

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

In re:

Medley LLC,¹

Debtor.

Chapter 11

Case No. 21-10526 (KBO)

RE D.I. 87

**SUPPLEMENTAL DECLARATION OF MARK D. SHERRILL IN SUPPORT OF THE
DEBTOR'S APPLICATION FOR AN ORDER AUTHORIZING THE RETENTION AND
EMPLOYMENT OF EVERSHEDES SUTHERLAND (US) LLP AS SPECIAL COUNSEL
FOR THE DEBTOR EFFECTIVE AS OF THE PETITION DATE**

Pursuant to 28 U.S.C. § 1746, I, Mark D. Sherrill, declares as follows:

1. I am a Partner at the firm of Eversheds Sutherland (US) LLP ("Eversheds"), which maintains offices for the practice of law at, among other places, 1000 Louisiana Street, Suite 3700, Houston, TX 77002. I am an attorney at law, duly admitted in good standing to practice in the State of Texas, the Commonwealth of Virginia, the District of Columbia, and the State of Ohio.

2. I am duly authorized to execute this supplemental declaration (the "Supplemental Declaration") on behalf of Eversheds. I am familiar with the matters set forth herein and, if called as a witness, I could and would testify thereto. Unless otherwise stated in this Supplemental Declaration, I have personal knowledge of the facts hereinafter set forth. To the extent that any information disclosed herein requires amendment or modification upon Eversheds' completion of further analysis or additional creditor information becomes available to Eversheds, a further supplemental declaration will be submitted to the Court.

3. I am filing this Supplemental Declaration to supplement the disclosures that were included in my original declaration, dated April 6, 2021 (the "Original Declaration"), that was filed with the *Application of the Debtor for an Order Authorizing the Retention and Employment of Eversheds Sutherland (US) LLP as Special Counsel for the Debtor Effective as of the Petition Date* [Docket No. 87] (the "Application") in accordance with Rule 2014(a) of the Federal Rules

¹ The last four digits of the Debtor's taxpayer identification number are 7343. The Debtor's principal executive office is located at 280 Park Avenue, 6th Floor East, New York, New York 10017.



of Bankruptcy Procedure (the “Bankruptcy Rules”). The Court has not yet entered an order regarding the Application.

4. Except as otherwise indicated herein, all facts stated in this Supplemental Declaration are based on my personal knowledge of Eversheds’ operations and finances, information learned from my review of relevant documents, and information supplied to me by Eversheds’ partners or employees. If called upon to testify, I could and would testify on that basis.

ADDITIONAL DISCLOSURES

5. In accordance with its ongoing obligations under Bankruptcy Rule 2014 and Local Rule 2014-1, Eversheds has conducted, and continues to conduct, an examination of its relationships with the Debtor, its creditors, and other parties in interest in this Chapter 11 Case. Based on ongoing conflicts review, Eversheds learned that it inadvertently did not run the parties listed in **Schedule 1** through conflicts and therefore supplements the disclosures in the Application.

6. Attached hereto as **Schedule 2** and incorporated herein is a list of Potential Parties in Interest whom Eversheds currently represents, has represented in the three years prior to the Petition Date, and may in the future represent in matters unrelated to the Debtor, the Debtor’s Chapter 11 Case, such entities’ claims against or interests in the Debtor, or the Scope of Services.

7. Although Eversheds has represented, currently represents, and may continue to represent certain entities and individuals listed on **Schedule 2** hereto, no representation reflected on **Schedule 2** is materially adverse to the Debtor or its estate with respect to the Scope of Services.

8. Eversheds Sutherland represents the Medley complex (Medley Management Inc., Medley LLC, Medley Capital LLC, and several current and former officers, directors and employees) in a Securities and Exchange Commission (the “SEC”) enforcement investigation. The investigation is being conducted by the SEC’s Division of Enforcement pursuant to a formal order of investigation that sets out various statutory grounds that allegedly warrant investigation. The investigation has included voluminous requests for information, subpoenas directing the production of books and records, and subpoenas requiring testimony.

