

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

In re:  Medley LLC, <sup>1</sup>  Debtor.	Chapter 11  Case No. 21-10526 (KBO)
MEDLEY LLC LIQUIDATING TRUST,  Plaintiff,  v.  EVERSHEDS SUTHERLAND (US) LLP,  Defendant.	Adv. Pro. No. 23-50121 (KBO)  <b>Re: Adv. Docket No. 4</b>

**REPLY TO COUNTERCLAIM**

The Medley LLC Liquidating Trust (“Plaintiff”), established pursuant to the terms and conditions of the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (the “Plan”),<sup>2</sup> by and through its undersigned counsel, files this reply (“Reply”) in response to Defendant Eversheds Sutherland (US) LLP’s purported Fifth Affirmative Defense and Counterclaim (the “Counterclaim”).

In reply to the Counterclaim, Plaintiff replies as follows: Denied.

**FIRST AFFIRMATIVE DEFENSE**

The Counterclaim, in whole or in part, fails to state a claim upon which relief can be granted. Among other things, set off and recoupment are affirmative defenses. Neither doctrine provides grounds for Defendant to make an independent claim for relief.

<sup>1</sup> 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.

<sup>2</sup> Docket No. 445-1. Capitalized terms used but otherwise defined herein shall have the meanings ascribed to such terms in the Plan.



**SECOND AFFIRMATIVE DEFENSE**

Defendant's Counterclaim is barred, in whole or in part, by equitable estoppel, waiver, unclean hands, *in pari delicto*, or other equitable doctrines.

**STATEMENT PURSUANT TO LOCAL RULE 7012-1**

Plaintiff consents to the entry of final orders and judgments by the Court.

**PRAYER FOR RELIEF**

WHEREFORE, as to the Counterclaim, Plaintiff requests that the Court:

- A. Dismiss the Counterclaim with prejudice;
- B. Award Plaintiff the costs and expenses of this action, including, without limitation, attorneys' fees under applicable law; and
- C. Grant Plaintiff such other and further relief as this Court may deem just and proper.

Dated: July 14, 2023  
Wilmington, Delaware

Respectfully submitted,

/s/ Sameen Rizvi

Christopher M. Samis (No. 4909)  
Sameen Rizvi (No. 6902)  
**POTTER ANDERSON & CORROON LLP**  
1313 N. Market Street, 6<sup>th</sup> Floor  
Wilmington, Delaware 19801  
Telephone: (302) 984-6000  
Facsimile: (302) 658-1192  
Email: csamis@potteranderson.com  
srizvi@potteranderson.com

-and-

James S. Carr (admitted *pro hac vice*)  
Sean T. Wilson (admitted *pro hac vice*)  
**KELLEY DRYE & WARREN LLP**  
3 World Trade Center  
175 Greenwich Street  
New York, New York 10007  
Telephone: (212) 808-7800  
Facsimile: (212) 808-7897  
Email: jcarr@kelleydrye.com  
swilson@kelleydrye.com

*Counsel for the Medley LLC Liquidating Trust*