, approximately \$3,273,000 was paid related to bonuses.

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, 2024 and 2023 (Unaudited)

11) Causes of Action

One of the Trust's liquidation activities is to litigate and/or settle Causes of Action. The Trust has pursued litigation against nine law firms and 10 individual attorneys. As of March 31, 2024, the cases against eight law firms and nine individual attorneys have been settled or dismissed and litigation against one law firm and an individual attorney is pending. The Company recognizes recoveries from settlements when an agreement is executed, final court approval is received (if required), and collectability is reasonably assured.

The Trust has also filed numerous avoidance actions, most of which have been resolved, resulting in recoveries by or judgments in favor of the Trust. As of March 31, 2024, 34 legal actions remain pending. Additionally, since February 15, 2019 and as of March 31, 2024, the Trust has obtained default and stipulated judgments related to certain avoidance actions. It is unknown at this time how much, if any, will ultimately be collected on the judgments. Therefore, the Company has not recognized any recoveries from these judgments.

During the three months ended March 31, 2024, the Company recorded approximately \$3,328,000, during the three months ended March 31, 2023, no amounts were recorded and during the nine months ended March 31, 2024 and 2023, the Company recorded approximately \$37,838,000 and \$231,000, respectively, from the settlement of Causes of Action. The Company also recorded liabilities of 5% of the settlements as amounts payable to the Liquidation Trustee and an allowance for uncollectible settlement installment receivables. See Note 4 for information about the settlement receivables, net as of March 31, 2024 and June 30, 2023.

12) Commitments and Contingencies

Since the Company uses the liquidation basis of accounting, the Company has accrued estimated liquidation costs to the extent they are reasonably determinable, which includes the items discussed in this footnote.

The Company had a lease for its office space that expired on January 31, 2024. This lease was not renewed upon expiration. The monthly base rent was approximately \$4,000 per month. The amount of rent paid, including common area maintenance and parking charges, during the three months ended March 31, 2024 and 2023, was approximately \$8,000 and \$13,000, respectively, and during the nine months ended March 31, 2024 and 2023, was approximately \$37,000 and \$38,000, respectively. On December 18, 2023, the Company entered into a new month-to-month lease for office space commencing on January 1, 2024. The lease may be terminated with no less than one month's notice from the first day of any calendar month. The monthly rent is approximately \$2,000. On December 20, 2023, the Company paid a deposit of approximately \$2,000 related to the new office lease and on March 22, 2024, the Company paid an additional deposit of approximately \$2,000 related to the new lease.

The Wind-Down Entity has part-time employment agreements with its two executive officers through December 31, 2023. The agreements renewed automatically on January 1, 2024, subject to the right of either party to terminate the agreement at any time and for any reason on thirty days' advance written notice.

A construction defect claim was asserted against one of the Wind-Down Subsidiaries by the buyer of one of the subsidiary's single-family homes during the year ended June 30, 2023. The subsidiary has tendered the claim to its insurance carriers; however, the carriers have not yet accepted the claim. At this time, the amount of the liability exposure has not been determined and the subsidiary's exposure is unknown. The subsidiary is investigating the claim, including the extent and causes of the alleged damage and the identification of other potentially responsible persons.

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 other than as described herein.

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, 2024 and 2023 (Unaudited)****13) Subsequent Events**

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

Liquidation Trust Interests

The following table summarizes the Liquidation Trust Interests (rounded) for the period from April 1, 2024 through May 13, 2024:

Liquidation Trust Interests	Class A	Class B
Outstanding at April 1, 2024	11,514,662	675,617
Allowed claims	1,812	334
Settlement of claims by cancelling Liquidation Trust Interests	-	-
Outstanding at May 13, 2024	<u>11,516,474</u>	<u>675,951</u>

Of the 11,516,474 Class A Interests outstanding at May 13, 2024, 11,436,443 are held by Qualifying Victims (see Note 6).

The following table summarizes the unresolved claims against the Debtors as they relate to Liquidation Trust Interests (rounded) for the period from April 1, 2024 through May 13, 2024:

Liquidation Trust Interests	Class A	Class B
Outstanding at April 1, 2024	4,791	333
Allowed claims	(1,812)	(333)
Disallowed claims	(901)	-
Outstanding at May 13, 2024	<u>2,078</u>	<u>-</u>

Of the 2,078 Class A Interests relating to unresolved claims at May 13, 2024, 725 were for Qualifying Victims (see Note 6).

Distributions

During the period from April 1, 2024 through May 13, 2024, 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 \$72,000 were paid to holders of Class A Interests from the restricted cash account and distributions payable were reduced by the same amounts.

During the period from April 1, 2024 through May 13, 2024, as a result of claims being disallowed, approximately \$33,000 was released from the restricted cash account and distributions payable were reduced by the same amount.

Forfeited Assets

During the period from April 1, 2024 through May 13, 2024, the Company received net proceeds of approximately \$3,000 from the sale of Forfeited Assets.

Cybersecurity Risk Management Committee

On May 9, 2024, the Trust approved the establishment of a Cybersecurity Risk Management Committee, the appointment of M. Freddie Reiss to be the sole member of the committee, and the payment of \$5,000 per month to Mr. Reiss for his service as a member of such committee.

