

**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: Docket No. 681

**ORDER GRANTING MEDLEY LLC LIQUIDATING TRUST'S MOTION
PURSUANT FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019
TO APPROVE SETTLEMENT WITH EVERSHEDES SUTHERLAND (US) LLP**

Upon the Motion (the "Motion")² of Saccullo Business Consulting, LLC, in its capacity as trustee of the Medley LLC Liquidating Trust for Medley LLC, for entry of an order, pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, seeking approval of the settlement attached hereto as **Exhibit 1**; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S. C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having being provided to the parties identified in the Certificate of Service filed with the Motion, and it appearing that no other or further notice need be provided; and the Court having considered the objections, if any, filed in opposition of the Motion; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtor, its creditors, the estate, and all parties in interest; and the Court having determined that the legal

¹ 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.

² Capitalized terms not defined herein are defined in the Motion.



and factual basis set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceeding had before the Court and after due deliberation and sufficient cause appearing therefore, **IT IS HEREBY ORDERED THAT:**

1. Pursuant to Bankruptcy Rule 9019, the Motion is GRANTED.
2. The settlement agreement attached hereto **Exhibit 1** and incorporated by reference and made part of this Order as if fully set forth herein.
3. This Court shall retain jurisdiction to hear and determine all matters arising from or related to implementation, interpretation and/or enforcement of this Order.

Dated: November 9th, 2023
Wilmington, Delaware

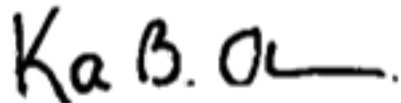

KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

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

In re:

MEDLEY LLC,¹

Debtor.

Chapter 11

Case No. 21-10526 (KBO)

**SETTLEMENT STIPULATION BETWEEN MEDLEY LLC LIQUIDATING TRUST
AND EVERSHEDES SUTHERLAND (US) LLP**

Medley LLC Liquidating Trust (the “**Liquidating Trust**”) and Eversheds Sutherland (US) LLP (“**Eversheds**”, together with the Liquidating Trust, the “**Parties**,” and each individually, a “**Party**”), hereby stipulate and agree (this “**Stipulation**”) to the following:

RECITALS

WHEREAS, on March 7, 2021 (the “**Petition Date**”), the Debtor commenced a voluntary case (the “**Chapter 11 Case**”) under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”);

WHEREAS, on April 6, 2021, the Debtor filed an application to retain Eversheds as special counsel (the “**Retention Application**”) [Docket No. 87] pursuant to section 328(a) and 327(e) of the Bankruptcy Code;

WHEREAS, on May 17, 2021 the Bankruptcy Court entered an Order Retaining Eversheds Sutherland (US) LLP as Special Counsel to the Debtor (the “**Retention Order**”) [Docket No. 167];

¹ 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.

WHEREAS, on October 18, 2021, the Court entered an Amended Order confirming the Debtor’s liquidation plan (the “**Plan**”) [Docket No. 445], which went effective on the same day (the “**Effective Date**”) [Docket No. 449]. Among other things, the Plan provided for the creation of the Liquidating Trust to liquidate remaining estate assets and pursue potential claims and causes of action. All estate assets, including avoidance actions, were transferred to the Liquidating Trust on the Effective Date;

WHEREAS, on December 1, 2021, Eversheds filed its final fee application (the “**Final Fee Application**”) [Docket No. 515];

WHEREAS, on January 26, 2022, the Bankruptcy Court entered the Amended Omnibus Final Fee Order awarding the Final Fee Applications (the “**Amended Omnibus Final Fee Order**”) [Docket No. 569]. The Amended Omnibus Final Fee Order awarded Eversheds an administrative claim in the amount \$2,080,055.19;

WHEREAS, on January 23, 2023, the Liquidating Trust filed Medley LLC Liquidating Trust’s Motion Pursuant to Federal Rule of Civil Procedure 60(b) to Vacate (i) the Order Retaining Eversheds Sutherland (US) LLP, and (ii) that Portion of the Amended Omnibus Order Awarding the Final Fee Application to Eversheds Sutherland (US) LLP (the “**Motion to Vacate**”) [Docket No. 610];

WHEREAS, on February 13, 2023, Eversheds filed Eversheds Sutherland (US) LLP’s Response in Opposition to Medley LLC Liquidating Trust’s Motion Pursuant to Federal Rule of Civil Procedure 60(b) to Vacate Two Orders (the “**Response**”) [Docket No. 617];

WHEREAS, on September 18, 2023, the Liquidating Trust filed Medley LLC Liquidating Trust’s Supplement in Support of its Motion Pursuant Federal Rule of Civil Procedure 60(b) to Vacate (i) the Order Retaining Eversheds Sutherland (US) LLP, and (ii) that Portion of the

Amended Omnibus Order Awarding the Final Fee Application to Eversheds Sutherland (US) LLP (the “**Supplement**”) [Docket No. 672];

WHEREAS, after arm’s length negotiations, the Parties have reached an agreement on the terms of a settlement, as set forth in this Stipulation and subject to the Bankruptcy Court’s approval, to resolve, among other things, the Motion to Vacate;

NOW THEREFORE, in consideration of the promises, agreements, and covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

