

**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)

**Re: Docket No. 3**

**FINAL ORDER (I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTOR TO CONTINUE AND MAINTAIN ITS EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNT AND BUSINESS FORMS, (II) AUTHORIZING THE CONTINUATION OF ORDINARY-COURSE INTERCOMPANY TRANSACTIONS, AND (III) GRANTING RELATED RELIEF**

Upon consideration of the motion (the “Motion”)<sup>2</sup> of the Debtor for entry of a final order (this “Final Order”): (i) authorizing the Debtor to continue and maintain its existing cash management system, bank account and business forms; (ii) authorizing the continuation of ordinary-course intercompany transactions; and (iii) granting related relief; and upon consideration of the First Day Declaration; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. § 157(b); and the Court having determined that granting the relief requested in the Motion is in the best interests of the Debtor, its estate and creditors; and notice of the Motion being sufficient under the circumstances; and after due deliberation and sufficient cause appearing therefor;

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted on a final basis as set forth herein.
2. The Debtor is authorized, but not directed, and subject to this Final Order, to continue to use the Cash Management System, including the Bank Account, in the ordinary course of business.

<sup>1</sup> 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, 6<sup>th</sup> Floor East, New York, New York 10017.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.



3. The Debtor is further authorized, but not directed to: (i) continue to use, with the same account number, the Bank Account in existence on the Petition Date, and need not comply with certain of the U.S. Trustee Operating Guidelines relating to bank accounts, including, without limitation, the requirement to establish separate accounts for cash collateral and/or tax payments; (ii) treat the Bank Account for all purposes as an account of the Debtor as debtor in possession; (iii) deposit funds in and withdraw funds from the Bank Account by all usual means, including, without limitation, by check, wire transfer and other methods; (iv) pay the Bank Fees, including, without limitation, any undisputed Bank Fees regardless of whether such Bank Fees arose before, on or after the Petition Date; and (v) otherwise perform its obligations under the documents governing the Bank Account. Within fifteen (15) days of the date of entry of this Final Order the Debtor shall (a) contact the Bank, (b) provide the Bank with the Debtor's employer identification number and (c) identify its Bank Account as being held by a debtor in possession in a bankruptcy case.

4. The Debtor is authorized to use, in their present form, all Business Forms and other documents related to the Bank Account, without reference to its status as debtor in possession; *provided, however*, that if the Debtor exhausts its existing check stock during the pendency of this Chapter 11 Case, the Debtor will order checks with a notation indicating the designation “debtor in possession” and the case number of this Chapter 11 Case; *provided further*, that with respect to checks and other Business Forms which the Debtor or its agents print themselves, the Debtor or its agents shall begin printing “debtor in possession” or “DIP” and the case number for the Chapter 11 Case on such items within ten (10) days of the date of the entry of this Final Order.

5. Except as otherwise expressly provided in this Final Order, the Bank is authorized to: (i) continue to maintain, service and administer the Bank Account as an account of the Debtor as debtor in possession and provide related treasury, account and cash management services, all without interruption and in the ordinary course of business; (ii) receive, process, honor and pay, to the extent of available funds, any and all checks, drafts, EFT (including wires or ACH transfers),

credit card payments and other items presented, issued or drawn on the Bank Account; *provided*, *however*, that any check, draft or other notification that the Debtor advises the Bank to have been drawn, issued or otherwise presented before the Petition Date may be honored by the Bank only to the extent authorized by order of the Court; (iii) accept and honor all representations from the Debtor as to which checks, drafts, EFT (including wires or ACH transfers), credit card payments and other items presented, issued or drawn should be honored or dishonored consistent with any order of the Court and governing law, whether such checks, drafts, EFT (including wires or ACH transfers), credit card payments and other items are dated before or after the Petition Date; and (iv) debit or charge the Bank Account for all undisputed Bank Fees, whether arising before, on or after the Petition Date.

6. Subject to the terms of this Final Order, the Bank may rely upon the representations of the Debtor with respect to whether any disbursement should be honored pursuant to any order of this Court, whether or not such disbursements are dated before, on or after the Petition Date, and the Bank shall not have any liability to any party for relying on such representations by the Debtor as provided for herein.

7. The relief granted in this Final Order is extended to any new bank account opened by the Debtor after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Bank.