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, projections and statements with respect to expectation of future financial condition, changes in net assets in liquidation, cash flows, plans, targets, goals, objectives, performance, and termination and dissolution of the Trust. Such forward-looking statements (other than historical facts) address future plans, goals, expectations, activities, events or developments. The Trust has tried, where possible, to use words such as “anticipates”, “if”, “believes”, “estimates”, “plans”, “expects”, “intends”, “forecasts”, “initiative”, “objective”, “goal”, “projects”, “outlook”, “priorities”, “target”, “evaluate”, “pursue”, “seek”, “potential”, “continue”, “designed”, “impact”, “may”, “could”, “would”, “should”, “will” and similar expressions to identify forward-looking statements. Forward-looking statements are based on current expectations and are subject to substantial risks, uncertainties and other factors, many of which are beyond our control and not all of which can be predicted by the Trust. Such risks and uncertainties include the amount of funds needed for construction defect and other claims, the amount of general and administrative costs, the number and amount of successful Causes of Action and/or settlements and the ability to recover thereon, the amount of funding required to continue litigations, changes in tax and other governmental rules and regulations applicable to the Trust and its subsidiaries, and other risks identified and described 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 “Part II. Other Information, Item 1A. Risk Factors” of this Form 10-Q. Accordingly, the Trust cannot guarantee that any forward-looking statements will be realized, as actual results may differ materially from those identified or implied in any forward-looking statement. 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 transferred, on the effective date of the Plan, to one of the Wind-Down Subsidiaries. The purpose of the Wind-Down Group 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 on the Plan Effective Date of 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 Claims 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.

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, as amended. The Wind-Down Entity was formed as a Delaware limited liability company and is administered by its Board of Managers. The current sole 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 May 13, 2024 and March 31, 2024, the number of Liquidation Trust Interests outstanding in each class is as follows:

Class of Interest	Number Outstanding as of	
	<u>May 13, 2024</u>	<u>March 31, 2024</u>
Class A Liquidation Trust Interests	11,516,474	11,514,662
Class B Liquidation Trust Interests	675,951	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, 2024, the Wind-Down Subsidiaries have disposed of approximately 149 properties for aggregate net sales proceeds of approximately \$576.00 million. At March 31, 2024, there were only two remaining real estate assets with a carrying value of approximately \$0.46 million. Going forward, the Company’s most significant sources of cash are expected to be from interest earnings and from the settlement of the remaining Causes of Action. In addition to pursuing the remaining Causes of Action, the Company’s most significant current activity is overseeing the resolution of the construction defect claim asserted against one of the subsidiaries of the Wind-Down Entity and completing repairs of a previously sold home. The Company currently expects to complete its liquidation activities during the fiscal year ending June 30, 2026.

Discussion of the Company’s Operations

For the three months ended March 31, 2024

PART I. FINANCIAL INFORMATION (CONTINUED)

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

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the three months ended March 31, 2024 (\$ in thousands):

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Net assets in liquidation as of beginning of period	\$ 3,541	\$ 36,278	\$ 39,819
Change in assets and liabilities:			
Restricted for Qualifying Victims -			
Change in carrying value of assets and liabilities, net	647	-	647
All Interestholders -			
Change in carrying value of assets and liabilities, net	-	4,403	4,403
Distributions (declared) reversed, net	-	-	-
Net change in assets and liabilities	-	4,403	4,403
Net assets in liquidation, as of end of period	<u>\$ 4,188</u>	<u>\$ 40,681</u>	<u>\$ 44,869</u>

Net assets in liquidation – Restricted for Qualifying Victims increased by approximately \$0.65 million during the three months ended March 31, 2024.

Net assets in liquidation – All Interestholders increased by approximately \$4.40 million during the three-months ended March 31, 2024. This increase was due to an increase in the net carrying value of assets and liabilities of approximately \$4.40 million.

The components of the changes in the carrying value of assets and liabilities, net are as follows (\$ in thousands):

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Settlement recoveries, net (1)	\$ -	\$ 3,004	\$ 3,004
Remeasurement of assets and liabilities, net (2)	647	1,424	2,071
Other	-	(25)	(25)
Change in carrying value of assets and liabilities, net	<u>\$ 647</u>	<u>\$ 4,403</u>	<u>\$ 5,050</u>

(1) Net of 5% payable to the Liquidation Trustee of approximately \$246,000 and an increase in the allowance for uncollectible installment receivables of approximately \$78,000 during the three months ended March 31, 2024.

(2) Includes interest of approximately \$84,000 and \$1,364,000 for Reserved for Qualifying Victims and for All Interestholders, respectively.

During the three months ended March 31, 2024, the Company:

- Received additional Forfeited Assets of approximately \$0.56 million from the DOJ.
- Received net proceeds from the sale of Forfeited Assets of approximately \$0.005 million.
- Recorded approximately \$3.33 million from the settlement of Causes of Action, net of 5% payable to the Liquidation Trustee.
- Paid construction costs of approximately \$0.33 million.
- Paid holding costs of approximately \$0.03 million.

PART I. FINANCIAL INFORMATION (CONTINUED)

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

- Paid general and administrative costs of approximately \$1.83 million, including approximately \$0.07 million of board member fees and expenses, approximately \$0.76 million of payroll and other general and administrative costs, approximately \$0.74 million of professional fees and approximately \$0.26 million paid to the Liquidation Trustee.

For the three months ended March 31, 2023

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the three months ended March 31, 2023 (\$ in thousands):

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Net assets in liquidation as of beginning of period	\$ 3,483	\$ 35,669	\$ 39,152
Change in assets and liabilities:			
Restricted for Qualifying Victims -			
Change in carrying value of assets and liabilities, net	(25)	-	(25)
All Interestholders -			
Change in carrying value of assets and liabilities, net	-	(9,187)	(9,187)
Distributions (declared) reversed, net	-	6	6
Net change in assets and liabilities	-	(9,181)	(9,181)
Net assets in liquidation, as of end of period	<u>\$ 3,458</u>	<u>\$ 26,488</u>	<u>\$ 29,946</u>

Net assets in liquidation – Restricted for Qualifying Victims decreased by approximately \$0.02 million during the three months ended March 31, 2023.

Net assets in liquidation – All Interestholders decreased approximately \$9.18 million during the three months ended March 31, 2023. This decrease was due to a decrease in the net carrying value of assets and liabilities of approximately \$9.19 million, and an increase from net distributions (declared) reversed of approximately \$0.006 million.