9. To our knowledge, information and belief, no other law firm is representing or defending the Medley complex in the SEC matter. We also anticipate that some coordination may be needed with the Debtor's primary bankruptcy counsel, Lowenstein Sandler LLP, with regard to the Plan/Disclosure Statement treatment of the SEC investigation.

10. Eversheds, to the best of its knowledge, information and belief, believes that it continues to be a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, and that it does not hold or represent an interest adverse to the Debtor's estate with respect to the matters on which it is employed.

11. I continue to reserve the right to supplement Eversheds' disclosures in the event that Eversheds learns of any additional connections that require disclosure. If any new material, relevant facts, or relationships are discovered or arise, Eversheds will promptly file another supplemental declaration pursuant to Bankruptcy Rule 2014.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: April 26, 2021

/s/ Mark D. Sherrill
Mark D. Sherrill
Partner
Eversheds Sutherland (US) LLP

Schedule 1

Supplemental Parties in Interest List

American Express
Andrew Pacini
Berman Tabacco
Brian Dohmen
Burke Loeffler
Consumer Litigation Associates
Continental Casualty Company
Dean Crowe
Freedom 2021, LLC
Gravel & Shea PC
Jim Feeley
Kathleen Mary Donovan-Maher
Leonard Anthony Bennett
LexisNexis
Mark Giuliani
Matthew Bernard Byrne
MCC Advisors
Medley Capital Corporation
Ronald D. Sernau, Esq.
SIC Advisors
Sierra Income Corporation
William Guo

Schedule 2

Supplementary Disclosures of Eversheds Sutherland

The term “current client” used in Schedule 2 means an entity listed as a client in Eversheds Sutherland’s conflicts search system to which time was posted in the 12 months preceding the Petition Date. As referenced in Schedule 2, the term “former client” means an entity listed as a client in Eversheds Sutherland’s conflicts search system to whom time was posted between 12 and 36 months preceding the Petition Date. The list generated from Eversheds Sutherland’s conflicts search system is over-inclusive. As a general matter, Eversheds Sutherland discloses connections with “former clients” for whom time was posted in the last 36 months, but does not disclose connections if time was billed more than 36 months prior to the Petition Date.

<i>Potential Party in Interest</i>	<i>Affiliation to Cases</i>	<i>Former/Current Client</i>	<i>Eversheds Sutherland Connection</i>
American Express	Creditor/ Counterparty	Affiliates are former clients	Representation of American Express Travel Related Services in matters unrelated to Debtor
Medley Capital Corporation	Former Affiliate of Debtor	Entity is former client	Representation of Medley Capital Corporation in matters unrelated to the present representation of Debtor
Medley Capital LLC	Affiliate of Debtor	Entity and affiliates are current clients	Representation of Medley Capital LLC and affiliates (including Sierra Income Corporation) in matters unrelated to the present representation of Debtor Representation of Medley Management Inc., Medley Capital LLC, Sierra Income Corporation, Brook Taube, Seth Taub, John Fredericks, Rick Allorto, Sam Anderson, Dean Crowe, Brian Dohmen, Burke Loeffler, Mark Giuliani, Jim Feeley, Jeff Tonkel, Andrew Pacini, and William Guo in matters that are related to the present representation of the Debtor, but not adverse to the Debtor or the estate
Sierra Income Corporation	Affiliate of Debtor	Entity and affiliates are current clients	Please see entry above for Medley Capital LLC.
Brook Taube	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
Seth Taube	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
John Fredericks	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
Rick Allorto	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
Sam Anderson	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
Dean Crowe	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
Brian Dohmen	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.

Burke Loeffler	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
Mark Giuliani	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
Jim Feeley	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
Jeff Tonkel	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
Andrew Pacini	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.
William Guo	Officer/Director of Debtor or Affiliate	Individual is current client	Please see entry above for Medley Capital LLC.