

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

**MOTION OF DEFENDANT EVERSHEDS SUTHERLAND (US) LLP TO
EXCEED THE PAGE LIMIT WITH RESPECT TO ITS REPLY BRIEF IN FURTHER
SUPPORT OF MOTION FOR SUMMARY JUDGMENT BASED UPON RELEASE**

Defendant Eversheds Sutherland (US) LLP (“**Eversheds**”) respectfully submits this *Motion of Defendant Eversheds Sutherland (US) LLP to Exceed the Page Limit with Respect Its Reply Brief in Further Support of Motion for Summary Judgment Based Upon Release* (the “**Motion**”). In support of the Motion, Eversheds states as follows:

BACKGROUND

1. On March 3, 2023, Plaintiff Medley LLC Liquidating Trust (the “**Trust**”) initiated the above-captioned adversary proceeding by filing the *Complaint to Avoid and Recover Transfers Pursuant to 11 U.S.C. §§ 544, 547, 548 and 550* (the “**Complaint**”) [Adv. D.I. No. 1] in the United States Bankruptcy Court for the District of Delaware (the “**Court**”).



2110526260203000000000003

2. On June 23, 2023, Eversheds filed the *Eversheds Sutherland (US) LLP's Answer, Affirmative Defenses and Counterclaim to Complaint to Avoid and Recover Transfers Pursuant to 11 U.S.C. §§ 544, 547, 548 and 550* (the “**Answer**”). [Adv. D.I. No. 4.]

3. After efforts to mediate and during document discovery in the Adversary Proceeding, on May 1, 2025, the parties entered a *Stipulation to Amend Answer* pursuant to Fed R. Civ. P. 15(a)(2) permitting Eversheds to amend its Answer, among other things, to add an affirmative defense of Settlement and Release. [Adv. D.I. No. 24.]

4. Also on May 1, 2025, Eversheds filed *Eversheds Sutherland (US) LLP's First Amended Answer, Affirmative Defenses and Counterclaim to Complaint to Avoid and Recover Transfers Pursuant to 11 U.S.C. §§ 544, 547, 548 and 550* (the “**Amended Answer**”). [Adv. D.I. 25.] The Amended Answer, among other things, included a new affirmative defense of “Settlement and Release” based upon a “*Settlement Agreement and Release*” signed on March 23, 2022, and other agreements referred to and contemplated therein.”

5. On May 2, 2025, Eversheds filed a *Motion of Defendant Eversheds Sutherland (US) LLP for Summary Judgment Dismissing the Complaint* and related Declarations and Opening Brief based upon the defense of release (the “**Summary Judgment Motion**”). [Adv. D.I. Nos. 26-29.]

6. Based upon the potentially dispositive nature of the Summary Judgment Motion, the parties agreed to defer continued broad merits discovery and focus their efforts on directed discovery and a resolution of the Summary Judgment Motion. In that regard, the Parties entered into a series of so-ordered stipulations extending the Trust's time to respond to the Summary Judgment Motion. [Adv. D.I. Nos. 31, 35, 38, 40, 42, 44.]

7. On January 9, 2026, the Trust filed its *Opposition of Plaintiff Medley Liquidating Trust to Defendant Eversheds Sutherland (US) LLP's Motion for Summary Judgment* and related

Declarations (the “**Opposition**”) [Adv. D.I. Nos. 45-48], unsealed versions of which were filed on January 14, 2026. [Adv. D.I. Nos. 49-52.]

8. Contemporaneously herewith, Eversheds has filed its *Reply Brief of Defendant Eversheds Sutherland (US) LLP in Further Support of Motion for Summary Judgment Based Upon Release* (the “**Reply**”) responding to the arguments in the Trust’s Opposition. The as-filed Reply is 20 pages.

RELIEF REQUESTED

9. Eversheds respectfully requests entry of an Order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), authorizing Eversheds to exceed the page limit for its Reply.

BASIS FOR RELIEF

10. Rule 7007-2(a)(iv) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”) provides in relevant part that “[w]ithout leave of Court, . . . no reply may exceed 15 pages, exclusive of any tables of contents and citations.”