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

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Remeasurement of assets and liabilities, net	\$ (25)	\$ (7,685)	\$ (7,710)
Carrying value in excess of sales proceeds	-	(1,555)	(1,555)
Settlement recoveries (1)	-	(50)	(50)
Other (2)	-	103	103
Change in carrying value of assets and liabilities, net	<u>\$ (25)</u>	<u>\$ (9,187)</u>	<u>\$ (9,212)</u>

(1) Net of 5% payable to the Liquidation Trustee of approximately \$20,000 and an increase in the allowance for uncollectible settlement installment receivables of approximately \$30,000 during the three months ended March 31, 2023.

(2) The components of Other are as follows (\$ in thousands):

Cash interest earned	\$ 48
Property tax refunds	29
Miscellaneous	26
Total	<u>\$ 103</u>

PART I. FINANCIAL INFORMATION (CONTINUED)

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

During the three months ended March 31, 2023, the Company:

- Received net proceeds from the sale of Forfeited Assets of approximately \$0.08 million.
- Reversed distributions of approximately \$0.02 million that were received from Interestholders that had been overpaid on prior distributions offset by \$0.01 million of distributions of Interestholders that were previously deemed to have forfeited their rights to receive Class A Interest distributions but had subsequently responded and therefore their distributions were recorded.
- Sold one single-family home and settled one secured loan for net proceeds of approximately \$25.40 million.
- As a result of the expected additional time required for the Company to complete its liquidation activities from February 15, 2024 to March 31, 2026, the Company accrued additional accrued liquidation costs of approximately \$7.7 million. The additional costs are primarily legal and other professional fees and payroll and payroll-related costs. A portion of the accrued liquidation costs relate to estimated reserves for potential construction warranty claims and the administration of such claims after its liquidation activities are completed.
- Paid construction costs of approximately \$0.04 million relating to single-family homes under development.
- Paid holding costs of approximately \$0.20 million.
- Paid general and administrative costs of approximately \$2.24 million, including approximately \$0.15 million of board member fees and expenses, approximately \$1.07 million of payroll and other general and administrative costs and approximately \$1.02 million of professional fees.

For the nine months ended March 31, 2024

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the nine months ended March 31, 2024 (\$ in thousands):

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Net assets in liquidation as of beginning of period	\$ 3,491	\$ 3,282	\$ 6,773
Change in assets and liabilities:			
Restricted for Qualifying Victims -			
Change in carrying value of assets and liabilities, net	697	-	697
All Interestholders -			
Change in carrying value of assets and liabilities, net	-	37,026	37,026
Distributions (declared) reversed, net	-	373	373
Net change in assets and liabilities	-	37,399	37,399
Net assets in liquidation, as of end of period	<u>\$ 4,188</u>	<u>\$ 40,681</u>	<u>\$ 44,869</u>

Net assets in liquidation – Restricted for Qualifying Victims increased by approximately \$0.70 million during the nine months ended March 31, 2024.

Net assets in liquidation – All Interestholders increased by approximately \$37.40 million during the nine months ended March 31, 2024. This increase was due to an increase in the net carrying value of assets and liabilities of approximately \$37.03 million and distributions reversed of approximately \$0.37 million for Class A Interests being cancelled.

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

The components of the changes in the carrying value of assets and liabilities, net are as follows (\$ in thousands):

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Settlement recoveries, net (1)	\$ -	\$ 35,030	\$ 35,030
Remeasurement of assets and liabilities, net (2)	685	1,979	2,664
Sales proceeds in excess of carrying value	12	25	37
Other	-	(8)	(8)
Change in carrying value of assets and liabilities, net	<u>\$ 697</u>	<u>\$ 37,026</u>	<u>\$ 37,723</u>

- (1) Net of 5% payable to the Liquidation Trustee of approximately \$2,730,000 and an increase in the allowance for uncollectible installment receivables of approximately \$78,000 during the nine months ended March 31, 2024.
- (2) Includes interest of approximately \$127,000 and \$2,075,000 for Reserved for Qualifying Victims and for All Interestholders, respectively.

During the nine months ended March 31, 2024, the Company:

- Received additional Forfeited Assets of approximately \$0.56 million from the DOJ.
- Received net proceeds from the sale of Forfeited Assets of approximately \$0.06 million.
- Reversed distributions of approximately \$0.37 million from claims being disallowed.
- Received net proceeds of approximately \$0.50 million from the sale of the Hawaii property.
- Recorded approximately \$37.84 million from the settlement of Causes of Action, net of 5% payable to the Liquidation Trustee.
- Paid construction costs of approximately \$0.45 million and received bond refunds of approximately \$0.17 million.
- Paid holding costs of approximately \$0.04 million.
- Paid general and administrative costs of approximately \$7.94 million, including approximately \$0.20 million of board member fees and expenses, approximately \$1.53 million of payroll and other general and administrative costs, approximately \$3.46 million of professional fees and approximately \$2.75 million paid to the Liquidation Trustee.

PART I. FINANCIAL INFORMATION (CONTINUED)

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

For the nine months ended March 31, 2023

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the nine months ended March 31, 2023 (\$ in thousands):

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Net assets in liquidation as of beginning of period	\$ 3,485	\$ 30,910	\$ 34,395
Change in assets and liabilities:			
Restricted for Qualifying Victims -			
Change in carrying value of assets and liabilities, net	(27)	-	(27)
All Interestholders-			
Change in carrying value of assets and liabilities, net	-	(7,066)	(7,066)
Distributions (declared) reversed, net	-	2,644	2,644
Net change in assets and liabilities	-	(4,422)	(4,422)
Net assets in liquidation, as of end of period	<u>\$ 3,458</u>	<u>\$ 26,488</u>	<u>\$ 29,946</u>

Net assets in liquidation – Restricted for Qualifying Victims decreased by approximately \$0.03 million during the nine months ended March 31, 2023.

Net assets in liquidation – All Interestholders decreased by approximately \$4.42 million during the nine months ended March 31, 2023. This decrease was due to a decrease in the net carrying value of assets and liabilities of approximately \$7.06 million and from an increase in net distributions (declared) reversed of approximately \$2.64 million.