STIPULATION

1. Each of the Recitals set forth above is incorporated herein by reference.
2. The Motion to Vacate has been resolved and shall be withdrawn with prejudice by the Liquidating Trust.
3. Eversheds shall pursue the Debtor’s insurers for the entire amount of its post-petition fees and expenses.
4. Eversheds has agreed to reduce the final fee award it was granted in the Amended Omnibus Final Fee Order to \$436,673.28 (the “**Revised Final Fee Award**”). The Revised Final Fee Award is the most that Eversheds can seek to collect directly from the Debtor’s estate.
5. Eversheds agrees to make formal written demand against the Debtor’s insurers on or before October 20, 2023. In the event the written demand does not lead to a resolution between Eversheds and the Debtor’s insurers, Eversheds agrees it will file a lawsuit to collect from the Debtor’s insurers on or before March 29, 2024 (the “**Insurance Lawsuit**”).
6. The Liquidating Trust shall receive a dollar-for-dollar credit against the Revised Final Fee Award for every dollar Eversheds recovers from the Debtor’s insurers (the “**Credit**”).

while the Liquidating Trust remains open. Notwithstanding the Credit set forth above, to the extent the Liquidating Trust is closed prior to the Insurance Lawsuit being finally resolved, the Liquidating Trust shall pay the Revised Final Fee Award to Eversheds, and the Credit will be forfeited by the Liquidating Trust.

7. This Stipulation shall become effective on the date upon which all of the following have occurred: (a) this Stipulation has been executed by the Parties; and (b) the Bankruptcy Court has entered a final, non-appealable order which has not been stayed authorizing and approving this Stipulation (such date, the “**Settlement Effective Date**”).

8. Within five business days of the Parties’ execution of this Stipulation, the Liquidating Trust shall move for approval of this Stipulation by the Bankruptcy Court pursuant to Bankruptcy Rule 9019.

9. This Stipulation, the Revised Final Fee Award, and all negotiations, statements, and proceedings in connection herewith shall not be deemed to be evidence of, an admission of, or concession of any liability or wrongdoing by either Party, and shall not be offered or received in any action or proceeding (except an action to enforce this Stipulation), or be used in any way as an admission, concession, or evidence of any liability or wrongdoing of any nature by either Party. This Stipulation involves the settlement of disputed claims, and nothing contained in this Stipulation shall be construed as an admission by any Party. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Stipulation shall not, and no negotiations relating to this Stipulation shall be, admissible into evidence in any proceeding, including the adversary proceeding pending against Eversheds in the Chapter 11 Case (Adversary Proceeding # No. 23-50121), other than to prove the existence of this Stipulation or in a proceeding to enforce the terms of this Stipulation.

10. The Parties represent and warrant to each other that the signatories to this Stipulation have the full power and authority to enter into this Stipulation on behalf of their respective clients or Parties and have had an opportunity to review the Stipulation with counsel of their choosing.

11. This Stipulation shall be governed by and construed in accordance with the Bankruptcy Code and the laws of the State of Delaware, without regard to the conflict of laws principles thereof. The Bankruptcy Court shall retain exclusive jurisdiction over any disputes arising out of or otherwise relating to this Stipulation and the Parties acknowledge and consent to the exclusive jurisdiction of the Bankruptcy Court with respect to all matters relating to the interpretation and enforcement of the terms of this Stipulation.

12. This Stipulation contains the entire agreement between the Parties and supersedes any prior agreements and understandings, written or oral, between the Parties pertaining to the subject matter hereof. No modification of this Settlement shall be binding or enforceable unless in writing and signed by the Parties. The Parties acknowledge that this Stipulation was the product of negotiations between them and that any rule of construction that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Stipulation. The invalidity or unenforceability of any provision of this Stipulation shall not affect the validity or enforceability of any one or more of the other provisions.

13. This Stipulation shall survive any dismissal of the Case, conversion of the Case to a case under chapter 7 of the Bankruptcy Code, or confirmation and consummation of any chapter 11 plan in the Case, and shall be binding on (a) any trustee appointed in this Case at any time, whether pursuant to a plan or any chapter of the Bankruptcy Code, including without limitation any chapter 7 trustee, (b) any successor of the Debtor or the Liquidating Trustee, (c) any person

claiming by, through, under right of or on behalf of the Debtor or its estate; and (d) all creditors of the Debtor. Any reference herein to the "Debtor" shall include any chapter 7 trustee or successor to the Debtor or its estate following conversion or dismissal of this Case.

14. This Stipulation may be executed in multiple counterparts, any of which may be transmitted electronically, and each of which should be deemed an original and all of which together shall constitute one and the same instrument. The signatories hereto may execute this Stipulation by digital signature or other electronic means in lieu of an ink signature.

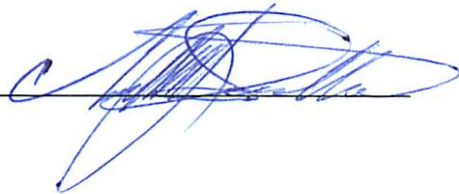
15. Each of the Parties hereto shall be solely responsible for their respective legal fees and costs in connection with this matter.

WHEREFORE, the undersigned have executed and delivered this Stipulation on behalf of the Parties as of the date first written above.

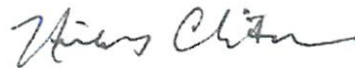
MEDLEY LLC LIQUIDATING TRUST

EVERSHEDS SUTHERLAND (US) LLP

By:



By:



Partner & General Counsel