IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
	:	
MEDLEY, LLC	:	Case No. 21-10526 (KBO)
	:	
	:	**Obj. Deadline: August 9, 2021 at 4:00 p.m.**[1]
Debtor.	:	**Hearing Date: August 12, 2021 at 1:00 p.m.**
	:	

UNITED STATES TRUSTEE'S OBJECTION TO DEBTOR'S MOTION FOR AN ORDER (I) APPROVING ON AN INTERIM BASIS THE ADEQUACY OF DISCLOSURES IN THE COMBINED DISCLOSURE STATEMENT AND PLAN, (II) SCHEDULING THE CONFIRMATION HEARING, (III) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE COMBINED DISCLOSURE STATEMENT AND PLAN, (III) SCHEDULING CONFIRMATION HEARING, AND (IV) APPROVING THE NOTICE PROVISIONS

In support of his Objection to the Debtor's Motion For an Order (I) Approving on an Interim Basis the Adequacy of Disclosures in the Combined Disclosure Statement and Plan, (II) Scheduling the Confirmation Hearing, (III) Establishing Procedures For Solicitation and Tabulation of Votes to Accept or Reject the Combined Disclosure Statement and Plan, (III) Scheduling Confirmation Hearing, and (IV) Approving the Notice Provisions (the "Motion"), Andrew R. Vara, the United States Trustee for Region 3 ("U.S. Trustee"), by and through his undersigned counsel, states as follows:

1. This Court has jurisdiction to hear this Objection.

2. Pursuant to 28 U.S.C. § 586, the U.S. Trustee is charged with the administrative oversight of cases commenced pursuant to chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). This duty is part of the U.S. Trustee's overarching responsibility to

[1] The objection deadline was extended by agreement of the parties.

enforce the bankruptcy laws as written by Congress and interpreted by the courts. *See United States Trustee v. Columbia Gas Sys., Inc. (In re Columbia Gas Sys., Inc.),* 33 F.3d 294, 295-96 (3d Cir. 1994) (noting that U.S. Trustee has "public interest standing" under 11 U.S.C. § 307, which goes beyond mere pecuniary interest); *Morgenstern v. Revco D.S., Inc. (In re Revco D.S., Inc.)*, 898 F.2d 498, 500 (6th Cir. 1990) (describing the U.S. Trustee as a "watchdog").

3. Pursuant to 11 U.S.C. § 307, the U.S. Trustee has standing to be heard with regard to this Objection.

PRELIMINARY STATEMENT

4. The U.S. Trustee objects to the Motion and Combined Disclosure Statement and Plan on the following grounds:

- The Debtor seeks authority to file the plan supplement three days before the plan voting deadline, contrary to the Local Rules, which require plan supplements to be filed seven days before the plan voting deadline.
- The Combined Disclosure Statement and Plan contains overbroad Debtor release and exculpation provisions.
- For the reasons detailed below, the U.S. Trustee objects to certain additional provisions of the Combined Disclosure Statement and Plan, including the injunction provision, the provisions for treatment of claims, and the provisions for payment of attorneys' fees of non-estate professionals.

BACKGROUND

A. General Background

1. On March 7, 2021 (the "Petition Date"), the Debtor filed a voluntary chapter 11 petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware ("Court").

2. On April 22, 2021, the U.S. Trustee appointed a statutory committee of unsecured creditors (the "Committee") (D.I. 110)

3. On the Petition Date, the Debtor filed a Chapter 11 Plan of Reorganization of Medley LLC (the "Plan") and an accompanying Disclosure Statement (D.I. 7, 8). After advising counsel for the U.S. Trustee that the Debtor would be filing an amended Plan to address various infirmities, the Debtor eventually filed a Notice of Withdrawal of the Plan and Disclosure Statement on May 13, 2021 (D.I. 147).

4. On July 6, 2021, the Debtor filed its Combined Disclosure Statement and Chapter 11 Plan of Medley LLC (D.I. 244).

5. On July 14, 2021, the Debtor filed its Motion for approval of procedures for solicitation of the Combined Disclosure Statement and Chapter 11 Plan of Medley LLC (D.I. 255).

6. On August 2, 2021, the Debtor filed its First Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC (D.I. 284) (the "Combined Plan and Disclosure Statement").

7. On August 5, 2021, the Debtor filed the exhibits to the Motion and the Combined Disclosure Statement and Plan (D.I. 295 and 299).