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

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Remeasurement of assets and liabilities, net	\$ (27)	\$ (6,486)	\$ (6,513)
Carrying value in excess of sales proceeds	-	(1,555)	(1,555)
Settlement recoveries (1)	-	144	144
Other (2)	-	831	831
Change in carrying value of assets and liabilities, net	<u>\$ (27)</u>	<u>\$ (7,066)</u>	<u>\$ (7,093)</u>

(1) Net of 5% payable to the Liquidation Trustee of approximately \$31,000 and an increase in the allowance for uncollectible settlement installment receivables of approximately \$56,000 during the nine months ended March 31, 2023.

(2) The components of Other are as follows (\$ in thousands):

Sales of furniture, net	\$ 635
Cash interest earned	148
Property tax refunds	29
Miscellaneous	19
Total	<u>\$ 831</u>

During the nine months ended March 31, 2023, the Company:

- Received net proceeds from the sale of Forfeited Assets of approximately \$0.79 million.
- Reversed distributions of approximately \$2.65 primarily from claims being disallowed or Class A Interests being cancelled. Reversed distributions of approximately \$0.02 million that were received from Interestholders that had been overpaid on prior distribution offset by approximately \$0.03 million of distributions of Interestholders that were previously deemed to have forfeited their rights to receive Class A Interest distributions but had subsequently responded and therefore their distributions were recorded.

PART I. FINANCIAL INFORMATION (CONTINUED)

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

- Sold one single-family home and settled one secured loan for net proceeds of approximately \$25.40 million.
- Recorded approximately \$0.23 million for the settlement of Causes of Action, net of 5% payable to the Liquidation Trustee and an allowance for uncollectible installment receivables.
- As a result of the expected additional time required for the Company to complete its liquidation activities from February 15, 2024 to March 31, 2026, the Company accrued additional accrued liquidation costs of approximately \$7.7 million. The additional costs are primarily legal and other professional fees and payroll and payroll-related costs. A portion of the accrued liquidation costs relate to estimated reserves for potential construction warranty claims and the administration of such claims after its liquidation activities are completed.
- Paid construction costs of approximately \$1.57 million relating to single-family homes under development.
- Paid holding costs of approximately \$0.67 million.
- Paid general and administrative costs of approximately \$11.34 million, including approximately \$0.46 million of board member fees and expenses, approximately \$6.46 million of payroll and other general and administrative costs and approximately \$4.42 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, receipt of interest earned on cash and cash equivalents, proceeds from liquidating its other assets, recoveries on Causes of Action, if any, and proceeds from the sale of Forfeited Assets.¹ The Company's primary uses of funds are and will continue to be for distributions and operating costs, including costs related to construction defect claims and other costs. While the Company expects to be able to adequately fund its operations over the next twelve months from its primary sources of capital, during the year ended June 30, 2023, a construction defect claim was asserted against a subsidiary of the Company by the buyer of one of the subsidiary's single-family homes. At this time, the amount of the liability exposure has not been determined and the subsidiary's exposure is unknown.

Capital Resources

In addition to consolidated cash and cash equivalents as of March 31, 2024 of approximately \$62.59 million (of which approximately \$4.78 million is restricted), the capital resources available to the Company are as follows:

- Proceeds from Real Estate Transactions: As of March 31, 2024, the Company owned two real estate assets with an estimated carrying value of approximately \$0.46 million. Based on the remaining real estate assets of the Company, future net proceeds will be negligible as compared to the proceeds the Company has realized in prior periods.
- Causes of Action Recoveries: During the three and nine months ended March 31, 2024, the Company recognized approximately \$3.33 million and \$37.84 million, respectively, from the settlement of Causes of Action. Based on the remaining Causes of Action, future recoveries will be negligible as compared to the proceeds the Company has realized in prior periods.

¹ The Trust is required to distribute the net sale proceeds from liquidating the Forfeited Assets to the Qualifying Victims. Qualifying Victims are the former holders of Class 3 and Class 5 Claims and their permitted assigns. Former holders of Class 4 Claims are not Qualifying Victims. Because of the requirement to distribute the net sale proceeds of the Forfeited Assets to the Qualifying Victims only, the Forfeited Assets as of March 31, 2024 are presented in the consolidated statement of net assets as restricted net assets in liquidation. As of March 31, 2024, 11,435,288 of the 11,514,662 Class A Interests were held by Qualifying Victims. As of March 31, 2024, 1,880 of the 4,791 Class A Interests relating to unresolved claims were for Qualifying Victims.

PART I. FINANCIAL INFORMATION (CONTINUED)

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

- **Interest Earnings:** As of March 31, 2024, the Company has accrued approximately \$2.32 million of interest earnings through March 31, 2026. Of this amount, the Company projects to receive approximately \$0.64 million of interest earnings through June 30, 2024.
- **Forfeited Assets:** Forfeited Assets consist of cash and other assets (jewelry and art). During the three months ended March 31, 2024, the Trust sold some of its Forfeited Assets and received net proceeds of approximately \$0.005 million. During the nine months ended March 31, 2024, the Trust sold some of its Forfeited Assets and received net proceeds of approximately \$0.06 million. On February 23, 2024, the Trust received approximately \$0.56 million in cash from the DOJ that was received from a co-defendant of Robert Shapiro. As noted earlier, net sale proceeds from liquidating the Forfeited Assets are to be distributed only to Qualifying Victims.

Uses of Liquidity

The primary uses of the Company's liquidity are to pay distributions payable, and fund operating costs and costs related to construction defect claim(s) (if required) and other costs. As of March 31, 2024, the Company's total liabilities were approximately \$20.84 million. The total liabilities recorded as of March 31, 2024 may not be indicative of the costs paid in future periods, which may vary materially from the current estimate.

