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THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM MARION COUNTY
Court of Common Pleas

The Honorable W. Haigh Porter, Special Referee

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AUG 14 2018

SC Court of Appeals

Case No. 2015-CP-33-280
Appellate Case No. 2016-000956

PARTNERS 95, LLC and HSGCHG Investments, LLC Respondents,

v.

Riverdale Funding, LLC and Woodbridge Mortgage Investment Fund 3, LLC Appellants.

**RESPONDENTS' MOTION TO PROCEED WITH APPEAL REGARDING
APPELLANT, RIVERDALE FUNDING, LLC**

Respondents seeks the Court's determination this appeal can proceed and be concluded against the non-bankruptcy filing Appellant, Riverdale Funding, LLC (Riverdale).

This motion is based on the following facts and argument.

FACTS

On March 1, 2018, Appellants filed a document entitled "Notification of Filing Under Bankruptcy Code and Suggestion of Stay." The "Notification" asserted there was a Chapter 11 bankruptcy proceeding pending in the United States Bankruptcy Court for the District of Delaware, and that filing the Chapter 11 petition "invokes Section 362" of the bankruptcy code which "stays the commencement or continuation of all judicial proceedings against the Debtor...."

Attached to the Notification are copies of the Notice of Bankruptcy filing (Exhibit “A”) and the Chapter 11 petition (Exhibit “B”).

The Notice of Bankruptcy filing names the Woodbridge Group of Companies, LLC, as the bankruptcy debtor. Attached to the Notice of Bankruptcy is “Rider 1” which says “[Woodbridge Group of Companies, LLC] and each of the affiliated entities listed in the table below filed in this Court a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code...” Page 4 of the Rider, left-hand column, fourteenth line from the top, lists Appellant, Woodbridge Mortgage Investment Fund 3, LLC, as a debtor. The Rider does not list Appellant, Riverdale, as a debtor.

At page 13 of the chapter 11 bankruptcy petition,¹ appears a document entitled “Consolidated Corporate Ownership Statement.” The following page, page 14, is a document entitled “Woodbridge Group Enterprise Corporate Organization Chart,” which, on the second row from the top, shows a box entitled “Schedule D Brokerage Companies (Non-Filers)” with a footnote which says “[n]ot managed by WGC Independent Management, LLC.”

Schedule D appears on page 41 of the chapter 11 bankruptcy petition and lists three non-filing brokerage companies, including Riverdale.

ARGUMENT

Section 362(a)(1), of the bankruptcy code stays “the commencement or continuation ... of a judicial ... action or proceeding against the debtor that was or could have been commenced before the commencement of...” the bankruptcy case. Section 362(a)(1) applies, however, to

¹ At the top of the bankruptcy petition is the bankruptcy court case number, followed by the docket number of the petition, followed by the date of filing, followed by the page number, e.g. “Page 1 of 50...” For convenience and clarity, Respondent will refer to the page number appearing at the top of each page of the bankruptcy petition when referring to matters contained therein.

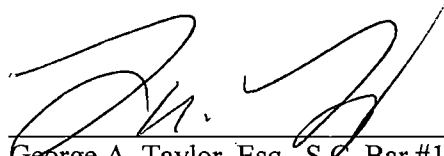
the debtor, not to co-defendants.” *Kreisler v. Goldberg*, 478 F.3d 209, 212 (4th Cir. 2007), citing *A. H. Robbins Co., Inc. v. Piccinin*, 788 F.2d 994, 999 (4th Cir. 1986). See also *Brown v. Jevic*, 575 F.3d 322, 328 (3d Cir. 2009); *McCarthy v. Integra Nat’l Bank N.*, 106 F.3d 506, 509–511 (3d Cir. 1997) and *Maritime Elec. Co. v. United Jersey Bank*, 959 F.2d 1194, 1205 (3d Cir. 1991).

Riverdale is not a debtor. It is not listed as a debtor on either the bankruptcy notice or bankruptcy petition. Riverdale is referred to in the bankruptcy petition, but is specifically described as a “non-filer.”

The automatic stay does not apply to Riverdale, and this appeal can proceed to a conclusion as to Riverdale.

CONCLUSION

The automatic stay does not apply to Riverdale. Respondents respectfully request the Court proceed to either schedule oral argument regarding the appeal, or submit this appeal to a



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August 10, 2018
Columbia, South Carolina

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PROOF OF SERVICE

I certify that I have served a copy of the following as indicated hereinbelow, by mailing a copy of same on the date below by First Class United States Mail, postage prepaid, addressed to the following:

DOCUMENT SERVED: Respondents' Motion to Proceed with Appeal Regarding Appellant, Riverdale Funding, LLC

PARTIES SERVED: Amy L.B. Hill, Esquire
Laura W. Jordan, Esquire
Gallivan White & Boyd, P.A.
P.O. Box 7368
Columbia, SC 29202-7368
Attorneys for Appellants

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SC Court of Appeals


Crystal Smith

August 14, 2018
Columbia, South Carolina

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CALLISON  TIGHE

August 14, 2018

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SC Court of Appeals

VIA HAND-DELIVERY

Hon. Jenny Abbott Kitchings
Clerk of Court
Court of Appeals
1220 Senate Street
Columbia, SC 29201

**Re: Partners 95, LLC and HSGCHG Investments, LLC vs.
Riverdale Funding, LLC and Woodbridge Mortgage
Investment Fund 3, LLC
Appellate Case No: 2016-000956
Our Case No: 6151.003**

Dear Ms. Kitchings:

Enclosed for filing please find the original and seven (7) copies of the Respondents' Motion to Proceed With Appeal Regarding Appellant, Riverdale Funding, LLC, and Proof of Service, in connection with the above-referenced matter.

Also enclosed please find my firm's check in the amount of \$25.00 as the required filing fee. Please return one (1) clocked-in copy to me via my courier.

Thank you for your assistance in this matter.

With warmest regards, I am

Sincerely yours,

CALLISON TIGHE & ROBINSON LLC


Louis H. Lang

LHL/cs
Enclosures
cc: (w/ encl.) Amy L.B. Hill, Esquire
Laura W. Jordan, Esquire