B. The Debtor's Corporate Structure

8. The Debtor, a Delaware limited liability company, is the direct subsidiary of Medley Management Inc. ("MDLY"), a public company traded on the New York Stock Exchange under the symbol, "MDLY." See Declaration of Richard T. Allorto, Jr. in Support of Chapter 11 Petition and First Day Pleadings (D.I. 5) ("Allorto Declaration") at ¶ 8.

9. The Debtor, MDLY, and the Debtor's direct and indirect subsidiaries (collectively, the "Company"), operate an alternative asset management firm offering yield solutions to retail and institutional investors. Allorto Declaration at ¶ 9.

10. The Debtor was formed in 2010. MDLY was incorporated in June 2014 and commenced operations upon completion of its public offering in September 2014. *Id.*

11. As of the Petition Date, MDLY was the Debtor's sole managing member. Allorto Declaration at ¶ 8. As of the Petition Date, MDLY held approximately 98% of the equity interests of the Debtor. The balance of the Debtor's equity interests are held by Freedom 2021 LLC. Freedom 2021 LLC is controlled by Seth Taube. Allorto Declaration at ¶ 29.

12. On January 19, 2021, pursuant to an exchange agreement, the pre-IPO members of Medley LLC exchanged approximately 98% of their vested LLC units in Medley LLC for shares of Class A common stock of MDLY. As a result of the unit exchange, MDLY's total membership interests in the Debtor increased to approximately 98%. The pre-IPO members include, among a few other individuals, Brooke Taube and Seth Taube as Co-Chief Executive Officers, Richard Allorto as Chief Financial Officer. See Medley Management Inc. 10-K, filed on April 30, 2021.

13. The Debtor's organization chart indicates that after the exchange agreement referenced above, the pre-IPO members control 66.9% of the voting power of MDLY and, through their ownership of Medley LLC, an additional 14.1% of the voting power of MDLY. The public shareholders control 19% of the voting power of MDLY.

14. The Resolution attached to the Debtor's Petition indicates that on February 9, 2021, the board of directors of MDLY (the "Board") appointed the Restructuring Subcommittee of the Board (the "Restructuring Subcommittee") consisting of three independent directors, with the Board granting and delegating all power and authority with respect to authorizing and approving any and all restructuring transactions with respect to Medley LLC. See Petition, D.I. 1. at 14. The Restructuring Subcommittee consists of Peter Kravitz, John Dyett and Guy Rounsaville. The remaining two members of the Board are Brooke Taube and Seth Taube. *Id*.

15. As of the Petition Date, the Debtor and its sole managing member, MDLY, had overlapping management teams: Brooke Taube and Seth Taube as Co-Chief Executive Officers, Richard Allorto as Chief Financial Officer and Nathan Bryce as General Counsel. See Petition; Allorto Declaration ¶ 1. On April 14, 2021, Brook Taube and Seth Taube resigned as Co-Chief Executive Officers, of the Debtors, effective May 3, 2021, but maintain their Board positions. See Form 8-K of Medley LLC, dated April 14, 2021; Combined Plan and Disclosure Statement, p. 38.

16. On June 1, 2021, the Debtor entered into its Fifth Amended LLC Agreement, appointing Michelle Dreyer as the Independent Manager of the Debtor. Combined Plan and Disclosure Statement, p. 2.

ARGUMENT

I. Form of Order

17. Pursuant to paragraph 14 of the proposed order, the Debtor proposes to file the Plan Supplement by September 17, 2021, which is three days before the proposed

September 20, 2021 deadline to vote on the Plan. This is contrary to Delaware Local Rule 3016-2, which requires the filing of plan supplements no later than seven days prior to the voting deadline. Three days is an insufficient period of time in this case for parties voting on the Plan to review and digest all of the information that the Debtor proposes to include in the Plan Supplement. The Debtor should be required to file the Plan Supplement no later than seven days prior to the Voting Deadline, as required by the Local Rules.

18. In addition, with respect to any trust documents that are filed, information must be provided about the trust, including the compensation of the trustee, whether the trustee will be bonded, and what provisions have been made for the retention and compensation of professionals.

