

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: Medley LLC, ¹ Debtor.	Chapter 11 Case No. 21-10526 (KBO)
MEDLEY LLC LIQUIDATING TRUST, Plaintiff, v. EVERSHEDS SUTHERLAND (US) LLP, Defendant.	Adv. Proc. No. 23-50121 (KBO)

NOTICE OF INTENT TO SERVE SUBPOENAS

PLEASE TAKE NOTICE that, pursuant to Rule 45 of the Federal Rules of Civil Procedure, made applicable to this proceeding by Rule 9016 of the Federal Rules of Bankruptcy Procedure, the above-captioned Defendant, Eversheds Sutherland (US) LLP, by and through its undersigned counsel, intends to serve subpoenas to produce documents/testify at a deposition in the forms attached hereto in the corresponding enumerated exhibits on the following:

1	Douglas Koff c/o Schulte Roth & Zabel LLP 919 3rd Avenue New York, NY 10022
2	Schulte Roth & Zabel LLP 919 3rd Avenue New York, NY 10022
3	Schulte Roth & Zabel LLP 919 3rd Avenue New York, NY 10022

¹ The Debtor's current mailing address is c/o Medley LLC Liquidating Trust, c/o Saccullo Business Consulting, LLC, 27 Crimson King Drive, Bear, DE 19701.



Dated: July 2, 2025

CHIPMAN BROWN CICERO & COLE, LLP

/s/ William E. Chipman, Jr.

William E. Chipman, Jr. (No. 3818)
Hercules Plaza
1313 North Market Street, Suite 5400
Wilmington, Delaware 19801
Telephone: (302) 295-0191
Email: chipman@chipmanbrown.com

—and—

Adam D. Cole, Esq.

CHIPMAN BROWN CICERO & COLE, LLP
501 Fifth Avenue, 15th Floor
New York, New York 10017
Telephone: (646) 685-8363
Email: cole@chipmanbrown.com

Counsel for Eversheds Sutherland (US) LLP

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT

District of Delaware

In re Medley LLC

Debtor

(Complete if issued in an adversary proceeding)

Case No. 21-10526 (KBO)

(Jointly Administered)

Medley LLC Liquidating Trust,

Plaintiff

V.

Eversheds Sutherland (US) LLP

Defendant

Chapter 11

Adv. No. 23-50121(KBO)

**SUBPOENA TO TESTIFY AT A DEPOSITION
IN A BANKRUPTCY CASE (OR ADVERSARY PROCEEDING)**

To: Douglas Koff, c/o Schulte Roth & Zabel LLP, 919 3rd Avenue, New York, NY 10022

(Name of person to whom the subpoena is directed)

☒ **Testimony:** **YOU ARE COMMANDED** to appear at the time, date, and place set forth below to testify at a deposition to be taken in this bankruptcy case (or adversary proceeding). If you are an organization, you must designate one or more officers, directors, or managing agents, or designate other persons who consent to testify on your behalf about the following matters, or those set forth in an attachment:

PLACE CHIPMAN BROWN CICERO & COLE, LLP , 501 Fifth Avenue, 15 th Floor, New York, NY 10017	DATE AND TIME August 1, 2025 at 10:00 a.m.
---	---

The deposition will be recorded by this method:

☐ *Production:* You, or your representatives, must also bring with you to the deposition the following documents, electronically stored information, or objects, and must permit inspection, copying, testing, or sampling of the material:

The following provisions of Fed. R. Civ. P. 45, made applicable in bankruptcy cases by Fed. R. Bankr. P. 9016, are attached – Rule 45(c), relating to the place of compliance; Rule 45(d), relating to your protection as a person subject to a subpoena; and Rule 45(e) and 45(g), relating to your duty to respond to this subpoena and the potential consequences of not doing so.

Date: July 1, 2025

CLERK OF COURT

OR

Signature of Clerk or Deputy Clerk

/s/ William E. Chipman, Jr.
Attorney's signature

The name, address, email address, and telephone number of the attorney representing Eversheds Sutherland (US) LLP, who issues or requests this subpoena, is: William E. Chipman, Jr., CHIPMAN BROWN CICERO & COLE, LLP, Hercules Plaza, 1313 N. Market Street, Suite 5400, Wilmington, DE 19801, chipman@chipmanbrown.com,
Tel. (302) 295-0191

Notice to the person who issues or requests this subpoena

If this subpoena commands the production of documents, electronically stored information, or tangible things, or the inspection of premises before trial, a notice and a copy of this subpoena must be served on each party before it is served on the person to whom it is directed. Fed. R. Civ. P. 45(a)(4).

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 45.)

I received this subpoena for *(name of individual and title, if any)*: _____
on *(date)* _____.

☐ I served the subpoena by delivering a copy to the named person as follows: _____
_____ on *(date)* _____; or

☐ I returned the subpoena unexecuted because: _____

Unless the subpoena was issued on behalf of the United States, or one of its officers or agents, I have also tendered to the witness the fees for one day's attendance, and the mileage allowed by law, in the amount of \$ _____.

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____.

I declare under penalty of perjury that this information is true and correct.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information concerning attempted service, etc.:

Federal Rule of Civil Procedure 45(c), (d), (e), and (g) (Effective 12/1/13)
(made applicable in bankruptcy cases by Rule 9016, Federal Rules of Bankruptcy Procedure)

(c) Place of compliance.

(1) *For a Trial, Hearing, or Deposition.* A subpoena may command a person to attend a trial, hearing, or deposition only as follows:

(A) within 100 miles of where the person resides, is employed, or regularly transacts business in person; or

(B) within the state where the person resides, is employed, or regularly transacts business in person, if the person

(i) is a party or a party's officer; or

(ii) is commanded to attend a trial and would not incur substantial expense.

(2) *For Other Discovery.* A subpoena may command:

(A) production of documents, or electronically stored information, or things at a place within 100 miles of where the person resides, is employed, or regularly transacts business in person; and

(B) inspection of premises, at the premises to be inspected.

(d) Protecting a Person Subject to a Subpoena; Enforcement.

(1) *Avoiding Undue Burden or Expense; Sanctions.* A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The court for the district where compliance is required must enforce this duty and impose an appropriate sanction — which may include lost earnings and reasonable attorney's fees — on a party or attorney who fails to comply.

(2) *Command to Produce Materials or Permit Inspection.*

(A) *Appearance Not Required.* A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(B) *Objections.* A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing or sampling any or all of the materials or to inspecting the premises — or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

(i) At any time, on notice to the commanded person, the serving party may move the court for the district where compliance is required for an order compelling production or inspection.

(ii) These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party's officer from significant expense resulting from compliance.

(3) *Quashing or Modifying a Subpoena.*

(A) *When Required.* On timely motion, the court for the district where compliance is required must quash or modify a subpoena that:

(i) fails to allow a reasonable time to comply;

(ii) requires a person to comply beyond the geographical limits specified in Rule 45(c);

(iii) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or

(iv) subjects a person to undue burden.

(B) *When Permitted.* To protect a person subject to or affected by a subpoena, the court for the district where compliance is required may, on motion, quash or modify the subpoena if it requires:

(i) disclosing a trade secret or other confidential research, development, or commercial information; or

(ii) disclosing an unretained expert's opinion or information that does not describe specific occurrences in dispute and results from the expert's study that was not requested by a party.

(C) *Specifying Conditions as an Alternative.* In the circumstances described in Rule 45(d)(3)(B), the court may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

(i) shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and

(ii) ensures that the subpoenaed person will be reasonably compensated.

(e) Duties in Responding to a Subpoena.

(1) *Producing Documents or Electronically Stored Information.* These procedures apply to producing documents or electronically stored information:

(A) *Documents.* A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to the categories in the demand.

(B) *Form for Producing Electronically Stored Information Not Specified.* If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) *Electronically Stored Information Produced in Only One Form.* The person responding need not produce the same electronically stored information in more than one form.

(D) *Inaccessible Electronically Stored Information.* The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) *Claiming Privilege or Protection.*

(A) *Information Withheld.* A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

(i) expressly make the claim; and

(ii) describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(B) *Information Produced.* If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information under seal to the court for the district where compliance is required for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

...

(g) *Contempt.* The court for the district where compliance is required — and also, after a motion is transferred, the issuing court — may hold in contempt a person who, having been served, fails without adequate excuse to obey the subpoena or an order related to it.

EXHIBIT 2

UNITED STATES BANKRUPTCY COURT

District of Delaware

In re Medley LLC

Debtor

(Complete if issued in an adversary proceeding)

Medley LLC Liquidating Trust,

Plaintiff

v.

Eversheds Sutherland (US) LLP

Defendant

Case No. 21-10526 (KBO)

(Jointly Administered)

Chapter 11

Adv. No. 23-50121(KBO)

**SUBPOENA TO PRODUCE DOCUMENTS, INFORMATION, OR OBJECTS OR TO PERMIT
INSPECTION OF PREMISES IN A BANKRUPTCY CASE (OR ADVERSARY PROCEEDING)**

To: Schulte Roth & Zabel LLP, 919 3rd Avenue, New York, NY 10022

(Name of person to whom the subpoena is directed)

☒ **Production:** **YOU ARE COMMANDED** to produce at the time, date, and place set forth below the following documents, electronically stored information, or objects, and to permit inspection, copying, testing, or sampling of the material: **SEE EXHIBIT A**

PLACE **CHIPMAN BROWN CICERO & COLE, LLP**, 501 Fifth Avenue, 15th Floor,
New York, NY 10017, Attn: Adam D. Cole cole@chipmanbrown.com

DATE AND TIME

July 23, 2025 at 10:00 a.m.

☐ **Inspection of Premises:** **YOU ARE COMMANDED** to permit entry onto the designated premises, land, or other property possessed or controlled by you at the time, date, and location set forth below, so that the requesting party may inspect, measure, survey, photograph, test, or sample the property or any designated object or operation on it.

PLACE

DATE AND TIME

The following provisions of Fed. R. Civ. P. 45, made applicable in bankruptcy cases by Fed. R. Bankr. P. 9016, are attached – Rule 45(c), relating to the place of compliance; Rule 45(d), relating to your protection as a person subject to a subpoena; and Rule 45(e) and 45(g), relating to your duty to respond to this subpoena and the potential consequences of not doing so.

Date: July 1, 2025

CLERK OF COURT

OR

Signature of Clerk or Deputy Clerk

/s/ William E. Chipman, Jr.

Attorney's signature

The name, address, email address, and telephone number of the attorney representing Eversheds Sutherland (US) LLP, who issues or requests this subpoena, is: William E. Chipman, Jr., CHIPMAN BROWN CICERO & COLE, LLP, Hercules Plaza, 1313 N. Market Street, Suite 5400, Wilmington, DE 19801, chipman@chipmanbrown.com, Tel. (302) 295-0191

Notice to the person who issues or requests this subpoena

If this subpoena commands the production of documents, electronically stored information, or tangible things, or the inspection of premises before trial, a notice and a copy of this subpoena must be served on each party before it is served on the person to whom it is directed. Fed. R. Civ. P. 45(a)(4).

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 45.)

I received this subpoena for *(name of individual and title, if any)*: _____
on *(date)* _____.

☐ I served the subpoena by delivering a copy to the named person as follows: _____
_____ on *(date)* _____; or

☐ I returned the subpoena unexecuted because: _____

Unless the subpoena was issued on behalf of the United States, or one of its officers or agents, I have also tendered to the witness the fees for one day's attendance, and the mileage allowed by law, in the amount of \$ _____.

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____.

I declare under penalty of perjury that this information is true and correct.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information concerning attempted service, etc.:

Federal Rule of Civil Procedure 45(c), (d), (e), and (g) (Effective 12/1/13)
(made applicable in bankruptcy cases by Rule 9016, Federal Rules of Bankruptcy Procedure)

(c) Place of compliance.

(1) *For a Trial, Hearing, or Deposition.* A subpoena may command a person to attend a trial, hearing, or deposition only as follows:

- (A) within 100 miles of where the person resides, is employed, or regularly transacts business in person; or
- (B) within the state where the person resides, is employed, or regularly transacts business in person, if the person
 - (i) is a party or a party's officer; or
 - (ii) is commanded to attend a trial and would not incur substantial expense.

(2) *For Other Discovery.* A subpoena may command:

- (A) production of documents, or electronically stored information, or things at a place within 100 miles of where the person resides, is employed, or regularly transacts business in person; and
- (B) inspection of premises, at the premises to be inspected.

(d) Protecting a Person Subject to a Subpoena; Enforcement.

(1) *Avoiding Undue Burden or Expense; Sanctions.* A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The court for the district where compliance is required must enforce this duty and impose an appropriate sanction — which may include lost earnings and reasonable attorney's fees — on a party or attorney who fails to comply.

(2) *Command to Produce Materials or Permit Inspection.*

(A) *Appearance Not Required.* A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(B) *Objections.* A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing or sampling any or all of the materials or to inspecting the premises — or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

- (i) At any time, on notice to the commanded person, the serving party may move the court for the district where compliance is required for an order compelling production or inspection.
- (ii) These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party's officer from significant expense resulting from compliance.

(3) *Quashing or Modifying a Subpoena.*

(A) *When Required.* On timely motion, the court for the district where compliance is required must quash or modify a subpoena that:

- (i) fails to allow a reasonable time to comply;
- (ii) requires a person to comply beyond the geographical limits specified in Rule 45(c);
- (iii) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or
- (iv) subjects a person to undue burden.

(B) *When Permitted.* To protect a person subject to or affected by a subpoena, the court for the district where compliance is required may, on motion, quash or modify the subpoena if it requires:

- (i) disclosing a trade secret or other confidential research, development, or commercial information; or

(ii) disclosing an unretained expert's opinion or information that does not describe specific occurrences in dispute and results from the expert's study that was not requested by a party.

(C) *Specifying Conditions as an Alternative.* In the circumstances described in Rule 45(d)(3)(B), the court may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

- (i) shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and
- (ii) ensures that the subpoenaed person will be reasonably compensated.

(e) Duties in Responding to a Subpoena.

(1) *Producing Documents or Electronically Stored Information.* These procedures apply to producing documents or electronically stored information:

(A) *Documents.* A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to the categories in the demand.

(B) *Form for Producing Electronically Stored Information Not Specified.* If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) *Electronically Stored Information Produced in Only One Form.* The person responding need not produce the same electronically stored information in more than one form.

(D) *Inaccessible Electronically Stored Information.* The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) *Claiming Privilege or Protection.*

(A) *Information Withheld.* A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

- (i) expressly make the claim; and
- (ii) describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(B) *Information Produced.* If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information under seal to the court for the district where compliance is required for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

...
(g) *Contempt.* The court for the district where compliance is required — and also, after a motion is transferred, the issuing court — may hold in contempt a person who, having been served, fails without adequate excuse to obey the subpoena or an order related to it.

Exhibit A

DOCUMENTS REQUESTED

1. All Communications between You and the Trustee (including the Trustee's counsel and representatives) concerning the Settlement Agreement including, but not limited to, negotiation, drafting, signing and performance of the Settlement Agreement.

2. All Communications between You and Medley Management (including the Medley Management's counsel and representatives) concerning the Settlement Agreement including, but not limited to, negotiation, drafting, signing and performance of the Settlement Agreement.

3. All Communications between You and the SEC concerning the Settlement Agreement including, but not limited to, negotiation, drafting, signing and performance of the Settlement Agreement.

4. All Communications between You and Eversheds concerning the Settlement Agreement including, but not limited to, negotiation, drafting, signing and performance of the Settlement Agreement.

5. All Communications between You and the Trustee (including the Trustee's counsel and representatives) concerning the "other alleged Causes of Action against one or more of the Taube Released Parties in addition to the Preserved Claims" referred to in Paragraph J of the Recitals in the Settlement Agreement.

6. All Communications between You and Medley Management (including the Medley Management's counsel and representatives) concerning the "other alleged Causes of Action against one or more of the Taube Released Parties in addition to the Preserved Claims" referred to in Paragraph J of the Recitals in the Settlement Agreement.

7. All Communications between You and Eversheds concerning the “other alleged Causes of Action against one or more of the Taube Released Parties in addition to the Preserved Claims” referred to in Paragraph J of the Recitals in the Settlement Agreement.

8. All Documents concerning the Settlement Agreement including, but not limited to, drafts of the Settlement Agreement.

9. All amendments and/or modifications of the Settlement Agreement.

10. All notices and/or certifications provided under Paragraph 21 of the Settlement Agreement.

11. All Communications between You and the Trustee (including the Trustee’s counsel and representatives) concerning the Side Agreement including, but not limited to, negotiation, drafting, signing and performance of the Side Agreement.

12. All Communications between You and Medley Management (including the Medley Management’ counsel and representatives) concerning the Side Agreement including, but not limited to, negotiation, drafting, signing and performance of the Side Agreement.

13. All Communications between You and the SEC concerning the Side Agreement including, but not limited to, negotiation, drafting, signing and performance of the Side Agreement.

14. All Communications between You and Eversheds concerning the Side Agreement including, but not limited to, negotiation, drafting, signing and performance of the Side Agreement.

15. All Documents concerning the Side Agreement including, but not limited to, drafts of the Side Agreement.

16. All Communications between You and the Trustee (including the Trustee’s counsel and representatives) concerning the Forbearance Agreement including, but not limited to, negotiation, drafting, signing and performance of the Forbearance Agreement.

17. All Communications between You and Medley Management (including the Medley Management' counsel and representatives) concerning the Forbearance Agreement including, but not limited to, negotiation, drafting, signing and performance of the Forbearance Agreement.

18. All Communications between You and the SEC concerning the Forbearance Agreement including, but not limited to, negotiation, drafting, signing and performance of the Forbearance Agreement.

19. All Communications between You and Eversheds concerning the Forbearance Agreement including, but not limited to, negotiation, drafting, signing and performance of the Forbearance Agreement.

20. All Documents concerning the Forbearance Agreement including, but not limited to, drafts of the Forbearance Agreement.

21. All Communications between You and the Trustee (including the Trustee's counsel and representatives) concerning the February 2023 Settlement Agreements including, but not limited to, negotiation, drafting, signing and performance of the February 2023 Settlement Agreements.

22. All Communications between You and the "Medley D&Os" (as that term is defined in the February 2023 Settlement Agreements), including each of them, their counsel and representatives, concerning the February 2023 Settlement Agreements including, but not limited to, negotiation, drafting, signing and performance of the February 2023 Settlement Agreements.

23. All Communications between You and Eversheds concerning the February 2023 Settlement Agreements including, but not limited to, negotiation, drafting, signing and performance of the February 2023 Settlement Agreements.

24. All Documents concerning the February 2023 Settlement Agreements including, but not limited to, drafts of the February 2023 Settlement Agreements.

DEFINITIONS

1. As used herein, the terms “You” and “Your” refers to Schulte Roth & Zabel LLP and each of its professionals and attorneys including, but not limited to, Douglas I. Koff.

2. As used herein, the term Trustee refers to Saccullo Business Consulting, LLC as trustee of the Medley LLC Liquidating Trust, and each of its managers, employees, agents, officers, professionals, directors and attorneys, and all persons who acted or purported to act on their (or any of their) behalf including, but not limited to, Reid Collins & Tsai LLP (and each of its professionals including, but not limited to, Eric D. Madden, Esq.) and Kelly Drye & Warren LLP (and each of its professionals including, but not limited to, James S. Carr, Esq.).

3. As used herein, the term “Medley Management” refers to Medley Management, Inc., and each of its managers, employees, agents, officers, professionals, directors and attorneys, and all persons who acted or purported to act on its (or their) behalf including, but not limited to, Lucosky Brookman LLP (and each of its professionals including, but not limited to, Adele Hogan, Esq.).

4. As used herein, the term “Eversheds” means Eversheds Sutherland (US) LLP, and each of its partners, employees, agents, officers, professionals, directors and attorneys, and all persons who acted or purported to act on their (or any of their) behalf.

5. As used herein, the term “Settlement Agreement” means the Settlement Agreement and Release dated on or about March 23, 2022 by and among Medley LLC Liquidating Trust, Medley Management, Inc., Brook Taube, Seth Taube, and Brook Taube Trust. (Exhibit 1 hereto).

6. As used herein, the term “Forbearance Agreement” means the Forbearance Agreement and Agreement to Mediate entered into and effective as of March 23, 2022 by and among Medley Management, Inc., Brook Taube, Seth Taube, Jeffrey Tonkel, Richard Allorto, Sam Anderson, John Fredericks and Eversheds Sutherland (US) LLP. (Exhibit 2 hereto).

7. As used herein, the term “Side Letter” refers to the Agreement entered on or about March 9, 2022 by and between Saccullo Business Consulting, LLC, as liquidating trustee for the Medley LLC Liquidating Trust, and Eversheds Sutherland (US) LLP. (Exhibit 3 hereto).

8. As used herein, the term “February 2023 Settlement Agreements” refers collectively to the Settlement Agreement and Release of Pre-April 30 Claims, entered on February 13, 2023, and the Settlement Agreement and Release of Post-April 30 Claims, entered on February 13, 2023. (Exhibit 4 hereto).

9. As used herein, the term “Communication” means the transmittal of statements or information (in the form of facts, ideas, inquiries, or otherwise) by any means, including, but not limited to, any meeting, conversation, discussion, conference, correspondence, message, or other written or oral transmission, exchange, or transfer of information in any form between two or more persons, including in person or by telephone, facsimile, email, voicemail, document (as defined herein), text message or other medium.

10. As used herein, the term “concerning” means consisting of, reflecting, referring to, regarding, related to, involving, evidencing, constituting, or having any legal, logical, evidential, or factual connection with (whether to support or to rebut) the subject matter designated in any of these Requests. A request for documents “concerning” a specified subject matter always shall include communications, notes, and memoranda (whenever prepared) relating to the subject matter of the request.

11. The term “Document” shall have the broadest meaning permitted by Fed. R. Bankr. P. 7034(a) and Fed. R. Civ. P. 34(a) and includes without limitation all originals, copies (if the originals are not available), non-identical copies (whether different from the original because of underlining, editing marks, notes made on or attached to such copy, or otherwise) and drafts of the following items, whether printed or recorded (through a sound, video or other electronic, magnetic or digital recording system) or reproduced by hand, including, but not limited to, letters, correspondence, other communications in any form, memoranda, records, notes or summaries of personal conversations or interviews, minutes or records or notes of meetings or conferences, note pads, notebooks, “Post-It” notes, stenographic notes, notes, notebooks, opinions or reports of financial advisors, investment bankers, accountants or consultants, opinions or reports of experts, projections, financial or statistical statements or compilations, general journal entries, accounts payable and accounts receivable ledgers, invoices, checks, wire transfers, bank records, contracts, agreements, appraisals, analyses, purchase orders, confirmations, publications, articles, books, pamphlets, circulars, microfilm, microfiche, reports, studies, logs, surveys, diaries, calendars, appointment books, maps, charts, graphs, bulletins, photostats, speeches, data sheets, pictures, photographs, illustrations, blueprints, films, drawings, plans, tape recordings, videotapes, disks, diskettes, data tapes or readable computer-produced interpretations or transcriptions thereof, email, text messages, WhatsApp messages (or similar applications), voice mail messages, web sites or social media posts (including, but not limited to, Facebook and Twitter), Excel files, interoffice communications, advertising, packaging and promotional materials and any other writings, papers and tangible things of whatever description whatsoever, including, but not limited to, any information contained in any computer, handheld device (including phone or tablet) server, mainframe, or other storage device (including (i) information on or in computer memory, (ii)

information on or in computer or network backup files, and (iii) information which has been “deleted” or “erased” but is recoverable) whether located on-site or at an off-site facility, within Your possession, custody or control.

12. The term “including” shall be interpreted in every instance as being illustrative of the information requested, shall be read as meaning “including, but not limited to” and shall not be interpreted to exclude any information otherwise within the scope of these requests.

13. The terms “person” or “persons” means natural persons, proprietorships, corporations, partnerships, trusts, joint ventures, groups, associations, organizations, and all other entities.

14. As the term “possession” pertains to web-site and social media posts, the term includes but is not limited to electronic content that is posted either publicly or privately on web-sites or social media accounts in Your possession, custody or control.

15. As the terms “possession” and “document” pertain to email these terms include but are not limited to email contained in Your electronic email directories containing:

- a. “deleted” emails which have not been permanently deleted, including all subdirectories irrespective of the title of such subdirectories;
- b. “sent” emails, including all subdirectories irrespective of the title of such subdirectories;
- c. “received” emails, including all subdirectories irrespective of the title of such subdirectories; and
- d. emails stored in document servers, Outlook folders, archives, tape back-ups, or other storage media.

16. A document, communication, or allegation “referring or relating” to a subject matter is one constituting, concerning, comprising, identifying, regarding, dealing with, containing, embodying, reflecting, stating, commenting on, describing, responding to, analyzing or pertaining to the matter in any way.

INSTRUCTIONS

1. The use of the singular shall be deemed to include the plural, and the use of the plural shall be deemed to include the singular, and the use of masculine, feminine or neutral gender shall include each gender, as appropriate in context.

2. The terms “all,” “any,” “each” and “every” shall each be construed as all, any, each and every to bring within the scope of the Request or Requests all information that might otherwise be construed to be outside of its scope.

3. The terms “and” and “or” shall be construed disjunctively or conjunctively as necessary to bring within the scope of the Request all information that might otherwise be construed to be outside of its scope.

4. Each Request shall be construed independently and not with reference to any other Request for the purpose of limitation.

5. A request for a Document shall be deemed to include a request for any and all cover emails, transmittal sheets, cover letters, exhibits, enclosures, or attachments to the Document, in addition to the document itself.

6. Please produce Documents as they have been kept in the usual course of business. Electronic documents and/or electronically stored information must be produced in native format with metadata intact (i.e., without metadata “scrubbing” or “cleansing”). Each Document shall be produced in such fashion as to indicate clearly the identity of the file in which such document was

located and the configuration in which such document was kept. If there is no Document responsive to any particular Request, please so state in writing.

7. In the event that You interpose an objection to the Request or Requests, You should clearly indicate to which part or portion of the Request or Requests the objection is directed and provide all documents to which objection is not made as if such part or portion were propounded as a separate Request.

8. You are to produce all Documents in Your possession, custody or control which are requested herein. The term “possession, custody or control” includes actual possession by You, actual possession by You with another person or entity or constructive possession by You in that You are legally entitled or able to obtain actual possession from another person including, but not limited to, Your attorneys, accountants and other professionals.

9. As the Requests relate to email, You are to review the text of each individual email (i.e. not simply review the subject heading or utilize an electronic search device). As the Requests relate to web-sites and other electronic information, You are to review the electronic content posted on web-sites in Your possession, custody or control (i.e. not simply review the subject heading or utilize an electronic search device).

10. You are to preserve all electronic documents in Your possession, which includes discontinuing any and all purging, deleting, erasing, overwriting or destroying of electronic documents in Your possession irrespective of Your normal business practice.

11. If any Document requested herein is withheld under claim of privilege, or is not provided for whatever reason, You are requested at the time of responding to these Requests to (a) describe in detail the claim of privilege or other reason used to withhold the information and (b) identify all information by date and subject matter, without disclosing its contents, in a manner

sufficient to allow it to be described to the Court for ruling on the privilege or other reason asserted. You are further requested to provide all requested information that is not subject to a claim of privilege or other reason for non-production by excising or otherwise protecting the portions for which a privilege is asserted, if such a technique does not result in disclosing the contents of the portions for which some privilege is asserted.

12. If any of the requested Documents were, but no longer are, in Your possession or subject to Your control, state whether such Document: (a) is missing or lost, (b) has been destroyed, (c) has been transferred voluntarily or involuntarily to any other person or entity or (d) has been otherwise disposed of, and, in each instance, explain the circumstances surrounding the disposition thereof and provide a description of the nature, content, date, author(s) and recipient(s) of the Document.

13. Each Request is deemed to be continuing in nature. If additional Documents are obtained or discovered or are brought to Your attention between the time of responding to this Request and the final disposition of this matter, prompt supplementation of Your response is hereby requested.

EXHIBIT 1

Execution Copy

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is entered into by and among Medley Management, Inc., a Delaware corporation (“Medley”), Brook Taube Trust (“BTT”), and Brook Taube and Seth Taube (collectively, the “Taubes”), and the Medley LLC Liquidating Trust (“Liquidating Trust”) by and through Saccullo Business Consulting, LLC, as Liquidating Trustee (the “Liquidating Trustee”). Medley, BTT, the Taubes, the Liquidating Trustee and the Liquidating Trust is each referred to individually herein as a “Party” and collectively as the “Parties.” The “Execution Date” of this Agreement is the date on which it has been executed by all Parties. Capitalized terms that are used herein but not defined shall have the meanings given to them in Schedule I attached hereto.

I. RECITALS

A. WHEREAS, Medley is a publicly-held company traded on OTCQB under the symbol MDLM, is registered with the Securities and Exchange Commission as an issuer of publicly traded securities, and was a managing member of Medley LLC (the “Debtor”);

B. WHEREAS, the Debtor is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), Case No. 21-10526 (the “Bankruptcy Proceeding”);

C. WHEREAS, on October 18, 2021, (i) the Bankruptcy Court entered the *Amended Findings Of Fact, Conclusions Of Law, And Order (I) Approving The Adequacy Of Disclosures On A Final Basis And (II) Confirming The Modified Third Amended Combined Disclosure Statement And Chapter 11 Plan Of Medley LLC* (Docket No. 445), approving the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (Docket No. 445-1) (the “Plan”) and (ii) the Plan became effective;

D. WHEREAS, on October 18, 2021, the Debtor’s assets, including the Causes of Action, automatically vested in the Liquidating Trust, and the Liquidating Trustee was authorized to: (i) pursue all such Causes of Action on behalf of the Liquidating Trust; and (ii) settle causes of action without Bankruptcy Court approval and subject only to the terms of the Liquidating Trust Agreement;

E. WHEREAS, certain past and current members of Medley’s board of directors and officers listed on Schedule II to this Agreement (the “Executives”) are third-party beneficiaries to this Agreement;

F. WHEREAS, the Liquidating Trustee has the responsibility to marshal and liquidate the Liquidating Trust’s assets for distribution to holders of Allowed Claims under the Plan;

G. WHEREAS, the Liquidating Trustee has maintained its intent to pursue Causes of Action for damages on behalf of the Liquidating Trust against Medley, the Taubes, BTT and the Executives in their capacity as directors, officers, stakeholders or otherwise of the Debtor or Medley;

H. WHEREAS, the insurance policies listed in Schedule III hereto (the “Policies”), subject to their terms and conditions, provide, or have provided, coverage for Loss arising out of certain claims for Wrongful Acts by the Debtor, Medley, and Insured Persons;

I. WHEREAS, the Liquidating Trustee, on behalf of the Liquidating Trust, has alleged certain purported Causes of Action for damages against one or more of the Taube Released Parties (defined in Section 6.1 below) for Wrongful Acts which allegedly caused Loss for which the Liquidating Trustee contends one or more of the Policies provide coverage pursuant to the terms of the Policies (the “Preserved Claims”);

J. WHEREAS, the Liquidating Trust has other alleged Causes of Action against one or more of the Taube Released Parties in addition to the Preserved Claims, including those arising under chapter 5 of the Bankruptcy Code and local, state and federal law analogues, which avoid, disgorge and compel restitution of monies received from the Debtor (the “Released Claims”). Further, any Cause of Action that the Liquidating Trust has against one or more of the Taube Released Parties that is not a Preserved Claim is a Released Claim;¹

K. WHEREAS, Medley, Seth Taube, and Brook Taube (collectively, the “Taube Parties”), the Executives and certain other parties intend to enter into a Forbearance Agreement substantially in the form attached hereto as Exhibit A;

L. WHEREAS, the parties have agreed to enter into a mediation of the Preserved Claims (the “Mediation”) and the Taube Parties will work in good faith to have the insurance carriers that issued the Policies participate in the Mediation;

M. WHEREAS, Medley, the Taubes, BTT, and the Executives deny, and do not admit, any liability or wrongdoing regarding the Released Claims and the Preserved Claims, and this Agreement may not be used or referred to in any proceeding for any reason; further, this Agreement shall not be interpreted as, does not constitute, and may not be used or referred to in any context as, an admission or any other type of evidence of alleged liability or wrongdoing. Notwithstanding the foregoing, the Parties may use this Agreement in a proceeding to enforce the provisions of this Agreement, solely as evidence that the Parties executed the Agreement and agreed to the terms set forth in the Agreement; and

N. WHEREAS, to avoid the risks, costs, fees, expenses, burdens, and distractions of further litigation, the Parties desire to finally and conclusively settle and compromise any and all Released Claims on the terms and conditions set forth below.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Parties, intending to be legally bound by this Agreement, agree as follows:

¹ For the avoidance of doubt, Preserved Claims and Released Claims are mutually exclusive, and this Agreement does not release Preserved Claims. Released Claims, on the other hand, include all claims for which Loss is not covered by any of the Policies pursuant to the terms of the Policies.

1. Adoption of Recitals. The recitals set forth above are adopted as part of the Agreement, and the facts set forth therein are acknowledged and agreed to be true and correct.

2. SEC Agreement as Condition Precedent. The Parties agree that the effectiveness of this Agreement is contingent upon the Taube Parties and the Securities and Exchange Commission (“SEC”) entering into a settlement regarding the SEC’s investigation entitled *In the Matter of Medley Capital Corporation*, File No. NY-10045 (the “SEC Offer of Settlement”) and approval by the SEC. The SEC Offer of Settlement will be considered approved by the SEC on the day that the SEC files an Order Instituting Administrative and Cease-and-Desist Proceedings against the Taube Parties relating to the SEC Offer of Settlement (the “SEC Agreement”).

2.1 The Taube Parties shall provide written notice to the Liquidating Trustee that either (a) the SEC Agreement has been filed by the SEC (the “Filing Notice”); or (b) no SEC Agreement will be filed by the SEC (the “Termination Notice”).

2.2 Upon the Liquidating Trustee’s receipt of the Termination Notice (if any), this Agreement shall be null and void and each component of the Settlement Payment (defined below) shall be returned to the Taube Parties or as they may otherwise direct.

3. The Settlement Payment. In full and final settlement of the Released Claims, the Taube Parties agree to collectively pay an amount of THIRTEEN MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$13,225,000) (the “Settlement Payment”), consisting of (a) TEN MILLION DOLLARS (\$10,000,000) (the “Class 3 Payment”), to be held in escrow by Ankura Trust Company, LLC (the “Escrow Agent”) and paid to the Liquidating Trust in the manner described in Section 3.1; (b) TWO MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$2,650,000) (the “Trust Payment”), to be paid to the Liquidating Trust in the manner described in Section 3.2; and (c) FIVE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$575,000) (the “Contribution Payment”), to be held in an account at Schulte Roth & Zabel LLP (“Schulte”) and paid to the Liquidating Trust in the manner described in Section 3.3. No amounts in this Agreement shall be subject to set off.

3.1 The Class 3 Payment. The Parties intend for Noteholders to be the ultimate recipients of the Class 3 Payment, with no deductions thereto, and agree that the Class 3 Payment will be made in the following manner:

- i. Within three (3) Business Days of the Execution Date, the Taubes will provide the Liquidating Trustee with the current version of their escrow agreement with the Escrow Agent (the “Escrow Agreement”). The Taube Parties further agree that, once the Escrow Agreement is executed, any subsequent amendments thereto will not become effective without the consent of the Liquidating Trustee, whose consent will not be unreasonably withheld.
- ii. Within ten (10) Business Days of executing the SEC Offer of Settlement, the Taubes will make the Class 3 Payment to the Escrow Agent and will notify the Liquidating Trustee that the Class 3 Payment has been made.

- iii. The Escrow Agent will hold the Class 3 Payment in escrow until the Escrow Agent and the Taube Parties receive a letter from the Liquidating Trustee substantially in the form attached hereto as Exhibit B (the “Confirmation Letter”).
- iv. If the Liquidating Trustee has not delivered the Confirmation Letter to the Escrow Agent and Taube Parties by twenty-five (25) Business Days before the Distribution Deadline (the “Confirmation Deadline”), the Liquidating Trustee shall forfeit the right to receive the Class 3 Payment and the Escrow Agent shall be permitted to release the Class 3 Payment as the Taubes direct.
- v. As provided in the Escrow Agreement, within three (3) Business Days of the Liquidating Trustee’s delivering the Confirmation Letter to the Escrow Agent and the Taube Parties, the Escrow Agent must deliver to the Liquidating Trust, pursuant to wire instructions that the Liquidating Trustee will provide, the amount designated in the Confirmation Letter to be distributed to the Notes Trustee, up to and including the entire Class 3 Payment.
- vi. If, after receiving funds from the Escrow Agent, the Liquidating Trustee determines that any representation in the Confirmation Letter is no longer accurate, the Liquidating Trust shall transfer those funds back to the Escrow Agent the next Business Day and the Liquidating Trustee shall forfeit the right to receive the Class 3 Payment. Otherwise, within ten (10) Business Days of receiving the Escrow Agent’s transfer and those funds becoming available for transfer, the Liquidating Trust will distribute those funds to the Notes Trustee (the “Class 3 Distribution”).
- vii. Within five (5) Business Days after the Liquidating Trust makes the Class 3 Distribution, the Liquidating Trustee will send the Taube Parties and the SEC a certification substantially in the form attached hereto as Exhibit C (the “Liquidating Trustee Certification”). The Liquidating Trustee agrees that the Liquidating Trustee Certification will be true and correct.
- viii. In addition to the Liquidating Trustee Certification, the Liquidating Trustee will make a good-faith effort to provide information reasonably requested by the SEC regarding the Class 3 Distribution.
- ix. The Confirmation Deadline and the deadlines in Sections 3.1(vi) and 3.1(vii) may be extended by written agreement of the Parties, so long as each occurs prior to the Distribution Deadline. Consent will not be unreasonably withheld.

3.2 The Trust Payment. The Taube Parties agree to make the Trust Payment within five (5) Business Days of the Execution Date. The Taube Parties will make the Trust Payment by wire transfer to the client trust account for counsel to the Liquidating Trustee (the “Reid Collins Trust Account”) according to the following wire instructions:

Broadway National Bank
1177 Northeast Loop 410
San Antonio, Texas 78209
Account Number: 4100077126
Bank ABA Number: 114021933
Account Name: Reid Collins & Tsai LLP IOLTA

Counsel for the Liquidating Trustee will transfer the Trust Payment to the Liquidating Trust on or after the Release Date. Prior to or contemporaneously with the Liquidating Trust's making the Class 3 Distribution to the Notes Trustee, the Liquidating Trust will pay ONE HUNDRED NINETY-ONE THOUSAND FIFTY-FOUR DOLLARS AND SIXTY-FIVE CENTS (\$191,054.65) from the Trust Payment to the Notes Trustee in full satisfaction of the Charging Lien.

3.3 The Contribution Payment. The Taube Parties agree to transfer the Contribution Payment to Schulte within five (5) Business Days of the Execution Date and to provide written confirmation of such payment to the Liquidating Trustee. The Taube Parties shall instruct Schulte to transfer the Contribution Payment to the Liquidating Trust as may be required under any settlement of the Preserved Claims. If no such settlement is reached by June 30, 2022 (or such later date as may be agreed by the Parties), this provision shall be of no further force and effect and there shall be no obligation to pay the Contribution Payment to the Liquidating Trust at any time and Schulte shall be permitted to remit the Contribution Payment back to the Taube Parties.

4. Liquidating Trust's Forbearance. In connection with the Mediation, the Liquidating Trust agrees: (1) to forbear from filing any claims or causes of action in any court or tribunal against the Taube Released Parties (defined below) until the earlier of (a) June 30, 2022, (b) the Termination Notice, and (c) the Agreement becoming null and void pursuant to Section 5; and (2) that its monetary demand to settle each of the Preserved Claims will be not more than the remaining coverage limits for each of the Policies applicable to such Preserved Claims after the Permitted Draws (as that term is defined in the Forbearance Agreement).

5. Release Date. The Parties agree that the releases set forth in Section 6 hereof will become effective upon the satisfaction of the following conditions (the "Release Date"): (1) each Party hereto has received a fully executed copy of the Agreement; (2) the Liquidating Trustee has received written confirmation that the Class 3 Payment has been deposited with the Escrow Agent pursuant to Section 3.1(ii); (3) the Liquidating Trustee has received an executed copy of the Escrow Agreement and any amendments thereto and notified the Taube Parties that it is acceptable;² (4) the Trust Payment has been deposited into the Reid Collins Trust Account pursuant to Section 3.2; (5) the Liquidating Trustee has received written confirmation of the transfer of the Contribution Payment to Schulte pursuant to Section 3.3; (6) the Forbearance Agreement has been executed and delivered to the Liquidating Trustee; (7) the Eversheds Letter has been executed and delivered to the Liquidating Trustee; and (8) the Liquidating Trustee receives the Filing Notice. If any of these conditions cannot

² The Liquidating Trustee's determination of whether the Escrow Agreement and amendments thereto are acceptable must be reasonable.

be met, this Agreement shall be null and void and each component of the Settlement Payment shall be returned to the Taube Parties or as they may otherwise direct.

6. Releases. On the Release Date, the Parties will make the following respective releases. For the avoidance of doubt, nothing in this Section 6 or elsewhere in this Agreement releases any Party from the obligations contained in this Agreement.

6.1 Liquidating Trust's Releases. On the Release Date, the Liquidating Trust, the Liquidating Trustee and the Debtor (the "Liquidating Trust Releasing Parties") hereby release, waive, relinquish, disavow and forever discharge Medley, the Taubes, BTT, and the Executives and all of their respective affiliates, subsidiaries, family members, former spouses, trusts, former trusts (including, but not limited to, any trust that has been revoked or terminated),³ successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (collectively, the "Taube Released Parties"), of and from any and all Released Claims, whether considered claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counter claims, or cross claims, and any other damages or loss or other form of relief, any avoidance action and any cause of action), debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interests, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, from conduct of any nature whatsoever, which the Liquidating Trust Releasing Parties may have or claim to have, against any of the Taube Released Parties; provided however, that notwithstanding the foregoing, nothing in this Agreement releases any Preserved Claim that the Liquidating Trust has or may have against any of the Taube Released Parties or anyone else. Further, notwithstanding the foregoing, nothing in this Agreement releases claims held by the Debtor against any of its direct or indirect subsidiaries or held by any of those subsidiaries against any of the direct or indirect subsidiaries of the Debtor.

6.2 Taube Released Parties Releases. On the Release Date, the Taube Released Parties hereby release, waive, relinquish, disavow and forever discharge the Debtor, the Liquidating Trust and the Liquidating Trustee of and from any and all claims, actions, or causes of action arising under or related to sections 502(h) or 503 of the Bankruptcy Code.

7. Unknown Claims. The releases in Section 6 are executed with the full knowledge and understanding by the Parties that there may be more serious consequences or damages that are now not known. The Parties knowingly, voluntarily, and expressly waive, to the fullest extent permitted by law, any and all rights they may have under any statute or any common law principle that would limit the effect of the releases in Section 6 based upon their knowledge at the time they execute this Agreement. The Parties expressly waive their respective rights under the provisions of Section 1542 of the California Civil Code, which provides as follows:

³ For the avoidance of doubt, this includes B. Taube 2014 Associates LLC, the Seth and Angie Taube Trust, A. Taube 2014 Associates, LLC, and S. Taube 2014 Associates, LLC.

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

8. No Admission of Liability. This Agreement is intended as a compromise and shall be confidential as such to the maximum extent permitted by law. This Agreement is not intended and shall not be construed as an admission of liability by any Party.

9. Mutual Representations and Warranties. The Parties, and each of them, represent, warrant, and agree with each other as of the Execution Date and on the Release Date as follows:

9.1 Each Party has received or has had the opportunity to receive independent legal advice from attorneys of his or her choice with respect to the advisability of making the settlement and release provided herein, and with respect to the advisability of executing and being bound by this Agreement.

9.2 Except as expressly stated in this Agreement, no Party has made any statement or representation to any other Party regarding any fact that may be relied upon by any other Party in entering into this Agreement, and each Party specifically does not rely upon any statement, representation, or promise of any other Party in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement.

9.3 Each Party has made such investigation of the facts pertaining to this settlement and this Agreement, and all the matters pertaining thereto, as each Party deems necessary.

9.4 The terms of this Agreement are contractual, not a mere recital, and are the result of negotiation among all the Parties.

9.5 This Agreement has been carefully read by, the contents hereof are known and understood by, and it is signed freely by, each Person executing this Agreement on behalf of a Party; and each Person executing this Agreement on behalf of a Party in a representative capacity is empowered to do so.

9.6 This Agreement has been drafted by the Parties' respective counsel and is to be construed neutrally and not for or against any Party.

10. Representations and Warranties. Each Party specified below makes further and specific representations and warranties that are true and correct as of the Execution Date and shall remain true and correct until the time of performance contemplated under this Agreement is completed unless otherwise specified below.

10.1 Medley's Representations and Warranties. Medley has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and to otherwise to carry out its obligations hereunder. This Agreement, having been duly and validly authorized, executed and delivered on behalf of Medley, shall constitute

the legal, valid, and binding obligations of Medley, enforceable against Medley in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies. The execution, delivery, and performance by Medley of this Agreement and the consummation by Medley of the transactions contemplated hereby and thereby will not: (a) conflict with or violate any provision of Medley's certificate of incorporation, bylaws or other organizational or charter documents, in any material respect; (b) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the creation of any options, contracts, agreements, liens, security interests, or other encumbrances upon any of the properties or assets of Medley, or give to others any rights of termination, amendment, acceleration or cancellation of (with or without notice, lapse of time or both), any agreement, credit facility, debt, indenture or other instrument to which Medley is a party or by which any property or asset of the Medley is bound or affected, in a way that would cause material adverse effect to the Medley; or (c) result in a violation of any law, rule, regulation, order, judgment, decree or other restriction of any court or governmental authority (including federal and state securities or "blue sky" laws) applicable to Medley or by which any property or asset of Medley is bound or affected, in any material respect.

10.2 BTT's Representations and Warranties. BTT has the requisite legal power and authority to enter into and to consummate the transactions contemplated by this Agreement and to otherwise carry out their obligations hereunder. This Agreement, having been duly and validly authorized, executed and delivered on behalf of BTT, shall constitute the legal, valid, and binding obligations of BTT, enforceable against BTT in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies. The execution, delivery, and performance by BTT of this Agreement and the consummation by BTT of the transactions contemplated hereby and thereby will not: (a) conflict with or violate any provision of BTT's or its subsidiaries' governing documents in any material respect; (b) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the creation of any options, contracts, agreements, liens, security interests, or other encumbrances upon any of the properties or assets of BTT or any of its subsidiaries, or give to others any rights of termination, amendment, acceleration or cancellation of (with or without notice, lapse of time or both), any agreement, credit facility, debt, indenture or other instrument to which BTT or any of its subsidiaries is a party or by which any property or asset of BTT or any of its subsidiaries is bound or affected, in a way that would cause material adverse effect to BTT or its subsidiaries; or (c) result in a violation of any law, rule, regulation, order, judgment, decree or other restriction of any court or governmental authority (including federal and state securities or "blue sky" laws) applicable to BTT or any of its subsidiaries or by which any property or asset of BTT or any of its subsidiaries is bound or affected, in any material respect.

10.3 Liquidating Trustee's Representations and Warranties and Covenants. The Liquidating Trustee hereby represents and warrants that (i) this Agreement has been duly and validly authorized, executed and delivered on behalf of the Liquidating Trust, shall constitute the legal, valid and binding obligations of the Liquidating Trust and shall be enforceable

against the Liquidating Trust; (ii) it has complied with all provisions of the Liquidating Trust Agreement and the Plan necessary to validly enter into this Agreement, including Section 3.2.13 of the Liquidating Trust Agreement; and (iii) the Liquidating Trust will not be seeking Bankruptcy Court approval of this Agreement.

11. Confidentiality. Unless otherwise agreed, the Parties agree to keep any performance under this Agreement confidential and not to disclose documents and communication related to performance under this Agreement, except: (i) to their respective attorneys, professionals, agents and accountants; (ii) to any government agency or regulatory authority and their employees and agents; (iii) to the insurance carriers insuring the Policies; (iv) with respect to the Liquidating Trustee, the Oversight Committee as defined in the Liquidating Trust Agreement; or (v) as required by law or legal process. If a Party is required by law or legal process to disclose this Agreement, such Party will, if practicable, give the other Parties prompt notice of such request so that any other Party may seek an appropriate protective order at its sole cost and expense. In the absence of a protective order, the Party required by law or legal process to disclose this Agreement may do so, provided that it has asked the person or entity requesting this Agreement to treat it as confidential. Notwithstanding the foregoing, the Parties may disclose this Agreement or the terms thereof in connection with any litigation concerning its subject matter, and the Parties further agree that the Liquidating Trustee may disclose its receipt and distribution of the Settlement Payment, or any part thereof, in connection with its reporting obligations under 28 U.S.C. § 589b and related rules and regulations.

12. Modification and Counterpart Copies. This Agreement may only be modified by a written instrument executed by all the Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party, except as specifically set forth in this Agreement. All prior discussion and negotiations have been and are merged and integrated into, and are superseded by, this Agreement. So long as each Party executes this Agreement, a copy of this Agreement, whether signed by one Party or multiple parties, shall have the same force, effect, and validity as an original Agreement executed by all Parties.

13. Attorneys' Fees. Each Party shall bear its own attorney's fees and costs related to this Agreement and the releases herein. Notwithstanding the foregoing, in the event suit is brought or an attorney is retained by any Party to this Agreement to enforce its terms, or to collect any damages due for breach hereof, each Party shall be solely and exclusively responsible for its own attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith. Nothing in this Agreement is construed as a waiver by any Party of any rights under any insurance policy.

14. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

15. Construction of Agreement. Each of the Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed either in favor of or against any of the Parties.

16. Governing Law and Forum. In the event any Party seeks to enforce this Agreement including through a declaratory or similar action or to assert a claim for its breach, each of the Parties

hereby expressly consents to the exclusive jurisdiction of the Bankruptcy Court. The Parties agree that the Agreement shall be governed and construed in accordance with the laws of the State of New York.

17. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Parties, their respective agents, attorneys, executors, guardians, companies and affiliates, partners, members, beneficiaries, managers, officers, employees, heirs, successors and assigns.

18. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Parties; no Party shall have any power to obligate or bind the other Party in any manner whatsoever.

19. Waiver. No waiver by either Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

20. Severability. If any provision is held invalid by the Bankruptcy Court or any other court of competent jurisdiction, such provision shall not invalidate the entire Agreement, but the Agreement shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Parties shall be construed accordingly.

21. Notices. Any notice or certification required by this Agreement shall be provided in writing via overnight mail and via email to each of the Parties and in the following manner:

To the Liquidating Trustee:

Eric D. Madden, Esq.
Reid Collins & Tsai LLP
1601 Elm Street, Suite 4200
Dallas, Texas 75201
emadden@reidcollins.com

To Medley:

Adele Hogan, Esq.
Lucosky Brookman LLP
111 Broadway, Suite 807
New York, New York 10006
ahogan@lucbro.com

To the Taubes and BTT

Douglas Koff, Esq.
Schulte Roth & Zabel LLP
919 3rd Ave.
New York, New York 10022
douglas.koff@srz.com

22. Third-Party Beneficiaries. The Executives are third-party beneficiaries of this Agreement and the releases contained herein.

Signature page follows.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the Execution Date.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee

Name:

Title:

Date:

MEDLEY MANAGEMENT, INC.

DocuSigned by:

Richard Allorto

844E2EF8EF84464...

Name: Richard Allorto

Title: Chief Financial Officer

Date: 3/23/22

DocuSigned by:

Brook Taube

07FC428FD0B64F2...

Brook Taube

Date: 3/23/22

DocuSigned by:

Seth Taube

89FA0F1756F5419

Seth Taube

Date: 3/23/22

BROOK TAUBE TRUST

DocuSigned by:

Brook Taube

07FC428FD0B64F3


Name: Brook Taube

Title: N/A

Date: 3/23/22

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the Execution Date.

MEDLEY LLC LIQUIDATING TRUST


By: Saccullo Business Consulting, LLC, as
Liquidating Trustee

Name: *Anthony M Saccullo*

Title: *Liquidating Trustee*

Date: *3/23/22*

MEDLEY MANAGEMENT, INC.

Name:

Title:

Date:

Brook Taube

Date:

Seth Taube

Date:

BROOK TAUBE TRUST

Name:

Title:

Date

SCHEDULE I
DEFINED TERMS

“*2024 Notes*” means the senior unsecured notes with a maturity date of January 20, 2024 issued by the Debtor pursuant to the Notes Indenture.

“*2026 Notes*” means the senior unsecured notes with a maturity date of August 15, 2026 issued by the Debtor pursuant to the Notes Indenture.

“*Allowed*” means, with respect to any Claim against the Debtor (including any administrative Claim) or portion thereof, (a) any Claim that has been listed by the Debtor in the schedules (as such schedules may be amended by the Debtor or the Liquidating Trustee from time to time in accordance with Bankruptcy Rule 1009) as liquidated in amount other than zero or unknown and not disputed or contingent, and for which no proof of claim has been filed, (b) any timely filed proof of claim or request for payment of an administrative Claim, as to which no objection to the allowance thereof, or action to subordinate, avoid, classify, reclassify, expunge, estimate, or otherwise limit recovery with respect thereto, has been filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, the bar date order entered by the Bankruptcy Court or any other final order, and which applicable period of limitations has expired, (c) any Claim expressly allowed by a final order or under the Plan, or (d) any Claim that is compromised, settled or otherwise resolved pursuant to the authority granted to the Liquidating Trustee under Article X of the Plan and the Liquidating Trust Agreement; *provided, however*, that Claims temporarily allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered Allowed Claims; *provided, further*, that any Claim subject to disallowance in accordance with section 502(d) of the Bankruptcy Code shall not be considered an Allowed Claim.

“*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure.

“*Business Day*” means a day during which banks operating in New York State, Connecticut, and Texas are open for business.

“*Cause of Action*” or “*Causes of Action*” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Debtor and its affiliates. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“*Charging Lien*” means the lien or priority of payment in the amount of \$191,054.65 to which the Notes Trustee is entitled under the Notes Indenture and Plan against any distributions to be made from the Liquidating Trust to holders of Notes Claims.

“*Claim*” means any claim, as defined in section 101(5) of the Bankruptcy Code, against the Debtor.

“*Defense Expenses*” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a Claim, and the premium for appeal, attachment, or similar bond.

“*Distribution Deadline*” is the deadline established by the SEC in which the SEC is to be provided with documentation by the Taube Parties in the form acceptable to the SEC that the Class 3 Payment was provided to the Noteholders. The Parties understand that the SEC deems the Confirmation Letter and the Liquidating Trustee Certification sufficient documentation in this regard. The Parties further understand that, as of the Execution Date, the Distribution Deadline is expected to be 180 days after the SEC files the SEC Agreement. If the SEC subsequently extends that deadline, the Distribution Deadline automatically becomes the latest date that the SEC allows. While the SEC has established the Distribution Deadline, the SEC has not directed this Agreement or the Settlement Payment to be made.

“*Eversheds Letter*” means that certain letter agreement between Eversheds Sutherland (US) LLP and the Liquidating Trust executed in March 2022 and concerning the Amended Omnibus Order Awarding Final Fee Applications entered as Docket No. 569 in the Bankruptcy Proceeding.

“*Insured Person*” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of Medley or the Debtor.

“*Liquidating Trust Agreement*” means that certain Liquidating Trust Agreement and Declaration of Trust filed as Docket No. 371-1 in the Bankruptcy Proceeding.

“*Loss*” means (i) Defense Expenses; and (ii) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“*Notes*” means, collectively, the 2024 Notes and the 2026 Notes.

“*Management Services*” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of Medley or the Debtor.

“*Notes Claims*” means, collectively, all Claims derived from or based upon the Notes or the Notes Indenture, including in each case Claims for all principal amounts outstanding, interest, expenses, costs, and other charges arising thereunder or related thereto.

“*Notes Indenture*” means that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated August 9, 2016, between the Debtor, as issuer, and U.S. Bank National Association, as trustee, that governs the 2024 Notes and 2026 Notes.

“*Notes Trustee*” means U.S. Bank National Association, in its capacity as trustee under the Notes Indenture.

“*Noteholders*” means holders of the Notes.

“*Wrongful Act*” means (1) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (2) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II
LIST OF EXECUTIVES

Richard T. Allorto, Jr.

John Fredericks

Jeffrey Tonkel

Christopher Taube

Samuel Anderson

Guy Rounsaville, Jr.

James G. Eaton

Jeffrey T. Leeds

SCHEDULE III**LIST OF THE POLICIES**

Insurer	Policy No.
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03
Starr Indemnity & Liability Company	1000059851171
Allied World Insurance Company	031-3481
Allianz Global Risks US Insurance Company	USF00298219
Euclid Financial Institution Underwriters, LLC	EFI0701412 00
Old Republic Professional Liability, Inc.	ORPRO 42450
Travelers Casualty and Surety Company of America	106601622
Freedom Specialty Insurance Company	XMF1702465
Endurance American Insurance Company	FIX10007675802
Allianz Global Risks US Insurance Company	DOX2010224

EXHIBIT A

FORM OF FORBEARANCE AGREEMENT

**FORBEARANCE AGREEMENT AND
AGREEMENT TO MEDIATE**

This Forbearance Agreement and Agreement to Mediate (the “Agreement”) is entered into and effective as of March 23, 2022, and with respect to each party hereto, as of the date that such party executes this Agreement, (the “Effective Date”), by and among Medley Management, Inc., a Delaware corporation, and its undersigned counsel (“Medley”), Brook Taube, Seth Taube, Jeffrey Tonkel, Richard Allorto, Samuel Anderson and John Fredericks, and their undersigned counsel (collectively, the “Medley D&Os”), and Eversheds Sutherland (US) LLP (“Eversheds”), in its capacity as counsel for, *inter alia*, Medley LLC and Medley Management, Inc. Medley, the Medley D&Os, and Eversheds are each referred to individually herein as a “Party” and collectively as the “Parties.” Capitalized terms that are used herein but not defined shall have the meanings given to them in Schedule I attached hereto.

I. RECITALS

A. WHEREAS, Medley LLC is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, Case No. 21-10526, in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

B. WHEREAS, Medley, its affiliates, and subsidiaries (collectively, the “Medley Entities”), and its officers and directors were insured under three towers of insurance policies, as set forth on Schedule II (collectively, the “Insurance Policies”) attached hereto;

C. WHEREAS, the Medley D&Os served as directors or officers of the Medley Entities (together with the Medley Entities, the “Insured Parties”);

D. WHEREAS, the Medley LLC Liquidating Trust (the “Liquidating Trust”) is releasing Medley, the Medley D&Os, and certain other individuals and entities from the alleged Causes of Action that the Liquidating Trust has against one or more of the Insured Parties, except for the Preserved Claims (defined below), (the “Releases”) in connection with that certain Settlement Agreement and Release, dated on or about the date hereof among Medley, Brook Taube Trust, Brook Taube, Seth Taube, and the Liquidating Trust (the “Settlement Agreement”);

E. WHEREAS, in connection with that Settlement Agreement, Saccullo Business Consulting, LLC, as liquidating trustee (the “Liquidating Trustee”) for the Liquidating Trust, has agreed that the Liquidating Trust’s monetary demand in connection with the mediation of certain alleged Causes of Action for damages against one or more of the Insured Parties for Wrongful Acts which caused Loss for which the Trustee contends one or more of the Insurance Policies provide coverage pursuant to the terms of the Insurance Policies (the “Preserved Claims”) will be not more than the remaining coverage limits for each of the Insurance Policies, thus leaving an amount of insurance limits

available under the Insurance Policies for other purposes, including payment of defense fees;

F. WHEREAS, the Liquidating Trust has agreed to forbear from bringing any claims or causes of action against the Parties prior to the mediation contemplated in Section 4 below;

G. WHEREAS, the Liquidating Trust has asked Medley and the Medley D&Os to forbear from accepting and seeking the reimbursement of fees and expenses allegedly incurred or owed, except for the limitation on such forbearance as set forth in this Agreement (the “Forbearance”);

H. WHEREAS, the Parties acknowledge that all rights, arguments, and claims with respect to the Parties’ legal fees and expenses are reserved according to the terms and conditions memorialized in this Agreement;

I. WHEREAS, the Parties acknowledge that the companies that issued the Insurance Policies have reserved all rights with respect to the availability and extent of coverage afforded under the Insurance Policies in connection with the Preserved Claims.

J. WHEREAS, this Agreement is conditioned upon Medley, Brook Taube and Seth Taube, and the Securities and Exchange Commission (“SEC”) agreeing to a settlement regarding the SEC’s investigation entitled *In the Matter of Medley Capital Corporation*, File No. NY-10045 and that settlement’s final approval by the SEC (the “SEC Agreement”); if the SEC Agreement is not executed, this Agreement and the Forbearance hereunder shall be null and void.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Parties, intending to be legally bound by this Agreement, agree as follows:

1. Adoption of Recitals; Conditions Precedent. The Parties agree that this Agreement is conditioned upon execution and delivery of the Settlement Agreement.

2. Agreement to Allocate and Seek Payment of Certain Funds. The Parties agree to the prior allocation among counsel of the remaining available funds from the Starr Indemnity & Liability Company Policy (Policy Number 1000059851171), as listed on Exhibit A of this Agreement, for legal and advisory fees and expenses. The Parties further agree that Eversheds and Wilmer Cutler Pickering Hale and Dorr LLP (“Wilmer”) can seek payment of those funds, according to the agreed-upon allocation, upon the SEC Agreement’s execution. According to the agreed-upon allocation, Eversheds can seek payment of \$644,143, and Wilmer can seek payment of \$364,408, with each of Eversheds and Wilmer reserving its rights to seek payment of such amounts even if the SEC Agreement is not executed.

3. Agreement to Forbear. Except as provided in Paragraph 2 of this Agreement, during the Forbearance Period (defined below) the Parties agree to not request or accept payments under the Insurance Policies in accordance with the following terms and conditions:

- a. The Parties and their attorneys, with express reservation of all rights, arguments, or claims under the Insurance Policies, will not seek or accept

reimbursement from the Insurance Policies during the Forbearance Period for legal fees and expenses that are unpaid as of the date of this Agreement, or otherwise accrued during the Forbearance Period, except with regard to the following amounts (“Permitted Draws”), or as otherwise allowed in this Agreement:

- i. An amount not exceeding THREE HUNDRED THOUSAND DOLLARS (\$300,000) from the Allied World Insurance Company (Side A) Policy (Policy Number 0310-3481) listed under “Tower 1 (D&O)” on Exhibit A of this Agreement;
 - ii. An amount not exceeding FIVE HUNDRED THOUSAND DOLLARS (\$500,000) from the Allianz Global Risks US Insurance Company Policy (Policy Number USF00298219) and subsequent Insurance Policies listed therewith under “Tower 2 (D&O)” on Exhibit A of this Agreement; and
 - iii. An amount not exceeding such amount necessary to ensure a minimum remaining balance of THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) from the Travelers Casualty and Surety Co. of America Policy (Policy Number 106601622) listed under “Tower 3 (E&O)” on Exhibit A of this Agreement; provided that the Parties further agree that the Permitted Draws may not come from any other Insurance Policy listed under “Tower 3 (E&O)” on Exhibit A of this Agreement.
- b. The Parties agree that the Permitted Draws from the Allied World Insurance Company (Side A) Policy are reserved for fees and expenses that may accrue and become due and owing for services rendered in connection with the mediation of the Preserved Claims with the Liquidating Trust (the “Mediation Fees and Expenses”).
 - c. The Parties agree that the Permitted Draws from the Allianz Global Risks US Insurance Company Policy are reserved for Mediation Fees and Expenses.
 - d. The Parties agree that the Permitted Draws from the Travelers Casualty and Surety Co. of America Policy are reserved for unpaid legal fees and expenses as of the date of this Agreement and for Mediation Fees and Expenses; provided that \$500,000 of the Permitted Draws from the Travelers Casualty and Surety Co. of America Policy will only be used for Mediation Fees and Expenses.
 - e. The Parties further agree that any remaining balance from the Starr Indemnity & Liability Company Policy after the allocation described in Paragraph 2, are reserved for unpaid legal fees as well as Mediation Fees and Expenses.
 - f. The Parties and their attorneys agree to work in good faith to determine the appropriate allocation of insurance proceeds for reimbursement of legal fees

and expenses among counsel.

4. Agreement to Mediate. The Insured Parties agree to mediate the dispute over the Preserved Claims with the Liquidating Trust, with such mediation expected to be completed by no later than June 30, 2022, and with a mediator jointly selected by the Liquidating Trust and the Insured Parties (the “Mediator”). The Insured Parties agree to participate in a cost effective, streamlined mediation in good faith. The Insured Parties further agree to work in good faith to have the insurance companies, as listed on Exhibit A of this Agreement, participate in the Mediation.

5. Forbearance Period. The forbearance period shall start upon execution of this Agreement and shall last until the earlier of: (a) five (5) business days after payment of insurance proceeds to the Liquidating Trust to consummate a settlement reached with the Liquidating Trust resolving its alleged Preserved Claims, (b) if the Settlement Agreement is voided or terminated for any reason, the date of such voiding or termination, and (c) June 30, 2022 (the “Forbearance Period”). The Parties may extend the Forbearance Period with the written consent of all the Parties. Nothing in this Agreement shall constitute an agreement by any of the Parties to forbear beyond the Forbearance Period.

6. Time Is of the Essence. Time is of the essence in this Agreement.

7. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

8. Construction of Agreement. Each of the Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed in favor of, or to the detriment of, any of the other Parties.

9. Governing Law and Forum. This Agreement shall be construed under, governed by, and enforced in all respects, including interpretation, according to, the substantive laws of the State of New York without regard to New York’s choice-of-law provisions. In the event any Party seeks to enforce this Agreement or assert a claim for breach thereof, each of the Parties hereby expressly consents to the exclusive jurisdiction of federal and state courts sitting in New York, New York, to enforce the terms of this Agreement and to remedy any violation thereof, and the Parties also consent to personal jurisdiction in such courts and waive any objection based on personal jurisdiction grounds or the doctrine of *forum non conveniens*.

10. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Parties, their respective agents, attorneys, executors, guardians, companies and affiliates, partners, members, managers, officers, employees, heirs, successors, and assigns.

11. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Parties; no Party shall have any power to obligate or bind any other Party in any manner whatsoever.

12. Third-Party Beneficiaries. The Liquidating Trust and the Liquidating Trustee are third-party beneficiaries of this Agreement.

13. Purpose and Effect of Agreement. Nothing contained herein shall be deemed or construed to be an admission or acknowledgment of liability.

14. Waiver. No waiver by any Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

15. Severability. If any term, clause, or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause, or provision and such invalid term, clause, or provision shall be deemed to be severed from the Agreement.

16. Confidentiality. The Parties agree to keep the Settlement Agreement confidential and not to disclose documents and communication related to the Settlement Agreement, except: (i) to their respective attorneys, professionals, agents and accountants; (ii) to any government agency or regulatory authority and their employees and agents; (iii) to the insurance carriers insuring the Insurance Policies; and (iv) as required by law or legal process. If a Party is required by law or legal process to disclose the Settlement Agreement, such Party will, if practicable, give the other Parties prompt notice of such request so that any other Party may seek an appropriate protective order at its sole cost and expense. In the absence of a protective order, the Party required by law or legal process to disclose the Settlement Agreement may do so, provided that it has asked the person or entity requesting the Settlement Agreement to treat it as confidential. Notwithstanding the foregoing, the Parties may disclose the Settlement Agreement or the terms thereof in connection with any litigation concerning its subject matter.

17. Information Sharing. The Parties agree that this Agreement will be shared with the insurance carriers, or their designated representatives, as listed on Exhibit A of this Agreement.

18. Counterpart Signature Pages. This Agreement may be executed in one or more counterparts with facsimile or scanned signatures being deemed original, any of which need not contain the signatures of all Parties but all signed counterparts taken together will constitute one and the same agreement.

19. Expiration of Agreement. Notwithstanding any other provision herein, this Agreement expires June 30, 2022 absent prior written consent of all the Parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____
Title: _____
Date: _____

BROOK TAUBE

By: _____
Title: _____
Date: _____

SETH TAUBE

By: _____
Title: _____
Date: _____

JEFFREY TONKEL

By: _____
Title: _____
Date: _____

RICHARD ALLORTO

By: _____
Title: _____
Date: _____

SAMUEL ANDERSON

By: _____
Title: _____
Date: _____

JOHN FREDERICKS

By: _____
Title: _____
Date: _____

COUNSEL FOR MEDLEY MANAGEMENT INC.

By: _____
Title: _____
Date: _____

COUNSEL FOR BROOK TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR SETH TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR JEFFREY TONKEL

By: _____
Title: _____
Date: _____

COUNSEL FOR RICHARD ALLORTO

By: _____
Title: _____
Date: _____

COUNSEL FOR SAMUEL ANDERSON

By: _____
Title: _____
Date: _____

COUNSEL FOR JOHN FREDERICKS

By: _____
Title: _____
Date: _____

EVERSHEDS SUTHERLAND (US) LLP

By: _____

Title: _____

Date: _____

SCHEDULE I
DEFINED TERMS

“*Cause of Action*” or “*Causes of Action*” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Medley Entities. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“*Defense Expenses*” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a claim, and the premium for appeal, attachment, or similar bond.

“*Insured Person*” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of the Medley Entities.

“*Loss*” means (i) Defense Expenses; and (ii) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“*Management Services*” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of the Medley Entities.

“*Wrongful Act*” means (1) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (2) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II – INSURANCE POLICIES*

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd's of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access, or coverage.

EXHIBIT B

FORM OF CONFIRMATION LETTER

This Confirmation Letter by the Liquidating Trustee is made as of [], 2022] by Saccullo Business Consulting, as liquidating trustee (the “Liquidating Trustee”) of the Medley LLC Liquidating Trust (the “Liquidating Trust”), pursuant to the Settlement Agreement and Release dated as of March [], 2022 (as amended, supplemented or otherwise modified prior to the date hereof, the “Agreement”) by and among Medley Management, Inc., a Delaware corporation, Brook Taube Trust, and Brook Taube and Seth Taube (collectively, the “Taube Parties”), and the Liquidating Trust.

Pursuant to section 3.1 of the Agreement, the Liquidating Trustee hereby represents and confirms as follows:

1. The Liquidating Trust will be able to distribute [XX DOLLARS (\$XX)] (the “Class 3 Payment”), from the escrow account established with Ankura Trust Company, LLC (the “Escrow Agent”) by Brook Taube and Seth Taube, to U.S. Bank National Association, in its capacity as trustee under the Notes Indenture⁴ (the “Notes Trustee”), within ten (10) business days of receiving the Class 3 Payment from the Escrow Agent and those funds becoming available for transfer.
2. The Liquidating Trust will satisfy the Charging Lien⁵ prior to or contemporaneously with the Liquidating Trust’s distribution of the Class 3 Payment to the Notes Trustee.
3. The Charging Lien will be satisfied from funds other than the Class 3 Payment.
4. The Notes Trustee has confirmed to the Liquidating Trustee that, other than the \$191,054.65 owed pursuant to the Charging Lien, no money is owed to the Notes Trustee under the Notes Indenture or otherwise that would entitle the Notes Trustee to deduct funds from the Class 3 Payment.
5. It is the Liquidating Trustee’s intent that the Noteholders will be the ultimate recipients of the Class 3 Payment, with no deductions thereto.

⁴ The “Notes Indenture” is that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated August 9, 2016, between the Debtor, as issuer, and U.S. Bank National Association, as trustee, that governs (1) those senior unsecured notes with a maturity date of January 20, 2024 issued by the Debtor and (2) those senior unsecured notes with a maturity date of August 15, 2026 issued by the Debtor.

⁵ The “Charging Lien” is the lien or priority of payment in the amount of \$191,054.65 to which the Notes Trustee is entitled under the Notes Indenture against any distributions made from the Liquidating Trust to the Notes Trustee.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee

Name:

Title: _____

EXHIBIT C**FORM OF LIQUIDATING TRUSTEE CERTIFICATION**

This Liquidating Trustee Certification is made as of [, 2022] by Saccullo Business Consulting, as liquidating trustee (the “Liquidating Trustee”) of the Medley LLC Liquidating Trust (the “Liquidating Trust”), pursuant to the Settlement Agreement and Release (the “Agreement”) by and among Medley Management, Inc., a Delaware corporation, Brook Taube Trust, and Brook Taube and Seth Taube, and the Liquidating Trust.

Pursuant to section 3.1 of the Agreement, the Liquidating Trustee hereby represents and certifies as follows:

1. On [, 2022], the Liquidating Trust transferred [\$XX] (the “Class 3 Distribution”), which it received from the escrow account established with Ankura Trust Company, LLC by Brook Taube and Seth Taube, to U.S. Bank, N.A., as indenture trustee (the “Notes Trustee”). In addition to the Class 3 Distribution and prior to or contemporaneously with making the Class 3 Distribution to the Notes Trustee, the Liquidating Trust transferred an additional \$191,054.65 to the Notes Trustee in satisfaction of the Notes Trustee’s lien or priority of payment to which it was entitled under that certain indenture agreement dated August 9, 2016 between the Notes Trustee and Medley LLC. Attached hereto as “Exhibit 1” is a copy of the federal reference number for the Liquidating Trust’s wire transfer(s) to the Notes Trustee.

2. On [, 2022], the Notes Trustee transferred the Class 3 Distribution to the Depository Trust Company. Attached hereto as “Exhibit 2” is a copy of the federal reference number for the Notes Trustee’s wire transfer(s) to the Depository Trust Company.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee

Name:

Title:

EXHIBIT 2

EXECUTION VERSION

**FORBEARANCE AGREEMENT AND
AGREEMENT TO MEDIATE**

This Forbearance Agreement and Agreement to Mediate (the “Agreement”) is entered into and effective as of March 23, 2022, and with respect to each party hereto, as of the date that such party executes this Agreement, (the “Effective Date”), by and among Medley Management, Inc., a Delaware corporation, and its undersigned counsel (“Medley”), Brook Taube, Seth Taube, Jeffrey Tonkel, Richard Allorto, Samuel Anderson and John Fredericks, and their undersigned counsel (collectively, the “Medley D&Os”), and Eversheds Sutherland (US) LLP (“Eversheds”), in its capacity as counsel for, *inter alia*, Medley LLC and Medley Management, Inc. Medley, the Medley D&Os, and Eversheds are each referred to individually herein as a “Party” and collectively as the “Parties.” Capitalized terms that are used herein but not defined shall have the meanings given to them in Schedule I attached hereto.

I. RECITALS

A. WHEREAS, Medley LLC is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, Case No. 21-10526, in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

B. WHEREAS, Medley, its affiliates, and subsidiaries (collectively, the “Medley Entities”), and its officers and directors were insured under three towers of insurance policies, as set forth on Exhibit A (collectively, the “Insurance Policies”);

C. WHEREAS, the Medley D&Os served as directors or officers of the Medley Entities (together with the Medley Entities, the “Insured Parties”);

D. WHEREAS, the Medley LLC Liquidating Trust (the “Liquidating Trust”) is releasing Medley, the Medley D&Os, and certain other individuals and entities from the alleged Causes of Action that the Liquidating Trust has against one or more of the Insured Parties, except for the Preserved Claims (defined below), (the “Releases”) in connection with that certain Settlement Agreement and Release, dated on or about the date hereof among Medley, Brook Taube Trust, Brook Taube, Seth Taube, and the Liquidating Trust (the “Settlement Agreement”);

E. WHEREAS, in connection with that Settlement Agreement, Saccullo Business Consulting, LLC, as liquidating trustee (the “Liquidating Trustee”) for the Liquidating Trust, has agreed that the Liquidating Trust’s monetary demand in connection with the mediation of certain alleged Causes of Action for damages against one or more of the Insured Parties for Wrongful Acts which caused Loss for which the Trustee contends one or more of the Insurance Policies provide coverage pursuant to the terms of the Insurance Policies (the “Preserved Claims”) will be not more than the remaining coverage limits for each of the Insurance Policies, thus leaving an amount of insurance limits available under the Insurance Policies for other purposes, including payment of defense fees;

F. WHEREAS, the Liquidating Trust has agreed to forbear from bringing any claims or causes of action against the Parties prior to the mediation contemplated in Section 4 below;

EXECUTION VERSION

G. WHEREAS, the Liquidating Trust has asked Medley and the Medley D&Os to forbear from accepting and seeking the reimbursement of fees and expenses allegedly incurred or owed, except for the limitation on such forbearance as set forth in this Agreement (the “Forbearance”);

H. WHEREAS, the Parties acknowledge that all rights, arguments, and claims with respect to the Parties’ legal fees and expenses are reserved according to the terms and conditions memorialized in this Agreement;

I. WHEREAS, the Parties acknowledge that the companies that issued the Insurance Policies have reserved all rights with respect to the availability and extent of coverage afforded under the Insurance Policies in connection with the Preserved Claims.

J. WHEREAS, this Agreement is conditioned upon Medley, Brook Taube and Seth Taube, and the Securities and Exchange Commission (“SEC”) agreeing to a settlement regarding the SEC’s investigation entitled *In the Matter of Medley Capital Corporation*, File No. NY-10045 and that settlement’s final approval by the SEC (the “SEC Agreement”); if the SEC Agreement is not executed, this Agreement and the Forbearance hereunder shall be null and void.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Parties, intending to be legally bound by this Agreement, agree as follows:

1. Adoption of Recitals; Conditions Precedent. The Parties agree that this Agreement is conditioned upon execution and delivery of the Settlement Agreement.

2. Agreement to Allocate and Seek Payment of Certain Funds. The Parties agree to the prior allocation among counsel of the remaining available funds from the Starr Indemnity & Liability Company Policy (Policy Number 1000059851171), as listed on Exhibit A of this Agreement, for legal and advisory fees and expenses. The Parties further agree that Eversheds and Wilmer Cutler Pickering Hale and Dorr LLP (“Wilmer”) can seek payment of those funds, according to the agreed-upon allocation, upon the SEC Agreement’s execution. According to the agreed-upon allocation, Eversheds can seek payment of \$644,143, and Wilmer can seek payment of \$364,408, with each of Eversheds and Wilmer reserving its rights to seek payment of such amounts even if the SEC Agreement is not executed.

3. Agreement to Forbear. Except as provided in Paragraph 2 of this Agreement, during the Forbearance Period (defined below) the Parties agree to not request or accept payments under the Insurance Policies in accordance with the following terms and conditions:

- a. The Parties and their attorneys, with express reservation of all rights, arguments, or claims under the Insurance Policies, will not seek or accept reimbursement from the Insurance Policies during the Forbearance Period for legal fees and expenses that are unpaid as of the date of this Agreement, or otherwise accrued during the Forbearance Period, except with regard to the following amounts (“Permitted Draws”), or as otherwise allowed in this Agreement:

EXECUTION VERSION

- i. An amount not exceeding THREE HUNDRED THOUSAND DOLLARS (\$300,000) from the Allied World Insurance Company (Side A) Policy (Policy Number 0310-3481) listed under “Tower 1 (D&O)” on Exhibit A of this Agreement;
 - ii. An amount not exceeding FIVE HUNDRED THOUSAND DOLLARS (\$500,000) from the Allianz Global Risks US Insurance Company Policy (Policy Number USF00298219) and subsequent Insurance Policies listed therewith under “Tower 2 (D&O)” on Exhibit A of this Agreement; and
 - iii. An amount not exceeding such amount necessary to ensure a minimum remaining balance of THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) from the Travelers Casualty and Surety Co. of America Policy (Policy Number 106601622) listed under “Tower 3 (E&O)” on Exhibit A of this Agreement; provided that the Parties further agree that the Permitted Draws may not come from any other Insurance Policy listed under “Tower 3 (E&O)” on Exhibit A of this Agreement.
- b. The Parties agree that the Permitted Draws from the Allied World Insurance Company (Side A) Policy are reserved for fees and expenses that may accrue and become due and owing for services rendered in connection with the mediation of the Preserved Claims with the Liquidating Trust (the “Mediation Fees and Expenses”).
 - c. The Parties agree that the Permitted Draws from the Allianz Global Risks US Insurance Company Policy are reserved for Mediation Fees and Expenses.
 - d. The Parties agree that the Permitted Draws from the Travelers Casualty and Surety Co. of America Policy are reserved for unpaid legal fees and expenses as of the date of this Agreement and for Mediation Fees and Expenses; provided that \$500,000 of the Permitted Draws from the Travelers Casualty and Surety Co. of America Policy will only be used for Mediation Fees and Expenses.
 - e. The Parties further agree that any remaining balance from the Starr Indemnity & Liability Company Policy after the allocation described in Paragraph 2, are reserved for unpaid legal fees as well as Mediation Fees and Expenses.
 - f. The Parties and their attorneys agree to work in good faith to determine the appropriate allocation of insurance proceeds for reimbursement of legal fees and expenses among counsel.
4. Agreement to Mediate. The Insured Parties agree to mediate the dispute over the Preserved Claims with the Liquidating Trust, with such mediation expected to be completed by no

EXECUTION VERSION

later than June 30, 2022, and with a mediator jointly selected by the Liquidating Trust and the Insured Parties (the “Mediator”). The Insured Parties agree to participate in a cost effective, streamlined mediation in good faith. The Insured Parties further agree to work in good faith to have the insurance companies, as listed on Exhibit A of this Agreement, participate in the Mediation.

5. Forbearance Period. The forbearance period shall start upon execution of this Agreement and shall last until the earlier of: (a) five (5) business days after payment of insurance proceeds to the Liquidating Trust to consummate a settlement reached with the Liquidating Trust resolving its alleged Preserved Claims, (b) if the Settlement Agreement is voided or terminated for any reason, the date of such voiding or termination, and (c) June 30, 2022 (the “Forbearance Period”). The Parties may extend the Forbearance Period with the written consent of all the Parties. Nothing in this Agreement shall constitute an agreement by any of the Parties to forbear beyond the Forbearance Period.

6. Time Is of the Essence. Time is of the essence in this Agreement.

7. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

8. Construction of Agreement. Each of the Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed in favor of, or to the detriment of, any of the other Parties.

9. Governing Law and Forum. This Agreement shall be construed under, governed by, and enforced in all respects, including interpretation, according to, the substantive laws of the State of New York without regard to New York’s choice-of-law provisions. In the event any Party seeks to enforce this Agreement or assert a claim for breach thereof, each of the Parties hereby expressly consents to the exclusive jurisdiction of federal and state courts sitting in New York, New York, to enforce the terms of this Agreement and to remedy any violation thereof, and the Parties also consent to personal jurisdiction in such courts and waive any objection based on personal jurisdiction grounds or the doctrine of *forum non conveniens*.

10. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Parties, their respective agents, attorneys, executors, guardians, companies and affiliates, partners, members, managers, officers, employees, heirs, successors, and assigns.

11. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Parties; no Party shall have any power to obligate or bind any other Party in any manner whatsoever.

12. Third-Party Beneficiaries. The Liquidating Trust and the Liquidating Trustee are third-party beneficiaries of this Agreement.

13. Purpose and Effect of Agreement. Nothing contained herein shall be deemed or construed to be an admission or acknowledgment of liability.

EXECUTION VERSION

14. Waiver. No waiver by any Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

15. Severability. If any term, clause, or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause, or provision and such invalid term, clause, or provision shall be deemed to be severed from the Agreement.

16. Confidentiality. The Parties agree to keep the Settlement Agreement confidential and not to disclose documents and communication related to the Settlement Agreement, except: (i) to their respective attorneys, professionals, agents and accountants; (ii) to any government agency or regulatory authority and their employees and agents; (iii) to the insurance carriers insuring the Insurance Policies; and (iv) as required by law or legal process. If a Party is required by law or legal process to disclose the Settlement Agreement, such Party will, if practicable, give the other Parties prompt notice of such request so that any other Party may seek an appropriate protective order at its sole cost and expense. In the absence of a protective order, the Party required by law or legal process to disclose the Settlement Agreement may do so, provided that it has asked the person or entity requesting the Settlement Agreement to treat it as confidential. Notwithstanding the foregoing, the Parties may disclose the Settlement Agreement or the terms thereof in connection with any litigation concerning its subject matter.

17. Information Sharing. The Parties agree that this Agreement will be shared with the insurance carriers, or their designated representatives, as listed on Exhibit A of this Agreement.

18. Counterpart Signature Pages. This Agreement may be executed in one or more counterparts with facsimile or scanned signatures being deemed original, any of which need not contain the signatures of all Parties but all signed counterparts taken together will constitute one and the same agreement.

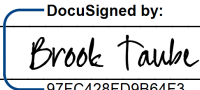
19. Expiration of Agreement. Notwithstanding any other provision herein, this Agreement expires June 30, 2022 absent prior written consent of all the Parties.

[Signature Page Follows]

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

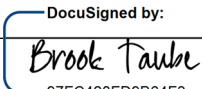
MEDLEY MANAGEMENT INC.

By: 
 Title:
 Date: 3/24/2022

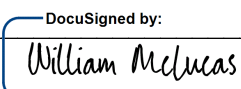
COUNSEL FOR MEDLEY
MANAGEMENT INC.

By:
 Title:
 Date:


BROOK TAUBE

By: 
 Title:
 Date: 3/23/2022


COUNSEL FOR BROOK TAUBE

By: 
 Title:
 Date: 3/23/2022

SETH TAUBE

By: 
 Title:
 Date: 3/23/2022

COUNSEL FOR SETH TAUBE

By: 
 Title:
 Date: 3/23/2022

JEFFREY TONKEL

By:
 Title:
 Date:

COUNSEL FOR JEFFREY TONKEL

By:
 Title:
 Date:


RICHARD ALLORTO

By:
 Title:
 Date:

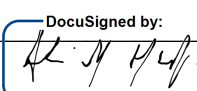
COUNSEL FOR RICHARD ALLORTO

By:
 Title:
 Date:

SAMUEL ANDERSON

By: 
 Title:
 Date: 3/23/2022

COUNSEL FOR SAMUEL ANDERSON

By: 
 Title:
 Date: 3/23/2022

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____

Title: _____

Date: _____

BROOK TAUBE

By: _____

Title: _____

Date: _____

SETH TAUBE

By: _____

Title: _____

Date: _____

JEFFREY TONKEL

By: _____

Title: _____

Date: _____

RICHARD ALLORTO

By: _____

Title: _____

Date: _____

SAMUEL ANDERSON

By: _____

Title: _____

Date: _____

COUNSEL FOR MEDLEY
MANAGEMENT INC.

By: _____

Title: _____

Date: _____

COUNSEL FOR BROOK TAUBE

SCHULTE ROTH & ZABEL LLP

By:  _____
Douglas Koff

Title: Partner

Date: 3/23/22

COUNSEL FOR SETH TAUBE

SCHULTE ROTH & ZABEL LLP

By:  _____
Douglas Koff

Title: Partner

Date: 3/23/22

COUNSEL FOR JEFFREY TONKEL

By: _____

Title: _____

Date: _____

COUNSEL FOR RICHARD ALLORTO

By: _____

Title: _____

Date: _____

COUNSEL FOR SAMUEL ANDERSON

By: _____

Title: _____

Date: _____

**For Settlement Purposes Only
Inadmissible in Any Proceeding
(under Federal Rule of Evidence 408 or similar Rule)
DRAFT as of 3/11/22**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____

Title: _____

Date: _____

BROOK TAUBE

By: _____

Title: _____

Date: _____

SETH TAUBE

By: _____

Title: _____

Date: _____

JEFFREY TONKEL

By: _____

Title: _____

Date: _____

RICHARD ALLORTO

By: _____

Title: _____

Date: _____

SAMUEL ANDERSON

By: _____

Title: _____

COUNSEL FOR MEDLEY
MANAGEMENT INC.

N. Adele Hogan

By: N. Adele Hogan

Title: Partner, Lucosky Brookman, LLP

Date: 3/22/22

COUNSEL FOR BROOK TAUBE

By: _____

Title: _____

Date: _____

COUNSEL FOR SETH TAUBE

By: _____

Title: _____

Date: _____

COUNSEL FOR JEFFREY TONKEL

By: _____

Title: _____

Date: _____

COUNSEL FOR RICHARD ALLORTO

By: _____

Title: _____

Date: _____

COUNSEL FOR SAMUEL ANDERSON

By: _____

Title: _____

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____
Title: _____
Date: _____


BROOK TAUBE

By: _____
Title: _____
Date: _____

SETH TAUBE

By: _____
Title: _____
Date: _____

JEFFREY TONKEL

By:  _____
Title: _____
Date: 3/23/22

RICHARD ALLORTO

By: _____
Title: _____
Date: _____

SAMUEL ANDERSON

By: _____
Title: _____
Date: _____

COUNSEL FOR MEDLEY
MANAGEMENT INC.

By: _____
Title: _____
Date: _____


COUNSEL FOR BROOK TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR SETH TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR JEFFREY TONKEL

By:  _____
Title: _____
Date: March 23, 2022

COUNSEL FOR RICHARD ALLORTO

By: _____
Title: _____
Date: _____

COUNSEL FOR SAMUEL ANDERSON

By: _____
Title: _____
Date: _____

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____
Title: _____
Date: _____

BROOK TAUBE

By: _____
Title: _____
Date: _____

SETH TAUBE

By: _____
Title: _____
Date: _____

JEFFREY TONKEL

By: _____
Title: _____
Date: _____

RICHARD ALLORTO

By: Richard Allorto
Title: Chief Financial Officer
Date: 3/23/2022

~~SAMUEL ANDERSON~~ RICHARD ALLORTO

By: _____
Title: _____
Date: _____

COUNSEL FOR MEDLEY
MANAGEMENT INC.

By: _____
Title: _____
Date: _____

COUNSEL FOR BROOK TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR SETH TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR JEFFREY TONKEL

By: _____
Title: _____
Date: _____

COUNSEL FOR RICHARD ALLORTO

By: Rory C. Flynn
Title: Counsel
Date: 3/28/2022

COUNSEL FOR ~~SAMUEL ANDERSON~~ RICHARD ALLORTO

By: _____
Title: _____
Date: _____

EXECUTION VERSION

JOHN FREDERICKS



COUNSEL FOR JOHN FREDERICKS

McGonigle PC

By: Stephen J. Crimmins

Title: Shareholder

Date: 3/22/2022

EVERSHEDS SUTHERLAND (US)

LLP

By: _____

Title: _____

Date: _____

EXECUTION VERSION

JOHN FREDERICKS

COUNSEL FOR JOHN FREDERICKS

By: _____

Title: _____

Date: _____

EVERSHEDS SUTHERLAND (US)

LLP



By: Bruce M. Bettigole _____

Title: Partner _____

Date: 3/23/2022 _____

By: _____

Title: _____

Date: _____

EXECUTION VERSION**SCHEDULE I**
DEFINED TERMS

“Cause of Action” or *“Causes of Action”* means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Medley Entities. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“Defense Expenses” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a claim, and the premium for appeal, attachment, or similar bond.

“Insured Person” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of the Medley Entities.

“Loss” means (i) Defense Expenses; and (ii) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“Management Services” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of the Medley Entities.

“Wrongful Act” means (1) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (2) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

EXECUTION VERSION**EXHIBIT A – INSURANCE POLICIES***

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd's of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

EXECUTION VERSION

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access, or coverage.

EXHIBIT 3

Settlement Communication Under Federal Rule of Evidence 408

AGREEMENT

This Agreement is being entered into by and between Eversheds Sutherland (US) LLP ("Eversheds") and Saccullo Business Consulting, LLC, as liquidating trustee (the "Liquidating Trustee" and together with Eversheds, the "Parties") for the Medley LLC Liquidating Trust (the "Liquidating Trust") established under the Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC dated as of October 14, 2021 (the "Medley Plan"), which was confirmed on October 18, 2021 by Order of the United States Bankruptcy Court for the District of Delaware (the "Court") in the chapter 11 case of Medley LLC (the "Debtor"), case number 21-10526.

WHEREAS, Eversheds was retained as Special Counsel to the Debtor pursuant to an order of the Court dated May 17, 2021 [Dkt. No. 167];

WHEREAS, the Court entered the Amended Omnibus Order Awarding Final Fee Applications on January 26, 2022 [Dkt. No. 569] (the "Final Fee Order") awarding Eversheds fees and expenses in the amount of \$2,080,055.19 (the "Eversheds Administrative Claim"), which amount is payable from assets of the Liquidating Trust to the extent (i) the applicable insurance carriers fail to pay the Eversheds Administrative Claim, and (ii) the Liquidating Trust has sufficient funds to pay such outstanding amounts;

WHEREAS, as part of the Medley Plan, holders of class 3 claims ("Class 3 Claims") and class 4 claims ("Class 4 Claims") are general unsecured claims that share *pari passu* on distributions from the Liquidating Trust;

WHEREAS, the Liquidating Trustee is negotiating a settlement (the "Chapter 5 Settlement") of the Liquidating Trust's causes of action that are not covered by insurance against Seth Taube, Brook Taube and Medley Management, Inc. (the "Settling Defendants") under which they will make a: (i) cash payment (the "Cash Payment"); and (ii) up to a \$10,000,000 payment from an established escrow reserve provided that those funds are distributable to Class 3 Claims (the "Class 3 Distribution"), and collectively with the Cash Payment, the "Settlement Payment";

WHEREAS, under the Medley Plan, the Class 3 Distribution would require the Liquidating Trustee to remit a *pro rata* distribution to holders of allowed Class 4 Claims (the "Class 4 Distribution") and reserve an amount for disputed Class 4 Claims (the "Class 4 Reserve");

WHEREAS, the Liquidating Trustee plans to use some, or all, of the Settlement Payment (as well as other assets of the Liquidating Trust, if needed) to make the Class 3 and Class 4 Distribution (collectively, the "Distributions"), to pay the necessary fees and expenses related to the Distributions, and to create the Class 4 Reserve;

WHEREAS, the forbearance and waiver of rights by Eversheds set forth in this Agreement are necessary to permit the Liquidating Trust to receive the maximum benefit of the negotiated agreement by and between the Settling Defendants and the Liquidating Trust, and to maximize the distribution to all creditors in this case by avoiding unnecessary litigation and the incumbent

dissipation of assets and insurance proceeds that may otherwise be available for distribution to creditors;

WHEREAS, for these reasons, the terms and conditions of this Agreement are integral and inextricable to the Chapter 5 Settlement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is mutually acknowledged, the Parties agree as follows:

1. Eversheds hereby waives any right it may have, or purport to have, under the Medley Plan or Final Fee Order: (i) to receive any payment on the Eversheds Administrative Claim until the Trust has received sufficient funds to: (1) make the Distributions, including, without limitation, the funds required to pay any fees and expenses associated with such Distributions (including fees of U.S. Bank, N.A., as indenture trustee, and the Office of the United States Trustee), (2) establish the Class 4 Reserve, (3) pay any costs, expenses, fees, claims, or other payment rights that are senior to the Eversheds Administrative Claim under the Medley Plan; and (4) satisfy, and or reserve for any claims that are, as of the date of this Agreement, entitled to *pari passu* treatment to the Eversheds Administrative Claim and the Eversheds Administrative Claim; and (ii) to compel the Liquidating Trustee to use the funds referenced in subpart (i) of this paragraph to satisfy the Eversheds Administrative Claim.

2. Notwithstanding anything in the Medley Plan or Final Fee Order, Eversheds agrees that (i) Eversheds shall first seek payment for the Eversheds Administrative Claim from applicable insurance carriers and in accordance with that certain forbearance agreement executed herewith; and (ii) if the applicable insurance carriers fail to pay the Eversheds Administrative Claim in a reasonable time not to exceed December 1, 2022, then Eversheds may seek payment from assets of the Liquidating Trust for what remains owed.

3. Miscellaneous:

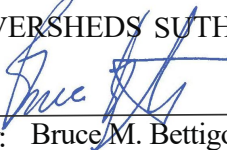
a. Amendments. No modification of any term of this Agreement shall be effective unless made in writing and signed by the Parties. Failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or of future compliance therewith and such provisions shall remain in full force and effect.

b. Severability. If any provision is found to be invalid, such provision shall not invalidate the entire Agreement, but the Agreement shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Parties shall be construed accordingly.

c. Counterpart Signature Pages. This Agreement may be executed by e-mail in one or more counterparts which taken together will constitute one agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

EVERSHEDS SUTHERLAND (US) LLP


By: Bruce M. Bettigole
Title: Partner
Date: March 9, 2022

SACCULLO BUSINESS CONSULTING, LLC, as Liquidating Trustee


By:
Title:
Date:

EXHIBIT 4

EXHIBIT B

Execution Copy

**SETTLEMENT AGREEMENT AND
RELEASE OF PRE-APRIL 30 CLAIMS**

This SETTLEMENT AGREEMENT AND RELEASE OF PRE-APRIL 30 CLAIMS (the “Agreement”) is made and entered into on February 13, 2023 by (i) the Medley D&Os¹ and (ii) the Medley LLC Liquidating Trust (the “Liquidating Trust”) through Saccullo Business Consulting, LLC, as Liquidating Trustee (the “Liquidating Trustee”). Collectively, the Liquidating Trust and the Medley D&Os are referred to herein as the “Settling Parties.”

I. RECITALS

A. WHEREAS, Medley LLC (the “Debtor”) is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), Case No. 21-10526;

B. WHEREAS, on October 18, 2021, (i) the Bankruptcy Court entered the *Amended Findings Of Fact, Conclusions Of Law, And Order (I) Approving The Adequacy Of Disclosures On A Final Basis And (II) Confirming The Modified Third Amended Combined Disclosure Statement And Chapter 11 Plan Of Medley LLC* (Docket No. 445) (the “Confirmation Order”), approving the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (Docket No. 445-1) (the “Plan”) and (ii) the Plan became effective;

C. WHEREAS, on October 18, 2021, the Debtor’s assets, including its Causes of Action, automatically vested in the Liquidating Trust, and the Liquidating Trustee was authorized to: (i) marshal and liquidate the Liquidating Trust’s assets for distribution under the Plan, (ii) pursue all such Causes of Action on behalf of the Liquidating Trust; and (iii) settle such Causes of Action subject to the terms of that certain Liquidating Trust Agreement and Declaration of Trust executed in connection with the Plan and Confirmation Order (the “Liquidating Trust Agreement”);²

D. WHEREAS, the Liquidating Trustee is the only party that may commence, litigate and settle any Causes of Action that are Liquidating Trust Assets (as defined in the Plan);

E. WHEREAS, on October 18, 2021, the Liquidating Trust Assets included all of the Debtor’s Causes of Action against the D&O Released Parties³ (the “Insider Claims”);⁴

F. WHEREAS, the Insider Claims consist, or consisted, only of: (1) purported Causes of Action for damages against one or more of the D&O Released Parties (defined in Section 9.1 below) for Wrongful Acts which allegedly caused Loss for which the Liquidating Trustee contends

¹ “Medley D&Os” is defined in Schedule I annexed hereto.

² “Causes of Action” is defined in Schedule I annexed hereto.

³ “D&O Released Parties” is defined in Section 9.1 below.

⁴ For the avoidance of doubt, Insider Claims also include those Causes of Action against the D&O Released Parties that became Liquidating Trust Assets after October 18, 2021.

Execution Copy

one or more of the insurance policies listed in Schedule II annexed hereto (the “Policies”), subject to their terms and conditions, provide, or have provided, coverage pursuant to the terms of the Policies (the “Covered Claims”); and (2) those Causes of Action that the Liquidating Trust finally and conclusively settled and released in the March 2022 Settlement Agreement (the “March 2022 Released Claims”);⁵

G. WHEREAS, the March 2022 Settlement Agreement did not settle or release any Covered Claims;

H. WHEREAS, the Covered Claims consist of (1) Covered Claims that involve wrongdoing alleged to have occurred before April 30, 2019 (the “Pre-April 30 Claims”) and (2) Covered Claims that involve wrongdoing alleged to have occurred on or after April 30, 2019 (the “Post-April 30 Claims”);⁶ and

I. WHEREAS, to avoid the uncertainty, expense, burden, and delay of litigating the Pre-April 30 Claims, the Settling Parties desire to finally and conclusively settle and compromise any and all Pre-April 30 Claims on the terms and conditions set forth below.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Settling Parties, intending to be legally bound by this Agreement, agree as follows:

1. Adoption of Recitals. The recitals set forth above are adopted as part of the Agreement, and the facts set forth therein are acknowledged and agreed to be true and correct.

2. Bankruptcy Court Approval. The Settling Parties acknowledge and agree that this Agreement is expressly conditioned upon, and shall not be deemed effective without, the Bankruptcy Court’s approval. The Liquidating Trustee shall use its best efforts to obtain an order of the Bankruptcy Court approving this Agreement pursuant to Federal Rule of Bankruptcy Procedure 9019 (the “Approval Order”). The Liquidating Trustee shall file a motion seeking entry of the Approval Order in the Bankruptcy Court no later than ten (10) business days after the execution of this Agreement.

3. Effective Date: This Agreement shall become effective on the date (the “Effective Date”) on which the following conditions have been satisfied: (1) the Bankruptcy Court has entered the Approval Order; (2) the Approval Order has become a final order because either (a)

⁵ “March 2022 Settlement Agreement” is defined in Schedule I annexed hereto. For the avoidance of doubt, the Settling Parties acknowledge and agree that the definitions and use of the terms Insider Claims, Covered Claims, and March 2022 Released Claims in this Agreement: (1) are not meant to, and do not in any way, impact, alter, or modify the scope of the releases granted in the March 2022 Settlement Agreement; and (2) shall not be used as a basis to alter or modify the meaning or effectiveness of the terms “Preserved Claims” and “Released Claims” as such terms are used in the March 2022 Settlement Agreement.

⁶ For the avoidance of doubt, Pre-April 30 Claims and Post-April 30 Claims are mutually exclusive, and nothing in this Agreement releases Post-April 30 Claims or anyone other than those listed in Section 9 below. Further, no claim or cause of action for damages the liability for which is covered by those Policies listed under “Tower 1 (D&O)” on Schedule II of this Agreement is a Post-April 30 Claim or otherwise preserved under this Agreement.

Execution Copy

no objection was timely filed to the Liquidating Trustee's motion seeking entry of the Approval Order; or (b) an objection to entry of the Approval Order was filed and (i) no motion for reconsideration regarding the Approval Order has been timely filed within fourteen (14) calendar days after the date of the entry of the Approval Order, as required by Federal Rule of Bankruptcy Procedure 9023; (ii) no notice of appeal regarding the Approval Order has been timely filed within fourteen (14) calendar days after the date of the entry of the Approval Order, as required by Federal Rule of Bankruptcy Procedure 8002(a); and (iii) if a notice of appeal or motion for reconsideration of the Approval Order has been timely filed, as required by Federal Rule of Bankruptcy Procedure 9023 or Federal Rule of Bankruptcy Procedure 8002(a), then such appeal or motion has been denied with prejudice and the Approval Order is not subject to further timely appellate review; and (3) the Liquidating Trust has provided all payment information reasonably required to facilitate the Settlement Payment (as defined in Paragraph 5 below), including wiring instructions, a W9 and any other necessary tax information, and verbal confirmation of the wire instructions by the Liquidating Trustee or his counsel.

4. Rescission. If the Bankruptcy Court denies the Liquidating Trustee's motion seeking entry of an Approval Order, or if the Approval Order is reversed on appeal, then: (a) this Agreement shall be deemed void ab initio and shall have no legal effect whatsoever; (b) the Settling Parties shall revert, without prejudice to or waiver of any right, to their respective positions immediately prior to the execution of this Agreement; and (c) neither this Agreement nor evidence of its terms shall be admissible for any purpose in any action or proceeding.

5. The Settlement Payment. In full and final settlement of the Liquidating Trust's Pre-April 30 Claims, the Medley D&Os shall collectively cause payments in an aggregate amount of SIX MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$6,700,000) (the "Settlement Payment"), from the insurance carriers listed under "Tower 1 (D&O)" and "Tower 3 (E&O)" on Schedule II to be paid to the Liquidating Trust by wire transfer or by certified check delivered by common carrier pursuant to instructions that the Liquidating Trustee will provide.

6. The Payment Deadline. The Medley D&Os shall cause the full amount of the Settlement Payment to be paid to, and received by, the Liquidating Trust by no later than fifteen (15) business days after the Effective Date (the "Payment Deadline").

7. Fair, Reasonable, and Arms-Length Result. The Settling Parties agree that the Settlement Payment constitutes a fair and reasonable compromise of the claims and defenses that have been asserted or that could be asserted with respect to the Pre-April 30 Claims, based on their objective assessment of various factors, including: (a) the relative strength of the underlying claims and defenses; (b) the risk of not prevailing on those claims and defenses; (c) the amount of potential damages associated with those claims; and (d) the amount of attorney's fees and expenses and expert witness fees and expenses necessary to prosecute and defend against the Pre-April 30 Claims. Based upon the Settling Parties' respective evaluation of these factors, the Settling Parties agree that the settlement reflected in this Agreement, as set forth herein, is reasonable, represents a full, fair, and reasonable assessment of the risks to the Settling Parties associated with the Pre-April 30 Claims and defenses thereto, and is in the best interest of the Settling Parties. The Settling Parties further agree that the Settlement Payment is the product of arms-length, good-faith, and

Execution Copy

contentious negotiations over the course of several months, including mediations in May 2022 and June 2022 with Jed Melnick, a nationally respected mediator with JAMS.

8. Release Effective Date. The releases set forth in Section 9 of this Agreement will immediately, automatically and irrevocably become effective on the date that the Liquidating Trust receives payment in full of the Settlement Payment (the “Release Effective Date”).

9. Releases and Covenants. On the Release Effective Date, the Settling Parties will make the following respective releases and covenants.⁷ For the avoidance of doubt, nothing in this Section 9 or elsewhere in this Agreement releases any Settling Party from the obligations contained in this Agreement.⁸

9.1 Liquidating Trust Releases. On the Release Effective Date, the Liquidating Trust, the Liquidating Trustee, and the Debtor (the “Liquidating Trust Releasing Parties”) hereby release, waive, relinquish, disavow and forever discharge (i) the Medley D&Os, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., and Christopher Taube, and all of their respective affiliates, subsidiaries, family members, former spouses, trusts, former trusts (including, but not limited to, any trust that has been revoked or terminated),⁹ successors, heirs and assigns, other entities owned or controlled by them, their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (collectively, the “D&O Released Parties”) and (ii) each of the insurers listed under “Tower 3 (E&O)” on Schedule II and all of their respective successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (the “Insurer Released Parties”), of and from any and all Pre-April 30 Claims that are Liquidating Trust Assets, whether considered claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys’ fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, from conduct of any nature whatsoever occurring before April 30, 2019, which the Liquidating Trust Releasing Parties have or may claim to have, against any of the D&O

⁷ Notwithstanding anything to the contrary, nothing in this Section 9 or elsewhere in this Agreement shall be intended to hamper or restrict the Settling Parties’ ability to seek discovery from any other Settling Party.

⁸ Notwithstanding anything to the contrary, nothing in this Section 9 or elsewhere in this Agreement or in the March 2022 Settlement Agreement shall constitute a release, waiver, or covenant not to sue regarding any claims or causes of action held by a Settling Party, the Debtor or MDLY (as defined in Schedule I annexed hereto) against any attorney or law firm, other than John Fredericks with respect to Pre-April 30 Claims, that may have represented such Settling Party, the Debtor or MDLY.

⁹ Including, without limitation, B. Taube 2014 Associates LLC, the Seth and Angie Taube Trust, A. Taube 2014 Associates, LLC, S. Taube 2014 Associates, LLC, and Canyon Capital Holdings LLC.

Execution Copy

Released Parties and the Insurer Released Parties; provided however, that notwithstanding the foregoing, nothing in this Agreement releases any Post-April 30 Claim that the Liquidating Trust may have against any of the D&O Released Parties, the Insurer Released Parties or anyone else. Further, notwithstanding the foregoing, nothing in this Agreement releases claims held by the Debtor against any Medley Subsidiary¹⁰ or held by any Medley Subsidiary against any Medley Subsidiary. For the avoidance of doubt, the release in this Section 9.1 applies whether a Pre-April 30 Claim is a Liquidating Trust Asset on the Release Effective Date or becomes a Liquidating Trust Asset after the Release Effective Date.

9.2 Liquidating Trust's Covenant Not to Sue. On the Release Effective Date, the Liquidating Trust Releasing Parties, on behalf of themselves and their successors and assigns, each hereby agrees and covenants not to initiate, prosecute, assert, or otherwise seek to enforce or execute on any claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, that any Medley Subsidiary may have or claim to have against any of the D&O Released Parties or the Insurer Released Parties for conduct occurring before April 30, 2019.¹¹

9.3 Medley D&Os Releases. On the Release Effective Date, the Medley D&Os hereby release, waive, relinquish, disavow and forever discharge the Liquidating Trust Releasing Parties and all of their respective successors, heirs, and assigns, and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing from any and all claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments (including with respect to any capital calls), rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, arising from conduct of any nature whatsoever that occurred prior to April 30, 2019.

¹⁰ "Medley Subsidiary" is defined in Schedule I annexed hereto.

¹¹ For the avoidance of doubt, nothing in this Section 9.2 or elsewhere in this Agreement releases or otherwise impairs any rights of any of the Medley Subsidiaries.

Execution Copy

10. Unknown Claims. The releases and covenants in Section 9 are executed with the full knowledge and understanding by the Liquidating Trust Releasing Parties and the D&O Released Parties that there may be more serious consequences or damages that are now not known. The Settling Parties knowingly, voluntarily, and expressly waive, to the fullest extent permitted by law, any and all rights they may have under any statute or any common law principle that would limit the effect of the releases and covenants in Section 9 based upon their knowledge at the time they execute this Agreement. The Settling Parties expressly waive their respective rights under the provisions of Section 1542 of the California Civil Code (or any other federal or state statute or law of similar effect), which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

11. No Admission of Liability. This Agreement is intended as a compromise and is not intended and shall not be construed as an admission of liability by any Settling Party.

12. Mutual Representations and Warranties. The Settling Parties, and each of them, represent, warrant, and agree with each other as of the Release Effective Date as follows:

12.1 Each Settling Party has received or has had the opportunity to receive independent legal advice from attorneys of his or her choice with respect to the advisability of making the settlement and release provided herein, and with respect to the advisability of executing and being bound by this Agreement.

12.2 Except as expressly stated in this Agreement, no Settling Party has made any statement or representation to any other Settling Party regarding any fact that may be relied upon by any other Settling Party in entering into this Agreement, and each Settling Party specifically does not rely upon any statement, representation, or promise of any other Settling Party in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement.

12.3 Each Settling Party has made such investigation of the facts pertaining to this settlement and this Agreement, and all the matters pertaining thereto, as each Settling Party deems necessary.

12.4 The terms of this Agreement are contractual, not a mere recital, and are the result of negotiation among all the Settling Parties.

12.5 This Agreement has been carefully read by, the contents hereof are known and understood by, and it is signed freely by, each Settling Party.

12.6 This Agreement has been drafted by the Settling Parties' respective counsel and is to be construed neutrally and not for or against any Settling Party.

Execution Copy

13. Liquidating Trust Representations and Warranties. The Liquidating Trustee further represents and warrants that (i) this Agreement has been duly and validly authorized, executed and delivered on behalf of the Liquidating Trust, shall constitute the legal, valid and binding obligations of the Liquidating Trust, and shall be enforceable against the Liquidating Trust; (ii) it has complied with all provisions of the Liquidating Trust Agreement and the Plan necessary to validly enter into this Agreement, including Section 3.2.13 of the Liquidating Trust Agreement; (iii) the Liquidating Trust has not assigned or otherwise transferred and will not assign or otherwise transfer any claims to be released hereunder prior to the Release Effective Date; and (iv) it will not bring any action for any claims to be released hereunder, or that would be subject to the covenant not to sue in Section 9.2 hereof, prior to the Release Effective Date.

14. Modification and Counterpart Copies. This Agreement may only be modified by a written instrument executed by all the Settling Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Settling Party, except as specifically set forth in this Agreement. All prior discussion and negotiations have been and are merged and integrated into, and are superseded by, this Agreement. So long as each Settling Party executes this Agreement, a copy of this Agreement, whether signed by one Settling Party or multiple Settling Parties, shall have the same force, effect, and validity as an original Agreement executed by all Settling Parties.

15. Attorneys' Fees. Each Settling Party shall bear his or its own attorney's fees and costs related to this Agreement and the releases herein. Notwithstanding the foregoing, in the event suit is brought or an attorney is retained by any Settling Party to enforce the Agreement's terms, or to collect any damages due for breach hereof, each Settling Party shall be solely and exclusively responsible for his or its own attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith. Except as expressly provided herein, nothing in this Agreement is construed as a waiver by any Settling Party of any rights under any insurance policy.

16. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

17. Construction of Agreement. Each of the Settling Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed either in favor of or against any Settling Party.

18. Governing Law and Forum. In the event any Settling Party seeks to enforce this Agreement including through a declaratory or similar action or to assert a claim for its breach, each of the Settling Parties hereby expressly consents to the exclusive jurisdiction of the Bankruptcy Court. The Settling Parties agree that the Agreement shall be governed and construed in accordance with the laws of the State of New York.

19. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Settling Parties, their respective agents, attorneys, executors, guardians, companies, partners,

Execution Copy

members, beneficiaries, managers, directors, officers, employees, heirs, successors and assigns, and the Medley D&Os' affiliates.

20. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Settling Parties; no Settling Party shall have any power to obligate or bind another Settling Party in any manner whatsoever.

21. Waiver. No waiver by any Settling Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

22. Severability. If any provision is held invalid by the Bankruptcy Court or any other court of competent jurisdiction, such provision shall not invalidate the entire Agreement, but the Agreement shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Settling Parties shall be construed accordingly.

23. Notices. Any notice required by this Agreement shall be provided in writing via overnight mail and via email to each of the Settling Parties and in the following manner:

To the Liquidating Trustee:

Eric D. Madden, Esq.
Reid Collins & Tsai LLP
1601 Elm Street, Suite 4200
Dallas, Texas 75201
emadden@reidcollins.com

-and-

James S. Carr, Esq.
Kelley Drye & Warren LLP
3 World Trade Center
175 Greenwich Street
New York, New York 10007
jcarr@kelleydrye.com

To Richard Allorto

Gregory S. Bruch, Esq.
Bruch Law Group
1099 New York Ave., NW, Suite 500
Washington, D.C. 20001
gbruch@bruchlawgroup.com

To Samuel Anderson

Execution Copy

Adriaen Morse, Esq.
SECIL Law PLLC
1701 Pennsylvania Ave., Suite 200
Washington, DC 20006
amorse@secillaw.com

To Brook Taube and Seth Taube

Douglas Koff, Esq.
Schulte Roth & Zabel LLP
919 3rd Ave.
New York, New York 10022
douglas.koff@srz.com

To Jeffrey Tonkel

Samuel J. Winer, Esq.
Foley & Lardner LLP
3000 K Street, N.W.
Washington, D.C. 20007
swiner@foley.com

24. Third-Party Beneficiaries. James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr. and Christopher Taube are third-party beneficiaries of this Agreement, but only with respect to the ability to enforce the releases and covenants contained in Section 9 above.

[Signature pages to follow]

Execution Copy

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the dates reflected below.

MEDLEY LLC LIQUIDATING TRUST

DocuSigned by:

Anthony M. Saccullo

EB56522A7682427...

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee

Name: Anthony M. Saccullo

Title: Trustee

Date: 2/20/2023

DocuSigned by:

Richard Allorto

C74837A7BA7A492...

Richard Allorto
Date: 2/14/2023

DocuSigned by:

Samuel Anderson

8DA677689E7A42B...

Samuel Anderson
Date: 2/13/2023

DocuSigned by:

Brook Taube

97FC428FD9B64F3...

Brook Taube
Date:

DocuSigned by:

Seth Taube

89EA0E1756F5419...

Seth Taube
Date: 2/14/2023

DocuSigned by:

Jeffrey Tonkel

C128DA6E7DA04F1...

Jeffrey Tonkel
Date: 2/13/2023

SCHEDULE I – DEFINED TERMS

As used in this Agreement, the following terms have the meanings set forth below.

“Cause of Action” or “Causes of Action” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Debtor and its affiliates. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“Defense Expenses” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a Cause of Action, and the premium for appeal, attachment, or similar bond.

“Loss” means (a) Defense Expenses; and (b) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“Insured Person” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of MDLY or the Debtor.

“Management Services” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of MDLY or the Debtor.

“March 2022 Settlement Agreement” refers to that certain Settlement Agreement and Release entered into by the Liquidating Trust, MDLY, Brook Taube Trust, Brook Taube, and Seth Taube on or about March 23, 2022.

“MDLY” refers to Medley Management, Inc.

“Medley D&Os” refers collectively to Richard Allorto, Samuel Anderson, Brook Taube, Seth Taube, and Jeffrey Tonkel.

“Medley Subsidiary” means any entity that is or was a direct or indirect subsidiary of the Debtor.

“Wrongful Acts” means (a) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (b) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II – THE POLICIES*

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd's of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access or coverage.

EXHIBIT C

Execution Copy

**SETTLEMENT AGREEMENT AND
RELEASE OF POST-APRIL 30 CLAIMS**

This SETTLEMENT AGREEMENT AND RELEASE OF POST-APRIL 30 CLAIMS (the “Agreement”) is made and entered into on February 13, 2023 by (i) the Medley D&Os¹ and (ii) the Medley LLC Liquidating Trust (the “Liquidating Trust”) through Saccullo Business Consulting, LLC, as Liquidating Trustee (the “Liquidating Trustee”). Collectively, the Liquidating Trust and the Medley D&Os are referred to herein as the “Settling Parties.”

I. RECITALS

A. WHEREAS, Medley LLC (the “Debtor”) is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), Case No. 21-10526;

B. WHEREAS, on October 18, 2021, (i) the Bankruptcy Court entered the *Amended Findings Of Fact, Conclusions Of Law, And Order (I) Approving The Adequacy Of Disclosures On A Final Basis And (II) Confirming The Modified Third Amended Combined Disclosure Statement And Chapter 11 Plan Of Medley LLC* (Docket No. 445) (the “Confirmation Order”), approving the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (Docket No. 445-1) (the “Plan”) and (ii) the Plan became effective;

C. WHEREAS, on October 18, 2021, the Debtor’s assets, including its Causes of Action, automatically vested in the Liquidating Trust, and the Liquidating Trustee was authorized to: (i) marshal and liquidate the Liquidating Trust’s assets for distribution under the Plan, (ii) pursue all such Causes of Action on behalf of the Liquidating Trust; and (iii) settle Causes of Action subject to the terms of that certain Liquidating Trust Agreement and Declaration of Trust executed in connection with the Plan and Confirmation Order (the “Liquidating Trust Agreement”);²

D. WHEREAS, the Liquidating Trustee is the only party that may commence, litigate and settle any Causes of Action that are Liquidating Trust Assets (as defined in the Plan);

E. WHEREAS, on October 18, 2021, the Liquidating Trust Assets included all of the Debtor’s Causes of Action against the D&O Released Parties³ (the “Insider Claims”);⁴

F. WHEREAS, the Insider Claims consist, or consisted, only of: (1) purported Causes of Action for damages against one or more of the D&O Released Parties (defined in Section 7.1 below) for Wrongful Acts which allegedly caused Loss for which the Liquidating Trustee contends

¹ “Medley D&Os” is defined in Schedule I annexed hereto.

² “Causes of Action” is defined in Schedule I annexed hereto.

³ “D&O Released Parties” is defined in Section 7.1 below.

⁴ For the avoidance of doubt, Insider Claims also include those Causes of Action against the D&O Released Parties that became Liquidating Trust Assets after October 18, 2021.

Execution Copy

one or more of the insurance policies listed in Schedule II annexed hereto (the “Policies”), subject to their terms and conditions, provide, or have provided, coverage pursuant to the terms of the Policies (the “Covered Claims”); and (2) those Causes of Action that the Liquidating Trust finally and conclusively settled and released in the March 2022 Settlement Agreement (the “March 2022 Released Claims”);⁵

G. WHEREAS, the March 2022 Settlement Agreement did not settle or release any Covered Claims;

H. WHEREAS, the Covered Claims consist of (1) Covered Claims that involve wrongdoing alleged to have occurred before April 30, 2019 (the “Pre-April 30 Claims”) and (2) Covered Claims that involve wrongdoing alleged to have occurred on or after April 30, 2019 (the “Post-April 30 Claims”);⁶ and

I. WHEREAS, to avoid the uncertainty, expense, burden, and delay of litigating the Post-April 30 Claims, the Settling Parties desire to finally and conclusively settle and compromise any and all Post-April 30 Claims on the terms and conditions set forth below.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Settling Parties, intending to be legally bound by this Agreement, agree as follows:

1. Adoption of Recitals. The recitals set forth above are adopted as part of the Agreement, and the facts set forth therein are acknowledged and agreed to be true and correct.

2. Bankruptcy Court Approval. The Settling Parties acknowledge and agree that this Agreement is expressly conditioned upon, and shall not be deemed effective without, the Bankruptcy Court’s approval. The Liquidating Trustee shall use its best efforts to obtain an order of the Bankruptcy Court approving this Agreement pursuant to Federal Rule of Bankruptcy Procedure 9019 (the “Approval Order”). The Liquidating Trustee shall file a motion seeking entry of the Approval Order in the Bankruptcy Court no later than ten (10) business days after the execution of this Agreement.

3. Effective Date: This Agreement shall become effective on the date (the “Effective Date”) on which the following conditions have been satisfied: (1) the Bankruptcy Court has entered the Approval Order; and (2) the Approval Order has become a final order because either (a) no objection was timely filed to the Liquidating Trustee’s motion seeking entry of the Approval

⁵ “March 2022 Settlement Agreement” is defined in Schedule I annexed hereto. For the avoidance of doubt, the Settling Parties acknowledge and agree that the definitions and use of the terms Insider Claims, Covered Claims, and March 2022 Released Claims in this Agreement: (1) are not meant to, and do not in any way, impact, alter, or modify the scope of the releases granted in the March 2022 Settlement Agreement; and (2) shall not be used as a basis to alter or modify the meaning or effectiveness of the terms “Preserved Claims” and “Released Claims” as such terms are used in the March 2022 Settlement Agreement.

⁶ For the avoidance of doubt, Pre-April 30 Claims and Post-April 30 Claims are mutually exclusive, and nothing in this Agreement releases Pre-April 30 Claims or anyone other than those listed in Section 7 below.

Execution Copy

Order; or (b) an objection to entry of the Approval Order was filed and (i) no motion for reconsideration regarding the Approval Order has been timely filed within fourteen (14) calendar days after the date of the entry of the Approval Order, as required by Federal Rule of Bankruptcy Procedure 9023; (ii) no notice of appeal regarding the Approval Order has been timely filed within fourteen (14) calendar days after the date of the entry of the Approval Order, as required by Federal Rule of Bankruptcy Procedure 8002(a); and (iii) if a notice of appeal or motion for reconsideration of the Approval Order has been timely filed, as required by Federal Rule of Bankruptcy Procedure 9023 or Federal Rule of Bankruptcy Procedure 8002(a), then such appeal or motion has been denied with prejudice and the Approval Order is not subject to further timely appellate review.

4. Rescission. If the Bankruptcy Court denies the Liquidating Trustee's motion seeking entry of an Approval Order, or if the Approval Order is reversed on appeal, then: (a) this Agreement shall be deemed void ab initio and shall have no legal effect whatsoever; (b) the Settling Parties shall revert, without prejudice to or waiver of any right, to their respective positions immediately prior to the execution of this Agreement; and (c) neither this Agreement nor evidence of its terms shall be admissible for any purpose in any action or proceeding.

5. The Settlement Payment. In full and final settlement of the Post-April 30 Claims, the Medley D&Os have agreed to collectively cause to be paid, from the Policies or otherwise, an amount of SIX MILLION FOUR HUNDRED THOUSAND DOLLARS (\$6,400,000) (the "Settlement Payment"), to the Liquidating Trust in the manner described in this Section 5.⁷ No amounts in this Agreement shall be subject to set off.

5.1 Demand. No later than five (5) business days after the Effective Date, the Medley D&Os will make written demand on the insurance companies listed under "Tower 2 (D&O)" on Schedule II to pay the Settlement Payment to the Liquidating Trust pursuant to the terms of the insurance policies listed under "Tower 2 (D&O)" on Schedule II. Said demand will include this Agreement and the Approval Order.

5.2 Payment Deadline. No later than fifteen (15) business days after the Effective Date (the "Payment Deadline"), the Medley D&Os shall collectively cause the Settlement Payment to be paid to the Liquidating Trust pursuant to wire instructions that the Liquidating Trust will provide. If the Liquidating Trust has not received the full amount of the Settlement Payment by the Payment Deadline, the Settling Parties agree that the following procedure will control:

5.2.1 The Liquidating Trustee will send a letter substantially in the form attached hereto as Exhibit A (the "Notice Letter") by no later than five (5) business days after the Payment Deadline.

5.2.2 Within five (5) business days of receiving the Notice Letter (the "Cure Deadline"), the Medley D&Os must either (a) collectively cause the

⁷ The Settling Parties agree that the Settlement Payment is in addition to the \$6.7 million that the Medley D&Os have agreed will be paid to the Liquidating Trust to settle the Pre-April 30 Claims (the "Pre-April 30 Claims Settlement"). The Settling Parties further agree that the Liquidating Trust's receipt of the Pre-April 30 Claims Settlement will not reduce the Settlement Payment owed under this Agreement.

Execution Copy

Settlement Payment to be paid to the Liquidating Trust or (b) provide the Liquidating Trustee with an executed copy of the document attached hereto as Exhibit B (the “Assignment”).

5.2.3 If, by the Cure Deadline, the Liquidating Trust does not receive either (a) an executed copy of the Assignment from the Medley D&Os or (b) full payment of the Settlement Payment, the Liquidating Trust may pursue claims to enforce or effectuate this Agreement by seeking to collect the Settlement Payment from the personal assets of the Medley D&Os.⁸

5.2.4 If the Liquidating Trust receives an executed Assignment from the Medley D&Os by the Cure Deadline, the Liquidating Trust must return a fully executed copy of the Assignment to the Medley D&Os within five (5) business days of receipt.

6. Fair, Reasonable, and Arms-Length Result. The Settling Parties agree that the Settlement Payment constitutes a fair and reasonable compromise of the claims and defenses that have been asserted or that could be asserted with respect to the Post-April 30 Claims, based on their objective assessment of various factors, including: (a) the relative strength of the underlying claims and defenses; (b) the risk of not prevailing on those claims and defenses; (c) the amount of potential damages associated with those claims; and (d) the amount of attorney’s fees and expenses and expert witness fees and expenses necessary to prosecute and defend against the Post-April 30 Claims. Based upon the Settling Parties’ respective evaluation of these factors, the Settling Parties agree that the settlement reflected in this Agreement, as set forth herein, is reasonable, represents a full, fair, and reasonable assessment of the risks to the Settling Parties associated with the Post-April 30 Claims and defenses thereto, and is in the best interest of the Settling Parties. The Settling Parties further agree that the Settlement Payment is the product of arms-length, good-faith, and contentious negotiations over the course of several months, including a mediation on August 30, 2022 with Hon. Gerald A. Rosen (ret.), the former Chief Judge of the United States District Court for the Eastern District of Michigan and a nationally respected mediator with JAMS.

7. Releases and Covenants. On the Release Effective Date (as defined below), the Settling Parties will make the following respective releases and covenants.⁹ For the avoidance of doubt, nothing in this Section 7 or elsewhere in this Agreement releases any Settling Party from the obligations contained in this Agreement.¹⁰

⁸ For the avoidance of doubt, the Liquidating Trust cannot invoke Section 5.2.3 if it receives either the Assignment or full payment of the Settlement Payment by the Cure Deadline.

⁹ Notwithstanding anything to the contrary, nothing in this Section 7 or elsewhere in this Agreement shall be intended to hamper or restrict the Settling Parties’ ability to seek discovery from any other Settling Party.

¹⁰ Notwithstanding anything to the contrary, nothing in this Section 7 or elsewhere in this Agreement or in the March 2022 Settlement Agreement shall constitute a release, waiver, or covenant not to sue regarding any claims or causes of action held by a Settling Party, the Debtor or MDLY (as defined in Schedule I annexed hereto) against any attorney or law firm, other than John Fredericks with respect to Post-April 30 Claims, that may have represented such Settling Party, the Debtor or MDLY.

Execution Copy

7.1 Liquidating Trust Releases. On the Release Effective Date, the Liquidating Trust, the Liquidating Trustee, and the Debtor (the “Liquidating Trust Releasing Parties”) hereby release, waive, relinquish, disavow and forever discharge (i) the Medley D&Os, Samuel Anderson, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., Christopher Taube, and Jeffrey Tonkel, and all of their respective affiliates, subsidiaries, family members, former spouses, trusts, former trusts (including, but not limited to, any trust that has been revoked or terminated),¹¹ successors, heirs and assigns, other entities owned or controlled by them, their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (collectively, the “D&O Released Parties”) and (ii) each of the insurers listed under “Tower 3 (E&O)” on Schedule II and all of their respective successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (the “Insurer Released Parties”), of and from any and all Post-April 30 Claims that are Liquidating Trust Assets, whether considered claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys’ fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, from conduct of any nature whatsoever occurring on or after April 30, 2019, which the Liquidating Trust Releasing Parties have or may claim to have, against any of the D&O Released Parties and the Insurer Released Parties; provided however, that notwithstanding the foregoing, nothing in this Agreement releases any Pre-April 30 Claim (to the extent such Pre-April 30 Claim has not already been released) that the Liquidating Trust may have against any of the D&O Released Parties, the Insurer Released Parties, or anyone else. Further, notwithstanding the foregoing, nothing in this Agreement releases claims held by the Debtor against any Medley Subsidiary¹² or held by any Medley Subsidiary against any Medley Subsidiary. For the avoidance of doubt, the release in this Section 7.1 applies whether a Post-April 30 Claim is a Liquidating Trust Asset on the Release Effective Date or becomes a Liquidating Trust Asset after the Release Effective Date.

7.2 Liquidating Trust’s Covenant Not to Sue. On the Release Effective Date, the Liquidating Trust Releasing Parties, on behalf of themselves and their successors and

¹¹ Including, without limitation, B. Taube 2014 Associates LLC, the Seth and Angie Taube Trust, A. Taube 2014 Associates, LLC, S. Taube 2014 Associates, LLC, and Canyon Capital Holdings LLC.

¹² “Medley Subsidiary” is defined in Schedule I annexed hereto.

Execution Copy

assigns, each hereby agree and covenant not to initiate, prosecute, assert, or otherwise seek to enforce or execute on any claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, that any Medley Subsidiary may have or claim to have against any of the D&O Released Parties or the Insurer Released Parties for conduct occurring on or after April 30, 2019.¹³

7.3 Medley D&O Releases. On the Release Effective Date, the Medley D&Os hereby release, waive, relinquish, disavow and forever discharge the Liquidating Trust Releasing Parties and all of their respective successors, heirs, and assigns, and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing from any and all claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments (including with respect to any capital calls), rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, arising from conduct of any nature whatsoever that occurred on or after April 30, 2019; provided however that nothing herein: (1) is meant to, or shall, impact or release any of the Medley D&Os' ability to raise defenses regarding the Liquidating Trust Releasing Parties in any litigation brought against any of the Medley D&Os by any Medley Subsidiary; and (2) releases the Liquidating Trust from any obligations under the March 2022 Settlement Agreement.

7.4 Release Effective Date. The releases contained in this Section 7 shall be immediately, automatically and irrevocably effective on the date that the Liquidating Trust receives payment in full of the Settlement Payment from the Medley D&Os (the "Release Effective Date"). If, in lieu of the Settlement Payment, the Medley D&Os provide the Liquidating Trust with an executed copy of the Assignment on or before the Cure Deadline,

¹³ For the avoidance of doubt, nothing in this Section 7.2 or elsewhere in this Agreement releases or otherwise impairs any rights of any Medley Subsidiary.

Execution Copy

any releases and covenants between the Settling Parties concerning the Post-April 30 Claims will be governed by the Assignment.

8. Unknown Claims. The releases and covenants in Section 7 are executed with the full knowledge and understanding by the Settling Parties that there may be more serious consequences or damages that are now not known. The Settling Parties knowingly, voluntarily, and expressly waive, to the fullest extent permitted by law, any and all rights they may have under any statute or any common law principle that would limit the effect of the releases and covenants in Section 5 based upon their knowledge at the time they execute this Agreement. The Settling Parties expressly waive their respective rights under the provisions of Section 1542 of the California Civil Code (or any other federal or state statute or law of similar effect), which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

9. No Admission of Liability. This Agreement is intended as a compromise and is not intended and shall not be construed as an admission of liability by any Settling Party.

10. Mutual Representations and Warranties. The Settling Parties, and each of them, represent, warrant, and agree with each other as of the Effective Date as follows:

10.1 Each Settling Party has received or has had the opportunity to receive independent legal advice from attorneys of his or her choice with respect to the advisability of making the settlement and release provided herein, and with respect to the advisability of executing and being bound by this Agreement.

10.2 Except as expressly stated in this Agreement, no Settling Party has made any statement or representation to any other Settling Party regarding any fact that may be relied upon by any other Settling Party in entering into this Agreement, and each Settling Party specifically does not rely upon any statement, representation, or promise of any other Settling Party in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement.

10.3 Each Settling Party has made such investigation of the facts pertaining to this settlement and this Agreement, and all the matters pertaining thereto, as each Settling Party deems necessary.

10.4 The terms of this Agreement are contractual, not a mere recital, and are the result of negotiation among all the Settling Parties.

10.5 This Agreement has been carefully read by, the contents hereof are known and understood by, and it is signed freely by, each Settling Party.

Execution Copy

10.6 This Agreement has been drafted by the Settling Parties' respective counsel and is to be construed neutrally and not for or against any Settling Party.

11. Liquidating Trust Representations and Warranties. The Liquidating Trustee further represents and warrants that (i) this Agreement has been duly and validly authorized, executed and delivered on behalf of the Liquidating Trust, shall constitute the legal, valid and binding obligations of the Liquidating Trust, and shall be enforceable against the Liquidating Trust; (ii) it has complied with all provisions of the Liquidating Trust Agreement and the Plan necessary to validly enter into this Agreement, including Section 3.2.13 of the Liquidating Trust Agreement; (iii) the Liquidating Trust has not assigned or otherwise transferred and will not assign or otherwise transfer any claims released hereunder, or under the Assignment, prior to the Release Effective Date; and (iv) it will not bring any action for any claims to be released hereunder, under the Assignment, or that would be subject to the covenant not to sue in Section 7.2 hereof, prior to the Cure Deadline.

12. Modification and Counterpart Copies. This Agreement may only be modified by a written instrument executed by all the Settling Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Settling Party, except as specifically set forth in this Agreement. All prior discussion and negotiations have been and are merged and integrated into, and are superseded by, this Agreement. So long as each Settling Party executes this Agreement, a copy of this Agreement, whether signed by one Settling Party or multiple Settling Parties, shall have the same force, effect, and validity as an original Agreement executed by all Settling Parties.

13. Attorneys' Fees. Each Settling Party shall bear his or its own attorney's fees and costs related to this Agreement and the releases herein. Notwithstanding the foregoing, in the event suit is brought or an attorney is retained by any Settling Party to enforce the Agreement's terms, or to collect any damages due for breach hereof, each Settling Party shall be solely and exclusively responsible for his or its own attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith. Except as expressly provided herein, nothing in this Agreement is construed as a waiver by any Settling Party of any rights under any insurance policy.

14. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

15. Construction of Agreement. Each of the Settling Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed either in favor of or against any Settling Party.

16. Governing Law and Forum. In the event any Settling Party seeks to enforce this Agreement including through a declaratory or similar action or to assert a claim for its breach, each of the Settling Parties hereby expressly consents to the exclusive jurisdiction of the Bankruptcy Court. The Settling Parties agree that the Agreement shall be governed and construed in accordance with the laws of the State of New York.

Execution Copy

17. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Settling Parties, their respective agents, attorneys, executors, guardians, companies, partners, members, beneficiaries, managers, officers, employees, heirs, successors and assigns, and the Medley D&Os' affiliates.

18. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Settling Parties; no Settling Party shall have any power to obligate or bind another Settling Party in any manner whatsoever.

19. Waiver. No waiver by any Settling Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

20. Severability. If any provision is held invalid by the Bankruptcy Court or any other court of competent jurisdiction, such provision shall not invalidate the entire Agreement, but the Agreement shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Settling Parties shall be construed accordingly.

21. Notices. Any notice required by this Agreement shall be provided in writing via overnight mail and via email to each of the Settling Parties and in the following manner:

To the Liquidating Trustee:

Eric D. Madden, Esq.
Reid Collins & Tsai LLP
1601 Elm Street, Suite 4200
Dallas, Texas 75201
emadden@reidcollins.com

-and-

James S. Carr, Esq.
Kelley Drye & Warren LLP
3 World Trade Center
175 Greenwich Street
New York, New York 10007
jcarr@kelleydrye.com

To Richard Allorto

Gregory S. Bruch, Esq.
Bruch Law Group
1099 New York Ave., NW, Suite 500
Washington, D.C. 20001
gbruch@bruchlawgroup.com

Execution Copy

-and-

Jay B. Spievack, Esq.
Cohen Tauber Spievack & Wagner PC
420 Lexington Ave., Suite 2400
New York, New York 10170-2499
jspievack@ctwslaw.com

To Brook Taube and Seth Taube

Douglas Koff, Esq.
Schulte Roth & Zabel LLP
919 3rd Ave.
New York, New York 10022
douglas.koff@srz.com

-and-

Jay B. Spievack, Esq.
Cohen Tauber Spievack & Wagner PC
420 Lexington Ave., Suite 2400
New York, New York 10170-2499
jspievack@ctwslaw.com

22. Third-Party Beneficiaries. Samuel Anderson, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., Christopher Taube and Jeffrey Tonkel are third-party beneficiaries of this Agreement, but only with respect to the ability to enforce the releases and covenants contained in Section 7 above.

[Signature page to follow]

Execution Copy

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the dates reflected below.

MEDLEY LLC LIQUIDATING TRUST

DocuSigned by:

Anthony M. Saccullo

By: Saccullo Business Consulting, LLC, as Liquidating Trustee

Name: Anthony M. Saccullo

Title: Trustee

Date: 2/20/2023

DocuSigned by:

Richard Allorto

C74837A7BA7A492...

Richard Allorto

Date: 2/14/2023

DocuSigned by:

Brook Taube

97FC428FD9B64F3...

Brook Taube

Date:

DocuSigned by:

Seth Taube

89EA0E1756F6419...

Seth Taube

Date: 2/14/2023

SCHEDULE I – DEFINED TERMS

As used in this Agreement, the following terms have the meanings set forth below.

“Cause of Action” or “Causes of Action” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Debtor and its affiliates. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“Defense Expenses” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a Cause of Action, and the premium for appeal, attachment, or similar bond.

“Loss” means (a) Defense Expenses; and (b) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“Insured Person” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of MDLY or the Debtor.

“Management Services” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of MDLY or the Debtor.

“March 2022 Settlement Agreement” refers to that certain Settlement Agreement and Release entered into by the Liquidating Trust, MDLY, Brook Taube Trust, Brook Taube, and Seth Taube on or about March 23, 2022.

“MDLY” refers to Medley Management, Inc.

“Medley D&Os” refers collectively to Richard Allorto, Brook Taube, and Seth Taube.

“Medley Subsidiary” means any entity that is or was a direct or indirect subsidiary of the Debtor.

“Wrongful Acts,” as used in this Agreement, means (a) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (b) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II – THE POLICIES*

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd's of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access or coverage.

EXHIBIT A

FORM OF NOTICE LETTER

This Notice Letter is made as of [], by Saccullo Business Consulting, as liquidating trustee (the “Liquidating Trustee”) of the Medley LLC Liquidating Trust (the “Liquidating Trust”), pursuant to the Settlement Agreement and Release of Post-April 30 Claims dated as of [], 2023 (as amended, supplemented or otherwise modified prior to the date hereof, the “Agreement”) by and among the Medley D&Os and the Liquidating Trust.

Pursuant to Section 5.2.1 of the Agreement, the Liquidating Trustee hereby gives notice as follows:

1. The Effective Date of the Agreement was [XX].¹
2. The Payment Deadline for the Settlement Payment was [XX].
3. Notwithstanding Section 5 of the Agreement, the Liquidating Trust has not received the Settlement Payment.
4. To avoid the Liquidating Trust’s invoking its rights under Section 5.2.3 of the Agreement, the Medley D&Os may deliver to counsel for the Liquidating Trust an executed copy of the Assignment, pursuant to Section 5.2.2(b) of the Agreement.
5. If an executed copy of the Assignment is not delivered to counsel for the Liquidating Trust by [XX], the Liquidating Trust intends to exercise its rights under Section 5.2.3 of the Agreement to pursue claims to collect the Settlement Payment from the personal assets of the Medley D&Os.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee
Name:
Title:

¹ Unless otherwise defined, all capitalized terms have the definition ascribed to them in the Agreement.

EXHIBIT B

FORM OF ASSIGNMENT AND COVENANT NOT TO SUE

This ASSIGNMENT AND COVENANT NOT TO SUE (the “Assignment”) is made and entered into on [___,] by (i) the Medley D&Os¹ and (ii) the Medley LLC Liquidating Trust (the “Liquidating Trust”) through Saccullo Business Consulting, LLC, as Liquidating Trustee (the “Liquidating Trustee”). Collectively, the Liquidating Trust and the Medley Executives are referred to herein as the “Settling Parties.”

I. RECITALS

A. WHEREAS, Medley LLC (the “Debtor”) is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), Case No. 21-10526;

B. WHEREAS, on October 18, 2021, (i) the Bankruptcy Court entered the *Amended Findings Of Fact, Conclusions Of Law, And Order (I) Approving The Adequacy Of Disclosures On A Final Basis And (II) Confirming The Modified Third Amended Combined Disclosure Statement And Chapter 11 Plan Of Medley LLC* (Docket No. 445) (the “Confirmation Order”), approving the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (Docket No. 445-1) (the “Plan”) and (ii) the Plan became effective;

C. WHEREAS, on October 18, 2021, the Debtor’s assets, including its Causes of Action, automatically vested in the Liquidating Trust, and the Liquidating Trustee was authorized to: (i) marshal and liquidate the Liquidating Trust’s assets for distribution under the Plan, (ii) pursue all such Causes of Action on behalf of the Liquidating Trust; and (iii) settle such Causes of Action subject to the terms of that certain Liquidating Trust Agreement and Declaration of Trust executed in connection with the Plan and Confirmation Order (the “Liquidating Trust Agreement”);²

D. WHEREAS, the Liquidating Trustee is the only party that may commence, litigate and settle any Causes of Action that are Liquidating Trust Assets (as defined in the Plan);

E. WHEREAS, on October 18, 2021, the Liquidating Trust Assets included all of the Debtor’s Causes of Action against the D&O Parties³ (the “Insider Claims”);⁴

¹ “Medley D&Os” is defined on Schedule I annexed hereto.

² “Causes of Action” is defined in Schedule I annexed hereto.

³ “D&O Parties” is defined in Section 6.1.1 below.

⁴ For the avoidance of doubt, Insider Claims also include those Causes of Action against the D&O Parties that became Liquidating Trust Assets after October 18, 2021

F. WHEREAS, the Insider Claims consist, or consisted, only of: (1) purported Causes of Action for damages against one or more of the D&O Parties for Wrongful Acts which allegedly caused Loss for which the Liquidating Trustee contends one or more of the insurance policies listed in Schedule II annexed hereto (the “Policies”), subject to their terms and conditions, provide, or have provided, coverage pursuant to the terms of the Policies (the “Covered Claims”); and (2) those Causes of Action that the Liquidating Trust finally and conclusively settled and released in the March 2022 Settlement Agreement (the “March 2022 Released Claims”);⁵

G. WHEREAS, the March 2022 Settlement Agreement did not settle or release any Covered Claims;

H. WHEREAS, the Covered Claims consist of (1) Covered Claims that involved wrongdoing alleged to have occurred before April 30, 2019 (the “Pre-April 30 Claims”) and (2) Covered Claims that involved wrongdoing alleged to have occurred on or after April 30, 2019 (the “Post-April 30 Claims”);⁶

I. WHEREAS, the Settling Parties negotiated a settlement of the Post-April 30 Claims in the manner set forth in that Settlement Agreement and Release of Post-April 30 Claims dated as of February 13, 2023 (the “Post-April 30 Claims Settlement Agreement”);

J. WHEREAS, the Post-April 30 Claims Settlement Agreement contemplated the settlement and release of the Post-April 30 Claims in exchange for the Medley D&Os’ causing SIX MILLION FOUR HUNDRED THOUSAND DOLLARS (\$6,400,000) (the “Settlement Payment”) to be paid to the Liquidating Trust;

K. WHEREAS, the Liquidating Trust has not received the Settlement Payment;

L. WHEREAS, as a result of the Liquidating Trust’s not receiving the Settlement Payment, (a) the Medley D&Os remain personally liable for the Settlement Payment on a joint-and-several basis; and (b) the Liquidating Trust has not released the Post-April 30 Claims; and

M. WHEREAS, to avoid the uncertainty, expense, burden, and delay of litigation, the Settling Parties desire to finally and conclusively settle and compromise the Post-April 30 Claims on the terms and conditions set forth below.

⁵ “March 2022 Settlement Agreement” is defined in Schedule I annexed hereto. For the avoidance of doubt, the Settling Parties acknowledge and agree that the definitions and use of the terms Insider Claims, Covered Claims, and March 2022 Released Claims in this Agreement: (1) are not meant to, and do not in any way, impact, alter, or modify the scope of the releases granted in the March 2022 Settlement Agreement; and (2) shall not be used as a basis to alter or modify the meaning or effectiveness of the terms “Preserved Claims” and “Released Claims” as such terms are used in the March 2022 Settlement Agreement.

⁶ For the avoidance of doubt, Pre-April 30 Claims and Post-April 30 Claims are mutually exclusive, and nothing in this Agreement releases Pre-April 30 Claims or Post-April 30 Claims.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Settling Parties, intending to be legally bound by this Assignment, agree as follows:

1. Adoption of Recitals. The recitals set forth above are adopted as part of the Assignment, and the facts set forth therein are acknowledged and agreed to be true and correct.

2. Effective Date. This Assignment shall become effective on the date (the “Effective Date”) all of the following conditions have been satisfied: (a) all of the Settling Parties have executed this Assignment; and (b) either (i) at least \$7.5 million in insurance proceeds have been paid out from those Policies listed under “Tower 3 (E&O)” in Schedule II or (ii) the Medley D&Os have executed a release of the insurance companies that issued the Policies listed under “Tower 3 (E&O)” in Schedule II in connection with those insurance companies’ funding some or all of a settlement of the Pre-April 30 Claims.

3. Expiration Date. If the Effective Date does not occur prior to July 1, 2023, this Assignment becomes null and void, and neither this Assignment nor evidence of its terms shall be admissible for any purpose in any action or proceeding.⁷

4. Claims Assignment.

4.1. On the Effective Date and without need of further documentation, the Medley D&Os hereby convey and assign to the Liquidating Trust and its successors and assigns all of their right, title, and interest, in and to any claims, causes of action, and contract rights, benefits, and privileges they have under those Policies listed under “Tower 2 (D&O)” in Schedule II (the “Tower 2 Policies”) to seek and recover payment of the Settlement Payment from the Tower 2 Policies, as well as attorneys’ fees and expenses and costs related to enforcing their right to payment of the Settlement Payment under the Tower 2 Policies and prejudgment and postjudgment interest on the preceding amounts against the insurance companies who issued the Tower 2 Policies (the “Tower 2 Insurers”). The total of the Settlement Payment, attorneys’ fees and expenses and costs incurred to obtain the Settlement Payment from the Tower 2 Insurers, and any prejudgment and postjudgment interest awarded on those amounts are collectively referred to herein as the “Denial Damages.”

4.2. The Medley D&Os do not convey and assign to the Liquidating Trust and its successors and assigns—and thus reserve for themselves—any of their rights, title, and interest in and to the Tower 2 Policies, except as provided in Section 4.1 above, to seek payment or reimbursement up to \$3.6 million under the Tower 2 Policies for Loss (as defined in the Tower 2 Policies) unrelated to pursuing the Denial Damages; provided

⁷ If, within 20 business days of the Expiration Date, either (a) the Bankruptcy Court has not yet ruled on the motion seeking entry of the Approval Order (as defined in Post-April 30 Claims Settlement Agreement) or (b) the Approval Order has been entered but has not become a final order, then upon the request of any Settling Party, the Expiration Date shall be extended from time to time by the written consent of the Settling Parties pursuant to Section 10 of this Assignment (which consent shall not be unreasonably withheld).

however, that if the Liquidating Trust releases the Tower 2 Insurers for less than the Settlement Payment, then the Medley D&Os may seek payment or reimbursement under the Tower 2 Policies for Loss equal to whatever aggregate Limits of Liability (as defined in the Tower 2 Policies) remain after the Liquidating Trust releases the Tower 2 Insurers.⁸

4.3. The Liquidating Trust agrees that it (a) will not seek or accept, from or as against the Tower 2 Insurers, any payment, settlement, or judgment in excess of the Denial Damages; and (b) lacks the authority to release the Tower 2 Policies from any claim, demand, or cause of action thereunder unrelated to the Denial Damages.

4.4. If the assignment recited in this Section 4 is not effective or is unenforceable in whole or in part, or, even if it is effective and enforceable, it is a breach of any of the Tower 2 Policies, the assignment described herein shall be deemed rescinded and the Medley D&Os agree and consent to counsel for the Liquidating Trust's prosecution of a coverage action against the Tower 2 Insurers in the name of the Medley D&Os and on their behalf, with any resulting judgment or award, up to and including the Denial Damages, automatically becoming a Liquidating Trust Asset and due and owing to the Liquidating Trust.

4.5. For the avoidance of doubt, Medley D&Os confirm that they have not, do not, and will not convey or assign to the Liquidating Trust and its successors and assigns any of their right, title, and interest, in and to any claims, causes of action, and contract rights, benefits, and privileges they have under those Policies listed under "Tower 3 (E&O)" in Schedule II (the "Tower 3 Policies") including, without limitation, their right to seek payment or reimbursement of the Settlement Payment from the Tower 3 Policies and their right to recover attorneys' fees and expenses under the Tower 3 Policies against the insurance companies who issued the Tower 3 Policies (the "Tower 3 Insurers").

5. Further Cooperation. The Settling Parties agree to execute such additional documents and take such additional actions as may be necessary or appropriate to carry out the transactions contemplated hereunder or to fulfill the purposes and intent of this Assignment. As a material condition of covenants set forth in Section 6 below, each Medley D&O and his counsel individually agrees to cooperate in any coverage action and in any other suit, action, or arbitration concerning the availability of coverage for the Post-April 2019 Claims under the Tower 2 Policies by accepting service of process, voluntarily responding to reasonable request for documents and other information, appearing on reasonable notice for depositions and pre-deposition meetings (without need of subpoena or other process), and appearing and providing testimony on reasonable notice at trial, at a hearing, or in arbitration proceedings to the extent requested in any suit, action, or arbitration in connection with any of the claims, causes of action, or rights assigned in this Assignment, or any other reasonable request the Liquidating Trustee may make of them, in their capacity as a witness or nominal party, in furtherance of litigation between the Liquidating Trust and any of the Tower 2 Insurers. No Medley D&O shall be considered to be in violation or breach of any obligation under this Section 5 unless the Liquidating Trustee first gives said Medley D&O

⁸ For the avoidance of doubt, the Settling Parties agree that this Assignment does not assign or convey—and the Medley D&Os reserve—rights under the Tower 2 Policies to be paid or reimbursed up to \$3.6 million for Defense Costs (as that term is defined in the Tower 2 Policies) incurred prior to the Effective Date.

notice and five (5) business days to cure the violation or breach and the Medley D&O fails to do so.

6. Releases and Covenants. On the Effective Date, the Settling Parties will make the following respective covenants and releases.⁹ For the avoidance of doubt, nothing in this Section 6 or elsewhere in this Assignment releases any Settling Party from the obligations contained in this Assignment.¹⁰

6.1. Liquidating Trust's Covenant Not to Sue. On the Effective Date, and as consideration and in exchange for the assignments and cooperation contemplated in, respectively, Sections 4 and 5 above, the Liquidating Trust, the Liquidating Trustee, and the Debtor (the "Liquidating Trust Parties"), on behalf of themselves and their successors and assigns, each hereby agrees and covenants as follows:

6.1.1. To not initiate, prosecute, assert, assign, or otherwise seek to enforce or execute on any Post-April 30 Claims that are Liquidating Trust Assets, whether considered claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) against (i) any of the Medley D&Os, Samuel Anderson, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., Christopher Taube, and Jeffrey Tonkel, as well as Medley's other officers and the directors of MDLY, and all of their respective affiliates, subsidiaries, family members, former spouses, trusts, former trusts (including, but not limited to, any trust that has been revoked or terminated),¹¹ successors, heirs and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (collectively, the "D&O Parties") and (ii) each of Tower 3 Insurers and all of their respective successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (the "Insurer Parties"), for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses,

⁹ Notwithstanding anything to the contrary, nothing in this Section 6 or elsewhere in this Agreement shall be intended to hamper or restrict the Settling Parties' ability to seek discovery from any other Settling Party.

¹⁰ Notwithstanding anything to the contrary, nothing in this Section 6 or elsewhere in this Assignment, the Post-April 30 Claims Settlement Agreement, or the March 2022 Settlement Agreement shall constitute a release, waiver, or covenant not to sue regarding any claims or causes of action held by a Settling Party, the Debtor, or MDLY (as defined in Schedule I annexed hereto) against any attorney or law firm, other than John Fredericks with respect to Post-April 30 Claims, that may have represented such Settling Party, the Debtor, or MDLY.

¹¹ Including, without limitation, B. Taube 2014 Associates LLC, the Seth and Angie Taube Trust, A. Taube 2014 Associates, LLC, S. Taube 2014 Associates, LLC, and Canyon Capital Holdings LLC.

offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, that arises from conduct of any nature whatsoever occurring on or after April 30, 2019. For the avoidance of doubt, the covenant in this Section 6.1.1 applies whether a claim is a Liquidating Trust Asset on the Effective Date or becomes a Liquidating Trust Asset after the Effective Date.

6.1.2. To not initiate, prosecute, assert, or otherwise seek to enforce or execute on any claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, that any Medley Subsidiary¹² may have or claim to have against any of the D&O Parties or the Insurer Parties for conduct occurring on or after April 30, 2019.¹³

6.2. D&O Parties' Releases. On the Effective Date, and in exchange for the covenants above, the D&O Parties hereby automatically release, waive, relinquish, disavow and forever discharge the Liquidating Trust Parties and all of their respective successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing from any and all claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief, any avoidance action and any cause of action) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, arising from conduct of any nature whatsoever that occurred on or after April 30, 2019; provided that nothing herein: (1) is meant to, or shall, impact or release any of the Medley D&Os' ability

¹² "Medley Subsidiary" is defined in Schedule I annexed hereto.

¹³ For the avoidance of doubt, nothing in this Section 6.1.2 or elsewhere in this Assignment releases or otherwise impairs any rights of any Medley Subsidiary.

to raise defenses regarding the Liquidating Trust Parties in any litigation brought against any of the Medley D&Os by any Medley Subsidiary; and (2) releases the Liquidating Trust from any obligations under the March 2022 Settlement Agreement.

7. No Admission of Liability. This Assignment is intended as a compromise and is not intended and shall not be construed as an admission of liability by any Settling Party.

8. Mutual Representations and Warranties. The Settling Parties, and each of them, represent, warrant, and agree with each other as of the Effective Date as follows:

8.1. Each Settling Party has received or has had the opportunity to receive independent legal advice from attorneys of his or her choice with respect to the advisability of making the settlement and release provided herein, and with respect to the advisability of executing and being bound by this Assignment.

8.2. Except as expressly stated in this Assignment, no Settling Party has made any statement or representation to any other Settling Party regarding any fact that may be relied upon by any other Settling Party in entering into this Assignment, and each Settling Party specifically does not rely upon any statement, representation, or promise of any other Settling Party in executing this Assignment, or in making the settlement provided for herein, except as expressly stated in this Assignment.

8.3. Each Settling Party has made such investigation of the facts pertaining to this settlement and this Assignment, and all the matters pertaining thereto, as each Settling Party deems necessary.

8.4. The terms of this Assignment are contractual, not a mere recital, and are the result of negotiation among all the Settling Parties.

8.5. This Assignment has been carefully read by, the contents hereof are known and understood by, and it is signed freely by, each Settling Party.

8.6. This Assignment has been drafted by the Settling Parties' respective counsel and is to be construed neutrally and not for or against any Settling Party.

9. Liquidating Trust Representations and Warranties. The Liquidating Trustee further represents and warrants that (i) this Assignment has been duly and validly authorized, executed and delivered on behalf of the Liquidating Trust, shall constitute the legal, valid and binding obligations of the Liquidating Trust, and shall be enforceable against the Liquidating Trust; (ii) it has complied with all provisions of the Liquidating Trust Agreement and the Plan necessary to validly enter into this Assignment, including Section 3.2.13 of the Liquidating Trust Agreement; and (iii) it has not assigned or otherwise transferred and will not assign or otherwise transfer any Post-April 30 Claims.

10. Modification and Counterpart Copies. This Assignment may only be modified by a written instrument executed by all the Settling Parties. No covenants, agreements,

representations, or warranties of any kind whatsoever have been made by any Settling Party, except as specifically set forth in this Assignment. All prior discussion and negotiations have been and are merged and integrated into, and are superseded by, this Assignment. So long as each Settling Party executes this Assignment, a copy of this Assignment, whether signed by one Settling Party or multiple Settling Parties, shall have the same force, effect, and validity as an original Assignment executed by all Settling Parties.

11. Attorneys' Fees. Each Settling Party shall bear his or its own attorney's fees and costs related to this Assignment. Notwithstanding the foregoing, in the event suit is brought or an attorney is retained by any Settling Party to enforce the Assignment's terms, or to collect any damages due for breach hereof, each Settling Party shall be solely and exclusively responsible for his or its own attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith. Except as expressly provided herein, nothing in this Assignment is construed as a waiver by any Settling Party of any rights under any insurance policy.

12. Caption and Titles. The captions and titles contained in this Assignment are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Assignment or the intent of any provision hereof.

13. Construction of Assignment. Each of the Settling Parties has read and agreed to the terms of the Assignment after consulting with counsel, and the language of this Assignment shall, therefore, not be presumptively construed either in favor of or against any Settling Party.

14. Governing Law and Forum. In the event any Settling Party seeks to enforce this Assignment including through a declaratory or similar action or to assert a claim for its breach, each of the Settling Parties hereby expressly consents to the exclusive jurisdiction of the Bankruptcy Court. The Settling Parties agree that the Assignment shall be governed and construed in accordance with the laws of the State of New York.

15. Parties Bound. This Assignment shall be binding upon and inure to the benefit of the Settling Parties, their respective agents, attorneys, executors, guardians, companies, partners, members, beneficiaries, managers, officers, employees, heirs, successors and assigns, and the Medley D&Os' affiliates.

16. Relationship of Parties. Nothing in this Assignment shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Settling Parties; no Settling Party shall have any power to obligate or bind another Settling Party in any manner whatsoever.

17. Waiver. No waiver by any Settling Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

18. Severability. If any provision is held invalid by the Bankruptcy Court or any other court of competent jurisdiction, such provision shall not invalidate the entire Assignment, but the Assignment shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Settling Parties shall be construed accordingly.

19. Notices. Any notice required by this Assignment shall be provided in writing via overnight mail and via email to each of the Settling Parties and in the following manner:

To the Liquidating Trustee:

Eric D. Madden, Esq.
Reid Collins & Tsai LLP
1601 Elm Street, Suite 4200
Dallas, Texas 75201
emadden@reidcollins.com

-and-

James S. Carr, Esq.
Kelley Drye & Warren LLP
3 World Trade Center
175 Greenwich Street
New York, New York 10007
jcarr@kelleydrye.com

To Richard Allorto

Gregory S. Bruch, Esq.
Bruch Law Group
1099 New York Ave., NW, Suite 500
Washington, D.C. 20001
gbruch@bruchlawgroup.com

-and-

Jay B. Spievack, Esq.
Cohen Tauber Spievack & Wagner PC
420 Lexington Ave., Suite 2400
New York, New York 10170-2499
jspievack@ctwslaw.com

To Brook Taube and Seth Taube

Douglas Koff, Esq.
Schulte Roth & Zabel LLP
919 3rd Ave.
New York, New York 10022
douglas.koff@srz.com

-and-

Jay B. Spievack, Esq.
Cohen Tauber Spievack & Wagner PC
420 Lexington Ave., Suite 2400
New York, New York 10170-2499
jspievack@ctwslaw.com

20. Third-Party Beneficiaries. Samuel Anderson, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., Christopher Taube and Jeffrey Tonkel are third-party beneficiaries of this Assignment, but only with respect to the ability to enforce the covenants contained in Section 6 above.

[Signature page to follow]

IN WITNESS WHEREOF, the undersigned have duly executed this Assignment as of the dates reflected below.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as Liquidating Trustee

Name:

Title:

Date:

Richard Allorto

Date:

Brook Taube

Date:

Seth Taube

Date:

SCHEDULE I – DEFINED TERMS

As used in this Assignment, the following terms have the meanings set forth below.

“Cause of Action” or “Causes of Action” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Debtor and its affiliates. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“Defense Expenses” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a Cause of Action, and the premium for appeal, attachment, or similar bond.

“Loss” means (a) Defense Expenses; and (b) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“Insured Person” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of MDLY or the Debtor.

“Management Services” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of MDLY or the Debtor.

“March 2022 Settlement Agreement” refers to that certain Settlement Agreement and Release entered into by the Liquidating Trust, MDLY, Brook Taube Trust, Brook Taube, and Seth Taube on or about March 23, 2022.

“MDLY” refers to Medley Management, Inc.

“Medley D&Os” refers collectively to Richard Allorto, Brook Taube, and Seth Taube.

“Medley Subsidiary” means any entity that is or was a direct or indirect subsidiary of the Debtor.

“Wrongful Acts” means (a) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (b) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II – THE POLICIES*

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd's of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access or coverage.

EXHIBIT 3

UNITED STATES BANKRUPTCY COURT

District of Delaware

In re Medley LLC

Debtor

(Complete if issued in an adversary proceeding)

Medley LLC Liquidating Trust,

Plaintiff

v.

Eversheds Sutherland (US) LLP

Defendant

Case No. 21-10526 (KBO)

(Jointly Administered)

Chapter 11

Adv. No. 23-50121(KBO)

**SUBPOENA TO TESTIFY AT A DEPOSITION
IN A BANKRUPTCY CASE (OR ADVERSARY PROCEEDING)**

To: Schulte Roth & Zabel LLP on matters attached as Exhibit A

(Name of person to whom the subpoena is directed)

☒ **Testimony:** **YOU ARE COMMANDED** to appear at the time, date, and place set forth below to testify at a deposition to be taken in this bankruptcy case (or adversary proceeding). If you are an organization, you must designate one or more officers, directors, or managing agents, or designate other persons who consent to testify on your behalf about the following matters, or those set forth in an attachment:

PLACE

CHIPMAN BROWN CICERO & COLE, LLP, 501 Fifth Avenue, 15th Floor, New York, NY 10017

DATE AND TIME

July 31, 2025 at 10:00 a.m.

The deposition will be recorded by this method:

☐ **Production:** You, or your representatives, must also bring with you to the deposition the following documents, electronically stored information, or objects, and must permit inspection, copying, testing, or sampling of the material:

The following provisions of Fed. R. Civ. P. 45, made applicable in bankruptcy cases by Fed. R. Bankr. P. 9016, are attached – Rule 45(c), relating to the place of compliance; Rule 45(d), relating to your protection as a person subject to a subpoena; and Rule 45(e) and 45(g), relating to your duty to respond to this subpoena and the potential consequences of not doing so.

Date: July 1, 2025

CLERK OF COURT

OR

Signature of Clerk or Deputy Clerk

/s/ William E. Chipman, Jr.
Attorney's signature

The name, address, email address, and telephone number of the attorney representing Eversheds Sutherland (US) LLP, who issues or requests this subpoena, is: William E. Chipman, Jr., CHIPMAN BROWN CICERO & COLE, LLP, Hercules Plaza, 1313 N. Market Street, Suite 5400, Wilmington, DE 19801, chipman@chipmanbrown.com, Tel. (302) 295-0191

Notice to the person who issues or requests this subpoena

If this subpoena commands the production of documents, electronically stored information, or tangible things, or the inspection of premises before trial, a notice and a copy of this subpoena must be served on each party before it is served on the person to whom it is directed. Fed. R. Civ. P. 45(a)(4).

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 45.)

I received this subpoena for *(name of individual and title, if any)*: _____
on *(date)* _____.

☐ I served the subpoena by delivering a copy to the named person as follows: _____
_____ on *(date)* _____; or

☐ I returned the subpoena unexecuted because: _____

Unless the subpoena was issued on behalf of the United States, or one of its officers or agents, I have also tendered to the witness the fees for one day's attendance, and the mileage allowed by law, in the amount of \$ _____.

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____.

I declare under penalty of perjury that this information is true and correct.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information concerning attempted service, etc.:

Federal Rule of Civil Procedure 45(c), (d), (e), and (g) (Effective 12/1/13)
(made applicable in bankruptcy cases by Rule 9016, Federal Rules of Bankruptcy Procedure)

(c) Place of compliance.

(1) *For a Trial, Hearing, or Deposition.* A subpoena may command a person to attend a trial, hearing, or deposition only as follows:

(A) within 100 miles of where the person resides, is employed, or regularly transacts business in person; or

(B) within the state where the person resides, is employed, or regularly transacts business in person, if the person

(i) is a party or a party's officer; or

(ii) is commanded to attend a trial and would not incur substantial expense.

(2) *For Other Discovery.* A subpoena may command:

(A) production of documents, or electronically stored information, or things at a place within 100 miles of where the person resides, is employed, or regularly transacts business in person; and

(B) inspection of premises, at the premises to be inspected.

(d) Protecting a Person Subject to a Subpoena; Enforcement.

(1) *Avoiding Undue Burden or Expense; Sanctions.* A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The court for the district where compliance is required must enforce this duty and impose an appropriate sanction — which may include lost earnings and reasonable attorney's fees — on a party or attorney who fails to comply.

(2) *Command to Produce Materials or Permit Inspection.*

(A) *Appearance Not Required.* A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(B) *Objections.* A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing or sampling any or all of the materials or to inspecting the premises — or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

(i) At any time, on notice to the commanded person, the serving party may move the court for the district where compliance is required for an order compelling production or inspection.

(ii) These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party's officer from significant expense resulting from compliance.

(3) *Quashing or Modifying a Subpoena.*

(A) *When Required.* On timely motion, the court for the district where compliance is required must quash or modify a subpoena that:

(i) fails to allow a reasonable time to comply;

(ii) requires a person to comply beyond the geographical limits specified in Rule 45(c);

(iii) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or

(iv) subjects a person to undue burden.

(B) *When Permitted.* To protect a person subject to or affected by a subpoena, the court for the district where compliance is required may, on motion, quash or modify the subpoena if it requires:

(i) disclosing a trade secret or other confidential research, development, or commercial information; or

(ii) disclosing an unretained expert's opinion or information that does not describe specific occurrences in dispute and results from the expert's study that was not requested by a party.

(C) *Specifying Conditions as an Alternative.* In the circumstances described in Rule 45(d)(3)(B), the court may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

(i) shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and

(ii) ensures that the subpoenaed person will be reasonably compensated.

(e) Duties in Responding to a Subpoena.

(1) *Producing Documents or Electronically Stored Information.* These procedures apply to producing documents or electronically stored information:

(A) *Documents.* A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to the categories in the demand.

(B) *Form for Producing Electronically Stored Information Not Specified.* If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) *Electronically Stored Information Produced in Only One Form.* The person responding need not produce the same electronically stored information in more than one form.

(D) *Inaccessible Electronically Stored Information.* The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) *Claiming Privilege or Protection.*

(A) *Information Withheld.* A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

(i) expressly make the claim; and

(ii) describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(B) *Information Produced.* If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information under seal to the court for the district where compliance is required for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

...

(g) *Contempt.* The court for the district where compliance is required — and also, after a motion is transferred, the issuing court — may hold in contempt a person who, having been served, fails without adequate excuse to obey the subpoena or an order related to it.

DEPOSITION TOPICS

1. The negotiation, drafting, signing and performance of the Settlement Agreement and Release dated on or about March 23, 2022 by and among Medley LLC Liquidating Trust, Medley Management, Inc., Brook Taube, Seth Taube, and Brook Taube Trust. (Exhibit 1 hereto).

2. The negotiation, drafting, signing and performance of the Forbearance Agreement and Agreement to Mediate entered into and effective as of March 23, 2022 by and among Medley Management, Inc., Brook Taube, Seth Taube, Jeffrey Tonkel, Richard Allorto, Sam Anderson, John Fredericks and Eversheds Sutherland (US) LLP. (Exhibit 2 hereto).

3. The negotiation, drafting, signing and performance of the Agreement entered on or about March 9, 2022 by and between Saccullo Business Consulting, LLC, as liquidating trustee for the Medley LLC Liquidating Trust, and Eversheds Sutherland (US) LLP. (Exhibit 3 hereto).

4. The negotiation, drafting, signing and performance of the Settlement Agreement and Release of Pre-April 30 Claims, entered on February 13, 2023, and the Settlement Agreement and Release of Post-April 30 Claims, entered on February 13, 2023. (Exhibit 4 hereto).

EXHIBIT 1

Execution Copy

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is entered into by and among Medley Management, Inc., a Delaware corporation (“Medley”), Brook Taube Trust (“BTT”), and Brook Taube and Seth Taube (collectively, the “Taubes”), and the Medley LLC Liquidating Trust (“Liquidating Trust”) by and through Saccullo Business Consulting, LLC, as Liquidating Trustee (the “Liquidating Trustee”). Medley, BTT, the Taubes, the Liquidating Trustee and the Liquidating Trust is each referred to individually herein as a “Party” and collectively as the “Parties.” The “Execution Date” of this Agreement is the date on which it has been executed by all Parties. Capitalized terms that are used herein but not defined shall have the meanings given to them in Schedule I attached hereto.

I. RECITALS

A. WHEREAS, Medley is a publicly-held company traded on OTCQB under the symbol MDLM, is registered with the Securities and Exchange Commission as an issuer of publicly traded securities, and was a managing member of Medley LLC (the “Debtor”);

B. WHEREAS, the Debtor is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), Case No. 21-10526 (the “Bankruptcy Proceeding”);

C. WHEREAS, on October 18, 2021, (i) the Bankruptcy Court entered the *Amended Findings Of Fact, Conclusions Of Law, And Order (I) Approving The Adequacy Of Disclosures On A Final Basis And (II) Confirming The Modified Third Amended Combined Disclosure Statement And Chapter 11 Plan Of Medley LLC* (Docket No. 445), approving the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (Docket No. 445-1) (the “Plan”) and (ii) the Plan became effective;

D. WHEREAS, on October 18, 2021, the Debtor’s assets, including the Causes of Action, automatically vested in the Liquidating Trust, and the Liquidating Trustee was authorized to: (i) pursue all such Causes of Action on behalf of the Liquidating Trust; and (ii) settle causes of action without Bankruptcy Court approval and subject only to the terms of the Liquidating Trust Agreement;

E. WHEREAS, certain past and current members of Medley’s board of directors and officers listed on Schedule II to this Agreement (the “Executives”) are third-party beneficiaries to this Agreement;

F. WHEREAS, the Liquidating Trustee has the responsibility to marshal and liquidate the Liquidating Trust’s assets for distribution to holders of Allowed Claims under the Plan;

G. WHEREAS, the Liquidating Trustee has maintained its intent to pursue Causes of Action for damages on behalf of the Liquidating Trust against Medley, the Taubes, BTT and the Executives in their capacity as directors, officers, stakeholders or otherwise of the Debtor or Medley;

H. WHEREAS, the insurance policies listed in Schedule III hereto (the “Policies”), subject to their terms and conditions, provide, or have provided, coverage for Loss arising out of certain claims for Wrongful Acts by the Debtor, Medley, and Insured Persons;

I. WHEREAS, the Liquidating Trustee, on behalf of the Liquidating Trust, has alleged certain purported Causes of Action for damages against one or more of the Taube Released Parties (defined in Section 6.1 below) for Wrongful Acts which allegedly caused Loss for which the Liquidating Trustee contends one or more of the Policies provide coverage pursuant to the terms of the Policies (the “Preserved Claims”);

J. WHEREAS, the Liquidating Trust has other alleged Causes of Action against one or more of the Taube Released Parties in addition to the Preserved Claims, including those arising under chapter 5 of the Bankruptcy Code and local, state and federal law analogues, which avoid, disgorge and compel restitution of monies received from the Debtor (the “Released Claims”). Further, any Cause of Action that the Liquidating Trust has against one or more of the Taube Released Parties that is not a Preserved Claim is a Released Claim;¹

K. WHEREAS, Medley, Seth Taube, and Brook Taube (collectively, the “Taube Parties”), the Executives and certain other parties intend to enter into a Forbearance Agreement substantially in the form attached hereto as Exhibit A;

L. WHEREAS, the parties have agreed to enter into a mediation of the Preserved Claims (the “Mediation”) and the Taube Parties will work in good faith to have the insurance carriers that issued the Policies participate in the Mediation;

M. WHEREAS, Medley, the Taubes, BTT, and the Executives deny, and do not admit, any liability or wrongdoing regarding the Released Claims and the Preserved Claims, and this Agreement may not be used or referred to in any proceeding for any reason; further, this Agreement shall not be interpreted as, does not constitute, and may not be used or referred to in any context as, an admission or any other type of evidence of alleged liability or wrongdoing. Notwithstanding the foregoing, the Parties may use this Agreement in a proceeding to enforce the provisions of this Agreement, solely as evidence that the Parties executed the Agreement and agreed to the terms set forth in the Agreement; and

N. WHEREAS, to avoid the risks, costs, fees, expenses, burdens, and distractions of further litigation, the Parties desire to finally and conclusively settle and compromise any and all Released Claims on the terms and conditions set forth below.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Parties, intending to be legally bound by this Agreement, agree as follows:

¹ For the avoidance of doubt, Preserved Claims and Released Claims are mutually exclusive, and this Agreement does not release Preserved Claims. Released Claims, on the other hand, include all claims for which Loss is not covered by any of the Policies pursuant to the terms of the Policies.

1. Adoption of Recitals. The recitals set forth above are adopted as part of the Agreement, and the facts set forth therein are acknowledged and agreed to be true and correct.

2. SEC Agreement as Condition Precedent. The Parties agree that the effectiveness of this Agreement is contingent upon the Taube Parties and the Securities and Exchange Commission (“SEC”) entering into a settlement regarding the SEC’s investigation entitled *In the Matter of Medley Capital Corporation*, File No. NY-10045 (the “SEC Offer of Settlement”) and approval by the SEC. The SEC Offer of Settlement will be considered approved by the SEC on the day that the SEC files an Order Instituting Administrative and Cease-and-Desist Proceedings against the Taube Parties relating to the SEC Offer of Settlement (the “SEC Agreement”).

2.1 The Taube Parties shall provide written notice to the Liquidating Trustee that either (a) the SEC Agreement has been filed by the SEC (the “Filing Notice”); or (b) no SEC Agreement will be filed by the SEC (the “Termination Notice”).

2.2 Upon the Liquidating Trustee’s receipt of the Termination Notice (if any), this Agreement shall be null and void and each component of the Settlement Payment (defined below) shall be returned to the Taube Parties or as they may otherwise direct.

3. The Settlement Payment. In full and final settlement of the Released Claims, the Taube Parties agree to collectively pay an amount of THIRTEEN MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$13,225,000) (the “Settlement Payment”), consisting of (a) TEN MILLION DOLLARS (\$10,000,000) (the “Class 3 Payment”), to be held in escrow by Ankura Trust Company, LLC (the “Escrow Agent”) and paid to the Liquidating Trust in the manner described in Section 3.1; (b) TWO MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$2,650,000) (the “Trust Payment”), to be paid to the Liquidating Trust in the manner described in Section 3.2; and (c) FIVE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$575,000) (the “Contribution Payment”), to be held in an account at Schulte Roth & Zabel LLP (“Schulte”) and paid to the Liquidating Trust in the manner described in Section 3.3. No amounts in this Agreement shall be subject to set off.

3.1 The Class 3 Payment. The Parties intend for Noteholders to be the ultimate recipients of the Class 3 Payment, with no deductions thereto, and agree that the Class 3 Payment will be made in the following manner:

- i. Within three (3) Business Days of the Execution Date, the Taubes will provide the Liquidating Trustee with the current version of their escrow agreement with the Escrow Agent (the “Escrow Agreement”). The Taube Parties further agree that, once the Escrow Agreement is executed, any subsequent amendments thereto will not become effective without the consent of the Liquidating Trustee, whose consent will not be unreasonably withheld.
- ii. Within ten (10) Business Days of executing the SEC Offer of Settlement, the Taubes will make the Class 3 Payment to the Escrow Agent and will notify the Liquidating Trustee that the Class 3 Payment has been made.

- iii. The Escrow Agent will hold the Class 3 Payment in escrow until the Escrow Agent and the Taube Parties receive a letter from the Liquidating Trustee substantially in the form attached hereto as Exhibit B (the “Confirmation Letter”).
- iv. If the Liquidating Trustee has not delivered the Confirmation Letter to the Escrow Agent and Taube Parties by twenty-five (25) Business Days before the Distribution Deadline (the “Confirmation Deadline”), the Liquidating Trustee shall forfeit the right to receive the Class 3 Payment and the Escrow Agent shall be permitted to release the Class 3 Payment as the Taubes direct.
- v. As provided in the Escrow Agreement, within three (3) Business Days of the Liquidating Trustee’s delivering the Confirmation Letter to the Escrow Agent and the Taube Parties, the Escrow Agent must deliver to the Liquidating Trust, pursuant to wire instructions that the Liquidating Trustee will provide, the amount designated in the Confirmation Letter to be distributed to the Notes Trustee, up to and including the entire Class 3 Payment.
- vi. If, after receiving funds from the Escrow Agent, the Liquidating Trustee determines that any representation in the Confirmation Letter is no longer accurate, the Liquidating Trust shall transfer those funds back to the Escrow Agent the next Business Day and the Liquidating Trustee shall forfeit the right to receive the Class 3 Payment. Otherwise, within ten (10) Business Days of receiving the Escrow Agent’s transfer and those funds becoming available for transfer, the Liquidating Trust will distribute those funds to the Notes Trustee (the “Class 3 Distribution”).
- vii. Within five (5) Business Days after the Liquidating Trust makes the Class 3 Distribution, the Liquidating Trustee will send the Taube Parties and the SEC a certification substantially in the form attached hereto as Exhibit C (the “Liquidating Trustee Certification”). The Liquidating Trustee agrees that the Liquidating Trustee Certification will be true and correct.
- viii. In addition to the Liquidating Trustee Certification, the Liquidating Trustee will make a good-faith effort to provide information reasonably requested by the SEC regarding the Class 3 Distribution.
- ix. The Confirmation Deadline and the deadlines in Sections 3.1(vi) and 3.1(vii) may be extended by written agreement of the Parties, so long as each occurs prior to the Distribution Deadline. Consent will not be unreasonably withheld.

3.2 The Trust Payment. The Taube Parties agree to make the Trust Payment within five (5) Business Days of the Execution Date. The Taube Parties will make the Trust Payment by wire transfer to the client trust account for counsel to the Liquidating Trustee (the “Reid Collins Trust Account”) according to the following wire instructions:

Broadway National Bank
1177 Northeast Loop 410
San Antonio, Texas 78209
Account Number: 4100077126
Bank ABA Number: 114021933
Account Name: Reid Collins & Tsai LLP IOLTA

Counsel for the Liquidating Trustee will transfer the Trust Payment to the Liquidating Trust on or after the Release Date. Prior to or contemporaneously with the Liquidating Trust's making the Class 3 Distribution to the Notes Trustee, the Liquidating Trust will pay ONE HUNDRED NINETY-ONE THOUSAND FIFTY-FOUR DOLLARS AND SIXTY-FIVE CENTS (\$191,054.65) from the Trust Payment to the Notes Trustee in full satisfaction of the Charging Lien.

3.3 The Contribution Payment. The Taube Parties agree to transfer the Contribution Payment to Schulte within five (5) Business Days of the Execution Date and to provide written confirmation of such payment to the Liquidating Trustee. The Taube Parties shall instruct Schulte to transfer the Contribution Payment to the Liquidating Trust as may be required under any settlement of the Preserved Claims. If no such settlement is reached by June 30, 2022 (or such later date as may be agreed by the Parties), this provision shall be of no further force and effect and there shall be no obligation to pay the Contribution Payment to the Liquidating Trust at any time and Schulte shall be permitted to remit the Contribution Payment back to the Taube Parties.

4. Liquidating Trust's Forbearance. In connection with the Mediation, the Liquidating Trust agrees: (1) to forbear from filing any claims or causes of action in any court or tribunal against the Taube Released Parties (defined below) until the earlier of (a) June 30, 2022, (b) the Termination Notice, and (c) the Agreement becoming null and void pursuant to Section 5; and (2) that its monetary demand to settle each of the Preserved Claims will be not more than the remaining coverage limits for each of the Policies applicable to such Preserved Claims after the Permitted Draws (as that term is defined in the Forbearance Agreement).

5. Release Date. The Parties agree that the releases set forth in Section 6 hereof will become effective upon the satisfaction of the following conditions (the "Release Date"): (1) each Party hereto has received a fully executed copy of the Agreement; (2) the Liquidating Trustee has received written confirmation that the Class 3 Payment has been deposited with the Escrow Agent pursuant to Section 3.1(ii); (3) the Liquidating Trustee has received an executed copy of the Escrow Agreement and any amendments thereto and notified the Taube Parties that it is acceptable;² (4) the Trust Payment has been deposited into the Reid Collins Trust Account pursuant to Section 3.2; (5) the Liquidating Trustee has received written confirmation of the transfer of the Contribution Payment to Schulte pursuant to Section 3.3; (6) the Forbearance Agreement has been executed and delivered to the Liquidating Trustee; (7) the Eversheds Letter has been executed and delivered to the Liquidating Trustee; and (8) the Liquidating Trustee receives the Filing Notice. If any of these conditions cannot

² The Liquidating Trustee's determination of whether the Escrow Agreement and amendments thereto are acceptable must be reasonable.

be met, this Agreement shall be null and void and each component of the Settlement Payment shall be returned to the Taube Parties or as they may otherwise direct.

6. Releases. On the Release Date, the Parties will make the following respective releases. For the avoidance of doubt, nothing in this Section 6 or elsewhere in this Agreement releases any Party from the obligations contained in this Agreement.

6.1 Liquidating Trust's Releases. On the Release Date, the Liquidating Trust, the Liquidating Trustee and the Debtor (the "Liquidating Trust Releasing Parties") hereby release, waive, relinquish, disavow and forever discharge Medley, the Taubes, BTT, and the Executives and all of their respective affiliates, subsidiaries, family members, former spouses, trusts, former trusts (including, but not limited to, any trust that has been revoked or terminated),³ successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (collectively, the "Taube Released Parties"), of and from any and all Released Claims, whether considered claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counter claims, or cross claims, and any other damages or loss or other form of relief, any avoidance action and any cause of action), debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interests, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, from conduct of any nature whatsoever, which the Liquidating Trust Releasing Parties may have or claim to have, against any of the Taube Released Parties; provided however, that notwithstanding the foregoing, nothing in this Agreement releases any Preserved Claim that the Liquidating Trust has or may have against any of the Taube Released Parties or anyone else. Further, notwithstanding the foregoing, nothing in this Agreement releases claims held by the Debtor against any of its direct or indirect subsidiaries or held by any of those subsidiaries against any of the direct or indirect subsidiaries of the Debtor.

6.2 Taube Released Parties Releases. On the Release Date, the Taube Released Parties hereby release, waive, relinquish, disavow and forever discharge the Debtor, the Liquidating Trust and the Liquidating Trustee of and from any and all claims, actions, or causes of action arising under or related to sections 502(h) or 503 of the Bankruptcy Code.

7. Unknown Claims. The releases in Section 6 are executed with the full knowledge and understanding by the Parties that there may be more serious consequences or damages that are now not known. The Parties knowingly, voluntarily, and expressly waive, to the fullest extent permitted by law, any and all rights they may have under any statute or any common law principle that would limit the effect of the releases in Section 6 based upon their knowledge at the time they execute this Agreement. The Parties expressly waive their respective rights under the provisions of Section 1542 of the California Civil Code, which provides as follows:

³ For the avoidance of doubt, this includes B. Taube 2014 Associates LLC, the Seth and Angie Taube Trust, A. Taube 2014 Associates, LLC, and S. Taube 2014 Associates, LLC.

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

8. No Admission of Liability. This Agreement is intended as a compromise and shall be confidential as such to the maximum extent permitted by law. This Agreement is not intended and shall not be construed as an admission of liability by any Party.

9. Mutual Representations and Warranties. The Parties, and each of them, represent, warrant, and agree with each other as of the Execution Date and on the Release Date as follows:

9.1 Each Party has received or has had the opportunity to receive independent legal advice from attorneys of his or her choice with respect to the advisability of making the settlement and release provided herein, and with respect to the advisability of executing and being bound by this Agreement.

9.2 Except as expressly stated in this Agreement, no Party has made any statement or representation to any other Party regarding any fact that may be relied upon by any other Party in entering into this Agreement, and each Party specifically does not rely upon any statement, representation, or promise of any other Party in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement.

9.3 Each Party has made such investigation of the facts pertaining to this settlement and this Agreement, and all the matters pertaining thereto, as each Party deems necessary.

9.4 The terms of this Agreement are contractual, not a mere recital, and are the result of negotiation among all the Parties.

9.5 This Agreement has been carefully read by, the contents hereof are known and understood by, and it is signed freely by, each Person executing this Agreement on behalf of a Party; and each Person executing this Agreement on behalf of a Party in a representative capacity is empowered to do so.

9.6 This Agreement has been drafted by the Parties' respective counsel and is to be construed neutrally and not for or against any Party.

10. Representations and Warranties. Each Party specified below makes further and specific representations and warranties that are true and correct as of the Execution Date and shall remain true and correct until the time of performance contemplated under this Agreement is completed unless otherwise specified below.

10.1 Medley's Representations and Warranties. Medley has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and to otherwise to carry out its obligations hereunder. This Agreement, having been duly and validly authorized, executed and delivered on behalf of Medley, shall constitute

the legal, valid, and binding obligations of Medley, enforceable against Medley in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies. The execution, delivery, and performance by Medley of this Agreement and the consummation by Medley of the transactions contemplated hereby and thereby will not: (a) conflict with or violate any provision of Medley's certificate of incorporation, bylaws or other organizational or charter documents, in any material respect; (b) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the creation of any options, contracts, agreements, liens, security interests, or other encumbrances upon any of the properties or assets of Medley, or give to others any rights of termination, amendment, acceleration or cancellation of (with or without notice, lapse of time or both), any agreement, credit facility, debt, indenture or other instrument to which Medley is a party or by which any property or asset of the Medley is bound or affected, in a way that would cause material adverse effect to the Medley; or (c) result in a violation of any law, rule, regulation, order, judgment, decree or other restriction of any court or governmental authority (including federal and state securities or "blue sky" laws) applicable to Medley or by which any property or asset of Medley is bound or affected, in any material respect.

10.2 BTT's Representations and Warranties. BTT has the requisite legal power and authority to enter into and to consummate the transactions contemplated by this Agreement and to otherwise carry out their obligations hereunder. This Agreement, having been duly and validly authorized, executed and delivered on behalf of BTT, shall constitute the legal, valid, and binding obligations of BTT, enforceable against BTT in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies. The execution, delivery, and performance by BTT of this Agreement and the consummation by BTT of the transactions contemplated hereby and thereby will not: (a) conflict with or violate any provision of BTT's or its subsidiaries' governing documents in any material respect; (b) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the creation of any options, contracts, agreements, liens, security interests, or other encumbrances upon any of the properties or assets of BTT or any of its subsidiaries, or give to others any rights of termination, amendment, acceleration or cancellation of (with or without notice, lapse of time or both), any agreement, credit facility, debt, indenture or other instrument to which BTT or any of its subsidiaries is a party or by which any property or asset of BTT or any of its subsidiaries is bound or affected, in a way that would cause material adverse effect to BTT or its subsidiaries; or (c) result in a violation of any law, rule, regulation, order, judgment, decree or other restriction of any court or governmental authority (including federal and state securities or "blue sky" laws) applicable to BTT or any of its subsidiaries or by which any property or asset of BTT or any of its subsidiaries is bound or affected, in any material respect.

10.3 Liquidating Trustee's Representations and Warranties and Covenants. The Liquidating Trustee hereby represents and warrants that (i) this Agreement has been duly and validly authorized, executed and delivered on behalf of the Liquidating Trust, shall constitute the legal, valid and binding obligations of the Liquidating Trust and shall be enforceable

against the Liquidating Trust; (ii) it has complied with all provisions of the Liquidating Trust Agreement and the Plan necessary to validly enter into this Agreement, including Section 3.2.13 of the Liquidating Trust Agreement; and (iii) the Liquidating Trust will not be seeking Bankruptcy Court approval of this Agreement.

11. Confidentiality. Unless otherwise agreed, the Parties agree to keep any performance under this Agreement confidential and not to disclose documents and communication related to performance under this Agreement, except: (i) to their respective attorneys, professionals, agents and accountants; (ii) to any government agency or regulatory authority and their employees and agents; (iii) to the insurance carriers insuring the Policies; (iv) with respect to the Liquidating Trustee, the Oversight Committee as defined in the Liquidating Trust Agreement; or (v) as required by law or legal process. If a Party is required by law or legal process to disclose this Agreement, such Party will, if practicable, give the other Parties prompt notice of such request so that any other Party may seek an appropriate protective order at its sole cost and expense. In the absence of a protective order, the Party required by law or legal process to disclose this Agreement may do so, provided that it has asked the person or entity requesting this Agreement to treat it as confidential. Notwithstanding the foregoing, the Parties may disclose this Agreement or the terms thereof in connection with any litigation concerning its subject matter, and the Parties further agree that the Liquidating Trustee may disclose its receipt and distribution of the Settlement Payment, or any part thereof, in connection with its reporting obligations under 28 U.S.C. § 589b and related rules and regulations.

12. Modification and Counterpart Copies. This Agreement may only be modified by a written instrument executed by all the Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party, except as specifically set forth in this Agreement. All prior discussion and negotiations have been and are merged and integrated into, and are superseded by, this Agreement. So long as each Party executes this Agreement, a copy of this Agreement, whether signed by one Party or multiple parties, shall have the same force, effect, and validity as an original Agreement executed by all Parties.

13. Attorneys' Fees. Each Party shall bear its own attorney's fees and costs related to this Agreement and the releases herein. Notwithstanding the foregoing, in the event suit is brought or an attorney is retained by any Party to this Agreement to enforce its terms, or to collect any damages due for breach hereof, each Party shall be solely and exclusively responsible for its own attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith. Nothing in this Agreement is construed as a waiver by any Party of any rights under any insurance policy.

14. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

15. Construction of Agreement. Each of the Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed either in favor of or against any of the Parties.

16. Governing Law and Forum. In the event any Party seeks to enforce this Agreement including through a declaratory or similar action or to assert a claim for its breach, each of the Parties

hereby expressly consents to the exclusive jurisdiction of the Bankruptcy Court. The Parties agree that the Agreement shall be governed and construed in accordance with the laws of the State of New York.

17. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Parties, their respective agents, attorneys, executors, guardians, companies and affiliates, partners, members, beneficiaries, managers, officers, employees, heirs, successors and assigns.

18. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Parties; no Party shall have any power to obligate or bind the other Party in any manner whatsoever.

19. Waiver. No waiver by either Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

20. Severability. If any provision is held invalid by the Bankruptcy Court or any other court of competent jurisdiction, such provision shall not invalidate the entire Agreement, but the Agreement shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Parties shall be construed accordingly.

21. Notices. Any notice or certification required by this Agreement shall be provided in writing via overnight mail and via email to each of the Parties and in the following manner:

To the Liquidating Trustee:

Eric D. Madden, Esq.
Reid Collins & Tsai LLP
1601 Elm Street, Suite 4200
Dallas, Texas 75201
emadden@reidcollins.com

To Medley:

Adele Hogan, Esq.
Lucosky Brookman LLP
111 Broadway, Suite 807
New York, New York 10006
ahogan@lucbro.com

To the Taubes and BTT

Douglas Koff, Esq.
Schulte Roth & Zabel LLP
919 3rd Ave.
New York, New York 10022
douglas.koff@srz.com

22. Third-Party Beneficiaries. The Executives are third-party beneficiaries of this Agreement and the releases contained herein.

Signature page follows.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the Execution Date.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee

Name:

Title:

Date:

MEDLEY MANAGEMENT, INC.

DocuSigned by:

Richard Allorto

844E2EF8EF84464...

Name: Richard Allorto

Title: Chief Financial Officer

Date: 3/23/22

DocuSigned by:

Brook Taube

07FC428FD0B64F2...

Brook Taube

Date: 3/23/22

DocuSigned by:

Seth Taube

89FA0F1756F5419

Seth Taube

Date: 3/23/22

BROOK TAUBE TRUST

DocuSigned by:

Brook Taube

07FC428FD0B64F3


Name: Brook Taube

Title: N/A

Date: 3/23/22

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the Execution Date.

MEDLEY LLC LIQUIDATING TRUST


By: Saccullo Business Consulting, LLC, as
Liquidating Trustee

Name: *Anthony M Saccullo*

Title: *Liquidating Trustee*

Date: *3/23/22*

MEDLEY MANAGEMENT, INC.

Name:

Title:

Date:

Brook Taube

Date:

Seth Taube

Date:

BROOK TAUBE TRUST

Name:

Title:

Date

SCHEDULE I
DEFINED TERMS

“*2024 Notes*” means the senior unsecured notes with a maturity date of January 20, 2024 issued by the Debtor pursuant to the Notes Indenture.

“*2026 Notes*” means the senior unsecured notes with a maturity date of August 15, 2026 issued by the Debtor pursuant to the Notes Indenture.

“*Allowed*” means, with respect to any Claim against the Debtor (including any administrative Claim) or portion thereof, (a) any Claim that has been listed by the Debtor in the schedules (as such schedules may be amended by the Debtor or the Liquidating Trustee from time to time in accordance with Bankruptcy Rule 1009) as liquidated in amount other than zero or unknown and not disputed or contingent, and for which no proof of claim has been filed, (b) any timely filed proof of claim or request for payment of an administrative Claim, as to which no objection to the allowance thereof, or action to subordinate, avoid, classify, reclassify, expunge, estimate, or otherwise limit recovery with respect thereto, has been filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, the bar date order entered by the Bankruptcy Court or any other final order, and which applicable period of limitations has expired, (c) any Claim expressly allowed by a final order or under the Plan, or (d) any Claim that is compromised, settled or otherwise resolved pursuant to the authority granted to the Liquidating Trustee under Article X of the Plan and the Liquidating Trust Agreement; *provided, however*, that Claims temporarily allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered Allowed Claims; *provided, further*, that any Claim subject to disallowance in accordance with section 502(d) of the Bankruptcy Code shall not be considered an Allowed Claim.

“*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure.

“*Business Day*” means a day during which banks operating in New York State, Connecticut, and Texas are open for business.

“*Cause of Action*” or “*Causes of Action*” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Debtor and its affiliates. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“*Charging Lien*” means the lien or priority of payment in the amount of \$191,054.65 to which the Notes Trustee is entitled under the Notes Indenture and Plan against any distributions to be made from the Liquidating Trust to holders of Notes Claims.

“*Claim*” means any claim, as defined in section 101(5) of the Bankruptcy Code, against the Debtor.

“*Defense Expenses*” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a Claim, and the premium for appeal, attachment, or similar bond.

“*Distribution Deadline*” is the deadline established by the SEC in which the SEC is to be provided with documentation by the Taube Parties in the form acceptable to the SEC that the Class 3 Payment was provided to the Noteholders. The Parties understand that the SEC deems the Confirmation Letter and the Liquidating Trustee Certification sufficient documentation in this regard. The Parties further understand that, as of the Execution Date, the Distribution Deadline is expected to be 180 days after the SEC files the SEC Agreement. If the SEC subsequently extends that deadline, the Distribution Deadline automatically becomes the latest date that the SEC allows. While the SEC has established the Distribution Deadline, the SEC has not directed this Agreement or the Settlement Payment to be made.

“*Eversheds Letter*” means that certain letter agreement between Eversheds Sutherland (US) LLP and the Liquidating Trust executed in March 2022 and concerning the Amended Omnibus Order Awarding Final Fee Applications entered as Docket No. 569 in the Bankruptcy Proceeding.

“*Insured Person*” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of Medley or the Debtor.

“*Liquidating Trust Agreement*” means that certain Liquidating Trust Agreement and Declaration of Trust filed as Docket No. 371-1 in the Bankruptcy Proceeding.

“*Loss*” means (i) Defense Expenses; and (ii) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“*Notes*” means, collectively, the 2024 Notes and the 2026 Notes.

“*Management Services*” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of Medley or the Debtor.

“*Notes Claims*” means, collectively, all Claims derived from or based upon the Notes or the Notes Indenture, including in each case Claims for all principal amounts outstanding, interest, expenses, costs, and other charges arising thereunder or related thereto.

“*Notes Indenture*” means that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated August 9, 2016, between the Debtor, as issuer, and U.S. Bank National Association, as trustee, that governs the 2024 Notes and 2026 Notes.

“*Notes Trustee*” means U.S. Bank National Association, in its capacity as trustee under the Notes Indenture.

“*Noteholders*” means holders of the Notes.

“*Wrongful Act*” means (1) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (2) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II
LIST OF EXECUTIVES

Richard T. Allorto, Jr.

John Fredericks

Jeffrey Tonkel

Christopher Taube

Samuel Anderson

Guy Rounsaville, Jr.

James G. Eaton

Jeffrey T. Leeds

SCHEDULE III**LIST OF THE POLICIES**

Insurer	Policy No.
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03
Starr Indemnity & Liability Company	1000059851171
Allied World Insurance Company	031-3481
Allianz Global Risks US Insurance Company	USF00298219
Euclid Financial Institution Underwriters, LLC	EFI0701412 00
Old Republic Professional Liability, Inc.	ORPRO 42450
Travelers Casualty and Surety Company of America	106601622
Freedom Specialty Insurance Company	XMF1702465
Endurance American Insurance Company	FIX10007675802
Allianz Global Risks US Insurance Company	DOX2010224

EXHIBIT A

FORM OF FORBEARANCE AGREEMENT

**FORBEARANCE AGREEMENT AND
AGREEMENT TO MEDIATE**

This Forbearance Agreement and Agreement to Mediate (the “Agreement”) is entered into and effective as of March 23, 2022, and with respect to each party hereto, as of the date that such party executes this Agreement, (the “Effective Date”), by and among Medley Management, Inc., a Delaware corporation, and its undersigned counsel (“Medley”), Brook Taube, Seth Taube, Jeffrey Tonkel, Richard Allorto, Samuel Anderson and John Fredericks, and their undersigned counsel (collectively, the “Medley D&Os”), and Eversheds Sutherland (US) LLP (“Eversheds”), in its capacity as counsel for, *inter alia*, Medley LLC and Medley Management, Inc. Medley, the Medley D&Os, and Eversheds are each referred to individually herein as a “Party” and collectively as the “Parties.” Capitalized terms that are used herein but not defined shall have the meanings given to them in Schedule I attached hereto.

I. RECITALS

A. WHEREAS, Medley LLC is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, Case No. 21-10526, in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

B. WHEREAS, Medley, its affiliates, and subsidiaries (collectively, the “Medley Entities”), and its officers and directors were insured under three towers of insurance policies, as set forth on Schedule II (collectively, the “Insurance Policies”) attached hereto;

C. WHEREAS, the Medley D&Os served as directors or officers of the Medley Entities (together with the Medley Entities, the “Insured Parties”);

D. WHEREAS, the Medley LLC Liquidating Trust (the “Liquidating Trust”) is releasing Medley, the Medley D&Os, and certain other individuals and entities from the alleged Causes of Action that the Liquidating Trust has against one or more of the Insured Parties, except for the Preserved Claims (defined below), (the “Releases”) in connection with that certain Settlement Agreement and Release, dated on or about the date hereof among Medley, Brook Taube Trust, Brook Taube, Seth Taube, and the Liquidating Trust (the “Settlement Agreement”);

E. WHEREAS, in connection with that Settlement Agreement, Saccullo Business Consulting, LLC, as liquidating trustee (the “Liquidating Trustee”) for the Liquidating Trust, has agreed that the Liquidating Trust’s monetary demand in connection with the mediation of certain alleged Causes of Action for damages against one or more of the Insured Parties for Wrongful Acts which caused Loss for which the Trustee contends one or more of the Insurance Policies provide coverage pursuant to the terms of the Insurance Policies (the “Preserved Claims”) will be not more than the remaining coverage limits for each of the Insurance Policies, thus leaving an amount of insurance limits

available under the Insurance Policies for other purposes, including payment of defense fees;

F. WHEREAS, the Liquidating Trust has agreed to forbear from bringing any claims or causes of action against the Parties prior to the mediation contemplated in Section 4 below;

G. WHEREAS, the Liquidating Trust has asked Medley and the Medley D&Os to forbear from accepting and seeking the reimbursement of fees and expenses allegedly incurred or owed, except for the limitation on such forbearance as set forth in this Agreement (the “Forbearance”);

H. WHEREAS, the Parties acknowledge that all rights, arguments, and claims with respect to the Parties’ legal fees and expenses are reserved according to the terms and conditions memorialized in this Agreement;

I. WHEREAS, the Parties acknowledge that the companies that issued the Insurance Policies have reserved all rights with respect to the availability and extent of coverage afforded under the Insurance Policies in connection with the Preserved Claims.

J. WHEREAS, this Agreement is conditioned upon Medley, Brook Taube and Seth Taube, and the Securities and Exchange Commission (“SEC”) agreeing to a settlement regarding the SEC’s investigation entitled *In the Matter of Medley Capital Corporation*, File No. NY-10045 and that settlement’s final approval by the SEC (the “SEC Agreement”); if the SEC Agreement is not executed, this Agreement and the Forbearance hereunder shall be null and void.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Parties, intending to be legally bound by this Agreement, agree as follows:

1. Adoption of Recitals; Conditions Precedent. The Parties agree that this Agreement is conditioned upon execution and delivery of the Settlement Agreement.

2. Agreement to Allocate and Seek Payment of Certain Funds. The Parties agree to the prior allocation among counsel of the remaining available funds from the Starr Indemnity & Liability Company Policy (Policy Number 1000059851171), as listed on Exhibit A of this Agreement, for legal and advisory fees and expenses. The Parties further agree that Eversheds and Wilmer Cutler Pickering Hale and Dorr LLP (“Wilmer”) can seek payment of those funds, according to the agreed-upon allocation, upon the SEC Agreement’s execution. According to the agreed-upon allocation, Eversheds can seek payment of \$644,143, and Wilmer can seek payment of \$364,408, with each of Eversheds and Wilmer reserving its rights to seek payment of such amounts even if the SEC Agreement is not executed.

3. Agreement to Forbear. Except as provided in Paragraph 2 of this Agreement, during the Forbearance Period (defined below) the Parties agree to not request or accept payments under the Insurance Policies in accordance with the following terms and conditions:

- a. The Parties and their attorneys, with express reservation of all rights, arguments, or claims under the Insurance Policies, will not seek or accept

reimbursement from the Insurance Policies during the Forbearance Period for legal fees and expenses that are unpaid as of the date of this Agreement, or otherwise accrued during the Forbearance Period, except with regard to the following amounts (“Permitted Draws”), or as otherwise allowed in this Agreement:

- i. An amount not exceeding THREE HUNDRED THOUSAND DOLLARS (\$300,000) from the Allied World Insurance Company (Side A) Policy (Policy Number 0310-3481) listed under “Tower 1 (D&O)” on Exhibit A of this Agreement;
 - ii. An amount not exceeding FIVE HUNDRED THOUSAND DOLLARS (\$500,000) from the Allianz Global Risks US Insurance Company Policy (Policy Number USF00298219) and subsequent Insurance Policies listed therewith under “Tower 2 (D&O)” on Exhibit A of this Agreement; and
 - iii. An amount not exceeding such amount necessary to ensure a minimum remaining balance of THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) from the Travelers Casualty and Surety Co. of America Policy (Policy Number 106601622) listed under “Tower 3 (E&O)” on Exhibit A of this Agreement; provided that the Parties further agree that the Permitted Draws may not come from any other Insurance Policy listed under “Tower 3 (E&O)” on Exhibit A of this Agreement.
- b. The Parties agree that the Permitted Draws from the Allied World Insurance Company (Side A) Policy are reserved for fees and expenses that may accrue and become due and owing for services rendered in connection with the mediation of the Preserved Claims with the Liquidating Trust (the “Mediation Fees and Expenses”).
 - c. The Parties agree that the Permitted Draws from the Allianz Global Risks US Insurance Company Policy are reserved for Mediation Fees and Expenses.
 - d. The Parties agree that the Permitted Draws from the Travelers Casualty and Surety Co. of America Policy are reserved for unpaid legal fees and expenses as of the date of this Agreement and for Mediation Fees and Expenses; provided that \$500,000 of the Permitted Draws from the Travelers Casualty and Surety Co. of America Policy will only be used for Mediation Fees and Expenses.
 - e. The Parties further agree that any remaining balance from the Starr Indemnity & Liability Company Policy after the allocation described in Paragraph 2, are reserved for unpaid legal fees as well as Mediation Fees and Expenses.
 - f. The Parties and their attorneys agree to work in good faith to determine the appropriate allocation of insurance proceeds for reimbursement of legal fees

and expenses among counsel.

4. Agreement to Mediate. The Insured Parties agree to mediate the dispute over the Preserved Claims with the Liquidating Trust, with such mediation expected to be completed by no later than June 30, 2022, and with a mediator jointly selected by the Liquidating Trust and the Insured Parties (the “Mediator”). The Insured Parties agree to participate in a cost effective, streamlined mediation in good faith. The Insured Parties further agree to work in good faith to have the insurance companies, as listed on Exhibit A of this Agreement, participate in the Mediation.

5. Forbearance Period. The forbearance period shall start upon execution of this Agreement and shall last until the earlier of: (a) five (5) business days after payment of insurance proceeds to the Liquidating Trust to consummate a settlement reached with the Liquidating Trust resolving its alleged Preserved Claims, (b) if the Settlement Agreement is voided or terminated for any reason, the date of such voiding or termination, and (c) June 30, 2022 (the “Forbearance Period”). The Parties may extend the Forbearance Period with the written consent of all the Parties. Nothing in this Agreement shall constitute an agreement by any of the Parties to forbear beyond the Forbearance Period.

6. Time Is of the Essence. Time is of the essence in this Agreement.

7. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

8. Construction of Agreement. Each of the Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed in favor of, or to the detriment of, any of the other Parties.

9. Governing Law and Forum. This Agreement shall be construed under, governed by, and enforced in all respects, including interpretation, according to, the substantive laws of the State of New York without regard to New York’s choice-of-law provisions. In the event any Party seeks to enforce this Agreement or assert a claim for breach thereof, each of the Parties hereby expressly consents to the exclusive jurisdiction of federal and state courts sitting in New York, New York, to enforce the terms of this Agreement and to remedy any violation thereof, and the Parties also consent to personal jurisdiction in such courts and waive any objection based on personal jurisdiction grounds or the doctrine of *forum non conveniens*.

10. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Parties, their respective agents, attorneys, executors, guardians, companies and affiliates, partners, members, managers, officers, employees, heirs, successors, and assigns.

11. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Parties; no Party shall have any power to obligate or bind any other Party in any manner whatsoever.

12. Third-Party Beneficiaries. The Liquidating Trust and the Liquidating Trustee are third-party beneficiaries of this Agreement.

13. Purpose and Effect of Agreement. Nothing contained herein shall be deemed or construed to be an admission or acknowledgment of liability.

14. Waiver. No waiver by any Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

15. Severability. If any term, clause, or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause, or provision and such invalid term, clause, or provision shall be deemed to be severed from the Agreement.

16. Confidentiality. The Parties agree to keep the Settlement Agreement confidential and not to disclose documents and communication related to the Settlement Agreement, except: (i) to their respective attorneys, professionals, agents and accountants; (ii) to any government agency or regulatory authority and their employees and agents; (iii) to the insurance carriers insuring the Insurance Policies; and (iv) as required by law or legal process. If a Party is required by law or legal process to disclose the Settlement Agreement, such Party will, if practicable, give the other Parties prompt notice of such request so that any other Party may seek an appropriate protective order at its sole cost and expense. In the absence of a protective order, the Party required by law or legal process to disclose the Settlement Agreement may do so, provided that it has asked the person or entity requesting the Settlement Agreement to treat it as confidential. Notwithstanding the foregoing, the Parties may disclose the Settlement Agreement or the terms thereof in connection with any litigation concerning its subject matter.

17. Information Sharing. The Parties agree that this Agreement will be shared with the insurance carriers, or their designated representatives, as listed on Exhibit A of this Agreement.

18. Counterpart Signature Pages. This Agreement may be executed in one or more counterparts with facsimile or scanned signatures being deemed original, any of which need not contain the signatures of all Parties but all signed counterparts taken together will constitute one and the same agreement.

19. Expiration of Agreement. Notwithstanding any other provision herein, this Agreement expires June 30, 2022 absent prior written consent of all the Parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____
Title: _____
Date: _____

BROOK TAUBE

By: _____
Title: _____
Date: _____

SETH TAUBE

By: _____
Title: _____
Date: _____

JEFFREY TONKEL

By: _____
Title: _____
Date: _____

RICHARD ALLORTO

By: _____
Title: _____
Date: _____

SAMUEL ANDERSON

By: _____
Title: _____
Date: _____

JOHN FREDERICKS

By: _____
Title: _____
Date: _____

COUNSEL FOR MEDLEY MANAGEMENT INC.

By: _____
Title: _____
Date: _____

COUNSEL FOR BROOK TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR SETH TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR JEFFREY TONKEL

By: _____
Title: _____
Date: _____

COUNSEL FOR RICHARD ALLORTO

By: _____
Title: _____
Date: _____

COUNSEL FOR SAMUEL ANDERSON

By: _____
Title: _____
Date: _____

COUNSEL FOR JOHN FREDERICKS

By: _____
Title: _____
Date: _____

EVERSHEDS SUTHERLAND (US) LLP

By: _____

Title: _____

Date: _____

SCHEDULE I
DEFINED TERMS

“Cause of Action” or *“Causes of Action”* means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Medley Entities. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“Defense Expenses” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a claim, and the premium for appeal, attachment, or similar bond.

“Insured Person” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of the Medley Entities.

“Loss” means (i) Defense Expenses; and (ii) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“Management Services” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of the Medley Entities.

“Wrongful Act” means (1) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (2) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II – INSURANCE POLICIES*

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd's of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access, or coverage.

EXHIBIT B

FORM OF CONFIRMATION LETTER

This Confirmation Letter by the Liquidating Trustee is made as of [], 2022] by Saccullo Business Consulting, as liquidating trustee (the “Liquidating Trustee”) of the Medley LLC Liquidating Trust (the “Liquidating Trust”), pursuant to the Settlement Agreement and Release dated as of March [], 2022 (as amended, supplemented or otherwise modified prior to the date hereof, the “Agreement”) by and among Medley Management, Inc., a Delaware corporation, Brook Taube Trust, and Brook Taube and Seth Taube (collectively, the “Taube Parties”), and the Liquidating Trust.

Pursuant to section 3.1 of the Agreement, the Liquidating Trustee hereby represents and confirms as follows:

1. The Liquidating Trust will be able to distribute [XX DOLLARS (\$XX)] (the “Class 3 Payment”), from the escrow account established with Ankura Trust Company, LLC (the “Escrow Agent”) by Brook Taube and Seth Taube, to U.S. Bank National Association, in its capacity as trustee under the Notes Indenture⁴ (the “Notes Trustee”), within ten (10) business days of receiving the Class 3 Payment from the Escrow Agent and those funds becoming available for transfer.
2. The Liquidating Trust will satisfy the Charging Lien⁵ prior to or contemporaneously with the Liquidating Trust’s distribution of the Class 3 Payment to the Notes Trustee.
3. The Charging Lien will be satisfied from funds other than the Class 3 Payment.
4. The Notes Trustee has confirmed to the Liquidating Trustee that, other than the \$191,054.65 owed pursuant to the Charging Lien, no money is owed to the Notes Trustee under the Notes Indenture or otherwise that would entitle the Notes Trustee to deduct funds from the Class 3 Payment.
5. It is the Liquidating Trustee’s intent that the Noteholders will be the ultimate recipients of the Class 3 Payment, with no deductions thereto.

⁴ The “Notes Indenture” is that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated August 9, 2016, between the Debtor, as issuer, and U.S. Bank National Association, as trustee, that governs (1) those senior unsecured notes with a maturity date of January 20, 2024 issued by the Debtor and (2) those senior unsecured notes with a maturity date of August 15, 2026 issued by the Debtor.

⁵ The “Charging Lien” is the lien or priority of payment in the amount of \$191,054.65 to which the Notes Trustee is entitled under the Notes Indenture against any distributions made from the Liquidating Trust to the Notes Trustee.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee

Name:

Title: _____

EXHIBIT C**FORM OF LIQUIDATING TRUSTEE CERTIFICATION**

This Liquidating Trustee Certification is made as of [, 2022] by Saccullo Business Consulting, as liquidating trustee (the “Liquidating Trustee”) of the Medley LLC Liquidating Trust (the “Liquidating Trust”), pursuant to the Settlement Agreement and Release (the “Agreement”) by and among Medley Management, Inc., a Delaware corporation, Brook Taube Trust, and Brook Taube and Seth Taube, and the Liquidating Trust.

Pursuant to section 3.1 of the Agreement, the Liquidating Trustee hereby represents and certifies as follows:

1. On [, 2022], the Liquidating Trust transferred [\$XX] (the “Class 3 Distribution”), which it received from the escrow account established with Ankura Trust Company, LLC by Brook Taube and Seth Taube, to U.S. Bank, N.A., as indenture trustee (the “Notes Trustee”). In addition to the Class 3 Distribution and prior to or contemporaneously with making the Class 3 Distribution to the Notes Trustee, the Liquidating Trust transferred an additional \$191,054.65 to the Notes Trustee in satisfaction of the Notes Trustee’s lien or priority of payment to which it was entitled under that certain indenture agreement dated August 9, 2016 between the Notes Trustee and Medley LLC. Attached hereto as “Exhibit 1” is a copy of the federal reference number for the Liquidating Trust’s wire transfer(s) to the Notes Trustee.

2. On [, 2022], the Notes Trustee transferred the Class 3 Distribution to the Depository Trust Company. Attached hereto as “Exhibit 2” is a copy of the federal reference number for the Notes Trustee’s wire transfer(s) to the Depository Trust Company.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee

Name:

Title:

EXHIBIT 2

EXECUTION VERSION**FORBEARANCE AGREEMENT AND
AGREEMENT TO MEDIATE**

This Forbearance Agreement and Agreement to Mediate (the “Agreement”) is entered into and effective as of March 23, 2022, and with respect to each party hereto, as of the date that such party executes this Agreement, (the “Effective Date”), by and among Medley Management, Inc., a Delaware corporation, and its undersigned counsel (“Medley”), Brook Taube, Seth Taube, Jeffrey Tonkel, Richard Allorto, Samuel Anderson and John Fredericks, and their undersigned counsel (collectively, the “Medley D&Os”), and Eversheds Sutherland (US) LLP (“Eversheds”), in its capacity as counsel for, *inter alia*, Medley LLC and Medley Management, Inc. Medley, the Medley D&Os, and Eversheds are each referred to individually herein as a “Party” and collectively as the “Parties.” Capitalized terms that are used herein but not defined shall have the meanings given to them in Schedule I attached hereto.

I. RECITALS

A. WHEREAS, Medley LLC is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, Case No. 21-10526, in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

B. WHEREAS, Medley, its affiliates, and subsidiaries (collectively, the “Medley Entities”), and its officers and directors were insured under three towers of insurance policies, as set forth on Exhibit A (collectively, the “Insurance Policies”);

C. WHEREAS, the Medley D&Os served as directors or officers of the Medley Entities (together with the Medley Entities, the “Insured Parties”);

D. WHEREAS, the Medley LLC Liquidating Trust (the “Liquidating Trust”) is releasing Medley, the Medley D&Os, and certain other individuals and entities from the alleged Causes of Action that the Liquidating Trust has against one or more of the Insured Parties, except for the Preserved Claims (defined below), (the “Releases”) in connection with that certain Settlement Agreement and Release, dated on or about the date hereof among Medley, Brook Taube Trust, Brook Taube, Seth Taube, and the Liquidating Trust (the “Settlement Agreement”);

E. WHEREAS, in connection with that Settlement Agreement, Saccullo Business Consulting, LLC, as liquidating trustee (the “Liquidating Trustee”) for the Liquidating Trust, has agreed that the Liquidating Trust’s monetary demand in connection with the mediation of certain alleged Causes of Action for damages against one or more of the Insured Parties for Wrongful Acts which caused Loss for which the Trustee contends one or more of the Insurance Policies provide coverage pursuant to the terms of the Insurance Policies (the “Preserved Claims”) will be not more than the remaining coverage limits for each of the Insurance Policies, thus leaving an amount of insurance limits available under the Insurance Policies for other purposes, including payment of defense fees;

F. WHEREAS, the Liquidating Trust has agreed to forbear from bringing any claims or causes of action against the Parties prior to the mediation contemplated in Section 4 below;

EXECUTION VERSION

G. WHEREAS, the Liquidating Trust has asked Medley and the Medley D&Os to forbear from accepting and seeking the reimbursement of fees and expenses allegedly incurred or owed, except for the limitation on such forbearance as set forth in this Agreement (the “Forbearance”);

H. WHEREAS, the Parties acknowledge that all rights, arguments, and claims with respect to the Parties’ legal fees and expenses are reserved according to the terms and conditions memorialized in this Agreement;

I. WHEREAS, the Parties acknowledge that the companies that issued the Insurance Policies have reserved all rights with respect to the availability and extent of coverage afforded under the Insurance Policies in connection with the Preserved Claims.

J. WHEREAS, this Agreement is conditioned upon Medley, Brook Taube and Seth Taube, and the Securities and Exchange Commission (“SEC”) agreeing to a settlement regarding the SEC’s investigation entitled *In the Matter of Medley Capital Corporation*, File No. NY-10045 and that settlement’s final approval by the SEC (the “SEC Agreement”); if the SEC Agreement is not executed, this Agreement and the Forbearance hereunder shall be null and void.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Parties, intending to be legally bound by this Agreement, agree as follows:

1. Adoption of Recitals; Conditions Precedent. The Parties agree that this Agreement is conditioned upon execution and delivery of the Settlement Agreement.

2. Agreement to Allocate and Seek Payment of Certain Funds. The Parties agree to the prior allocation among counsel of the remaining available funds from the Starr Indemnity & Liability Company Policy (Policy Number 1000059851171), as listed on Exhibit A of this Agreement, for legal and advisory fees and expenses. The Parties further agree that Eversheds and Wilmer Cutler Pickering Hale and Dorr LLP (“Wilmer”) can seek payment of those funds, according to the agreed-upon allocation, upon the SEC Agreement’s execution. According to the agreed-upon allocation, Eversheds can seek payment of \$644,143, and Wilmer can seek payment of \$364,408, with each of Eversheds and Wilmer reserving its rights to seek payment of such amounts even if the SEC Agreement is not executed.

3. Agreement to Forbear. Except as provided in Paragraph 2 of this Agreement, during the Forbearance Period (defined below) the Parties agree to not request or accept payments under the Insurance Policies in accordance with the following terms and conditions:

- a. The Parties and their attorneys, with express reservation of all rights, arguments, or claims under the Insurance Policies, will not seek or accept reimbursement from the Insurance Policies during the Forbearance Period for legal fees and expenses that are unpaid as of the date of this Agreement, or otherwise accrued during the Forbearance Period, except with regard to the following amounts (“Permitted Draws”), or as otherwise allowed in this Agreement:

EXECUTION VERSION

- i. An amount not exceeding THREE HUNDRED THOUSAND DOLLARS (\$300,000) from the Allied World Insurance Company (Side A) Policy (Policy Number 0310-3481) listed under “Tower 1 (D&O)” on Exhibit A of this Agreement;
 - ii. An amount not exceeding FIVE HUNDRED THOUSAND DOLLARS (\$500,000) from the Allianz Global Risks US Insurance Company Policy (Policy Number USF00298219) and subsequent Insurance Policies listed therewith under “Tower 2 (D&O)” on Exhibit A of this Agreement; and
 - iii. An amount not exceeding such amount necessary to ensure a minimum remaining balance of THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) from the Travelers Casualty and Surety Co. of America Policy (Policy Number 106601622) listed under “Tower 3 (E&O)” on Exhibit A of this Agreement; provided that the Parties further agree that the Permitted Draws may not come from any other Insurance Policy listed under “Tower 3 (E&O)” on Exhibit A of this Agreement.
- b. The Parties agree that the Permitted Draws from the Allied World Insurance Company (Side A) Policy are reserved for fees and expenses that may accrue and become due and owing for services rendered in connection with the mediation of the Preserved Claims with the Liquidating Trust (the “Mediation Fees and Expenses”).
 - c. The Parties agree that the Permitted Draws from the Allianz Global Risks US Insurance Company Policy are reserved for Mediation Fees and Expenses.
 - d. The Parties agree that the Permitted Draws from the Travelers Casualty and Surety Co. of America Policy are reserved for unpaid legal fees and expenses as of the date of this Agreement and for Mediation Fees and Expenses; provided that \$500,000 of the Permitted Draws from the Travelers Casualty and Surety Co. of America Policy will only be used for Mediation Fees and Expenses.
 - e. The Parties further agree that any remaining balance from the Starr Indemnity & Liability Company Policy after the allocation described in Paragraph 2, are reserved for unpaid legal fees as well as Mediation Fees and Expenses.
 - f. The Parties and their attorneys agree to work in good faith to determine the appropriate allocation of insurance proceeds for reimbursement of legal fees and expenses among counsel.
4. Agreement to Mediate. The Insured Parties agree to mediate the dispute over the Preserved Claims with the Liquidating Trust, with such mediation expected to be completed by no

EXECUTION VERSION

later than June 30, 2022, and with a mediator jointly selected by the Liquidating Trust and the Insured Parties (the “Mediator”). The Insured Parties agree to participate in a cost effective, streamlined mediation in good faith. The Insured Parties further agree to work in good faith to have the insurance companies, as listed on Exhibit A of this Agreement, participate in the Mediation.

5. Forbearance Period. The forbearance period shall start upon execution of this Agreement and shall last until the earlier of: (a) five (5) business days after payment of insurance proceeds to the Liquidating Trust to consummate a settlement reached with the Liquidating Trust resolving its alleged Preserved Claims, (b) if the Settlement Agreement is voided or terminated for any reason, the date of such voiding or termination, and (c) June 30, 2022 (the “Forbearance Period”). The Parties may extend the Forbearance Period with the written consent of all the Parties. Nothing in this Agreement shall constitute an agreement by any of the Parties to forbear beyond the Forbearance Period.

6. Time Is of the Essence. Time is of the essence in this Agreement.

7. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

8. Construction of Agreement. Each of the Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed in favor of, or to the detriment of, any of the other Parties.

9. Governing Law and Forum. This Agreement shall be construed under, governed by, and enforced in all respects, including interpretation, according to, the substantive laws of the State of New York without regard to New York’s choice-of-law provisions. In the event any Party seeks to enforce this Agreement or assert a claim for breach thereof, each of the Parties hereby expressly consents to the exclusive jurisdiction of federal and state courts sitting in New York, New York, to enforce the terms of this Agreement and to remedy any violation thereof, and the Parties also consent to personal jurisdiction in such courts and waive any objection based on personal jurisdiction grounds or the doctrine of *forum non conveniens*.

10. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Parties, their respective agents, attorneys, executors, guardians, companies and affiliates, partners, members, managers, officers, employees, heirs, successors, and assigns.

11. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Parties; no Party shall have any power to obligate or bind any other Party in any manner whatsoever.

12. Third-Party Beneficiaries. The Liquidating Trust and the Liquidating Trustee are third-party beneficiaries of this Agreement.

13. Purpose and Effect of Agreement. Nothing contained herein shall be deemed or construed to be an admission or acknowledgment of liability.

EXECUTION VERSION

14. Waiver. No waiver by any Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

15. Severability. If any term, clause, or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause, or provision and such invalid term, clause, or provision shall be deemed to be severed from the Agreement.

16. Confidentiality. The Parties agree to keep the Settlement Agreement confidential and not to disclose documents and communication related to the Settlement Agreement, except: (i) to their respective attorneys, professionals, agents and accountants; (ii) to any government agency or regulatory authority and their employees and agents; (iii) to the insurance carriers insuring the Insurance Policies; and (iv) as required by law or legal process. If a Party is required by law or legal process to disclose the Settlement Agreement, such Party will, if practicable, give the other Parties prompt notice of such request so that any other Party may seek an appropriate protective order at its sole cost and expense. In the absence of a protective order, the Party required by law or legal process to disclose the Settlement Agreement may do so, provided that it has asked the person or entity requesting the Settlement Agreement to treat it as confidential. Notwithstanding the foregoing, the Parties may disclose the Settlement Agreement or the terms thereof in connection with any litigation concerning its subject matter.

17. Information Sharing. The Parties agree that this Agreement will be shared with the insurance carriers, or their designated representatives, as listed on Exhibit A of this Agreement.

18. Counterpart Signature Pages. This Agreement may be executed in one or more counterparts with facsimile or scanned signatures being deemed original, any of which need not contain the signatures of all Parties but all signed counterparts taken together will constitute one and the same agreement.

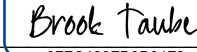
19. Expiration of Agreement. Notwithstanding any other provision herein, this Agreement expires June 30, 2022 absent prior written consent of all the Parties.

[Signature Page Follows]

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

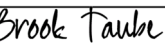
MEDLEY MANAGEMENT INC.

By: 
Title: _____
Date: 3/24/2022


COUNSEL FOR MEDLEY
MANAGEMENT INC.

By: _____
Title: _____
Date: _____


BROOK TAUBE

By: 
Title: _____
Date: 3/23/2022

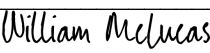
COUNSEL FOR BROOK TAUBE

By: 
Title: _____
Date: 3/23/2022

SETH TAUBE

By: 
Title: _____
Date: 3/23/2022

COUNSEL FOR SETH TAUBE

By: 
Title: _____
Date: 3/23/2022

JEFFREY TONKEL

By: _____
Title: _____
Date: _____

COUNSEL FOR JEFFREY TONKEL

By: _____
Title: _____
Date: _____

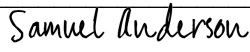
RICHARD ALLORTO

By: _____
Title: _____
Date: _____

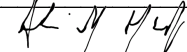
COUNSEL FOR RICHARD ALLORTO

By: _____
Title: _____
Date: _____

SAMUEL ANDERSON

By: 
Title: _____
Date: 3/23/2022

COUNSEL FOR SAMUEL ANDERSON

By: 
Title: _____
Date: 3/23/2022

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____

Title: _____

Date: _____

BROOK TAUBE

By: _____

Title: _____

Date: _____

SETH TAUBE

By: _____

Title: _____

Date: _____

JEFFREY TONKEL

By: _____

Title: _____

Date: _____

RICHARD ALLORTO

By: _____

Title: _____

Date: _____

SAMUEL ANDERSON

By: _____

Title: _____

Date: _____

COUNSEL FOR MEDLEY
MANAGEMENT INC.

By: _____

Title: _____

Date: _____

COUNSEL FOR BROOK TAUBE

SCHULTE ROTH & ZABEL LLP

By:  _____
Douglas Koff

Title: Partner

Date: 3/23/22

COUNSEL FOR SETH TAUBE

SCHULTE ROTH & ZABEL LLP

By:  _____
Douglas Koff

Title: Partner

Date: 3/23/22

COUNSEL FOR JEFFREY TONKEL

By: _____

Title: _____

Date: _____

COUNSEL FOR RICHARD ALLORTO

By: _____

Title: _____

Date: _____

COUNSEL FOR SAMUEL ANDERSON

By: _____

Title: _____

Date: _____

**For Settlement Purposes Only
Inadmissible in Any Proceeding
(under Federal Rule of Evidence 408 or similar Rule)
DRAFT as of 3/11/22**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____

Title: _____

Date: _____

BROOK TAUBE

By: _____

Title: _____

Date: _____

SETH TAUBE

By: _____

Title: _____

Date: _____

JEFFREY TONKEL

By: _____

Title: _____

Date: _____

RICHARD ALLORTO

By: _____

Title: _____

Date: _____

SAMUEL ANDERSON

By: _____

Title: _____

COUNSEL FOR MEDLEY
MANAGEMENT INC.

N. Adele Hogan

By: N. Adele Hogan

Title: Partner, Lucosky Brookman, LLP

Date: 3/22/22

COUNSEL FOR BROOK TAUBE

By: _____

Title: _____

Date: _____

COUNSEL FOR SETH TAUBE

By: _____

Title: _____

Date: _____

COUNSEL FOR JEFFREY TONKEL

By: _____

Title: _____

Date: _____

COUNSEL FOR RICHARD ALLORTO

By: _____

Title: _____

Date: _____

COUNSEL FOR SAMUEL ANDERSON

By: _____

Title: _____

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____
Title: _____
Date: _____


BROOK TAUBE

By: _____
Title: _____
Date: _____

SETH TAUBE

By: _____
Title: _____
Date: _____

JEFFREY TONKEL

By: 
Title: _____
Date: 3/23/22

RICHARD ALLORTO

By: _____
Title: _____
Date: _____

SAMUEL ANDERSON

By: _____
Title: _____
Date: _____

COUNSEL FOR MEDLEY
MANAGEMENT INC.

By: _____
Title: _____
Date: _____


COUNSEL FOR BROOK TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR SETH TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR JEFFREY TONKEL

By: 
Title: _____
Date: March 23, 2022

COUNSEL FOR RICHARD ALLORTO

By: _____
Title: _____
Date: _____

COUNSEL FOR SAMUEL ANDERSON

By: _____
Title: _____
Date: _____

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

MEDLEY MANAGEMENT INC.

By: _____
Title: _____
Date: _____

BROOK TAUBE

By: _____
Title: _____
Date: _____

SETH TAUBE

By: _____
Title: _____
Date: _____

JEFFREY TONKEL

By: _____
Title: _____
Date: _____

RICHARD ALLORTO

By: Richard Allorto
Title: Chief Financial Officer
Date: 3/23/2022

~~SAMUEL ANDERSON~~ RICHARD ALLORTO

By: _____
Title: _____
Date: _____

COUNSEL FOR MEDLEY
MANAGEMENT INC.

By: _____
Title: _____
Date: _____

COUNSEL FOR BROOK TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR SETH TAUBE

By: _____
Title: _____
Date: _____

COUNSEL FOR JEFFREY TONKEL

By: _____
Title: _____
Date: _____

COUNSEL FOR RICHARD ALLORTO

By: Richard C. Flynn
Title: Counsel
Date: 3/28/2022

COUNSEL FOR ~~SAMUEL ANDERSON~~ RICHARD ALLORTO

By: _____
Title: _____
Date: _____

EXECUTION VERSION

JOHN FREDERICKS



COUNSEL FOR JOHN FREDERICKS

McGonigle PC

By: Stephen J. Crimmins

Title: Shareholder

Date: 3/22/2022

EVERSHEDS SUTHERLAND (US)

LLP

By: _____

Title: _____

Date: _____

EXECUTION VERSION

JOHN FREDERICKS

COUNSEL FOR JOHN FREDERICKS

By: _____

Title: _____

Date: _____

EVERSHEDS SUTHERLAND (US)

LLP


By: Bruce M. Bettigole

Title: Partner

Date: 3/23/2022

By: _____

Title: _____

Date: _____

EXECUTION VERSION**SCHEDULE I**
DEFINED TERMS

“Cause of Action” or *“Causes of Action”* means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Medley Entities. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“Defense Expenses” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a claim, and the premium for appeal, attachment, or similar bond.

“Insured Person” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of the Medley Entities.

“Loss” means (i) Defense Expenses; and (ii) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“Management Services” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of the Medley Entities.

“Wrongful Act” means (1) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (2) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

EXECUTION VERSION**EXHIBIT A – INSURANCE POLICIES***

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd's of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

EXECUTION VERSION

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access, or coverage.

EXHIBIT 3

Settlement Communication Under Federal Rule of Evidence 408

AGREEMENT

This Agreement is being entered into by and between Eversheds Sutherland (US) LLP ("Eversheds") and Saccullo Business Consulting, LLC, as liquidating trustee (the "Liquidating Trustee" and together with Eversheds, the "Parties") for the Medley LLC Liquidating Trust (the "Liquidating Trust") established under the Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC dated as of October 14, 2021 (the "Medley Plan"), which was confirmed on October 18, 2021 by Order of the United States Bankruptcy Court for the District of Delaware (the "Court") in the chapter 11 case of Medley LLC (the "Debtor"), case number 21-10526.

WHEREAS, Eversheds was retained as Special Counsel to the Debtor pursuant to an order of the Court dated May 17, 2021 [Dkt. No. 167];

WHEREAS, the Court entered the Amended Omnibus Order Awarding Final Fee Applications on January 26, 2022 [Dkt. No. 569] (the "Final Fee Order") awarding Eversheds fees and expenses in the amount of \$2,080,055.19 (the "Eversheds Administrative Claim"), which amount is payable from assets of the Liquidating Trust to the extent (i) the applicable insurance carriers fail to pay the Eversheds Administrative Claim, and (ii) the Liquidating Trust has sufficient funds to pay such outstanding amounts;

WHEREAS, as part of the Medley Plan, holders of class 3 claims ("Class 3 Claims") and class 4 claims ("Class 4 Claims") are general unsecured claims that share *pari passu* on distributions from the Liquidating Trust;

WHEREAS, the Liquidating Trustee is negotiating a settlement (the "Chapter 5 Settlement") of the Liquidating Trust's causes of action that are not covered by insurance against Seth Taube, Brook Taube and Medley Management, Inc. (the "Settling Defendants") under which they will make a: (i) cash payment (the "Cash Payment"); and (ii) up to a \$10,000,000 payment from an established escrow reserve provided that those funds are distributable to Class 3 Claims (the "Class 3 Distribution"), and collectively with the Cash Payment, the "Settlement Payment";

WHEREAS, under the Medley Plan, the Class 3 Distribution would require the Liquidating Trustee to remit a *pro rata* distribution to holders of allowed Class 4 Claims (the "Class 4 Distribution") and reserve an amount for disputed Class 4 Claims (the "Class 4 Reserve");

WHEREAS, the Liquidating Trustee plans to use some, or all, of the Settlement Payment (as well as other assets of the Liquidating Trust, if needed) to make the Class 3 and Class 4 Distribution (collectively, the "Distributions"), to pay the necessary fees and expenses related to the Distributions, and to create the Class 4 Reserve;

WHEREAS, the forbearance and waiver of rights by Eversheds set forth in this Agreement are necessary to permit the Liquidating Trust to receive the maximum benefit of the negotiated agreement by and between the Settling Defendants and the Liquidating Trust, and to maximize the distribution to all creditors in this case by avoiding unnecessary litigation and the incumbent

dissipation of assets and insurance proceeds that may otherwise be available for distribution to creditors;

WHEREAS, for these reasons, the terms and conditions of this Agreement are integral and inextricable to the Chapter 5 Settlement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is mutually acknowledged, the Parties agree as follows:

1. Eversheds hereby waives any right it may have, or purport to have, under the Medley Plan or Final Fee Order: (i) to receive any payment on the Eversheds Administrative Claim until the Trust has received sufficient funds to: (1) make the Distributions, including, without limitation, the funds required to pay any fees and expenses associated with such Distributions (including fees of U.S. Bank, N.A., as indenture trustee, and the Office of the United States Trustee), (2) establish the Class 4 Reserve, (3) pay any costs, expenses, fees, claims, or other payment rights that are senior to the Eversheds Administrative Claim under the Medley Plan; and (4) satisfy, and or reserve for any claims that are, as of the date of this Agreement, entitled to *pari passu* treatment to the Eversheds Administrative Claim and the Eversheds Administrative Claim; and (ii) to compel the Liquidating Trustee to use the funds referenced in subpart (i) of this paragraph to satisfy the Eversheds Administrative Claim.

2. Notwithstanding anything in the Medley Plan or Final Fee Order, Eversheds agrees that (i) Eversheds shall first seek payment for the Eversheds Administrative Claim from applicable insurance carriers and in accordance with that certain forbearance agreement executed herewith; and (ii) if the applicable insurance carriers fail to pay the Eversheds Administrative Claim in a reasonable time not to exceed December 1, 2022, then Eversheds may seek payment from assets of the Liquidating Trust for what remains owed.

3. Miscellaneous:

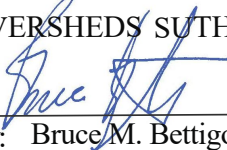
a. Amendments. No modification of any term of this Agreement shall be effective unless made in writing and signed by the Parties. Failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or of future compliance therewith and such provisions shall remain in full force and effect.

b. Severability. If any provision is found to be invalid, such provision shall not invalidate the entire Agreement, but the Agreement shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Parties shall be construed accordingly.

c. Counterpart Signature Pages. This Agreement may be executed by e-mail in one or more counterparts which taken together will constitute one agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by themselves or their duly authorized representatives on the respective dates set forth below.

EVERSHEDS SUTHERLAND (US) LLP


By: Bruce M. Bettigole
Title: Partner
Date: March 9, 2022

SACCULLO BUSINESS CONSULTING, LLC, as Liquidating Trustee


By:
Title:
Date:

EXHIBIT 4

EXHIBIT B

Execution Copy

**SETTLEMENT AGREEMENT AND
RELEASE OF PRE-APRIL 30 CLAIMS**

This SETTLEMENT AGREEMENT AND RELEASE OF PRE-APRIL 30 CLAIMS (the “Agreement”) is made and entered into on February 13, 2023 by (i) the Medley D&Os¹ and (ii) the Medley LLC Liquidating Trust (the “Liquidating Trust”) through Saccullo Business Consulting, LLC, as Liquidating Trustee (the “Liquidating Trustee”). Collectively, the Liquidating Trust and the Medley D&Os are referred to herein as the “Settling Parties.”

I. RECITALS

A. WHEREAS, Medley LLC (the “Debtor”) is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), Case No. 21-10526;

B. WHEREAS, on October 18, 2021, (i) the Bankruptcy Court entered the *Amended Findings Of Fact, Conclusions Of Law, And Order (I) Approving The Adequacy Of Disclosures On A Final Basis And (II) Confirming The Modified Third Amended Combined Disclosure Statement And Chapter 11 Plan Of Medley LLC* (Docket No. 445) (the “Confirmation Order”), approving the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (Docket No. 445-1) (the “Plan”) and (ii) the Plan became effective;

C. WHEREAS, on October 18, 2021, the Debtor’s assets, including its Causes of Action, automatically vested in the Liquidating Trust, and the Liquidating Trustee was authorized to: (i) marshal and liquidate the Liquidating Trust’s assets for distribution under the Plan, (ii) pursue all such Causes of Action on behalf of the Liquidating Trust; and (iii) settle such Causes of Action subject to the terms of that certain Liquidating Trust Agreement and Declaration of Trust executed in connection with the Plan and Confirmation Order (the “Liquidating Trust Agreement”);²

D. WHEREAS, the Liquidating Trustee is the only party that may commence, litigate and settle any Causes of Action that are Liquidating Trust Assets (as defined in the Plan);

E. WHEREAS, on October 18, 2021, the Liquidating Trust Assets included all of the Debtor’s Causes of Action against the D&O Released Parties³ (the “Insider Claims”);⁴

F. WHEREAS, the Insider Claims consist, or consisted, only of: (1) purported Causes of Action for damages against one or more of the D&O Released Parties (defined in Section 9.1 below) for Wrongful Acts which allegedly caused Loss for which the Liquidating Trustee contends

¹ “Medley D&Os” is defined in Schedule I annexed hereto.

² “Causes of Action” is defined in Schedule I annexed hereto.

³ “D&O Released Parties” is defined in Section 9.1 below.

⁴ For the avoidance of doubt, Insider Claims also include those Causes of Action against the D&O Released Parties that became Liquidating Trust Assets after October 18, 2021.

Execution Copy

one or more of the insurance policies listed in Schedule II annexed hereto (the “Policies”), subject to their terms and conditions, provide, or have provided, coverage pursuant to the terms of the Policies (the “Covered Claims”); and (2) those Causes of Action that the Liquidating Trust finally and conclusively settled and released in the March 2022 Settlement Agreement (the “March 2022 Released Claims”);⁵

G. WHEREAS, the March 2022 Settlement Agreement did not settle or release any Covered Claims;

H. WHEREAS, the Covered Claims consist of (1) Covered Claims that involve wrongdoing alleged to have occurred before April 30, 2019 (the “Pre-April 30 Claims”) and (2) Covered Claims that involve wrongdoing alleged to have occurred on or after April 30, 2019 (the “Post-April 30 Claims”);⁶ and

I. WHEREAS, to avoid the uncertainty, expense, burden, and delay of litigating the Pre-April 30 Claims, the Settling Parties desire to finally and conclusively settle and compromise any and all Pre-April 30 Claims on the terms and conditions set forth below.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Settling Parties, intending to be legally bound by this Agreement, agree as follows:

1. Adoption of Recitals. The recitals set forth above are adopted as part of the Agreement, and the facts set forth therein are acknowledged and agreed to be true and correct.

2. Bankruptcy Court Approval. The Settling Parties acknowledge and agree that this Agreement is expressly conditioned upon, and shall not be deemed effective without, the Bankruptcy Court’s approval. The Liquidating Trustee shall use its best efforts to obtain an order of the Bankruptcy Court approving this Agreement pursuant to Federal Rule of Bankruptcy Procedure 9019 (the “Approval Order”). The Liquidating Trustee shall file a motion seeking entry of the Approval Order in the Bankruptcy Court no later than ten (10) business days after the execution of this Agreement.

3. Effective Date: This Agreement shall become effective on the date (the “Effective Date”) on which the following conditions have been satisfied: (1) the Bankruptcy Court has entered the Approval Order; (2) the Approval Order has become a final order because either (a)

⁵ “March 2022 Settlement Agreement” is defined in Schedule I annexed hereto. For the avoidance of doubt, the Settling Parties acknowledge and agree that the definitions and use of the terms Insider Claims, Covered Claims, and March 2022 Released Claims in this Agreement: (1) are not meant to, and do not in any way, impact, alter, or modify the scope of the releases granted in the March 2022 Settlement Agreement; and (2) shall not be used as a basis to alter or modify the meaning or effectiveness of the terms “Preserved Claims” and “Released Claims” as such terms are used in the March 2022 Settlement Agreement.

⁶ For the avoidance of doubt, Pre-April 30 Claims and Post-April 30 Claims are mutually exclusive, and nothing in this Agreement releases Post-April 30 Claims or anyone other than those listed in Section 9 below. Further, no claim or cause of action for damages the liability for which is covered by those Policies listed under “Tower 1 (D&O)” on Schedule II of this Agreement is a Post-April 30 Claim or otherwise preserved under this Agreement.

Execution Copy

no objection was timely filed to the Liquidating Trustee's motion seeking entry of the Approval Order; or (b) an objection to entry of the Approval Order was filed and (i) no motion for reconsideration regarding the Approval Order has been timely filed within fourteen (14) calendar days after the date of the entry of the Approval Order, as required by Federal Rule of Bankruptcy Procedure 9023; (ii) no notice of appeal regarding the Approval Order has been timely filed within fourteen (14) calendar days after the date of the entry of the Approval Order, as required by Federal Rule of Bankruptcy Procedure 8002(a); and (iii) if a notice of appeal or motion for reconsideration of the Approval Order has been timely filed, as required by Federal Rule of Bankruptcy Procedure 9023 or Federal Rule of Bankruptcy Procedure 8002(a), then such appeal or motion has been denied with prejudice and the Approval Order is not subject to further timely appellate review; and (3) the Liquidating Trust has provided all payment information reasonably required to facilitate the Settlement Payment (as defined in Paragraph 5 below), including wiring instructions, a W9 and any other necessary tax information, and verbal confirmation of the wire instructions by the Liquidating Trustee or his counsel.

4. Rescission. If the Bankruptcy Court denies the Liquidating Trustee's motion seeking entry of an Approval Order, or if the Approval Order is reversed on appeal, then: (a) this Agreement shall be deemed void ab initio and shall have no legal effect whatsoever; (b) the Settling Parties shall revert, without prejudice to or waiver of any right, to their respective positions immediately prior to the execution of this Agreement; and (c) neither this Agreement nor evidence of its terms shall be admissible for any purpose in any action or proceeding.

5. The Settlement Payment. In full and final settlement of the Liquidating Trust's Pre-April 30 Claims, the Medley D&Os shall collectively cause payments in an aggregate amount of SIX MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$6,700,000) (the "Settlement Payment"), from the insurance carriers listed under "Tower 1 (D&O)" and "Tower 3 (E&O)" on Schedule II to be paid to the Liquidating Trust by wire transfer or by certified check delivered by common carrier pursuant to instructions that the Liquidating Trustee will provide.

6. The Payment Deadline. The Medley D&Os shall cause the full amount of the Settlement Payment to be paid to, and received by, the Liquidating Trust by no later than fifteen (15) business days after the Effective Date (the "Payment Deadline").

7. Fair, Reasonable, and Arms-Length Result. The Settling Parties agree that the Settlement Payment constitutes a fair and reasonable compromise of the claims and defenses that have been asserted or that could be asserted with respect to the Pre-April 30 Claims, based on their objective assessment of various factors, including: (a) the relative strength of the underlying claims and defenses; (b) the risk of not prevailing on those claims and defenses; (c) the amount of potential damages associated with those claims; and (d) the amount of attorney's fees and expenses and expert witness fees and expenses necessary to prosecute and defend against the Pre-April 30 Claims. Based upon the Settling Parties' respective evaluation of these factors, the Settling Parties agree that the settlement reflected in this Agreement, as set forth herein, is reasonable, represents a full, fair, and reasonable assessment of the risks to the Settling Parties associated with the Pre-April 30 Claims and defenses thereto, and is in the best interest of the Settling Parties. The Settling Parties further agree that the Settlement Payment is the product of arms-length, good-faith, and

Execution Copy

contentious negotiations over the course of several months, including mediations in May 2022 and June 2022 with Jed Melnick, a nationally respected mediator with JAMS.

8. Release Effective Date. The releases set forth in Section 9 of this Agreement will immediately, automatically and irrevocably become effective on the date that the Liquidating Trust receives payment in full of the Settlement Payment (the “Release Effective Date”).

9. Releases and Covenants. On the Release Effective Date, the Settling Parties will make the following respective releases and covenants.⁷ For the avoidance of doubt, nothing in this Section 9 or elsewhere in this Agreement releases any Settling Party from the obligations contained in this Agreement.⁸

9.1 Liquidating Trust Releases. On the Release Effective Date, the Liquidating Trust, the Liquidating Trustee, and the Debtor (the “Liquidating Trust Releasing Parties”) hereby release, waive, relinquish, disavow and forever discharge (i) the Medley D&Os, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., and Christopher Taube, and all of their respective affiliates, subsidiaries, family members, former spouses, trusts, former trusts (including, but not limited to, any trust that has been revoked or terminated),⁹ successors, heirs and assigns, other entities owned or controlled by them, their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (collectively, the “D&O Released Parties”) and (ii) each of the insurers listed under “Tower 3 (E&O)” on Schedule II and all of their respective successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (the “Insurer Released Parties”), of and from any and all Pre-April 30 Claims that are Liquidating Trust Assets, whether considered claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys’ fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, from conduct of any nature whatsoever occurring before April 30, 2019, which the Liquidating Trust Releasing Parties have or may claim to have, against any of the D&O

⁷ Notwithstanding anything to the contrary, nothing in this Section 9 or elsewhere in this Agreement shall be intended to hamper or restrict the Settling Parties’ ability to seek discovery from any other Settling Party.

⁸ Notwithstanding anything to the contrary, nothing in this Section 9 or elsewhere in this Agreement or in the March 2022 Settlement Agreement shall constitute a release, waiver, or covenant not to sue regarding any claims or causes of action held by a Settling Party, the Debtor or MDLY (as defined in Schedule I annexed hereto) against any attorney or law firm, other than John Fredericks with respect to Pre-April 30 Claims, that may have represented such Settling Party, the Debtor or MDLY.

⁹ Including, without limitation, B. Taube 2014 Associates LLC, the Seth and Angie Taube Trust, A. Taube 2014 Associates, LLC, S. Taube 2014 Associates, LLC, and Canyon Capital Holdings LLC.

Execution Copy

Released Parties and the Insurer Released Parties; provided however, that notwithstanding the foregoing, nothing in this Agreement releases any Post-April 30 Claim that the Liquidating Trust may have against any of the D&O Released Parties, the Insurer Released Parties or anyone else. Further, notwithstanding the foregoing, nothing in this Agreement releases claims held by the Debtor against any Medley Subsidiary¹⁰ or held by any Medley Subsidiary against any Medley Subsidiary. For the avoidance of doubt, the release in this Section 9.1 applies whether a Pre-April 30 Claim is a Liquidating Trust Asset on the Release Effective Date or becomes a Liquidating Trust Asset after the Release Effective Date.

9.2 Liquidating Trust's Covenant Not to Sue. On the Release Effective Date, the Liquidating Trust Releasing Parties, on behalf of themselves and their successors and assigns, each hereby agrees and covenants not to initiate, prosecute, assert, or otherwise seek to enforce or execute on any claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, that any Medley Subsidiary may have or claim to have against any of the D&O Released Parties or the Insurer Released Parties for conduct occurring before April 30, 2019.¹¹

9.3 Medley D&Os Releases. On the Release Effective Date, the Medley D&Os hereby release, waive, relinquish, disavow and forever discharge the Liquidating Trust Releasing Parties and all of their respective successors, heirs, and assigns, and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing from any and all claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments (including with respect to any capital calls), rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, arising from conduct of any nature whatsoever that occurred prior to April 30, 2019.

¹⁰ "Medley Subsidiary" is defined in Schedule I annexed hereto.

¹¹ For the avoidance of doubt, nothing in this Section 9.2 or elsewhere in this Agreement releases or otherwise impairs any rights of any of the Medley Subsidiaries.

Execution Copy

10. Unknown Claims. The releases and covenants in Section 9 are executed with the full knowledge and understanding by the Liquidating Trust Releasing Parties and the D&O Released Parties that there may be more serious consequences or damages that are now not known. The Settling Parties knowingly, voluntarily, and expressly waive, to the fullest extent permitted by law, any and all rights they may have under any statute or any common law principle that would limit the effect of the releases and covenants in Section 9 based upon their knowledge at the time they execute this Agreement. The Settling Parties expressly waive their respective rights under the provisions of Section 1542 of the California Civil Code (or any other federal or state statute or law of similar effect), which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

11. No Admission of Liability. This Agreement is intended as a compromise and is not intended and shall not be construed as an admission of liability by any Settling Party.

12. Mutual Representations and Warranties. The Settling Parties, and each of them, represent, warrant, and agree with each other as of the Release Effective Date as follows:

12.1 Each Settling Party has received or has had the opportunity to receive independent legal advice from attorneys of his or her choice with respect to the advisability of making the settlement and release provided herein, and with respect to the advisability of executing and being bound by this Agreement.

12.2 Except as expressly stated in this Agreement, no Settling Party has made any statement or representation to any other Settling Party regarding any fact that may be relied upon by any other Settling Party in entering into this Agreement, and each Settling Party specifically does not rely upon any statement, representation, or promise of any other Settling Party in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement.

12.3 Each Settling Party has made such investigation of the facts pertaining to this settlement and this Agreement, and all the matters pertaining thereto, as each Settling Party deems necessary.

12.4 The terms of this Agreement are contractual, not a mere recital, and are the result of negotiation among all the Settling Parties.

12.5 This Agreement has been carefully read by, the contents hereof are known and understood by, and it is signed freely by, each Settling Party.

12.6 This Agreement has been drafted by the Settling Parties' respective counsel and is to be construed neutrally and not for or against any Settling Party.

Execution Copy

13. Liquidating Trust Representations and Warranties. The Liquidating Trustee further represents and warrants that (i) this Agreement has been duly and validly authorized, executed and delivered on behalf of the Liquidating Trust, shall constitute the legal, valid and binding obligations of the Liquidating Trust, and shall be enforceable against the Liquidating Trust; (ii) it has complied with all provisions of the Liquidating Trust Agreement and the Plan necessary to validly enter into this Agreement, including Section 3.2.13 of the Liquidating Trust Agreement; (iii) the Liquidating Trust has not assigned or otherwise transferred and will not assign or otherwise transfer any claims to be released hereunder prior to the Release Effective Date; and (iv) it will not bring any action for any claims to be released hereunder, or that would be subject to the covenant not to sue in Section 9.2 hereof, prior to the Release Effective Date.

14. Modification and Counterpart Copies. This Agreement may only be modified by a written instrument executed by all the Settling Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Settling Party, except as specifically set forth in this Agreement. All prior discussion and negotiations have been and are merged and integrated into, and are superseded by, this Agreement. So long as each Settling Party executes this Agreement, a copy of this Agreement, whether signed by one Settling Party or multiple Settling Parties, shall have the same force, effect, and validity as an original Agreement executed by all Settling Parties.

15. Attorneys' Fees. Each Settling Party shall bear his or its own attorney's fees and costs related to this Agreement and the releases herein. Notwithstanding the foregoing, in the event suit is brought or an attorney is retained by any Settling Party to enforce the Agreement's terms, or to collect any damages due for breach hereof, each Settling Party shall be solely and exclusively responsible for his or its own attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith. Except as expressly provided herein, nothing in this Agreement is construed as a waiver by any Settling Party of any rights under any insurance policy.

16. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

17. Construction of Agreement. Each of the Settling Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed either in favor of or against any Settling Party.

18. Governing Law and Forum. In the event any Settling Party seeks to enforce this Agreement including through a declaratory or similar action or to assert a claim for its breach, each of the Settling Parties hereby expressly consents to the exclusive jurisdiction of the Bankruptcy Court. The Settling Parties agree that the Agreement shall be governed and construed in accordance with the laws of the State of New York.

19. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Settling Parties, their respective agents, attorneys, executors, guardians, companies, partners,

Execution Copy

members, beneficiaries, managers, directors, officers, employees, heirs, successors and assigns, and the Medley D&Os' affiliates.

20. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Settling Parties; no Settling Party shall have any power to obligate or bind another Settling Party in any manner whatsoever.

21. Waiver. No waiver by any Settling Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

22. Severability. If any provision is held invalid by the Bankruptcy Court or any other court of competent jurisdiction, such provision shall not invalidate the entire Agreement, but the Agreement shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Settling Parties shall be construed accordingly.

23. Notices. Any notice required by this Agreement shall be provided in writing via overnight mail and via email to each of the Settling Parties and in the following manner:

To the Liquidating Trustee:

Eric D. Madden, Esq.
Reid Collins & Tsai LLP
1601 Elm Street, Suite 4200
Dallas, Texas 75201
emadden@reidcollins.com

-and-

James S. Carr, Esq.
Kelley Drye & Warren LLP
3 World Trade Center
175 Greenwich Street
New York, New York 10007
jcarr@kelleydrye.com

To Richard Allorto

Gregory S. Bruch, Esq.
Bruch Law Group
1099 New York Ave., NW, Suite 500
Washington, D.C. 20001
gbruch@bruchlawgroup.com

To Samuel Anderson

Execution Copy

Adriaen Morse, Esq.
SECIL Law PLLC
1701 Pennsylvania Ave., Suite 200
Washington, DC 20006
amorse@secillaw.com

To Brook Taube and Seth Taube

Douglas Koff, Esq.
Schulte Roth & Zabel LLP
919 3rd Ave.
New York, New York 10022
douglas.koff@srz.com

To Jeffrey Tonkel

Samuel J. Winer, Esq.
Foley & Lardner LLP
3000 K Street, N.W.
Washington, D.C. 20007
swiner@foley.com

24. Third-Party Beneficiaries. James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr. and Christopher Taube are third-party beneficiaries of this Agreement, but only with respect to the ability to enforce the releases and covenants contained in Section 9 above.

[Signature pages to follow]

Execution Copy

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the dates reflected below.

MEDLEY LLC LIQUIDATING TRUST

DocuSigned by:

Anthony M. Saccullo

EB56522A7682427...

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee
Name: Anthony M. Saccullo

Title: Trustee

Date: 2/20/2023

DocuSigned by:

Richard Allorto

C74837A7BA7A492...

Richard Allorto
Date: 2/14/2023

DocuSigned by:

Samuel Anderson

8DA677689E7A42B...

Samuel Anderson
Date: 2/13/2023

DocuSigned by:

Brook Taube

97FC428FD9B64F3...

Brook Taube
Date:

DocuSigned by:

Seth Taube

89EA0E1756F5419...

Seth Taube
Date: 2/14/2023

DocuSigned by:

Jeffrey Tonkel

C128DA6E7DA04F1...

Jeffrey Tonkel
Date: 2/13/2023

SCHEDULE I – DEFINED TERMS

As used in this Agreement, the following terms have the meanings set forth below.

“Cause of Action” or “Causes of Action” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Debtor and its affiliates. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“Defense Expenses” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a Cause of Action, and the premium for appeal, attachment, or similar bond.

“Loss” means (a) Defense Expenses; and (b) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“Insured Person” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of MDLY or the Debtor.

“Management Services” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of MDLY or the Debtor.

“March 2022 Settlement Agreement” refers to that certain Settlement Agreement and Release entered into by the Liquidating Trust, MDLY, Brook Taube Trust, Brook Taube, and Seth Taube on or about March 23, 2022.

“MDLY” refers to Medley Management, Inc.

“Medley D&Os” refers collectively to Richard Allorto, Samuel Anderson, Brook Taube, Seth Taube, and Jeffrey Tonkel.

“Medley Subsidiary” means any entity that is or was a direct or indirect subsidiary of the Debtor.

“Wrongful Acts” means (a) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (b) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II – THE POLICIES*

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd's of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access or coverage.

EXHIBIT C

Execution Copy

**SETTLEMENT AGREEMENT AND
RELEASE OF POST-APRIL 30 CLAIMS**

This SETTLEMENT AGREEMENT AND RELEASE OF POST-APRIL 30 CLAIMS (the “Agreement”) is made and entered into on February 13, 2023 by (i) the Medley D&Os¹ and (ii) the Medley LLC Liquidating Trust (the “Liquidating Trust”) through Saccullo Business Consulting, LLC, as Liquidating Trustee (the “Liquidating Trustee”). Collectively, the Liquidating Trust and the Medley D&Os are referred to herein as the “Settling Parties.”

I. RECITALS

A. WHEREAS, Medley LLC (the “Debtor”) is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), Case No. 21-10526;

B. WHEREAS, on October 18, 2021, (i) the Bankruptcy Court entered the *Amended Findings Of Fact, Conclusions Of Law, And Order (I) Approving The Adequacy Of Disclosures On A Final Basis And (II) Confirming The Modified Third Amended Combined Disclosure Statement And Chapter 11 Plan Of Medley LLC* (Docket No. 445) (the “Confirmation Order”), approving the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (Docket No. 445-1) (the “Plan”) and (ii) the Plan became effective;

C. WHEREAS, on October 18, 2021, the Debtor’s assets, including its Causes of Action, automatically vested in the Liquidating Trust, and the Liquidating Trustee was authorized to: (i) marshal and liquidate the Liquidating Trust’s assets for distribution under the Plan, (ii) pursue all such Causes of Action on behalf of the Liquidating Trust; and (iii) settle Causes of Action subject to the terms of that certain Liquidating Trust Agreement and Declaration of Trust executed in connection with the Plan and Confirmation Order (the “Liquidating Trust Agreement”);²

D. WHEREAS, the Liquidating Trustee is the only party that may commence, litigate and settle any Causes of Action that are Liquidating Trust Assets (as defined in the Plan);

E. WHEREAS, on October 18, 2021, the Liquidating Trust Assets included all of the Debtor’s Causes of Action against the D&O Released Parties³ (the “Insider Claims”);⁴

F. WHEREAS, the Insider Claims consist, or consisted, only of: (1) purported Causes of Action for damages against one or more of the D&O Released Parties (defined in Section 7.1 below) for Wrongful Acts which allegedly caused Loss for which the Liquidating Trustee contends

¹ “Medley D&Os” is defined in Schedule I annexed hereto.

² “Causes of Action” is defined in Schedule I annexed hereto.

³ “D&O Released Parties” is defined in Section 7.1 below.

⁴ For the avoidance of doubt, Insider Claims also include those Causes of Action against the D&O Released Parties that became Liquidating Trust Assets after October 18, 2021.

Execution Copy

one or more of the insurance policies listed in Schedule II annexed hereto (the “Policies”), subject to their terms and conditions, provide, or have provided, coverage pursuant to the terms of the Policies (the “Covered Claims”); and (2) those Causes of Action that the Liquidating Trust finally and conclusively settled and released in the March 2022 Settlement Agreement (the “March 2022 Released Claims”);⁵

G. WHEREAS, the March 2022 Settlement Agreement did not settle or release any Covered Claims;

H. WHEREAS, the Covered Claims consist of (1) Covered Claims that involve wrongdoing alleged to have occurred before April 30, 2019 (the “Pre-April 30 Claims”) and (2) Covered Claims that involve wrongdoing alleged to have occurred on or after April 30, 2019 (the “Post-April 30 Claims”);⁶ and

I. WHEREAS, to avoid the uncertainty, expense, burden, and delay of litigating the Post-April 30 Claims, the Settling Parties desire to finally and conclusively settle and compromise any and all Post-April 30 Claims on the terms and conditions set forth below.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Settling Parties, intending to be legally bound by this Agreement, agree as follows:

1. Adoption of Recitals. The recitals set forth above are adopted as part of the Agreement, and the facts set forth therein are acknowledged and agreed to be true and correct.

2. Bankruptcy Court Approval. The Settling Parties acknowledge and agree that this Agreement is expressly conditioned upon, and shall not be deemed effective without, the Bankruptcy Court’s approval. The Liquidating Trustee shall use its best efforts to obtain an order of the Bankruptcy Court approving this Agreement pursuant to Federal Rule of Bankruptcy Procedure 9019 (the “Approval Order”). The Liquidating Trustee shall file a motion seeking entry of the Approval Order in the Bankruptcy Court no later than ten (10) business days after the execution of this Agreement.

3. Effective Date: This Agreement shall become effective on the date (the “Effective Date”) on which the following conditions have been satisfied: (1) the Bankruptcy Court has entered the Approval Order; and (2) the Approval Order has become a final order because either (a) no objection was timely filed to the Liquidating Trustee’s motion seeking entry of the Approval

⁵ “March 2022 Settlement Agreement” is defined in Schedule I annexed hereto. For the avoidance of doubt, the Settling Parties acknowledge and agree that the definitions and use of the terms Insider Claims, Covered Claims, and March 2022 Released Claims in this Agreement: (1) are not meant to, and do not in any way, impact, alter, or modify the scope of the releases granted in the March 2022 Settlement Agreement; and (2) shall not be used as a basis to alter or modify the meaning or effectiveness of the terms “Preserved Claims” and “Released Claims” as such terms are used in the March 2022 Settlement Agreement.

⁶ For the avoidance of doubt, Pre-April 30 Claims and Post-April 30 Claims are mutually exclusive, and nothing in this Agreement releases Pre-April 30 Claims or anyone other than those listed in Section 7 below.

Execution Copy

Order; or (b) an objection to entry of the Approval Order was filed and (i) no motion for reconsideration regarding the Approval Order has been timely filed within fourteen (14) calendar days after the date of the entry of the Approval Order, as required by Federal Rule of Bankruptcy Procedure 9023; (ii) no notice of appeal regarding the Approval Order has been timely filed within fourteen (14) calendar days after the date of the entry of the Approval Order, as required by Federal Rule of Bankruptcy Procedure 8002(a); and (iii) if a notice of appeal or motion for reconsideration of the Approval Order has been timely filed, as required by Federal Rule of Bankruptcy Procedure 9023 or Federal Rule of Bankruptcy Procedure 8002(a), then such appeal or motion has been denied with prejudice and the Approval Order is not subject to further timely appellate review.

4. Rescission. If the Bankruptcy Court denies the Liquidating Trustee's motion seeking entry of an Approval Order, or if the Approval Order is reversed on appeal, then: (a) this Agreement shall be deemed void ab initio and shall have no legal effect whatsoever; (b) the Settling Parties shall revert, without prejudice to or waiver of any right, to their respective positions immediately prior to the execution of this Agreement; and (c) neither this Agreement nor evidence of its terms shall be admissible for any purpose in any action or proceeding.

5. The Settlement Payment. In full and final settlement of the Post-April 30 Claims, the Medley D&Os have agreed to collectively cause to be paid, from the Policies or otherwise, an amount of SIX MILLION FOUR HUNDRED THOUSAND DOLLARS (\$6,400,000) (the "Settlement Payment"), to the Liquidating Trust in the manner described in this Section 5.⁷ No amounts in this Agreement shall be subject to set off.

5.1 Demand. No later than five (5) business days after the Effective Date, the Medley D&Os will make written demand on the insurance companies listed under "Tower 2 (D&O)" on Schedule II to pay the Settlement Payment to the Liquidating Trust pursuant to the terms of the insurance policies listed under "Tower 2 (D&O)" on Schedule II. Said demand will include this Agreement and the Approval Order.

5.2 Payment Deadline. No later than fifteen (15) business days after the Effective Date (the "Payment Deadline"), the Medley D&Os shall collectively cause the Settlement Payment to be paid to the Liquidating Trust pursuant to wire instructions that the Liquidating Trust will provide. If the Liquidating Trust has not received the full amount of the Settlement Payment by the Payment Deadline, the Settling Parties agree that the following procedure will control:

5.2.1 The Liquidating Trustee will send a letter substantially in the form attached hereto as Exhibit A (the "Notice Letter") by no later than five (5) business days after the Payment Deadline.

5.2.2 Within five (5) business days of receiving the Notice Letter (the "Cure Deadline"), the Medley D&Os must either (a) collectively cause the

⁷ The Settling Parties agree that the Settlement Payment is in addition to the \$6.7 million that the Medley D&Os have agreed will be paid to the Liquidating Trust to settle the Pre-April 30 Claims (the "Pre-April 30 Claims Settlement"). The Settling Parties further agree that the Liquidating Trust's receipt of the Pre-April 30 Claims Settlement will not reduce the Settlement Payment owed under this Agreement.

Execution Copy

Settlement Payment to be paid to the Liquidating Trust or (b) provide the Liquidating Trustee with an executed copy of the document attached hereto as Exhibit B (the “Assignment”).

5.2.3 If, by the Cure Deadline, the Liquidating Trust does not receive either (a) an executed copy of the Assignment from the Medley D&Os or (b) full payment of the Settlement Payment, the Liquidating Trust may pursue claims to enforce or effectuate this Agreement by seeking to collect the Settlement Payment from the personal assets of the Medley D&Os.⁸

5.2.4 If the Liquidating Trust receives an executed Assignment from the Medley D&Os by the Cure Deadline, the Liquidating Trust must return a fully executed copy of the Assignment to the Medley D&Os within five (5) business days of receipt.

6. Fair, Reasonable, and Arms-Length Result. The Settling Parties agree that the Settlement Payment constitutes a fair and reasonable compromise of the claims and defenses that have been asserted or that could be asserted with respect to the Post-April 30 Claims, based on their objective assessment of various factors, including: (a) the relative strength of the underlying claims and defenses; (b) the risk of not prevailing on those claims and defenses; (c) the amount of potential damages associated with those claims; and (d) the amount of attorney’s fees and expenses and expert witness fees and expenses necessary to prosecute and defend against the Post-April 30 Claims. Based upon the Settling Parties’ respective evaluation of these factors, the Settling Parties agree that the settlement reflected in this Agreement, as set forth herein, is reasonable, represents a full, fair, and reasonable assessment of the risks to the Settling Parties associated with the Post-April 30 Claims and defenses thereto, and is in the best interest of the Settling Parties. The Settling Parties further agree that the Settlement Payment is the product of arms-length, good-faith, and contentious negotiations over the course of several months, including a mediation on August 30, 2022 with Hon. Gerald A. Rosen (ret.), the former Chief Judge of the United States District Court for the Eastern District of Michigan and a nationally respected mediator with JAMS.

7. Releases and Covenants. On the Release Effective Date (as defined below), the Settling Parties will make the following respective releases and covenants.⁹ For the avoidance of doubt, nothing in this Section 7 or elsewhere in this Agreement releases any Settling Party from the obligations contained in this Agreement.¹⁰

⁸ For the avoidance of doubt, the Liquidating Trust cannot invoke Section 5.2.3 if it receives either the Assignment or full payment of the Settlement Payment by the Cure Deadline.

⁹ Notwithstanding anything to the contrary, nothing in this Section 7 or elsewhere in this Agreement shall be intended to hamper or restrict the Settling Parties’ ability to seek discovery from any other Settling Party.

¹⁰ Notwithstanding anything to the contrary, nothing in this Section 7 or elsewhere in this Agreement or in the March 2022 Settlement Agreement shall constitute a release, waiver, or covenant not to sue regarding any claims or causes of action held by a Settling Party, the Debtor or MDLY (as defined in Schedule I annexed hereto) against any attorney or law firm, other than John Fredericks with respect to Post-April 30 Claims, that may have represented such Settling Party, the Debtor or MDLY.

Execution Copy

7.1 Liquidating Trust Releases. On the Release Effective Date, the Liquidating Trust, the Liquidating Trustee, and the Debtor (the “Liquidating Trust Releasing Parties”) hereby release, waive, relinquish, disavow and forever discharge (i) the Medley D&Os, Samuel Anderson, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., Christopher Taube, and Jeffrey Tonkel, and all of their respective affiliates, subsidiaries, family members, former spouses, trusts, former trusts (including, but not limited to, any trust that has been revoked or terminated),¹¹ successors, heirs and assigns, other entities owned or controlled by them, their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (collectively, the “D&O Released Parties”) and (ii) each of the insurers listed under “Tower 3 (E&O)” on Schedule II and all of their respective successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (the “Insurer Released Parties”), of and from any and all Post-April 30 Claims that are Liquidating Trust Assets, whether considered claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys’ fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, from conduct of any nature whatsoever occurring on or after April 30, 2019, which the Liquidating Trust Releasing Parties have or may claim to have, against any of the D&O Released Parties and the Insurer Released Parties; provided however, that notwithstanding the foregoing, nothing in this Agreement releases any Pre-April 30 Claim (to the extent such Pre-April 30 Claim has not already been released) that the Liquidating Trust may have against any of the D&O Released Parties, the Insurer Released Parties, or anyone else. Further, notwithstanding the foregoing, nothing in this Agreement releases claims held by the Debtor against any Medley Subsidiary¹² or held by any Medley Subsidiary against any Medley Subsidiary. For the avoidance of doubt, the release in this Section 7.1 applies whether a Post-April 30 Claim is a Liquidating Trust Asset on the Release Effective Date or becomes a Liquidating Trust Asset after the Release Effective Date.

7.2 Liquidating Trust’s Covenant Not to Sue. On the Release Effective Date, the Liquidating Trust Releasing Parties, on behalf of themselves and their successors and

¹¹ Including, without limitation, B. Taube 2014 Associates LLC, the Seth and Angie Taube Trust, A. Taube 2014 Associates, LLC, S. Taube 2014 Associates, LLC, and Canyon Capital Holdings LLC.

¹² “Medley Subsidiary” is defined in Schedule I annexed hereto.

Execution Copy

assigns, each hereby agree and covenant not to initiate, prosecute, assert, or otherwise seek to enforce or execute on any claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, that any Medley Subsidiary may have or claim to have against any of the D&O Released Parties or the Insurer Released Parties for conduct occurring on or after April 30, 2019.¹³

7.3 Medley D&O Releases. On the Release Effective Date, the Medley D&Os hereby release, waive, relinquish, disavow and forever discharge the Liquidating Trust Releasing Parties and all of their respective successors, heirs, and assigns, and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing from any and all claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments (including with respect to any capital calls), rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, arising from conduct of any nature whatsoever that occurred on or after April 30, 2019; provided however that nothing herein: (1) is meant to, or shall, impact or release any of the Medley D&Os' ability to raise defenses regarding the Liquidating Trust Releasing Parties in any litigation brought against any of the Medley D&Os by any Medley Subsidiary; and (2) releases the Liquidating Trust from any obligations under the March 2022 Settlement Agreement.

7.4 Release Effective Date. The releases contained in this Section 7 shall be immediately, automatically and irrevocably effective on the date that the Liquidating Trust receives payment in full of the Settlement Payment from the Medley D&Os (the "Release Effective Date"). If, in lieu of the Settlement Payment, the Medley D&Os provide the Liquidating Trust with an executed copy of the Assignment on or before the Cure Deadline,

¹³ For the avoidance of doubt, nothing in this Section 7.2 or elsewhere in this Agreement releases or otherwise impairs any rights of any Medley Subsidiary.

Execution Copy

any releases and covenants between the Settling Parties concerning the Post-April 30 Claims will be governed by the Assignment.

8. Unknown Claims. The releases and covenants in Section 7 are executed with the full knowledge and understanding by the Settling Parties that there may be more serious consequences or damages that are now not known. The Settling Parties knowingly, voluntarily, and expressly waive, to the fullest extent permitted by law, any and all rights they may have under any statute or any common law principle that would limit the effect of the releases and covenants in Section 5 based upon their knowledge at the time they execute this Agreement. The Settling Parties expressly waive their respective rights under the provisions of Section 1542 of the California Civil Code (or any other federal or state statute or law of similar effect), which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

9. No Admission of Liability. This Agreement is intended as a compromise and is not intended and shall not be construed as an admission of liability by any Settling Party.

10. Mutual Representations and Warranties. The Settling Parties, and each of them, represent, warrant, and agree with each other as of the Effective Date as follows:

10.1 Each Settling Party has received or has had the opportunity to receive independent legal advice from attorneys of his or her choice with respect to the advisability of making the settlement and release provided herein, and with respect to the advisability of executing and being bound by this Agreement.

10.2 Except as expressly stated in this Agreement, no Settling Party has made any statement or representation to any other Settling Party regarding any fact that may be relied upon by any other Settling Party in entering into this Agreement, and each Settling Party specifically does not rely upon any statement, representation, or promise of any other Settling Party in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement.

10.3 Each Settling Party has made such investigation of the facts pertaining to this settlement and this Agreement, and all the matters pertaining thereto, as each Settling Party deems necessary.

10.4 The terms of this Agreement are contractual, not a mere recital, and are the result of negotiation among all the Settling Parties.

10.5 This Agreement has been carefully read by, the contents hereof are known and understood by, and it is signed freely by, each Settling Party.

Execution Copy

10.6 This Agreement has been drafted by the Settling Parties' respective counsel and is to be construed neutrally and not for or against any Settling Party.

11. Liquidating Trust Representations and Warranties. The Liquidating Trustee further represents and warrants that (i) this Agreement has been duly and validly authorized, executed and delivered on behalf of the Liquidating Trust, shall constitute the legal, valid and binding obligations of the Liquidating Trust, and shall be enforceable against the Liquidating Trust; (ii) it has complied with all provisions of the Liquidating Trust Agreement and the Plan necessary to validly enter into this Agreement, including Section 3.2.13 of the Liquidating Trust Agreement; (iii) the Liquidating Trust has not assigned or otherwise transferred and will not assign or otherwise transfer any claims released hereunder, or under the Assignment, prior to the Release Effective Date; and (iv) it will not bring any action for any claims to be released hereunder, under the Assignment, or that would be subject to the covenant not to sue in Section 7.2 hereof, prior to the Cure Deadline.

12. Modification and Counterpart Copies. This Agreement may only be modified by a written instrument executed by all the Settling Parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Settling Party, except as specifically set forth in this Agreement. All prior discussion and negotiations have been and are merged and integrated into, and are superseded by, this Agreement. So long as each Settling Party executes this Agreement, a copy of this Agreement, whether signed by one Settling Party or multiple Settling Parties, shall have the same force, effect, and validity as an original Agreement executed by all Settling Parties.

13. Attorneys' Fees. Each Settling Party shall bear his or its own attorney's fees and costs related to this Agreement and the releases herein. Notwithstanding the foregoing, in the event suit is brought or an attorney is retained by any Settling Party to enforce the Agreement's terms, or to collect any damages due for breach hereof, each Settling Party shall be solely and exclusively responsible for his or its own attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith. Except as expressly provided herein, nothing in this Agreement is construed as a waiver by any Settling Party of any rights under any insurance policy.

14. Caption and Titles. The captions and titles contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

15. Construction of Agreement. Each of the Settling Parties has read and agreed to the terms of the Agreement after consulting with counsel, and the language of this Agreement shall, therefore, not be presumptively construed either in favor of or against any Settling Party.

16. Governing Law and Forum. In the event any Settling Party seeks to enforce this Agreement including through a declaratory or similar action or to assert a claim for its breach, each of the Settling Parties hereby expressly consents to the exclusive jurisdiction of the Bankruptcy Court. The Settling Parties agree that the Agreement shall be governed and construed in accordance with the laws of the State of New York.

Execution Copy

17. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the Settling Parties, their respective agents, attorneys, executors, guardians, companies, partners, members, beneficiaries, managers, officers, employees, heirs, successors and assigns, and the Medley D&Os' affiliates.

18. Relationship of Parties. Nothing in this Agreement shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Settling Parties; no Settling Party shall have any power to obligate or bind another Settling Party in any manner whatsoever.

19. Waiver. No waiver by any Settling Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

20. Severability. If any provision is held invalid by the Bankruptcy Court or any other court of competent jurisdiction, such provision shall not invalidate the entire Agreement, but the Agreement shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Settling Parties shall be construed accordingly.

21. Notices. Any notice required by this Agreement shall be provided in writing via overnight mail and via email to each of the Settling Parties and in the following manner:

To the Liquidating Trustee:

Eric D. Madden, Esq.
Reid Collins & Tsai LLP
1601 Elm Street, Suite 4200
Dallas, Texas 75201
emadden@reidcollins.com

-and-

James S. Carr, Esq.
Kelley Drye & Warren LLP
3 World Trade Center
175 Greenwich Street
New York, New York 10007
jcarr@kelleydrye.com

To Richard Allorto

Gregory S. Bruch, Esq.
Bruch Law Group
1099 New York Ave., NW, Suite 500
Washington, D.C. 20001
gbruch@bruchlawgroup.com

Execution Copy

-and-

Jay B. Spievack, Esq.
Cohen Tauber Spievack & Wagner PC
420 Lexington Ave., Suite 2400
New York, New York 10170-2499
jspievack@ctwslaw.com

To Brook Taube and Seth Taube

Douglas Koff, Esq.
Schulte Roth & Zabel LLP
919 3rd Ave.
New York, New York 10022
douglas.koff@srz.com

-and-

Jay B. Spievack, Esq.
Cohen Tauber Spievack & Wagner PC
420 Lexington Ave., Suite 2400
New York, New York 10170-2499
jspievack@ctwslaw.com

22. Third-Party Beneficiaries. Samuel Anderson, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., Christopher Taube and Jeffrey Tonkel are third-party beneficiaries of this Agreement, but only with respect to the ability to enforce the releases and covenants contained in Section 7 above.

[Signature page to follow]

Execution Copy

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the dates reflected below.

MEDLEY LLC LIQUIDATING TRUST

DocuSigned by:

Anthony M. Saccullo

By: Saccullo Business Consulting, LLC, as Liquidating Trustee

Name: Anthony M. Saccullo

Title: Trustee

Date: 2/20/2023

DocuSigned by:

[Signature]

C74837A7BA7A492...

Richard Allorto

Date: 2/14/2023

DocuSigned by:

Brook Taube

97FC428FD9964F3...

Brook Taube

Date:

DocuSigned by:

Seth Taube

89EA0E1756F6419...

Seth Taube

Date: 2/14/2023

SCHEDULE I – DEFINED TERMS

As used in this Agreement, the following terms have the meanings set forth below.

“Cause of Action” or “Causes of Action” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Debtor and its affiliates. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“Defense Expenses” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a Cause of Action, and the premium for appeal, attachment, or similar bond.

“Loss” means (a) Defense Expenses; and (b) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“Insured Person” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of MDLY or the Debtor.

“Management Services” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of MDLY or the Debtor.

“March 2022 Settlement Agreement” refers to that certain Settlement Agreement and Release entered into by the Liquidating Trust, MDLY, Brook Taube Trust, Brook Taube, and Seth Taube on or about March 23, 2022.

“MDLY” refers to Medley Management, Inc.

“Medley D&Os” refers collectively to Richard Allorto, Brook Taube, and Seth Taube.

“Medley Subsidiary” means any entity that is or was a direct or indirect subsidiary of the Debtor.

“Wrongful Acts,” as used in this Agreement, means (a) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (b) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II – THE POLICIES*

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd's of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access or coverage.

EXHIBIT A

FORM OF NOTICE LETTER

This Notice Letter is made as of [], by Saccullo Business Consulting, as liquidating trustee (the “Liquidating Trustee”) of the Medley LLC Liquidating Trust (the “Liquidating Trust”), pursuant to the Settlement Agreement and Release of Post-April 30 Claims dated as of [], 2023 (as amended, supplemented or otherwise modified prior to the date hereof, the “Agreement”) by and among the Medley D&Os and the Liquidating Trust.

Pursuant to Section 5.2.1 of the Agreement, the Liquidating Trustee hereby gives notice as follows:

1. The Effective Date of the Agreement was [XX].¹
2. The Payment Deadline for the Settlement Payment was [XX].
3. Notwithstanding Section 5 of the Agreement, the Liquidating Trust has not received the Settlement Payment.
4. To avoid the Liquidating Trust’s invoking its rights under Section 5.2.3 of the Agreement, the Medley D&Os may deliver to counsel for the Liquidating Trust an executed copy of the Assignment, pursuant to Section 5.2.2(b) of the Agreement.
5. If an executed copy of the Assignment is not delivered to counsel for the Liquidating Trust by [XX], the Liquidating Trust intends to exercise its rights under Section 5.2.3 of the Agreement to pursue claims to collect the Settlement Payment from the personal assets of the Medley D&Os.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as
Liquidating Trustee
Name:
Title:

¹ Unless otherwise defined, all capitalized terms have the definition ascribed to them in the Agreement.

EXHIBIT B

FORM OF ASSIGNMENT AND COVENANT NOT TO SUE

This ASSIGNMENT AND COVENANT NOT TO SUE (the “Assignment”) is made and entered into on [____,] by (i) the Medley D&Os¹ and (ii) the Medley LLC Liquidating Trust (the “Liquidating Trust”) through Saccullo Business Consulting, LLC, as Liquidating Trustee (the “Liquidating Trustee”). Collectively, the Liquidating Trust and the Medley Executives are referred to herein as the “Settling Parties.”

I. RECITALS

A. WHEREAS, Medley LLC (the “Debtor”) is a privately-held company that, on March 7, 2021, filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), Case No. 21-10526;

B. WHEREAS, on October 18, 2021, (i) the Bankruptcy Court entered the *Amended Findings Of Fact, Conclusions Of Law, And Order (I) Approving The Adequacy Of Disclosures On A Final Basis And (II) Confirming The Modified Third Amended Combined Disclosure Statement And Chapter 11 Plan Of Medley LLC* (Docket No. 445) (the “Confirmation Order”), approving the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (Docket No. 445-1) (the “Plan”) and (ii) the Plan became effective;

C. WHEREAS, on October 18, 2021, the Debtor’s assets, including its Causes of Action, automatically vested in the Liquidating Trust, and the Liquidating Trustee was authorized to: (i) marshal and liquidate the Liquidating Trust’s assets for distribution under the Plan, (ii) pursue all such Causes of Action on behalf of the Liquidating Trust; and (iii) settle such Causes of Action subject to the terms of that certain Liquidating Trust Agreement and Declaration of Trust executed in connection with the Plan and Confirmation Order (the “Liquidating Trust Agreement”);²

D. WHEREAS, the Liquidating Trustee is the only party that may commence, litigate and settle any Causes of Action that are Liquidating Trust Assets (as defined in the Plan);

E. WHEREAS, on October 18, 2021, the Liquidating Trust Assets included all of the Debtor’s Causes of Action against the D&O Parties³ (the “Insider Claims”);⁴

¹ “Medley D&Os” is defined on Schedule I annexed hereto.

² “Causes of Action” is defined in Schedule I annexed hereto.

³ “D&O Parties” is defined in Section 6.1.1 below.

⁴ For the avoidance of doubt, Insider Claims also include those Causes of Action against the D&O Parties that became Liquidating Trust Assets after October 18, 2021

F. WHEREAS, the Insider Claims consist, or consisted, only of: (1) purported Causes of Action for damages against one or more of the D&O Parties for Wrongful Acts which allegedly caused Loss for which the Liquidating Trustee contends one or more of the insurance policies listed in Schedule II annexed hereto (the “Policies”), subject to their terms and conditions, provide, or have provided, coverage pursuant to the terms of the Policies (the “Covered Claims”); and (2) those Causes of Action that the Liquidating Trust finally and conclusively settled and released in the March 2022 Settlement Agreement (the “March 2022 Released Claims”);⁵

G. WHEREAS, the March 2022 Settlement Agreement did not settle or release any Covered Claims;

H. WHEREAS, the Covered Claims consist of (1) Covered Claims that involved wrongdoing alleged to have occurred before April 30, 2019 (the “Pre-April 30 Claims”) and (2) Covered Claims that involved wrongdoing alleged to have occurred on or after April 30, 2019 (the “Post-April 30 Claims”);⁶

I. WHEREAS, the Settling Parties negotiated a settlement of the Post-April 30 Claims in the manner set forth in that Settlement Agreement and Release of Post-April 30 Claims dated as of February 13, 2023 (the “Post-April 30 Claims Settlement Agreement”);

J. WHEREAS, the Post-April 30 Claims Settlement Agreement contemplated the settlement and release of the Post-April 30 Claims in exchange for the Medley D&Os’ causing SIX MILLION FOUR HUNDRED THOUSAND DOLLARS (\$6,400,000) (the “Settlement Payment”) to be paid to the Liquidating Trust;

K. WHEREAS, the Liquidating Trust has not received the Settlement Payment;

L. WHEREAS, as a result of the Liquidating Trust’s not receiving the Settlement Payment, (a) the Medley D&Os remain personally liable for the Settlement Payment on a joint-and-several basis; and (b) the Liquidating Trust has not released the Post-April 30 Claims; and

M. WHEREAS, to avoid the uncertainty, expense, burden, and delay of litigation, the Settling Parties desire to finally and conclusively settle and compromise the Post-April 30 Claims on the terms and conditions set forth below.

⁵ “March 2022 Settlement Agreement” is defined in Schedule I annexed hereto. For the avoidance of doubt, the Settling Parties acknowledge and agree that the definitions and use of the terms Insider Claims, Covered Claims, and March 2022 Released Claims in this Agreement: (1) are not meant to, and do not in any way, impact, alter, or modify the scope of the releases granted in the March 2022 Settlement Agreement; and (2) shall not be used as a basis to alter or modify the meaning or effectiveness of the terms “Preserved Claims” and “Released Claims” as such terms are used in the March 2022 Settlement Agreement.

⁶ For the avoidance of doubt, Pre-April 30 Claims and Post-April 30 Claims are mutually exclusive, and nothing in this Agreement releases Pre-April 30 Claims or Post-April 30 Claims.

II. AGREEMENT

For good and valuable consideration, receipt of which is mutually acknowledged, the Settling Parties, intending to be legally bound by this Assignment, agree as follows:

1. Adoption of Recitals. The recitals set forth above are adopted as part of the Assignment, and the facts set forth therein are acknowledged and agreed to be true and correct.

2. Effective Date. This Assignment shall become effective on the date (the “Effective Date”) all of the following conditions have been satisfied: (a) all of the Settling Parties have executed this Assignment; and (b) either (i) at least \$7.5 million in insurance proceeds have been paid out from those Policies listed under “Tower 3 (E&O)” in Schedule II or (ii) the Medley D&Os have executed a release of the insurance companies that issued the Policies listed under “Tower 3 (E&O)” in Schedule II in connection with those insurance companies’ funding some or all of a settlement of the Pre-April 30 Claims.

3. Expiration Date. If the Effective Date does not occur prior to July 1, 2023, this Assignment becomes null and void, and neither this Assignment nor evidence of its terms shall be admissible for any purpose in any action or proceeding.⁷

4. Claims Assignment.

4.1. On the Effective Date and without need of further documentation, the Medley D&Os hereby convey and assign to the Liquidating Trust and its successors and assigns all of their right, title, and interest, in and to any claims, causes of action, and contract rights, benefits, and privileges they have under those Policies listed under “Tower 2 (D&O)” in Schedule II (the “Tower 2 Policies”) to seek and recover payment of the Settlement Payment from the Tower 2 Policies, as well as attorneys’ fees and expenses and costs related to enforcing their right to payment of the Settlement Payment under the Tower 2 Policies and prejudgment and postjudgment interest on the preceding amounts against the insurance companies who issued the Tower 2 Policies (the “Tower 2 Insurers”). The total of the Settlement Payment, attorneys’ fees and expenses and costs incurred to obtain the Settlement Payment from the Tower 2 Insurers, and any prejudgment and postjudgment interest awarded on those amounts are collectively referred to herein as the “Denial Damages.”

4.2. The Medley D&Os do not convey and assign to the Liquidating Trust and its successors and assigns—and thus reserve for themselves—any of their rights, title, and interest in and to the Tower 2 Policies, except as provided in Section 4.1 above, to seek payment or reimbursement up to \$3.6 million under the Tower 2 Policies for Loss (as defined in the Tower 2 Policies) unrelated to pursuing the Denial Damages; provided

⁷ If, within 20 business days of the Expiration Date, either (a) the Bankruptcy Court has not yet ruled on the motion seeking entry of the Approval Order (as defined in Post-April 30 Claims Settlement Agreement) or (b) the Approval Order has been entered but has not become a final order, then upon the request of any Settling Party, the Expiration Date shall be extended from time to time by the written consent of the Settling Parties pursuant to Section 10 of this Assignment (which consent shall not be unreasonably withheld).

however, that if the Liquidating Trust releases the Tower 2 Insurers for less than the Settlement Payment, then the Medley D&Os may seek payment or reimbursement under the Tower 2 Policies for Loss equal to whatever aggregate Limits of Liability (as defined in the Tower 2 Policies) remain after the Liquidating Trust releases the Tower 2 Insurers.⁸

4.3. The Liquidating Trust agrees that it (a) will not seek or accept, from or as against the Tower 2 Insurers, any payment, settlement, or judgment in excess of the Denial Damages; and (b) lacks the authority to release the Tower 2 Policies from any claim, demand, or cause of action thereunder unrelated to the Denial Damages.

4.4. If the assignment recited in this Section 4 is not effective or is unenforceable in whole or in part, or, even if it is effective and enforceable, it is a breach of any of the Tower 2 Policies, the assignment described herein shall be deemed rescinded and the Medley D&Os agree and consent to counsel for the Liquidating Trust's prosecution of a coverage action against the Tower 2 Insurers in the name of the Medley D&Os and on their behalf, with any resulting judgment or award, up to and including the Denial Damages, automatically becoming a Liquidating Trust Asset and due and owing to the Liquidating Trust.

4.5. For the avoidance of doubt, Medley D&Os confirm that they have not, do not, and will not convey or assign to the Liquidating Trust and its successors and assigns any of their right, title, and interest, in and to any claims, causes of action, and contract rights, benefits, and privileges they have under those Policies listed under "Tower 3 (E&O)" in Schedule II (the "Tower 3 Policies") including, without limitation, their right to seek payment or reimbursement of the Settlement Payment from the Tower 3 Policies and their right to recover attorneys' fees and expenses under the Tower 3 Policies against the insurance companies who issued the Tower 3 Policies (the "Tower 3 Insurers").

5. Further Cooperation. The Settling Parties agree to execute such additional documents and take such additional actions as may be necessary or appropriate to carry out the transactions contemplated hereunder or to fulfill the purposes and intent of this Assignment. As a material condition of covenants set forth in Section 6 below, each Medley D&O and his counsel individually agrees to cooperate in any coverage action and in any other suit, action, or arbitration concerning the availability of coverage for the Post-April 2019 Claims under the Tower 2 Policies by accepting service of process, voluntarily responding to reasonable request for documents and other information, appearing on reasonable notice for depositions and pre-deposition meetings (without need of subpoena or other process), and appearing and providing testimony on reasonable notice at trial, at a hearing, or in arbitration proceedings to the extent requested in any suit, action, or arbitration in connection with any of the claims, causes of action, or rights assigned in this Assignment, or any other reasonable request the Liquidating Trustee may make of them, in their capacity as a witness or nominal party, in furtherance of litigation between the Liquidating Trust and any of the Tower 2 Insurers. No Medley D&O shall be considered to be in violation or breach of any obligation under this Section 5 unless the Liquidating Trustee first gives said Medley D&O

⁸ For the avoidance of doubt, the Settling Parties agree that this Assignment does not assign or convey—and the Medley D&Os reserve—rights under the Tower 2 Policies to be paid or reimbursed up to \$3.6 million for Defense Costs (as that term is defined in the Tower 2 Policies) incurred prior to the Effective Date.

notice and five (5) business days to cure the violation or breach and the Medley D&O fails to do so.

6. Releases and Covenants. On the Effective Date, the Settling Parties will make the following respective covenants and releases.⁹ For the avoidance of doubt, nothing in this Section 6 or elsewhere in this Assignment releases any Settling Party from the obligations contained in this Assignment.¹⁰

6.1. Liquidating Trust's Covenant Not to Sue. On the Effective Date, and as consideration and in exchange for the assignments and cooperation contemplated in, respectively, Sections 4 and 5 above, the Liquidating Trust, the Liquidating Trustee, and the Debtor (the "Liquidating Trust Parties"), on behalf of themselves and their successors and assigns, each hereby agrees and covenants as follows:

6.1.1. To not initiate, prosecute, assert, assign, or otherwise seek to enforce or execute on any Post-April 30 Claims that are Liquidating Trust Assets, whether considered claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) against (i) any of the Medley D&Os, Samuel Anderson, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., Christopher Taube, and Jeffrey Tonkel, as well as Medley's other officers and the directors of MDLY, and all of their respective affiliates, subsidiaries, family members, former spouses, trusts, former trusts (including, but not limited to, any trust that has been revoked or terminated),¹¹ successors, heirs and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (collectively, the "D&O Parties") and (ii) each of Tower 3 Insurers and all of their respective successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing (the "Insurer Parties"), for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses,

⁹ Notwithstanding anything to the contrary, nothing in this Section 6 or elsewhere in this Agreement shall be intended to hamper or restrict the Settling Parties' ability to seek discovery from any other Settling Party.

¹⁰ Notwithstanding anything to the contrary, nothing in this Section 6 or elsewhere in this Assignment, the Post-April 30 Claims Settlement Agreement, or the March 2022 Settlement Agreement shall constitute a release, waiver, or covenant not to sue regarding any claims or causes of action held by a Settling Party, the Debtor, or MDLY (as defined in Schedule I annexed hereto) against any attorney or law firm, other than John Fredericks with respect to Post-April 30 Claims, that may have represented such Settling Party, the Debtor, or MDLY.

¹¹ Including, without limitation, B. Taube 2014 Associates LLC, the Seth and Angie Taube Trust, A. Taube 2014 Associates, LLC, S. Taube 2014 Associates, LLC, and Canyon Capital Holdings LLC.

offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, that arises from conduct of any nature whatsoever occurring on or after April 30, 2019. For the avoidance of doubt, the covenant in this Section 6.1.1 applies whether a claim is a Liquidating Trust Asset on the Effective Date or becomes a Liquidating Trust Asset after the Effective Date.

6.1.2. To not initiate, prosecute, assert, or otherwise seek to enforce or execute on any claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, that any Medley Subsidiary¹² may have or claim to have against any of the D&O Parties or the Insurer Parties for conduct occurring on or after April 30, 2019.¹³

6.2. D&O Parties' Releases. On the Effective Date, and in exchange for the covenants above, the D&O Parties hereby automatically release, waive, relinquish, disavow and forever discharge the Liquidating Trust Parties and all of their respective successors, heirs, and assigns, and other entities owned or controlled by them and their officers, directors and financial and legal advisors, and all employees, representatives, agents, vendors, and attorneys of each of the foregoing from any and all claims, actions, or causes of action (including, without limitation, any claims for contract or tort damages, punitive damages, misrepresentation, violation of any duty, law, statute, or administrative regulation, contribution, apportionment, equitable indemnity, express and/or contractual indemnity, unasserted claims, third-party actions, counterclaims, or cross claims, and any other damages or loss or other form of relief, any avoidance action and any cause of action) for debts, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, expenses, interest, damages, lawsuits, liabilities, claims for reimbursement for costs or expenses, offsets, counterclaims, and defenses to collection or enforcement, benefits and causes of action of whatever kind, nature or character, known or unknown, suspected, fixed or contingent, past or present or hereinafter acquired, in law or in equity, arising from conduct of any nature whatsoever that occurred on or after April 30, 2019; provided that nothing herein: (1) is meant to, or shall, impact or release any of the Medley D&Os' ability

¹² "Medley Subsidiary" is defined in Schedule I annexed hereto.

¹³ For the avoidance of doubt, nothing in this Section 6.1.2 or elsewhere in this Assignment releases or otherwise impairs any rights of any Medley Subsidiary.

to raise defenses regarding the Liquidating Trust Parties in any litigation brought against any of the Medley D&Os by any Medley Subsidiary; and (2) releases the Liquidating Trust from any obligations under the March 2022 Settlement Agreement.

7. No Admission of Liability. This Assignment is intended as a compromise and is not intended and shall not be construed as an admission of liability by any Settling Party.

8. Mutual Representations and Warranties. The Settling Parties, and each of them, represent, warrant, and agree with each other as of the Effective Date as follows:

8.1. Each Settling Party has received or has had the opportunity to receive independent legal advice from attorneys of his or her choice with respect to the advisability of making the settlement and release provided herein, and with respect to the advisability of executing and being bound by this Assignment.

8.2. Except as expressly stated in this Assignment, no Settling Party has made any statement or representation to any other Settling Party regarding any fact that may be relied upon by any other Settling Party in entering into this Assignment, and each Settling Party specifically does not rely upon any statement, representation, or promise of any other Settling Party in executing this Assignment, or in making the settlement provided for herein, except as expressly stated in this Assignment.

8.3. Each Settling Party has made such investigation of the facts pertaining to this settlement and this Assignment, and all the matters pertaining thereto, as each Settling Party deems necessary.

8.4. The terms of this Assignment are contractual, not a mere recital, and are the result of negotiation among all the Settling Parties.

8.5. This Assignment has been carefully read by, the contents hereof are known and understood by, and it is signed freely by, each Settling Party.

8.6. This Assignment has been drafted by the Settling Parties' respective counsel and is to be construed neutrally and not for or against any Settling Party.

9. Liquidating Trust Representations and Warranties. The Liquidating Trustee further represents and warrants that (i) this Assignment has been duly and validly authorized, executed and delivered on behalf of the Liquidating Trust, shall constitute the legal, valid and binding obligations of the Liquidating Trust, and shall be enforceable against the Liquidating Trust; (ii) it has complied with all provisions of the Liquidating Trust Agreement and the Plan necessary to validly enter into this Assignment, including Section 3.2.13 of the Liquidating Trust Agreement; and (iii) it has not assigned or otherwise transferred and will not assign or otherwise transfer any Post-April 30 Claims.

10. Modification and Counterpart Copies. This Assignment may only be modified by a written instrument executed by all the Settling Parties. No covenants, agreements,

representations, or warranties of any kind whatsoever have been made by any Settling Party, except as specifically set forth in this Assignment. All prior discussion and negotiations have been and are merged and integrated into, and are superseded by, this Assignment. So long as each Settling Party executes this Assignment, a copy of this Assignment, whether signed by one Settling Party or multiple Settling Parties, shall have the same force, effect, and validity as an original Assignment executed by all Settling Parties.

11. Attorneys' Fees. Each Settling Party shall bear his or its own attorney's fees and costs related to this Assignment. Notwithstanding the foregoing, in the event suit is brought or an attorney is retained by any Settling Party to enforce the Assignment's terms, or to collect any damages due for breach hereof, each Settling Party shall be solely and exclusively responsible for his or its own attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith. Except as expressly provided herein, nothing in this Assignment is construed as a waiver by any Settling Party of any rights under any insurance policy.

12. Caption and Titles. The captions and titles contained in this Assignment are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Assignment or the intent of any provision hereof.

13. Construction of Assignment. Each of the Settling Parties has read and agreed to the terms of the Assignment after consulting with counsel, and the language of this Assignment shall, therefore, not be presumptively construed either in favor of or against any Settling Party.

14. Governing Law and Forum. In the event any Settling Party seeks to enforce this Assignment including through a declaratory or similar action or to assert a claim for its breach, each of the Settling Parties hereby expressly consents to the exclusive jurisdiction of the Bankruptcy Court. The Settling Parties agree that the Assignment shall be governed and construed in accordance with the laws of the State of New York.

15. Parties Bound. This Assignment shall be binding upon and inure to the benefit of the Settling Parties, their respective agents, attorneys, executors, guardians, companies, partners, members, beneficiaries, managers, officers, employees, heirs, successors and assigns, and the Medley D&Os' affiliates.

16. Relationship of Parties. Nothing in this Assignment shall be deemed or construed to constitute or create any agency, partnership, or affiliation agreement among or between any of the Settling Parties; no Settling Party shall have any power to obligate or bind another Settling Party in any manner whatsoever.

17. Waiver. No waiver by any Settling Party of a breach or a default hereunder shall be deemed a waiver of a subsequent breach or default of a like or similar nature.

18. Severability. If any provision is held invalid by the Bankruptcy Court or any other court of competent jurisdiction, such provision shall not invalidate the entire Assignment, but the Assignment shall be construed as not containing the particular provision held to be invalid, and the rights and obligations of the Settling Parties shall be construed accordingly.

19. Notices. Any notice required by this Assignment shall be provided in writing via overnight mail and via email to each of the Settling Parties and in the following manner:

To the Liquidating Trustee:

Eric D. Madden, Esq.
Reid Collins & Tsai LLP
1601 Elm Street, Suite 4200
Dallas, Texas 75201
emadden@reidcollins.com

-and-

James S. Carr, Esq.
Kelley Drye & Warren LLP
3 World Trade Center
175 Greenwich Street
New York, New York 10007
jcarr@kelleydrye.com

To Richard Allorto

Gregory S. Bruch, Esq.
Bruch Law Group
1099 New York Ave., NW, Suite 500
Washington, D.C. 20001
gbruch@bruchlawgroup.com

-and-

Jay B. Spievack, Esq.
Cohen Tauber Spievack & Wagner PC
420 Lexington Ave., Suite 2400
New York, New York 10170-2499
jspievack@ctwslaw.com

To Brook Taube and Seth Taube

Douglas Koff, Esq.
Schulte Roth & Zabel LLP
919 3rd Ave.
New York, New York 10022
douglas.koff@srz.com

-and-

Jay B. Spievack, Esq.
Cohen Tauber Spievack & Wagner PC
420 Lexington Ave., Suite 2400
New York, New York 10170-2499
jspievack@ctwslaw.com

20. Third-Party Beneficiaries. Samuel Anderson, James G. Eaton, John Fredericks, Jeffrey T. Leeds, Guy Rounsaville, Jr., Christopher Taube and Jeffrey Tonkel are third-party beneficiaries of this Assignment, but only with respect to the ability to enforce the covenants contained in Section 6 above.

[Signature page to follow]

IN WITNESS WHEREOF, the undersigned have duly executed this Assignment as of the dates reflected below.

MEDLEY LLC LIQUIDATING TRUST

By: Saccullo Business Consulting, LLC, as Liquidating Trustee

Name:

Title:

Date:

Richard Allorto

Date:

Brook Taube

Date:

Seth Taube

Date:

SCHEDULE I – DEFINED TERMS

As used in this Assignment, the following terms have the meanings set forth below.

“Cause of Action” or “Causes of Action” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise against any party, including current and former directors, officers, and employees of the Debtor and its affiliates. Causes of Action also include, but are not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest claims or interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

“Defense Expenses” means the necessary costs, charges, expenses, and fees, including attorney’s, expert’s, mediator’s, and arbitrator’s fees, incurred in defending a Cause of Action, and the premium for appeal, attachment, or similar bond.

“Loss” means (a) Defense Expenses; and (b) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured Person is legally obligated to pay as a result of a Cause of Action or written demand for monetary damages.

“Insured Person” means a natural person who was a director, officer, or employee, or the functional equivalent of the foregoing, of MDLY or the Debtor.

“Management Services” means acts by an Insured Person solely in his or her capacity as a director, officer, or employee of MDLY or the Debtor.

“March 2022 Settlement Agreement” refers to that certain Settlement Agreement and Release entered into by the Liquidating Trust, MDLY, Brook Taube Trust, Brook Taube, and Seth Taube on or about March 23, 2022.

“MDLY” refers to Medley Management, Inc.

“Medley D&Os” refers collectively to Richard Allorto, Brook Taube, and Seth Taube.

“Medley Subsidiary” means any entity that is or was a direct or indirect subsidiary of the Debtor.

“Wrongful Acts” means (a) an error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an Insured Person performing, or failing to perform, Management Services; or (b) a matter claimed against an Insured Person solely by reason of his or her service in such capacity.

SCHEDULE II – THE POLICIES*

Tower 1 (D&O)		
Insurer	Policy Number	Policy Limits**
Berkshire Hathaway Specialty Insurance Company	47-EPF-301833-03	\$5MM (primary)
Starr Indemnity & Liability Company	1000059851171	\$5MM (first excess)
Allied World Insurance Company (Side A)	0310-3481	\$5MM (second excess)

Tower 2 (D&O)		
Insurer	Policy Number	Policy Limits**
Allianz Global Risks US Insurance Company	USF00298219	\$5MM (primary)
Euclid Financial Institution Underwriters, LLC (Certain Underwriters at Lloyd’s of London; Associated Industries Insurance Company)	EFI1203059-00	\$2.5MM (first excess)
Old Republic Professional Liability, Inc.	ORPRO 44299	\$2.5MM (second excess)

Tower 3 (E&O)		
Insurer	Policy Number	Policy Limits**
Travelers Casualty and Surety Co. of America	106601622	\$5MM (primary)
Nationwide Mutual Insurance Company	XMF1702465	\$5MM (first excess)

(Freedom Specialty Insurance Company)		
Sompo International (Endurance American Insurance Company)	FIX10007675802	\$5MM (second excess)
Allianz Global Risks US Insurance Company	DOX2010224	\$3MM (third excess)

*Based on information and belief.

**Amounts do not reflect remaining amounts, ability to access or coverage.