

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

)	
In re:)	Chapter 11
)	
Medley LLC, ¹)	Case No. 21-10526 (KBO)
)	
)	
Debtor.)	
)	

SUPPLEMENTAL CERTIFICATE OF SERVICE

1. I, YunKyung Yu, depose and say that I am employed by Kurtzman Carson Consultants LLC (“**KCC**”), the claims and noticing agent for the Debtors in the above-captioned case. I submit this Certificate in connection with the service of solicitation materials for the *Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* [Docket No. 324] (the “**Plan**”) ². I am over the age of 18 and not a party to this action. Except as otherwise noted, I could and would testify to the following based upon my personal knowledge.

2. On April 1, 2021, the Court entered the *Order Authorizing the Debtor to Employ and Retain Kurtzman Carson Consultants LLC as Administrative Advisor Effective Nunc Pro Tunc to the Petition Date* [Docket No. 82].

3. Consistent with its retention as claims, noticing and solicitation agent, KCC is charged with, among other things, the duty of printing and distributing Solicitation Packages to creditors and other interested parties pursuant to the instructions set forth in the *Order Granting the Motion of the Debtor for an Order (I) Approving on an Interim Basis the Adequacy of Disclosures in the Combined Plan and Disclosure Statement, (II) Scheduling the Confirmation Hearing and Deadline for Filing Objections, (III) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Third Amended Combined Plan and Disclosure Statement, and Approving the Form of Ballot and Solicitation Package, and (IV) Approving the Notice Provisions* [Docket No. 328] (the “**Solicitation Procedures Order**”)

4. The Solicitation Packages consist of the following documents:
- a. If applicable, a flash drive (the “**USB Drive**”) containing the following documents:

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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Solicitation Procedures Order and the Plan.



- i. the Plan; and
 - ii. the Solicitation Procedures Order
- b. either a printed copy of the appropriate Ballot(s) and voting instructions for the voting class in which the creditor is entitled to vote (with a pre-addressed postage prepaid return envelope, if applicable (the “**Return Envelope**”):
 - i. Class 3 Notes Claims Beneficial Holder Ballot (“**Class 3 Beneficial Owner Ballot**”) (substantially in the form attached as Exhibit 2A to the Solicitation Procedures Order)
 - ii. Class 3 Master Ballot for Holders of Notes Claims (“**Class 3 Master Ballot**”) (substantially in the form attached as Exhibit 2B to the Solicitation Procedures Order)
 - iii. Class 4 General Unsecured Claims Ballot (“**Class 4 Ballot**”) (substantially in the form attached as Exhibit 2C to the Solicitation Procedures Order)
- c. or in lieu of a Ballot, the following notices, as appropriate based on the treatment under the Plan of any Claim or Interest held by the party to whom the notice is provided:
 - i. Unimpaired Non-Voting Status Notice (substantially in the form attached as Exhibit 3 to the Solicitation Procedures Order)
 - ii. Impaired Non-Voting Status Notice (substantially in the form attached as Exhibit 4 to the Solicitation Procedures Order)
- d. a printed letter from the Official Committee of Unsecured Creditors (the “**Cover Letter**”) (attached hereto as Exhibit A); and
- e. the Notice of (I) Interim Approval of Disclosure Statement, (II) Establishment of Voting Record Date, (III) Procedures and Deadlines for Voting on Plan, and (IV) Hearing on Final Approval of Disclosure Statement and Confirmation of Plan and Related Procedures for Objections (the “**Confirmation Hearing Notice**”) (substantially in the form attached as Exhibit 1 to the Solicitation Procedures Order).

(Continued on Next Page)

5. On August 27, 2021, at my direction and under my supervision, employees of KCC caused the Plan, Solicitation Procedures Order, and Cover Letter via First Class Mail to the parties on the service list attached hereto as **Exhibit B (Noteholder)**.

6. Furthermore, on September 2, 2021, at my direction and under my supervision, employees of KCC caused the USB Drive, Cover Letter, Confirmation Hearing Notice, Class 4 Ballot, and Return Envelope to be served via First Class Mail to the parties on the service list attached hereto as **Exhibit C (Class 4 Voting Parties)**.