II. Liquidation Analysis

19. "[T]he general purpose of a disclosure statement is to provide 'adequate information' to enable 'impaired' classes of creditors and interest holders to make an informed judgment about the proposed plan and determine whether to vote in favor of or against that plan." *In re Phoenix Petroleum, Inc.*, 278 B.R. 385, 392 (Bankr. E.D. Pa. 2001). Section 1125(a) of the Bankruptcy Code defines "adequate information" as "information of a kind, and in sufficient detail to enable such hypothetical, reasonable investor to make an informed judgment about the plan.

20. The application of the best interest test involves a hypothetical application of chapter 7 to a chapter 11 plan. *See In re Stone & Webster, Inc*., 286 B.R. 532 (Bankr. D. Del. 2002). If the plan fails the section 1129(a)(7) test, then the creditors are better off in a chapter 7 liquidation. The Liquidation Analysis included with the Combined

Plan and Disclosure Statement lacks sufficient information in a few respects. First, the Liquidation Analysis does not clearly acknowledge that it excludes any estimate of recoveries that may be realized from causes of action, whether pursued by the Liquidating Trustee or a chapter 7 trustee. Second, it is not clear from the Liquidation Analysis whether the Liquidating Trust Fees/Expenses During Winddown estimate of $40,000 includes fees incurred by professionals that will be retained by the Liquidating Trustee. Finally, no explanation has been provided as to why there is no provision for recovery in a chapter 7 for investments in subsidiaries.

III. Objections to Plan Provisions

21. Without waiving the right to raise further issues at confirmation, the U.S. Trustee hereby gives notice of several problematic provisions that could ultimately make the Combined Disclosure Statement and Plan unconfirmable.

22. **Exculpation is Not Limited to Estate Fiduciaries.** Exculpated Parties are defined by Article I.A., as follows: "in each case, in its capacity as such: (a) the Independent Manager, (b) *the Medley Capital Executives,* (c) the Creditors' Committee and the members of the Creditors' Committee (in their capacity as such), (d) *Sierra*, (e) *the Notes Trustee*, and (f) *the Related Parties of the foregoing*.[2] (emphasis added), Combined Disclosure Statement and Plan, Art. I. A.

[2] "Related Parties" is defined as "with respect to any Person or Entity, such Person's or Entity's current and former direct or indirect subsidiaries and Affiliates and each of their respective current and former stockholders, members, limited partners, general partners, equity holders, directors, managers, officers, employees, agents, designees, attorneys, financial advisors, investment bankers, accountants, consultants, and other professionals or representatives solely to the extent acting in such capacity for a Released Party or an Exculpated Party." Plan Article I.A.

23. The definition of Exculpated Parties is overbroad, and as set forth below, inconsistent with controlling case law because it is not limited to estate fiduciaries. In *PWS Holding Corp*., the Third Circuit held that section 1103(c) of the Bankruptcy Code implies both a fiduciary duty and a limited grant of immunity to members of the unsecured creditors' committee. 303 F.3d 308 (3d Cir. 2002). This Court has repeatedly interpreted *PWS Holding Corp.* and uniformly held that a party's entitlement to exculpation is based upon its role or status as an estate fiduciary. *In re PTL Holdings LLC*, No. 11-12676 (BLS), 2011 WL 5509031, at *12 (Bankr. D. Del. Nov. 10, 2011) (Shannon, J.). *See In re Indianapolis Downs*, 486 B.R. 286, 304 (Bankr. D. Del. 2013) (Shannon, J.); *In re Tribune Co.,* 464 B.R. 126, 189 (Bankr. D. Del. 2011) (Carey, J.); *In re Washington Mutual, Inc.*, 442 B.R. 314, 350-51 (Bankr. D. Del. 2011) (Walrath, J.).

24. Because the definition of Exculpated Parties is not limited to fiduciaries who have served during the chapter 11 cases, the Exculpation Provision is overbroad and the Plan cannot be confirmed as written. This overbreadth is reflected in both the inclusion of the Medley Capital Executives, Sierra, the Notes Trustee (who is already receiving exculpation in its capacity as a member of the Creditors' Committee), as well as the temporal scope which extends back in time to the prepetition period.