Given current cash and cash equivalent balances, projected proceeds from real estate transactions, estimated Causes of Action recoveries, distributions payable, 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 proceeds from real estate transactions, recoveries and costs to be incurred including any costs related to construction defect claims and other costs, 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. **On August 3, 2023, at the recommendation of the Liquidation Trustee, the Trust suspended the making of additional Trust distributions pending the result of the Company's investigation of a construction defect claim.**

As of May 13, 2024, the Liquidation Trustee has declared eleven (11) distributions to the Class A Interests. The distributions include a cash distribution on account of the then-allowed claims and a deposit into a restricted cash account for amounts that are or may become payable (a) in respect of Class A Interests that may be issued in the future upon the allowance of unresolved bankruptcy 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.

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 28, 2023, "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 may make additional cash distributions on account of Class A Interests but does not currently know the timing or amount of any such distribution(s).

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 had 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 each recipient that, unless the Trust was contacted on or before February 28, 2022, such recipient’s reserved and future distributions would be deemed forfeited in accordance with the Plan. 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, 2024 and from February 15, 2019 (inception) through May 13, 2024:

	Date Declared	\$ per Class A Interest	During the Period from February 15, 2019 (inception) through March 31, 2024 (\$ in Millions)			During the Period from February 15, 2019 (inception) through May 13, 2024 (\$ in Millions)			
			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	53.44	51.20	2.24	53.44	51.20	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	29.96	29.21	0.75	29.96	29.21	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	30.04	29.35	0.69	30.04	29.35	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	
Tenth	6/15/2022	5.63	65.02	64.19	0.83	65.02	64.19	0.83	
Eleventh	5/10/2023	2.18	25.02	24.90	0.12	25.02	24.90	0.12	
Subtotal		\$ 37.04	\$ 433.16	\$ 421.56	\$ 11.60	\$ 433.16	\$ 421.56	\$ 11.60	
Distributions Returned / (Reversed)									
Disallowed/cancelled (b)					(6.64)			(6.68)	
Returned (c)					0.74			0.74	
Forfeited (d)					(1.13)			(1.13)	
Subtotal					(7.03)			(7.07)	
Distributions Paid from Reserve Account (e)									
					(3.68)			(3.75)	
Distributions Payable, Net									
				as of 3/31/2024:	\$ 0.89		as of 5/13/2024:	\$ 0.78	

- (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) Distributions forfeited as Interestholders did not cash checks that were over 180 days old.
- (e) Paid as claims are allowed or resolved.

Since its inception, the Wind-Down Entity has made substantial progress toward completion of its liquidation activities and has liquidated all but two real estate assets with carrying value of approximately \$0.46 million. Holders of Liquidation Trust Interests are advised that future distributions from the Trust, if any, will be limited and will be materially reliant on future recoveries from litigation, net of accrued liquidation costs, including amounts for potential construction defect claims, which are uncertain and the amount and timing of which are difficult to determine.

PART I. FINANCIAL INFORMATION (CONTINUED)

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

Contractual Obligations

The Company had an office lease that expired on January 31, 2024. On December 18, 2023, the Company entered into a new month-to-month lease for office space commencing January 1, 2024. The Company expects that it will continue to lease office space until the liquidation process is completed.

The Wind-Down Entity has part-time employment agreements with its two executive officers through December 31, 2023. The agreements are renewed automatically until terminated, subject to the right of either party to terminate the agreement at any time and for any reason on thirty days' advance written notice.

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 general and administrative costs to be incurred until the completion of the liquidation activities of the Company and estimated reserves for contingent liabilities, including potential construction defect claims and the administration of such claims after the Company's liquidation activities are completed. 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 in the accompanying consolidated financial statements until an agreement is executed, final court approval is received (if required), and collectability is reasonably assured. The amounts recovered may be material to the Company's net assets in liquidation.

Other Assets

The Company recognizes recoveries from the settlement of unresolved Causes of Action when an agreement is executed, and collectability is reasonably assured. An allowance for uncollectible settlement installment receivables is recorded when there is doubt about the collectability of the receivable. The Company records escrow receivables at the amount that is expected to be received when the escrow receivable is released. The Forfeited Assets received from the DOJ, other than cash, have been recorded at their estimated net realizable value.

The Company accrues expected interest earnings when it can forecast the interest rate to be paid on its cash on deposit. The Company uses a forward yield curve to estimate the interest rates to be earned and its expected future cash balances to estimate the dollar amount that will earn interest through the expected Trust termination date of March 31, 2026.

The measurement of real estate assets is based on current contracts (if any), if contingencies have been removed, estimates and other indications of sales value, net of estimated selling costs. The performing loan is recorded at the amount of the contractual interest payments and principal repayment of the loan.

In addition, the Company recognizes other amounts to be received based on contractual terms or when the amounts to be received are certain.

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 remaining development costs and estimated costs to address potential construction defect claims as well as the estimated general and administrative costs to be incurred until the completion of the liquidation of the Company, and an accrual for the administration of construction defect claims.

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. 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.

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 have 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, 2024. 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 believe that, as of March 31, 2024, 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, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings

Below are descriptions 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 Cavaliere LLC; Sidley Austin LLP; Davis Graham & Stubbs LLP; Robinson & Cole LLP; and Finn Dixon & Herling LLP) and 10 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.