8. The Debtor is authorized to open any new Bank Accounts or close the existing Bank Account as it may deem necessary and appropriate; *provided* that the Debtor shall give notice within five (5) business days to the U.S. Trustee, counsel to U.S. Bank National Association, in its capacity as indenture trustee for the 2024 Notes and the 2026 Notes (as defined in the First Day Declaration) (the “Notes Trustee”) and Strategic Capital Advisory Services (“Strategic”) of the opening or closing of any Bank Account and such opening or closing shall be timely indicated on the Debtor’s monthly operating reports; *provided, further*, that the Debtor shall open any such new

Bank Account at banks that have executed a UDA with the U.S. Trustee or at such banks that are willing to immediately execute such an agreement.

9. The Debtor is authorized, but not directed, and subject to this Final Order, to continue performing Intercompany Transactions in the ordinary course of business on a postpetition basis; *provided* that the Debtor will provide three (3) business days prior notice of any individual Intercompany Transaction over \$200,000 to be made by the Debtor, with such notice to include a schedule setting forth (i) the purpose, amount and the payee with respect to each Intercompany Transaction, including a breakdown of expenditures by category, and (ii) the cumulative cash balance showing the unapplied application of funds received and accumulated in non-Debtor affiliates as a result of Intercompany Transactions, to the U.S. Trustee, counsel to the Notes Trustee, and Strategic, and each such party shall have the right to seek emergency relief from the Court with respect to any proposed Intercompany Transaction. All Intercompany Claims arising after the Petition Date shall be identified as such and accorded administrative expense priority in accordance with sections 364(b), 503(b), and 507(a)(2) of the Bankruptcy Code. A summary report of all Intercompany Transactions, setting forth the date, purpose, amount and the payer/payee with respect to each Intercompany Transaction, shall be provided on a weekly basis to the U.S. Trustee, counsel to the Notes Trustee, and Strategic. Payment of Intercompany Transactions shall not exceed \$3.5 million on a final basis absent further order of this Court.

10. In connection with the ongoing utilization of the Cash Management System, the Debtor shall continue to maintain records with respect to all transfers of cash in the ordinary course so that all transactions (including Intercompany Transactions) may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions and shall make such records available to the U.S. Trustee, counsel to the Notes Trustee, and Strategic upon request.

11. In the event that the Debtor opens or closes any Bank Accounts, such opening or closing shall be timely indicated on the Debtor's monthly operating reports and notice of such

opening or closing shall be provided to the U.S. Trustee, counsel to the Notes Trustee, and Strategic within ten (10) business days.

12. Any new domestic bank account opened by the Debtor shall be established at an institution insured by the FDIC and organized under the laws of the United States or any State therein or, in the case of accounts that may carry a balance exceeding the insurance limitations set thereby, is a party to a UDA with the U.S. Trustee or is willing to immediately execute such an UDA.

13. As soon as practicable after entry of this Final Order, the Debtor shall serve a copy of this Final Order on the Bank.

14. Nothing contained herein shall permit the Bank to terminate any cash management services.

15. The requirement to establish separate accounts for cash collateral and/or tax payments is hereby waived.

16. The Debtor is authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of this Chapter 11 Case with respect to prepetition amounts owed in connection with any Bank Fees.

17. The Debtor shall not make any income distributions to management absent prior order from the Court.

18. The Debtor is required to update its 13-week cash flow forecast no later than 4 (four) weeks after the issuance of the previous budget.

19. The Debtor shall create weekly budget to actual reports as compared to the relevant 13-week cash flow forecast with explanations for variances over/under 10% of the in-flows/outflows included in the relevant 13-week cash flow forecast.

20. Nothing contained in the Motion or this Final Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of the Debtor that did not exist as

of the Petition Date or (b) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

21. The Debtor is authorized to take, or cause to be taken, all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

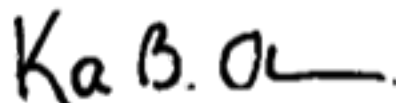
22. The requirements set forth in Bankruptcy Rule 6003 are satisfied by the contents of the Motion.

23. The requirement of Bankruptcy Rule 6004(a) is waived.

24. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Final Order shall be immediately effective and enforceable upon its entry.

25. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Final Order.

Dated: April 1st, 2021  
Wilmington, Delaware



KAREN B. OWENS  
UNITED STATES BANKRUPTCY JUDGE