25. **The Debtor Release Provision is Overbroad.** The Debtor release provision contained in Article XI. C. of the Combined Plan and Disclosure Statement is overbroad and impermissible without a showing of the necessity of such releases. *See Washington Mutual, Inc.*, 442 B.R. at 349; *In re Zenith Electronics Corp.*, 241 B.R. 92 (Bankr. D. Del. 1999). If the provision is necessary for confirmation, then absent the

showing of the necessity, for example, that employees, officers or directors have made substantial contributions supporting such releases, the Debtor appears to have proposed a plan that is unconfirmable as a matter of law. In addition, the Debtor has provided no justification for the release of the "Chapter 5 Released Parties," defined as "(a) [Allorto] and (b) the Related Parties of the foregoing." Combined Disclosure Statement and Plan, Article I.A.

26. Released Parties is defined as "(a) Medley Capital, (b) Crowe, (c) Liao, (d) Richards, (e) Sierra, and (f) the Related Parties of the foregoing."

27. Related Parties is defined as "with respect to any Person or Entity, such Person's or Entity's *current and former* direct or indirect subsidiaries and Affiliates and each of their respective *current and former stockholders*, members, limited partners, general partners, *equity holders,* directors, managers, officers, employees, agents, designees, attorneys, financial advisors, investment bankers, accountants, consultants, and other professionals or representatives solely to the extent acting in such capacity for a Released Party or an Exculpated Party." (emphasis added). Combined Disclosure Statement and Plan Article I.A.

28. In *In re Zenith Electronics Corp.*, 241 B.R. 92 (Bankr. D. Del. 1999), the bankruptcy court considered the permissibility of the release of a debtors' claims. In *Zenith*, the bankruptcy court notes that a plan, notwithstanding section 524(e), may provide for releases by the debtor against third parties under certain limited circumstances. The bankruptcy court in *Zenith* adopted a five part test enunciated in *Master Mortgage Inv. Fund, Inc*., 168 B.R. 930 (Bankr. W.D. Mo. 1994) to determine whether a release by a debtor of a

third party as part of a plan is permissible. These factors are:". . . (1) an identity of interest between the debtor and the third party, such that a suit against the non-debtor is, in essence, a suit against the debtor or will deplete assets of the estate; (2) substantial contribution by the non-debtor of assets to the reorganization; (3) the essential nature of the injunction to the reorganization to the extent that, without the injunction, there is little likelihood of success; (4) an agreement by a substantial majority of creditors to support the injunction, specifically if the impacted class or classes "overwhelmingly" votes to accept the plan; and (5) provision in the plan for payment of all or substantially all of the claims of the class or classes affected by the injunction." *Id.* at 937.

29. The enumerated factors must be separately applied to each of the entities. Absent such a showing, and appropriate findings by the Court, the plan is unconfirmable. In *In re Genesis Health Ventures, Inc.*, 266 B.R. 591 (Bankr. D. Del. 2001), the court examined a similar provision and tested its applicability as to each party to be affected by the provision. For example, the attempt in *Genesis* to release the debtor's post-petition management was rejected, with the Court stating: "[a]s to the debtor's management personnel here, there is no showing that the individual releasees have made a substantial contribution of assets to the reorganization." *Id.* at 606. In the present case, not all of the proposed parties to be released can meet the *Master Mortgage* test.

30. **The Injunction Provision Violates Section 1141(d)(3).** Article XI.E. of the Combined Disclosure Statement and Plan contains an injunction provision that violates Section 1141(d)(3)[3] of the Bankruptcy Code. The language of Article XI. E. of the

[3] Section 1141(d)(3) of the Bankruptcy Code provides that:

Combined Disclosure Statement and Plan has the same effect as a discharge as set forth in Section 524 of the Bankruptcy Code.[4] Article XI. E. would permanently enjoin all Entities from enforcing or collecting any judgment they may have against the Debtors. Article XI. E. would also have the effect of enjoining all Entities from commencing or continuing any action or proceeding against the Debtor. These are the effects of a discharge under Section 524(a). Thus, because Article XI. E. would effect a discharge that Section 1141(d)(3) of the Bankruptcy Code expressly prohibits in liquidating plans, the Plan fails to satisfy Section 1129(a)(1) of the Bankruptcy Code and cannot be confirmed as drafted. This section should be amended to enjoin only actions against assets to be distributed pursuant to the Combined Disclosure Statement and Plan.

31. **Treatment of Claims Must Comply With Section 502(c).** Article X. A. and D. of the Combined Disclosure Statement and Plan improperly deems certain claims

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The confirmation of a plan does not discharge a debtor if-
(A) the plan provides for the liquidation of all or substantially all of the property of the estate;
(B) the debtor does not engage in business after consummation of the plan; and
(C) the debtor would be denied a discharge under section 727 (a) of this title if the case were a case under chapter 7 of this title.