11. Eversheds filed its Reply along with this Motion. The Reply is 20 pages and sets forth the reasons the Summary Judgment Motion should be granted and the reasons each of the Trust’s multiple objections and arguments should be overruled.

12. Consistent with applicable New York law, Eversheds’ Summary Judgment Motion, with its fourteen-page Opening Brief, set forth the unambiguous language of the release and after describing the nature and stage of the proceedings, a concise statement of uncontested facts, and the Court’s standard of review, required a single point heading and two pages to state the reason the release is dispositive. [Adv. D.I. No. at 12-14.]

13. At the time it was filed, there was little reason to believe—particularly given the Trustee’s prior sworn testimony and the documents the Trust produced in discovery, as explained in the Reply—that the Trust would, for instance, (i) raise a purported fraud and concealment defense (twice), (ii) raise a delay and waiver defense despite the Trust’s stipulating to Eversheds’ Amended Answer and the clear mandate of Fed. R. Civ. P. 15(c), (iii) raise a question concerning whether Eversheds had been terminated as counsel where the release language applied to “all” attorneys and there is not a single document or other evidence proving Eversheds’ termination, (iv) raise a footnote in a later settlement agreement as amounting an order of this Court estopping the release, and so-on.

14. Despite the contractual release at issue being unambiguous, the Trust’s Opposition includes pages of purported “Background” facts requiring fourteen subheadings followed by what can only be described as the veritable “kitchen-sink” of reasons the release is inapplicable, is unenforceable, is estopped, and is invalid. The Trust’s arguments upon which it seeks to avoid the release required twelve separate subheadings and, as explained above, raise a number of matters that were not, and could not be, anticipated when Eversheds submitted its Motion and Opening Brief.

15. Although Eversheds attempted to prepare a Reply within the fifteen-page limit, it is unable to do so and adequately respond to the Trust’s arguments within the Local Rule page limitation. Eversheds respectfully submits that the Reply only exceeds the page limitation by a modest number of pages given the extent of arguments and objections to which it needed to respond and the Trust will suffer no prejudice from the modest extension.

16. Providing Eversheds with the modest extension of the page limitation is also consistent with the underlying goal of the Federal Rules of Bankruptcy Procedure to enable the

parties to secure a “just . . . determination” (Fed. R. Bankr. P. 1001), and the Local Rules subject to the Federal Rules, in themselves, permit modification in their application “in the interest of justice” (Del. Bankr. L.R. 1001-1(c)). Enabling Eversheds to respond fully to the Trust’s litany of objections and arguments is consistent with the interests of justice.

17. For these reasons, Eversheds respectfully requests the Court authorize Eversheds’ Reply to exceed the Local Rules’ page limitation as it is reasonable and appropriate under the circumstances.

WHEREFORE, Eversheds respectfully requests the Court enter the Proposed Order substantially in the form attached hereto as **Exhibit A** (i) granting Eversheds leave for the Reply to exceed the page limitation set forth in Local Rule 7007-2, and (ii) granting such other and further relief as is just and proper.

Dated: January 30, 2026
Wilmington, Delaware

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
Facsimile: (302) 295-0199
Email: chipman@chipmanbrown.com

—and—

Adam D. Cole (*pro hac vice*)
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 A

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

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

**[PROPOSED] ORDER AUTHORIZING EVERSHEDS SUTHERLAND (US) LLP
TO EXCEED THE PAGE LIMITATION FOR REPLY BRIEF OF DEFENDANT
EVERSHEDS SUTHERLAND (US) LLP IN FURTHER SUPPORT OF
MOTION FOR SUMMARY JUDGMENT BASED UPON RELEASE**

Upon consideration of the *Motion of Defendant Eversheds Sutherland (US) LLP to Exceed the Page Limit with Respect Its Reply Brief in Further Support of Motion for Summary Judgment Based Upon Release* (the “Motion”)¹ authorizing Eversheds to exceed the page limitation for its Reply in excess of the limitation set forth in Local Rule 7007-2, as more fully set forth in the Motion; and the Court having found that the notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief requested; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause therefor.

¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Eversheds is authorized to file a Reply of up to 20 pages in length.