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 July 11, 2022, the matter was reassigned to the Honorable Lawrence P. Riff. The following are updates since the initial filing:

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

- On March 20, 2020, two sets of defendants – Sidley Austin LLP and Neal Sullivan; and Davis Graham & Stubbs LLP and S. Lee Terry, Jr. – filed special motions to strike the portions of the complaint directed at them under a California statute (Civil Procedure Code section 425.16) that permits defendants to bring early challenges to causes of action against them that allegedly arise from protected litigation activity if those causes of action lack minimal merit. The defendants that filed these special motions to strike asserted that the claims against them arise from communicative conduct in the course of quasi-judicial proceedings, such as regulatory inquiries, and that the Trust cannot establish a likelihood of prevailing on its claims against them. The Trust opposed these motions, and the matters were heard on July 28, 2020, and taken under submission on that date. On August 14, 2020, the Court entered orders: (i) granting the motion to strike filed by Sidley Austin LLP and Neal Sullivan, and (ii) granting in part and denying in part the motion to strike filed by Davis Graham & Stubbs LLP and S. Lee Terry, Jr. In September 2020, the Trust filed notices of appeal of the foregoing orders, and Davis Graham & Stubbs LLP and S. Lee Terry, Jr. subsequently filed a cross-appeal. On January 27, 2021, the Court entered an order granting, in part, a motion for attorneys’ fees filed by Sidley Austin LLP and Neal Sullivan, pursuant to which the movants were awarded \$282,500.00 in fees and \$5,600.00 in costs, plus (potentially) additional fees in connection with the prosecution of the appeal. On March 1, 2021, the Trustee appealed the order granting fees and costs. On January 19, 2024, the California Court of Appeal affirmed the trial court’s orders granting Sidley Austin LLP and Neal Sullivan’s motion to strike, as well as the order awarding them attorney’s fees. The Trust has elected not to seek further appellate review of this ruling. The parties have reached a resolution in principle under which the Trust will pay attorneys’ fees and costs owed to Sidley Austin LLP in the amount of \$650,000, which amount has not yet been paid.
- 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 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 and 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 June 30, 2022, Davis Graham & Stubbs LLP filed its reply brief in support of its cross-appeal of the order denying a portion of its special motion to strike. As described below, the Trust has reached settlements with these defendants and these appeals have been dismissed.
- 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 September 11, 2020, the Trust reached a settlement with Finn Dixon & Herling LLP and Reed Balmer that resolved all litigation between them.
- 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 Trust reached a settlement with Davis Graham & Stubbs LLP and Lee Terry on July 29, 2023 for \$25.5 million, which amount resulted in proceeds paid to the Trust on October 2, 2023 of approximately \$17.0 million, net of attorneys’ fees. The settlement resolved all litigation between the Trust and Davis Graham & Stubbs LLP and Mr. Terry.

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

- In March 2023, the Trust dismissed its claims against Jon H. Freis.
- In April 2023, the Trust reached a settlement with Bailey Cavalieri LLC and Thomas Geyer that resolved all litigation between them.
- In June 2023, the Trust reached a settlement with Halloran & Sage and Richard Roberts for the remaining amount of the law firm’s applicable liability insurance policies, which resulted in proceeds paid to the Trust on August 11, 2023 of approximately \$13.2 million, net of attorneys’ fees and other litigation expenses. This settlement resolved all litigation between the Trust and Halloran & Sage and Richard Roberts.
- On November 4, 2023, the Trust and law firm Rome McGuigan, P.C. agreed to settle the Trust’s pending litigation against that firm and related defendants for \$5.0 million. On January 23, 2024, the court granted Rome McGuigan, P.C.’s motion to determine that the settlement with the Trust was reached in good faith. The Trust received the settlement payment on February 12, 2024. This settlement resolved all litigation between the Trust and Rome McGuigan, P.C.
- The remaining defendants in this action are Haight Brown & Bonesteel LLP and its partner Ted Handel. A status conference is scheduled for June 11, 2024.

Goldberg v. Rome McGuigan, P.C., et al., Case No. 2:20-cv-09958-JFW-SK (C.D. Cal.). 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 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. As noted above, in April 2023, the Trust reached a settlement with Bailey Cavalieri LLC and Thomas Geyer that resolved all litigation between them. Also as noted above, on November 4, 2023, the Trust and law firm Rome McGuigan, P.C. agreed to settle the Trust’s pending litigation against that firm and related defendants for \$5.0 million. The settlement payment was received on February 12, 2024. All of the Trust’s claims against Rome McGuigan, P.C. and related defendants are resolved.

Avoidance actions. The Trust is currently prosecuting several 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:

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

- *Preferential transfers and/or fraudulent transfers (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: (1) during the 90 days prior to the December 4, 2017 bankruptcy filing, including payments to miscellaneous vendors and former Noteholders and Unitholders; and/or (2) during the course of the Ponzi scheme (from July 2012 through the December 4, 2017 bankruptcy filing) for interest paid to former Noteholders and Unitholders.
- *Fraudulent transfers (Shapiro personal expenses)*. Two remaining 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.
- *Fraudulent transfers and fraud (against former agents)*. Certain of the 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 Bankruptcy Court 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.
- *Fraudulent transfers (Kenneth Halbert)*. The Trust has pursued fraudulent transfer claims against Kenneth Halbert to avoid and recover prepetition payments of principal and interest to Mr. Halbert. The Trust filed its initial complaint on December 1, 2019 and the operative first amended complaint on December 7, 2021. Fact discovery closed on April 24, 2023. Thereafter, on June 27, 2023, the Trust agreed to settle its pending fraudulent transfer claims against Kenneth Halbert. The terms of the settlement are contained in a settlement agreement between the Trust and Mr. Halbert. Under the agreement, the Trust agreed to dismiss its claims against Mr. Halbert for the sum of \$4 million, payable in cash to the Trust. The Trust received the settlement payment on August 15, 2023 and dismissed the action against Mr. Halbert on August 22, 2023.
- *Recovery of United States Trustee Fees*. On June 6, 2022, the United States Supreme Court determined in *Siegel v. Fitzgerald*, 596 U.S. 464 (2022), that a statutory amendment that imposed a temporary increase in the United States Trustee fees payable in bankruptcy cases in certain judicial districts (but not in other districts) was unconstitutional as a violation of the uniformity requirement of the Bankruptcy Clause of the United States Constitution. Following *Siegel*, certain representatives of bankruptcy estates in the affected districts filed lawsuits seeking refunds of the incremental amounts paid by those estates for United States Trustee fees in excess of the amounts that would have been paid absent the unconstitutional statutory amendment. On December 29, 2022, the Trust filed such a complaint in the Bankruptcy Court against Andrew R. Vara, in his capacity as the United States Trustee for Region 3, Tara Twomey, in her capacity as Director of the Executive Office for United States Trustees, and the United States Trustee Program (Adv. No. 22-50516). The Complaint seeks a refund in the amount of \$1,920,219 in connection with the overpayment of United States Trustee fees during the Bankruptcy Cases. On August 3, 2023, the Trust filed a motion for summary judgment in this action. On September 29, 2023, the United States Supreme Court granted the petition for a writ of certiorari in *United States Trustee v. John Q. Hammons Fall 2006 LLC*, No. 22-1238 (U.S.) on the issue of the appropriate remedy for the Constitutional violation identified in *Siegel*, which issue affects the numerous cases throughout the affected districts in which unconstitutional United States Trustee fees were assessed and paid. Prior to the deadline for the United States Trustee defendants in the Trust's refund lawsuit to respond to the Trust's motion for summary judgment, the parties entered into a stipulation staying the Trust's action until the Supreme Court renders a decision in the *Hammons* case. Oral argument before the Supreme Court in the *Hammons* case took place on January 9, 2024. As of the date hereof, a decision by the Supreme Court has not been issued and, as such, the Trust's action remains stayed. As a result, at this time, the Trust is unable to determine if any refund will be obtained or the timing of any such refund.