[4] Section 524 of the Bankruptcy Code provides that:
(a) A discharge in a case under this title—
(1) voids any judgment at any time obtained, to the extent that such judgment is a determination of the personal liability of the debtor with respect to any debt discharged under section 727, 944, 1141, 1192, 1228, or 1328 of this title, whether or not discharge of such debt is waived;
(2) operates as an injunction against the commencement or continuation of an action, the employment of process, or an act, to collect, recover or offset any such debt as a personal liability of the debtor, whether or not discharge of such debt is waived; and
(3) operates as an injunction against the commencement or continuation of an action, the employment of process, or an act, to collect or recover from, or offset against, property of the debtor of the kind specified in section 541(a)(2) of this title that is acquired after the commencement of the case, on account of any allowable community claim, except a community claim that is excepted from discharge under section 523, 1192, 1228(a)(1), or 1328(a)(1), or that would be so excepted, determined in accordance with the provisions of sections 523(c) and 523(d) of this title, in a case concerning the debtor's spouse commenced on the date of the filing of the petition in the case concerning the debtor, whether or not discharge of the debt based on such community claim is waived.

to be disallowed without the requirement that an objection first be filed seeking to disallow such claims. Article X. D. also fails to account for the possibility that a party may seek permission to file a claim after the applicable claims bar date. In addition, the following language in Article X. A. appears contrary to Bankruptcy Code section 502(c): " If the Liquidating Trustee disputes any Claim, such dispute shall be determined, resolved, or adjudicated, as the case may be, in the manner as if the Chapter 11 Case had not been commenced and shall survive the Effective Date as if the Chapter 11 Case had not been commenced; …"

32. Bankruptcy Code section 502(c) provides that, "a claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest. . . objects." Further, Bankruptcy Code section 1129(a)(1) provides that, "[t]he court shall confirm a plan only if all of the following requirements are met: (1) the plan complies with the applicable provisions of this title." In order to be confirmable, the language in Article X. A and D. needs to be modified to comply with the requirements of the Bankruptcy Code.

33. **Payment of Notes Trustee Fees Does Not Comply With Section 503.** Article VII. R. of the Combined Disclosure Statement and Plan provides that:

> **Payment of Notes Trustees Fees**. On the Effective Date or as soon as practicable thereafter in accordance with the Wind-Down Budget, the Liquidating Trustee shall pay in Cash all reasonable and documented unpaid Notes Trustee Fees that are required to be paid under the Indentures, *without the need for the Notes Trustee to file any fee application with the Bankruptcy Court, and without reduction to recoveries on account of any of the Notes Claims. N*othing herein shall in any way affect or diminish the right of the Notes Trustee to exercise its Notes Trustee Charging Lien against distributions on account of the Notes Claims with respect to any unpaid Notes Trustee Fees.

Combined Disclosure Statement and Plan VII. R. (emphasis added).

34. The Notes Trustee's professional fee payments are statutorily governed by 11 U.S.C. §§ 503(b)(3)(D), 503(b)(4) and 503(b)(5) of the Bankruptcy Code. Although such professionals might be eligible to be compensated from the bankruptcy estate, section 503 imposes detailed requirements that must be met before approval and payment, including the timely filing of a request for payment by the professional, *see* 11 U.S.C. § 503(a); notice and a hearing before the court, *see* 11 U.S.C. § 503(b); a showing that such expenses were "actual" and "necessary," *see* 11 U.S.C. § 503(b)(3); a showing that the creditor, unofficial committee, or indenture trustee has made a "substantial contribution" to the bankruptcy case, *see* 11 U.S.C. § 503(b)(3)(D); and a finding by the court that any compensation paid to an attorney or accountant is "reasonable." *See* 11 U.S.C. § 503(b) (4).

35. Additionally, such party's right to payment under section 503(b) is not automatic but "depends upon the requesting party's ability to show that the fees were actually necessary to preserve the value of the estate." *Calpine Corp. v. O'Brien Envtl. Energy, Inc. (In re O'Brien Envtl. Energy, Inc.)*, 181 F.3d 527, 535 (3d Cir.1999). The professionals must satisfy the requirement that such indenture trustees, and their professionals, have made a "substantial contribution" to the bankruptcy cases.

36. The fact that the payments of such professional fees are proposed as part of a chapter 11 plan does not relieve the third-party professionals of their obligation to comply with the requirements of section 503, which is the "sole source" of authority to pay post-petition professional fees on an administrative basis. *Davis v. Elliot Management Corp. (In re Lehman Bros. Holdings Inc.)*, 508 B.R. 283, 290 (S.D.N.Y. 2014). In *Lehman*, the

court roundly rejected an attempt by certain committee members to circumvent section 503(b)(4) by seeking payment under a "permissive" plan provision which purported to pay third-party professional fees without regard to whether they could be authorized under section 503. As that court explained, plans pay only claims and administrative expenses:

> Although the Bankruptcy Code does not explicitly forbid payments [of] professional fees that are not administrative expenses, no such explicit prohibition is necessary. Reorganization plans exist to pay claims and expenses . . . Therefore, the Individual Members' professional fee expenses are either administrative expenses or not, and if the latter, they cannot be paid under a plan.

Id. at 293. Indeed, the court recognized that any contrary result "could lead to serious mischief," since it would allow plan proponents to distribute the estate's assets without regard to the Bankruptcy Code's priority scheme. *Id.*

37. The *Lehman* court's reasoning applies with equal force here. Like the fees at issue in *Lehman*, the third-party professional fees "are either administrative expenses or not." *Id.* Because the third-party professionals seek to enjoy the benefits of administrative priority under section 503—the sole possible source of statutory authorization permitting them to be paid by the Debtor in full on the Effective Date—they must also comply with the disclosure obligations and substantive limitations imposed by that section.

38. **Payment of Independent Director Fees as Part of Debtors' Professional Fees.** Article IV. B. of the Combined Disclosure Statement and Plan provides for the payment of the Independent Director Fees[5] without the requirement of an application

[5] Independent Director Fees are defined as "all reasonable documented, actual, and necessary fees, costs, and expenses incurred by Kravitz and of the law firm of Gellert Scali Busenkell & Brown, LLC for services and advice to Kravitz, specifically related to Kravitz's service in the Chapter 11 Case as Independent Director through the Effective Date, excluding any fees, costs or expenses incurred in opposition to the Debtor, Medley

approving such fees through the inclusion of such amounts in the definition of Professional Amount, which is defined as, "the aggregate amount of Professional Claims, unpaid Independent Director Fees, and other unpaid fees and expenses that the Professionals estimate they have incurred, or will incur, in rendering services to the Debtor as set forth in Article IV.B. hereof." This provision cannot be approved because it violates 11 U.S.C. § 1129(a) (4) of the Code. That section provides that a court may approve a chapter 11 plan only if, among other things, the court finds that any payment made by the debtor "for services or for costs and expenses" in connection with the case has either "been approved by, or is subject to the approval of, the court as reasonable." 11 U.S.C. § 1129(a) (4).

39. **Payment of Statutory Fees.** Article XV. C. of Combined Disclosure Statement and Plan, which provides for the payment of statutory fees, should be revised to clearly provide for the joint liability of the post-confirmation Debtor and the Liquidating Trustee for statutory fees until entry of an order closing or converting the cases.

Capital, the Creditors' Committee, the Liquidating Trust, or to this Combined Disclosure Statement and Plan or any provision thereof, in an amount not to exceed the Pre-Effective Date Budget." Combined Plan and Disclosure Statement, Article I.A.

WHEREFORE, the U.S. Trustee requests that this Court issue an order denying approval of the Motion as written and/or granting such other relief as this Court deems appropriate, fair and just.

Respectfully submitted,

ANDREW R. VARA
UNITED STATES TRUSTEE,
REGIONS 3 AND 9

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Dated: August 9, 2021

UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
MEDLEY LLC,	:	Case Number 21-10526 (KBO)
	:	
Debtor.		

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that on August 9, 2021 the United States Trustee's Objection to the Debtor's Motion For an Order (I) Approving on an Interim Basis the Adequacy of Disclosures in the Combined Disclosure Statement and Plan, (II) Scheduling the Confirmation Hearing, (III) Establishing Procedures For Solicitation and Tabulation of Votes to Accept or Reject the Combined Disclosure Statement and Plan, (III) Scheduling Confirmation Hearing, and (IV) Approving the Notice Provisions was caused to be served via CM/ECF and via electronic mail to the following persons:

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