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October 15, 2021

BY E-FILE AND E-MAIL

The Honorable Karen B. Owens
824 N. Market Street
Wilmington, DE 19801

RE: In re Medley LLC, Case No. 21-10526, Docket Nos. 255, 324, 328, 371, 395,
424 & 431 (D. Del.) (the “Debtor”)

Dear Honorable Judge Owens:

I respectfully write on behalf of Medley Management, Inc. (“Medley Management”), a non-party to the proceedings noted in caption of this letter and the managing member of the Debtor.

For the reasons stated below, Medley Management requests that the language proposed by Mr. Waxman at this morning’s status conference call--which underlined the understanding that no escrow would be applicable to any Coronavirus Aid, Relief and Economic Security Act-related benefits payments which Medley Management is currently seeking to obtain—be inserted to the amended order by the Court, in lieu of the currently proposed language. If the Court does not agree to replace the language currently agreed upon by the parties with Mr. Waxman’s proposed language at this morning’s status conference call, than the restated opinion with the unapproved language deleted as proposed by the Court is agreed

Further, subsequent to the hearing this morning, it has come to Medley Management’s attention that attorneys from Mr. Carr’s office have sent written letters to insurers that include the following misleading language, that was not consistent with the Amended Combined Disclosure Statement and Chapter 11 Plan of Medley, LLC (the “October 14 Plan”) that the Court entered yesterday:

From: Smith, Whitney M. [<mailto:WSmith@KelleyDrye.com>]
Sent: Thursday, October 14, 2021 3:40 PM
To: Scott A. Schechter; Matthew Mawby
Cc: Carr, James; Feder, Benjamin; Wilson, Sean T.
Subject: In re Medley LLC, Case No. 21-10526 (KBO)--Travelers Policy No. 106601622

Dear Scott and Matthew:



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Kelley Drye & Warren LLP represents the Committee of Unsecured Creditors in connection with the above-referenced matter. We write in connection with Policy No. 106601622 issued by Travelers Casualty and Surety Company of America to Medley LLC. We understand that you represent Travelers in connection with claims made under this policy.

Today, the Court entered an order confirming the Chapter 11 Plan of Medley LLC, which is attached here for your reference. As part of the Plan, the Court has permanently enjoined any attempt to recover or collect any Liquidating Trust Assets. (See Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC, Article XI.E.) Liquidating Trust Assets includes the insurance policy issued by Travelers. (Id. at pp. 9 & 13.)

Please confirm that Travelers will comply with the injunction entered by the Court and **will not make any payments** from the policy, absent approval by the Court to do so.

Regards,

Whitney

WHITNEY SMITH
Partner

Ms. Smith's language overstates the scope of the Court's order and the October 14 Plan and tortiously interferes with ongoing claims by other parties entitled to that coverage. The October 14 Plan specifically provides, in relevant part, that, "after the Effective Date, the Liquidating Trustee shall not terminate or otherwise reduce the coverage under any D&O Liability Insurance Policies (including any "tail policy") in effect on or after the Petition Date, with respect to conduct occurring prior thereto, and all members, directors and officers of the Debtor who served in such capacity at any time prior to the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy, to the extent set forth therein, regardless of whether such directors and officers remain in such positions after the Effective Date." October 14 Plan, Article VII, p. 66.

Medley Management respectfully requests the Court to order the attorneys from Mr. Carr's office to send a restated letter that accurately states and reflects the scope of the Court's amended order to insurers, and copy Medley Management to that correspondence.

Respectfully,
/s/ Adele Hogan
Adele Hogan, Esq.

Enclosures

cc: Jeffrey R. Waxman, Esq.
Justin Rawlins, Esq.
Jane M. Leamy, Esq.
Joseph Farris, Esq.
James S. Carr, Esq.
Benjamin D. Feder, Esq.
Therese A. Scheuer, Esq.
Christopher Samis, Esq.
Ryan Slaugh, Esq.
Whitney M. Smith, Esq.
Sean T. Wilson, Esq.
Matt Micheli, Esq.

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Eric Monzo, Esq.
Eric Chafetz, Esq.
Robert M. Hirsh, Esq.
Michael A. Kaplan, Esq.
Phillip Khezri, Esq.
Avi E. Luft, Esq.