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

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. As of May 13, 2024, 34 of these legal actions remain pending.

Since inception and as of May 13, 2024, the Trust has entered into settlements in approximately 237 legal actions and approximately 245 potential avoidance claims for which litigation was not filed, resulting in aggregate settlements of approximately \$22.48 million of cash payments made or due to the Trust and approximately \$11.28 million in reductions of claims against the Trust.

Additionally, as of May 13, 2024, the Trust has obtained judgments of approximately \$169.07 million, including default judgments of approximately \$152.89 million and stipulated judgments of approximately \$16.18 million. It is unknown at this time how much, if any, will ultimately be collected on these judgments, as stipulated and default judgments are commonly obtained where the defendant has insufficient assets, if any, to satisfy a judgment.

Other legal proceedings. In addition, other legal proceedings were prosecuted by the Trust and United States governmental authorities, which actions resulted in recoveries in favor of the Trust. Such actions include:

- *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 for entities 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.
- *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, gold, clothing, handbags, shoes and an automobile. A substantial majority of the jewelry and art have also been sold.

Wind-Down Group litigation. The Wind-Down Group owned a portfolio of real estate assets, which included 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 requested costs of \$9,874.71). Plaintiffs appealed the judgment. The appeal was fully briefed, and oral argument took place before the Court of Appeal on November 21, 2022. After extending its time to rule on the submitted matter, the Court of Appeal entered its ruling on April 19, 2023. In an unpublished opinion, the Court of Appeal affirmed the judgment of the Superior Court and awarded costs on appeal to the respondent Underwriters. Although the Wind Down Entity had a right to petition the California Supreme Court for review, such petitions are rarely granted, and counsel did not believe that there was a realistic chance that the petition would be granted, particularly since the Court of Appeal opinion is unpublished and would not be citable precedent in California. As such, the Court of Appeal opinion became final 30 days after entry, on May 19, 2023.

PART II. OTHER INFORMATION (CONTINUED)

Item 1A. Risk Factors

Please see the applicable risks in Item 1A of our Annual Report on Form 10-K filed with the SEC on September 28, 2023.

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 28, 2023. During the period from February 15, 2019 (inception) through March 31, 2024, the Trust has issued an aggregate of 11,543,781 Class A Interests and an aggregate of 677,790 Class B Interests. As of March 31, 2024, the Trust had 11,514,662 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.

During the three months ended March 31 2024, the Trust did not issue any Liquidation Trust Interests.

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

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

PART II. OTHER INFORMATION (CONTINUED)

Item 6. Exhibits (CONTINUED)

Exhibit Number and 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 the Quarterly Report on Form 10-Q filed by the Trust on November 9, 2023.
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*	Amendment No. 5 to Liquidation Trust Agreement dated as of May 9, 2024.
3.6	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	First Amendment to Limited Liability Agreement of Woodbridge Wind-Down Entity LLC dated November 30, 2022, incorporated herein by reference to the Current Report on Form 8-K filed by the Trust on December 1, 2022.
10.3	Second Amendment to Limited Liability Agreement of Woodbridge Wind-Down Entity LLC dated as of March 27, 2023, incorporated herein by reference to the Current Report on Form 8-K filed by the Trust on March 29, 2023.
10.4	Third Amendment to Limited Liability Agreement of Woodbridge Wind-Down Entity LLC dated as of April 28, 2023, incorporated herein by reference to the Current Report on Form 8-K filed by the Trust on May 1, 2023.
10.5	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.
10.6	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.
10.7	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.
10.8	Part-Time Employment Agreement dated November 30, 2022 between Woodbridge Wind-Down Entity and Marion W. Fong, incorporated herein by reference to the Current Report on Form 8-K filed by the Trust on December 1, 2022.