7. Furthermore, on September 2, 2021, at my direction and under my supervision, employees of KCC caused the USB Drive and Confirmation Hearing Notice to be served via First Class Mail to the parties on the service lists attached hereto as **Exhibit D (Voting Notice Party)**

Dated: September 3, 2021

/s/ YunKyung Yu
YunKyung Yu
KCC
222 N Pacific Coast Highway,
3rd Floor
El Segundo, CA 90245
Tel 310.823.9000

Exhibit A

**LETTER OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS IN SUPPORT OF THIRD AMENDED COMBINED DISCLOSURE
STATEMENT AND CHAPTER 11 PLAN OF MEDLEY LLC**

Chapter 11 Case No. 21-10526 (KBO)
in the United States Bankruptcy Court
for the District of Delaware

August 18, 2021

To: Holders of Claims in Class 3 and Class 4:

The Office of the United States Trustee formed the Official Committee of Unsecured Creditors (the “Committee”) to represent the interests of all unsecured creditors in the above-referenced chapter 11 bankruptcy case of Medley LLC (the “Debtor”). The Committee submits this letter in support of the enclosed *Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* dated August 16, 2021 (the “Amended Plan”).¹

The Committee believes, under the circumstances of this chapter 11 case, that the Amended Plan will provide the best potential recovery for Holders of Claims in Class 3 and Class 4. It will avoid the immediate conversion of this chapter 11 case to chapter 7, thus allowing the Debtor and Medley Capital to wind-down the Estate’s assets in an efficient and cost-effective manner. **Accordingly, the Committee supports the Amended Plan and recommends Holders of Claims in Class 3 and Class 4 vote to accept the Amended Plan.**

As set forth in the Amended Plan, this chapter 11 case has taken several unusual turns. The initial plan filed by the Debtor on the Petition Date was unconfirmable for various reasons and was withdrawn after the Notes Trustee, the Committee and certain other parties-in-interest communicated their opposition to the Debtor. Thereafter, the Debtor’s largest client, Sierra Income Corporation (“Sierra”), announced it had entered into a formal review process to evaluate strategic alternatives for the investment advisory agreement (the “Sierra IMA”) between Sierra and SIC Advisors LLC (“SIC Advisors”), a non-debtor subsidiary of the Debtor. The Debtor has no employees, and all business operations, including managing the Sierra IMA and other investment management agreements, are undertaken by an affiliate, Medley Capital LLC (“Medley Capital”). The management fees that SIC Advisors generates from Sierra’s IMA, after accounting for Medley Capital’s operational costs, are up-streamed to the Debtor and represent the Debtor’s largest source of revenue. Without the Sierra IMA, the Debtor could not continue as a going concern.

Since its appointment, the Committee has focused on navigating these difficult issues with the goal of obtaining the best possible recovery for unsecured creditors. The Committee also assessed the need for an employee compensation plan to allow Medley Capital to retain the necessary employees to wind-down the Sierra IMA and other investment management agreements in an orderly fashion.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Amended Plan.

The Committee is pleased to report that following extensive negotiations with the Debtor and Medley Capital, it has reached a settlement with those parties, as reflected in the Amended Plan.

The Committee is a proponent of the Amended Plan, together with the Debtor and Medley Capital (collectively, the “Proponents”). General unsecured creditors of the Debtor’s estate will benefit from the Amended Plan in two specific ways. First, the agreement reached among the Proponents will allow for a controlled wind-down of Medley Capital and the Debtor’s other affiliates through the first quarter of 2022 and generate net proceeds which will flow to the Liquidating Trust to be established under the Amended Plan, for the benefit of Holders of Claims in Class 3 and Class 4.

Second, all Causes of Action of the Debtor, including against Insiders and other third parties, will automatically vest in the Liquidating Trust and will be pursued subsequent to the Effective Date. The Liquidating Trust will also receive all claims and rights of the Debtor under any insurance policies, including D&O Liability Insurance Policies. While there can never be any assurances that the Causes of Action will generate any additional recoveries for unsecured creditors, preserving such Causes of Action for proper investigation and prosecution, if appropriate, have been a top priority for the Committee.

The Liquidating Trustee will be selected by the Committee. An Oversight Committee will oversee the activities of the Liquidating Trust and will initially be comprised of two members selected by the Committee and one by Medley Capital during the wind-down. Upon the completion of Medley Capital’s wind-down, the Medley Capital member will be replaced with a third Oversight Committee member who will be appointed by the Committee. General unsecured creditors can, therefore, have assurance that the Liquidating Trust will be administered in a manner which will maximize the value of the Assets Available for Distribution to Unsecured Creditors under the Amended Plan.

PLEASE BE ADVISED THAT THE COMMITTEE IS NOT PROVIDING ANY LEGAL ADVICE TO HOLDERS OF CLAIMS IN CLASS 3 AND CLASS 4 WITH RESPECT TO THE AMENDED PLAN. EACH CREDITOR (INCLUDING INDIVIDUAL MEMBERS OF THE COMMITTEE) MUST MAKE ITS OWN INDEPENDENT DECISION AS TO WHETHER OR NOT THE AMENDED PLAN IS ACCEPTABLE. THE COMMITTEE URGES EACH CREDITOR TO CONSULT WITH ITS OWN LEGAL AND/OR FINANCIAL ADVISOR REGARDING THE IMPACT OF THE PLAN ON SUCH CREDITOR AND ITS DECISION TO VOTE TO ACCEPT OR REJECT THE AMENDED PLAN.

PLEASE MAKE SURE TO READ THE DIRECTIONS ON THE BALLOT CAREFULLY AND COMPLETE YOUR BALLOT IN ITS ENTIRETY BEFORE RETURNING IT. ALL BALLOTS MUST BE RECEIVED BY THE VOTING AGENT BY SEPTEMBER 24, 2021 AT 4:00 PM (PREVAILING EASTERN TIME) TO BE COUNTED.

YOU ARE URGED TO READ THE AMENDED PLAN CAREFULLY. THE DESCRIPTION OF THE AMENDED PLAN IN THIS LETTER IS INTENDED TO BE ONLY A SUMMARY.

THIS COMMITTEE LETTER MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN THE COMMITTEE'S RECOMMENDATION TO SUPPORT THE AMENDED PLAN, AND THE INFORMATION CANNOT BE RELIED UPON FOR ANY OTHER PURPOSE. THE COMMITTEE DOES NOT GUARANTEE ANY PARTICULAR RESULT IN THIS BANKRUPTCY CASE.

THIS COMMUNICATION DOES NOT CONSTITUTE, AND SHALL NOT BE CONSTRUED AS, A SOLICITATION BY ANY INDIVIDUAL MEMBER OF THE COMMITTEE.

Should you have any questions about this letter, the Amended Plan, your Ballot or the voting procedures, please contact Kelley Drye & Warren LLP by sending an email to JCarr@kelleydrye.com and BFeder@kelleydrye.com.

Very truly yours,

The Official Committee of Unsecured Creditors of
Medley LLC

Exhibit B

Exhibit B
Noteholder Party
Served via First Class Mail

CreditorName	Address1	City	State	Zip
William Townsend	174 Cabrillo Lane	Ponte Vedra Beach	FL	32082

Exhibit C

Exhibit C**Class 4 Voting Parties
Served via First Class Mail**

CreditorName	CreditorNoticeName	Address1	City	State	Zip
Cynthia Kirsch		91 Philadelphia Avenue	Massapequa Park	NY	11762
John Kirsch		91 Philadelphia Avenue	Massapequa Park	NY	11762
Martin Rothschild		320 E 65th St Apt 119	New York	NY	10065
New Mexico Educational Retirement Board	Francine Jacquez	1596 Pacheco Street, Suite 107	Santa Fe	NM	87505

Exhibit D

Exhibit D

Voting Notice Party

Served via First Class Mail

CreditorName	CreditorNoticeName	Address1	City	State	Zip
New Mexico Educational Retirement Board	Rick Scroggins	701 Camino del Los Marquez	Santa Fe	NM	87505