PART II. OTHER INFORMATION (CONTINUED)

Item 6. Exhibits (Continued)

10.9	Employment Agreement dated November 12, 2019 between Woodbridge Wind-Down Entity LLC and David Mark Kemper, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.
10.10	First Amendment to Employment Agreement dated September 24, 2020 between Woodbridge Wind-Down Entity LLC and David Mark Kemper, incorporated herein by reference to the Form 10-K filed by the Trust on September 28, 2020.
10.11	Part-Time Employment Agreement dated November 30, 2022 between Woodbridge Wind-Down Entity and David Mark Kemper, incorporated herein by reference to the Current Report on Form 8-K filed by the Trust on December 1, 2022.
10.12	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.
10.13	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.
10.14	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.
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, 2024, formatted in eXtensible Business Reporting Language (XBRL): (i) consolidated statements of net assets in liquidation as of March 31, 2024 and June 30, 2023, (ii) consolidated statements of changes in net assets in liquidation for the three months ended March 31, 2024 and 2023, (iii) consolidated statements of changes in net assets in liquidation for the nine months ended March 31, 2024 and 2023 and (iv) the notes to the consolidated financial statements. 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

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, 2024

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee

**AMENDMENT NO. 5 TO
LIQUIDATION TRUST AGREEMENT**

This Amendment No. 5 to Liquidation Trust Agreement (this "Amendment") is entered into effective as of May 9, 2024 (the "Effective Date") by Michael Goldberg, solely in his capacity as Liquidation Trustee (the "Liquidation Trustee") of Woodbridge Liquidation Trust, a Delaware statutory trust (the "Liquidation Trust"), to amend the Liquidation Trust Agreement dated as of February 15, 2019 by and among the entities listed as "Debtors" on the signature pages thereto, the Liquidation Trustee, and Wilmington Trust, National Association, as Delaware Trustee (as amended, the "Trust Agreement"). Capitalized terms used in this Amendment without definition herein shall be deemed to have the meanings given to such terms in the Trust Agreement or incorporated therein.

RECITALS

A. Section 12.10 of the Trust Agreement provides that the Trust Agreement may be amended from time to time by a written instrument signed by the Liquidation Trustee provided that (i) such amendment shall require the prior written approval of a majority of the members of the Liquidation Trust Supervisory Board and (ii) any such amendment that would adversely affect any Beneficiary in a manner disproportionate from the other Beneficiaries in their capacities as such shall require the consent of each such adversely and disproportionately affected Beneficiary and any such amendment that affects the Delaware Trustee's duties, obligations, rights, privileges or protections hereunder shall require the written consent of the Delaware Trustee.

B. This Amendment, a written instrument signed by the Liquidation Trustee, has received the prior written approval of a majority of the members of the Liquidation Trust Supervisory Board. This Amendment does not adversely affect any Beneficiary in a manner disproportionate from the other Beneficiaries in their capacities as such and does not affect any duties, obligations, rights, privileges or protections of the Delaware Trustee.

C. Effective as of the Effective Date, the Liquidation Trustee now wishes to amend the Trust Agreement as set forth below.

AGREEMENT

NOW, THEREFORE, as of the Effective Date, the Liquidation Trust Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold underlined text (indicated textually in the same manner as the following example: **bold underlined text**) as set forth below:

1. Amendment of Section 3.3. Section 3.3 is hereby amended to read in full as follows:

3.3 Compensation. Each member of the Liquidation Trust Supervisory Board serving on the Audit Committee thereof shall receive, in respect of service on the Liquidation Trust Supervisory Board and the Audit Committee rendered on or after February 1, 2020, compensation of \$10,000 for each calendar month of such service. **Further, each member of the Liquidation Trust Supervisory Board serving on the Cybersecurity Committee thereof shall receive, in respect of service on the Cybersecurity Committee rendered on or after May 1, 2024, additional compensation of \$5,000 for each calendar month of such service.** Each other member of the Liquidation Trust Supervisory Board shall receive the following compensation in respect of his or her service on the Liquidation Trust Supervisory Board: (i) for each calendar month of service shall be \$10,000 monthly for the first twelve months from and after the Effective Date (counting the month of the Effective Date as the first calendar month even if it is a partial calendar month), (ii) \$7,500 monthly for the thirteenth through twenty-fourth calendar months after the Effective Date, (iii) \$5,000 monthly for the twenty-fifth through thirty-sixth calendar months after the Effective Date, and (iv) \$2,500 monthly for each calendar month thereafter until termination of the Liquidation Trust in accordance with the Plan. Compensation provided for under this Section 3.3 shall be prorated as appropriate if a member commences his or her service other than on the first day of a month or terminates his or her service other than on the last day of a month. All members of the Liquidation Trust Supervisory Board shall also be entitled to reimbursement from the Liquidation Trust Assets of all actual, reasonable and documented out-of-pocket costs and expenses incurred thereby in connection with their service on the Liquidation Trust Supervisory Board. Except for (i) the compensation and expense reimbursement set forth in this Section 3.3 and (ii) indemnification as set forth in Article VII hereof, the members of the Liquidation Trust Supervisory Board shall receive no compensation or other payment for the performance of their duties hereunder.

2. Full Force and Effect. Except as amended in this Amendment, the Trust Agreement shall remain in full force and effect. Unless the context otherwise requires, any other document or agreement that refers to the Trust Agreement shall be deemed to refer to the Trust Agreement, giving effect to this Amendment (and any other amendments to the Trust Agreement made from time to time pursuant to its terms).

3. Successors and Assigns. This Amendment shall inure to the benefit of and be binding upon the successor(s) and assign(s) of the party hereto.

4. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to the principles of conflicts of laws.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first set forth above.

/s/ Michael I. Goldberg
Michael Goldberg, solely in his capacity as Liquidation Trustee under the Trust Agreement

***[SIGNATURE PAGE TO AMENDMENT NO. 5 TO
LIQUIDATION TRUST AGREEMENT OF WOODBRIDGE LIQUIDATION TRUST]***

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

I, Michael I. Goldberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Woodbridge Liquidation Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the net assets in liquidation and changes in net assets in liquidation of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by other within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. I have disclosed, based on my recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2024

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee

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

In connection with the Quarterly Report on Form 10-Q of Woodbridge Liquidation Trust (the “Registrant”) for the quarter ended March 31, 2024, as filed with the Securities and exchange Commission on the date hereof (the “Report”), the undersigned, Michael I. Goldberg, Trustee of the Registrant, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the net assets in liquidation and changes in net assets in liquidation of the Registrant.

Date: May 13, 2024

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee
