

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Medley LLC,¹

Debtor.

Chapter 11

Case No. 21-10526 (KBO)

Hearing Date: May 19, 2022 at 9:00 a.m. (ET)

Objection Deadline: April 22, 2022 at 4:00 p.m. (ET)

**FIRST OMNIBUS (NON-SUBSTANTIVE) OBJECTION OF THE MEDLEY LLC
LIQUIDATING TRUST TO CERTAIN (A) DUPLICATIVE CLAIMS; (B) LATE FILED
CLAIMS; AND (C) INSUFFICIENT DOCUMENTATION CLAIMS**

*****CLAIMANTS RECEIVING THIS OBJECTION SHOULD LOCATE THEIR NAMES
AND CLAIMS IN THE EXHIBITS TO THE PROPOSED ORDER*****

Saccullo Business Consulting, LLC, solely in its capacity as trustee (the “**Trustee**”) of the Medley LLC Liquidating Trust (the “**Trust**”) hereby files the *First Omnibus (Non-Substantive) Objection of the Medley LLC Liquidating Trust to Certain (A) Duplicative Claims; (B) Late Filed Claims; and (C) Insufficient Documentation Claims* (the “**First Omnibus Objection**”) seeking entry of an order (the “**Proposed Order**”), substantially in the form attached hereto as **Exhibit 2**, pursuant to section 502 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”) disallowing and expunging in full the (i) duplicative claims listed on **Exhibit A**, (ii) late filed claims listed on **Exhibit B**, and (iii) insufficient documentation claims listed on **Exhibit C**. In support of this First Omnibus Objection, the Trust relies on the *Declaration of William Yip in*

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.



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Support of the First Omnibus (Non-Substantive) Objection of the Medley LLC Liquidating Trust to Certain (A) Duplicative Claims; (B) Late Filed Claims; and (C) Insufficient Documentation Claims (the “**Declaration**”), attached hereto as **Exhibit 1**. In further support of this First Omnibus Objection, the Trust respectfully represents as follows:

JURISDICTION

1. The Court has jurisdiction to consider and determine this matter pursuant to 28 U.S.C. §§ 157 and 1334, the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(1) and (b)(2)(A), (B) and (O). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are section 502(b) of the Bankruptcy Code, Rules 3007 and 9014 of the Bankruptcy Rules, and Local Rule 3007-1.

3. Pursuant to Local Rule 9013-1(f), the Trust consents to the entry of a final judgment or order with respect to the First Omnibus Objection if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

BACKGROUND

A. The Chapter 11 Cases

4. On March 7, 2021 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. From and after the Petition Date, the Debtor operated its business and managed its properties as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code until the Effective Date (defined below).

5. On October 18, 2021, the Court entered an order (the “**Confirmation Order**”) confirming the *Modified Third Amended Combined Disclosure Statement and Chapter*

11 *Plan of Medley LLC* (the “**Plan**”).² The Plan became effective on October 18, 2021 (the “**Effective Date**”).³

6. The Plan and Confirmation Order provide for the establishment of the Trust on the Effective Date according to the terms and conditions of the Liquidating Trust Agreement (the “**Trust Agreement**”), at which time the Trustee was appointed to administer the Trust. Pursuant to section VII.F of the Plan and section 3.2.9 of the Trust Agreement, the Trustee is authorized, among other things, to cause the Trust to investigate, review, object to and resolve all claims filed against the Debtor’s estate.⁴

B. The Bar Dates and Indenture Trustee Stipulation

7. On March 25, 2021, the Debtor filed its schedules of assets and liabilities.⁵

8. On March 19, 2021, the Court entered the *Order (A) Establishing Bar Dates for Filing Proofs of Claim, and (B) Approving the Form and Manner of Notice Thereof* (the “**Bar Date Order**”).⁶ The Bar Date Order established, among other deadlines, (i) April 30, 2021 at 5:00 p.m. (ET) as the deadline, for each person or entity other than governmental units, to file proofs of prepetition claims, including administrative expense claims arising pursuant to section 503(b)(9) of the Bankruptcy Code (the “**General Bar Date**”); and (ii) September 3, 2021 at 5:00 p.m. (ET) as the last date for governmental units to file proofs of claim that arose before the Petition Date (the “**Government Bar Date**” and, together with the General Bar Date, the “**Bar Dates**”).

² Docket No. 445.

³ Docket No. 449.

⁴ *See also* 11 U.S.C. § 502(b).

⁵ Docket Nos. 62 and 63.

⁶ Docket No. 52.

9. The Debtor mailed the notice of the Bar Dates to all known creditors and interest holders.⁷

10. Pursuant to paragraph 7(d) of the Bar Date Order, holders of claims derived from, or based on, the 2024 Notes⁸ and 2026 Notes⁹ were not required to file a proof of claim.¹⁰ Instead, U.S. Bank, National Association (“**U.S. Bank**”) as the indenture trustee under the Notes Indenture,¹¹ was authorized to file one master proof of claim on behalf of all holders of the 2024 Notes and 2026 Notes. On April 15, 2021, U.S. Bank filed (i) claim number 4, as a general unsecured claim in the amount of \$70,769,770.83 on account of the 2024 Notes (the “**2024 Notes Master Claim**”) and (ii) claim number 5, as a general unsecured claim in the amount of \$54,741,337.50 (the “**2026 Notes Master Claim**” and, together with the 2024 Notes Master Claim, the “**Master Notes Claims**”). In lieu of filing official form 410 for each of the Master Note Claims, U.S. Bank filed a copy of the Court’s *Order Approving the Stipulation Allowing Claim of U.S. Bank National Association in Its Capacity as Indenture Trustee for the 2024 Notes and 2026 Notes* (the “**Notes Order**”) entered on April 15, 2021.¹² The Notes Order provided, among other things, that the claims on account of the 2024 Notes were allowed in the aggregate total amount of \$70,769,770.83 and the claims on account of the 2026 Notes were allowed in the aggregate total amount of \$54,741,337.50, for a total of \$125,511,108.33.

⁷ Docket No. 71.

⁸ “2024 Notes” means the senior unsecured notes with a maturity date of January 20, 2024 issued by Medley LLC pursuant to an indenture.

⁹ “2026 Notes” means the senior unsecured notes with a maturity date of August 15, 2026 issued by Medley LLC pursuant to an indenture.

¹⁰ Bar Date Order at ¶ 7(d).

¹¹ “Notes Indenture” means the respective indenture agreement governing the 2024 Notes and 2026 Notes.

¹² Docket No. 101.

C. The Claims Resolution Process

11. The Debtor's claims register, prepared by Kurtzman Carson Consultants LLC, reflects that as of the date of this First Omnibus Objection, 23 proofs of claim have been filed against the Debtor's estate (the "**Filed Claims**"), in addition to 8 claims that are listed on the Debtor's schedules (the "**Scheduled Claims**" and, together with the Filed Claims, the "**Claims**").

12. The Trust's professionals have reviewed and analyzed Claims asserted in this Chapter 11 case. This process includes identifying categories of Claims that may be targeted for disallowance and expungement.

RELIEF REQUESTED

13. By this First Omnibus Objection and for the reasons described more fully below, the Trust requests entry of the Proposed Order disallowing the Claims set forth on Exhibit A through Exhibit C attached thereto, pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Bankruptcy Rule 3007-1.

OBJECTION

14. Section 502(a) of the Bankruptcy Code provides, in pertinent part, that "[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest ... objects."¹³ Once an objection to a claim is filed, the Court, after notice and hearing, shall determine the allowed amount of the claim.¹⁴

15. Section 502(b)(1) of the Bankruptcy Code provides, in part, that a claim may not be allowed to the extent that it "is unenforceable against the debtor and property of the

¹³ 11 U.S.C. § 502(a).

¹⁴ See 11 U.S.C. § 502(b).

debtor, under any agreement or applicable law.”¹⁵ While a properly filed proof of claim is *prima facie* evidence of the claim’s allowed amount, when an objecting party presents evidence to rebut a claim’s *prima facie* validity, the claimant bears the burden of proving the claim’s validity by a preponderance of evidence.¹⁶ The burden of persuasion with respect to the claim is always on the claimant.¹⁷ The failure to allege facts and to provide sufficient support for a claim deprives the claim of *prima facie* validity.¹⁸

16. For the reasons set forth below, there is ample evidence to rebut the *prima facie* validity of each Claim.

A. Duplicative Claims

17. The Claims listed on Exhibit A to the Proposed Order (the “**Duplicative Claims**”) were filed by individual holders of 2024 Notes and/or 2026 Notes. Pursuant to paragraph 7(d) of the Bar Date Order, holders of claims on the 2024 Notes or 2026 Notes were not required to file proofs of claim. Additionally, the Notes Order provided for the allowance of the Master Notes Claims in their respective full filed amounts. The Duplicative Claims are subsumed within the Master Notes Claims. Accordingly, the Trust (i) objects to the allowance of the Duplicative Claims, and (ii) seeks entry of an order disallowing and expunging the Duplicative Claims listed on Exhibit A to the Proposed Order under the column heading “Duplicative Claims.”

¹⁵ 11 U.S.C. § 502(b)(1).

¹⁶ See *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992).

¹⁷ See *id.* at 174.

¹⁸ See, e.g., *In re Jorczak*, 314 B.R. 474, 481-82 (Bankr. D. Conn. 2004) (discussing the evidentiary requirements and burden of proof with respect to the allowance of claims).

B. Late Filed Claims

18. Pursuant to section 502(b)(9) of the Bankruptcy Code, a claim shall not be allowed to the extent that “proof of such claim is not timely filed[.]” 11 U.S.C. § 502(b)(9). The Claims listed on Exhibit B to the Proposed Order were filed after the General Bar Date (the “**Late Claims**”). The Trustee has examined each of the Late Claims and determined that none is an amendment to a timely-filed claim. As such, they do not comply with the Bar Date Order and should not be allowed as provided in section 502(b) of the Bankruptcy Code. Accordingly, the Trust hereby (i) objects to the Late Claims listed on Exhibit B to the Proposed Order and (ii) requests entry of an order disallowing and expunging each of the Late Claims in its entirety.

C. Insufficient Documentation Claims

19. Pursuant to Bankruptcy Rule 3001(c), a claimant that files a proof of claim based on a writing must file an original or duplicate of the writing with the proof of claim or otherwise explain that the writing has been lost or destroyed. Only a proof of claim filed in accordance with Bankruptcy Rule 3001 constitutes prima facie evidence of its validity and amount.

20. The Claims listed on Exhibit C to the Proposed Order have each been filed without sufficient documentation to substantiate the Claim asserted as required by Bankruptcy Rule 3001 (the “**Insufficient Documentation Claims**”). As set forth in the Declaration, the Trustee has reviewed the Debtor’s books and records and, after reasonable efforts, has been unable to locate any documentation that would substantiate the Insufficient Documentation Claims, whether in full or in part. Accordingly, the Trust (i) objects to the Insufficient

Documentation Claims listed on Exhibit C to the Proposed Order, and (ii) seeks entry of an order disallowing each of the Insufficient Documentation Claims in its entirety.

RESPONSES TO OMNIBUS OBJECTIONS

21. To contest an objection, a claimant must file and serve a written response to this First Omnibus Objection (a “**Response**”) so that it is received no later than **April 22, 2022 at 4:00 p.m. (Prevailing Eastern Time)** (the “**Response Deadline**”). Every Response must be filed with the Office of the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, and served on the following entities, so that the Response is received no later than the Response Deadline, at the following addresses:

Potter Anderson & Corroon LLP
1313 N. Market Street, 6th Floor
Wilmington, Delaware 19801
Attn: Christopher Samis

- and -

Kelley Drye & Warren LLP
3 World Trade Center
175 Greenwich Street
New York, New York 10007
Attn: James Carr
Sean Wilson

22. Every Response to this First Omnibus Objection must contain, at a minimum, the following information:

- i. a caption setting forth the name of the Court, the name of the Debtor, the case number, and the title of objection to which the Response is directed;
- ii. the name of the claimant, the Claim number, and a description of the basis for, and the amount of the Claim;
- iii. the specific factual basis and supporting legal argument upon which the party will rely in opposing this First Omnibus Objection;

- iv. any supporting documentation, to the extent it was not included with the Claim previously filed with the clerk or claims agent, upon which the party will rely to support the basis for and amounts asserted in the Claim; and
- v. the name, address, telephone number, email address of the person(s) (which may be the claimant or the claimant's legal representative) with whom counsel for the Trust should communicate with respect to the Claim or the First Omnibus Objection and who possesses authority to reconcile, settle, or otherwise resolve the objection to the disputed Claim on behalf of the claimant.

23. If a claimant fails to file and serve a timely Response by the Response Deadline, the Trust will present to the Court an appropriate order disallowing such claimant's Claim, as set forth in Exhibit A through Exhibit C to the Proposed Order, without further notice to the claimant.

REPLIES TO RESPONSES

24. Consistent with Local Rule 9006-1(d), the Trust may, at its option, file and serve a reply to a Response no later than 4:00 p.m. (Prevailing Eastern Time) one (1) day prior to the deadline for filing the agenda for any hearing to consider the First Omnibus Objection.

SEPARATE CONTESTED MATTERS

25. To the extent a Response is filed regarding any Claim listed in this First Omnibus Objection and the Trust is unable to resolve the Response, the objection by the Trust to each such Claim asserted herein shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Any order entered by the Court regarding an objection asserted in the First Omnibus Objection shall be deemed a separate order with respect to each Claim.

NOTICE

26. Notice of this Motion shall be provided to: (i) the Office of the United States Trustee for the District of Delaware; (ii) each of the claimants whose claim is subject to this First Omnibus Objection; and (iii) all entities requesting notice pursuant to Bankruptcy Rule

2002. In light of the nature of the relief requested, the Trust submits that no further notice is required.

COMPLIANCE WITH LOCAL RULE 3007-1

27. The undersigned representative of Potter Anderson & Corroon LLP certifies that he has reviewed the requirements of Local Rule 3007-1 and that the First Omnibus Objection substantially complies with that Local Rule. To the extent that the First Omnibus Objection does not comply in all respects with the requirements of Local Rule 3007-1, Potter Anderson & Corroon LLP believes such deviations are not material and respectfully requests that any such requirement be waived.

WHEREFORE, the Trust respectfully requests the entry of the Proposed Order, substantially in the form attached hereto as **Exhibit 2**, granting the relief requested and granting such other and further relief as the Court deems just and proper.

Dated: April 8, 2022
Wilmington, Delaware

Respectfully submitted,

/s/ Andrew L. Brown

Christopher M. Samis (No. 4909)

Andrew L. Brown (No. 6766)

POTTER ANDERSON & CORROON LLP

1313 N. Market Street, 6th Floor

Wilmington, Delaware 19801

Telephone: (302) 984-6000

Facsimile: (302) 658-1192

Email: csamis@potteranderson.com

abrown@potteranderson.com

-and-

James S. Carr, Esq. (admitted *pro hac vice*)
Benjamin D. Feder, Esq. (admitted *pro hac vice*)
Sean T. Wilson, Esq. (admitted *pro hac vice*)

KELLEY DRYE & WARREN LLP

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bfeder@kelleydrye.com
swilson@kelleydrye.com

Counsel for the Liquidating Trust

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

In re:

Medley LLC,¹

Debtor.

Chapter 11

Case No. 21-10526 (KBO)

Hearing Date: May 19, 2022 at 9:00 a.m. (ET)

Objection Deadline: April 22, 2022 at 4:00 p.m. (ET)

**NOTICE OF FIRST OMNIBUS (NON-SUBSTANTIVE) OBJECTION OF THE
MEDLEY LLC LIQUIDATING TRUST TO CERTAIN (A) DUPLICATIVE CLAIMS;
(B) LATE FILED CLAIMS; AND (C) INSUFFICIENT DOCUMENTATION CLAIMS**

PLEASE TAKE NOTICE that Saccullo Business Consulting, LLC, solely in its capacity as trustee (the “**Trustee**”) of the Medley LLC Liquidating Trust (the “**Trust**”) established in the above-captioned chapter 11 case, by and through its undersigned counsel, filed the *First Omnibus (Non-Substantive) Objection of the Medley LLC Liquidating Trust to Certain (A) Duplicative Claims; (B) Late Filed Claims; and (C) Insufficient Documentation Claims* (the “**Objection**”) with the United States Bankruptcy Court for the District of Delaware (the “**Court**”). **Your claim(s) may be modified and/or disallowed as a result of the Objection. Therefore, you should read the attached Objection carefully.**

PLEASE TAKE FURTHER NOTICE THAT YOUR RIGHTS MAY BE AFFECTED BY THE OBJECTION AND BY ANY FURTHER CLAIM OBJECTION THAT MAY BE FILED BY THE TRUSTEE OR OTHERWISE. THE RELIEF SOUGHT HEREIN IS WITHOUT PREJUDICE TO THE TRUSTEE’S RIGHT TO PURSUE FURTHER OBJECTIONS AGAINST YOUR CLAIM(S) SUBJECT TO THE OBJECTION

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.

IN ACCORDANCE WITH APPLICABLE LAW AND APPLICABLE ORDERS OF THE BANKRUPTCY COURT.

PLEASE TAKE FURTHER NOTICE that, if the holder of a claim that is the subject of the Objection wishes to respond to the Objection, the holder must file a written response with the Bankruptcy Court and serve it on the undersigned counsel so as to be received on or before on or before **April 22, 2022 at 4:00 p.m. (ET)**.

PLEASE TAKE FURTHER NOTICE that, responses to the Objection must contain, at a minimum, the following: (a) a caption setting forth the name of the Bankruptcy Court, the above-referenced case number and the title of the Objection to which the response is directed; (b) the name of the claimant, his/her/its claim number, and a description of the basis for the amount of the claim; (c) the specific factual basis and supporting legal argument upon which the claimant will rely in opposing this Objection; (d) any supporting documentation, to the extent it was not included with the proof of claim previously filed with the clerk or claims agent, upon which the claimant will rely to support the basis for and amounts asserted in the proof of claim; and (e) the name, address, email address, telephone number, and fax number of the person(s) (which may be the claimant or the claimant's legal representative) with whom counsel for the Liquidating Trustee should communicate with respect to the claim or the Objection and who possesses authority to reconcile, settle, or otherwise resolve the Objection to the disputed claim on behalf of the claimant.

IF NO RESPONSES TO THE OBJECTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

PLEASE TAKE FURTHER NOTICE that, if no response to the Objection is timely filed

and received in accordance with the above procedures, an Order may be entered sustaining the Objection without further notice or a hearing. If a response is properly filed, served and received in accordance with the above procedures and such response is not resolved, a hearing to consider such response and the Objection will be held before The Honorable Karen B. Owens, United States Bankruptcy Court, 824 North Market Street, 6th Floor, Courtroom No. 3, Wilmington, Delaware 19801 on **May 19, 2022 at 9:00 a.m. (ET)**. Only a response made in writing and timely filed and received will be considered by the Bankruptcy Court at the Hearing.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY SUSTAIN THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: April 8, 2022
Wilmington, Delaware

Respectfully submitted,

/s/ Andrew L. Brown

Christopher M. Samis (No. 4909)

Andrew L. Brown (No. 6766)

POTTER ANDERSON & CORROON LLP

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James S. Carr, Esq. (admitted *pro hac vice*)
Benjamin D. Feder, Esq. (admitted *pro hac vice*)
Sean T. Wilson, Esq. (admitted *pro hac vice*)

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Counsel for the Liquidating Trust

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)

Hearing Date: May 19, 2022 at 9:00 a.m. (ET)

Objection Deadline: April 22, 2022 at 4:00 p.m. (ET)

**DECLARATION OF WILLIAM YIP IN SUPPORT OF
FIRST OMNIBUS (NON-SUBSTANTIVE) OBJECTION OF THE
MEDLEY LLC LIQUIDATING TRUST TO CERTAIN (A) DUPLICATIVE CLAIMS;
(B) LATE FILED CLAIMS; AND (C) INSUFFICIENT DOCUMENTATION CLAIMS**

I, William Yip, hereby declare under penalty of perjury:

1. I am the Manager for the above referenced debtor (the “**Debtor**”). Currently, I am assisting the Medley LLC Liquidating Trust (the “**Trust**”) established pursuant to the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* (the “**Plan**”). I am authorized to make this declaration for all permissible purposes under the Federal Rules of Bankruptcy Procedure, the Federal Rules of Civil Procedure, and the Federal Rules of Evidence in support of the *First Omnibus (Non-Substantive) Objection of the Medley LLC Liquidating Trust to Certain (A) Duplicative Claims; (B) Late Filed Claims; and (C) Insufficient Documentation Claims* (the “**First Omnibus Objection**”).²

2. Pursuant to the Plan, the Trust is authorized and empowered to, among other things, prosecute and resolve objections to claims filed in this case.

3. On behalf of the Trust, I reviewed the First Omnibus Objection, and I am directly or through other personnel, agents and attorneys, familiar with the information contained

¹ The Debtor’s current mailing address is Medley LLC Liquidating Trust, c/o Saccullo Business Consulting, LLC, 27 Crimson King Drive, Bear, DE 19701

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the corresponding First Omnibus Objection.

therein, and in the exhibits attached to the Proposed Order. To the best of my knowledge, information and belief, and based on the information provided by the Trust's professionals and the records available to me, the information contained in the First Omnibus Objection and the exhibits attached to the Proposed Order is true and accurate.

A. Duplicate Claims

4. To the best of my knowledge and belief, and based on the information provided by the Trust's professionals and the records available to me, the Duplicative Claims listed in the column titled "Duplicative Claim" on Exhibit A to the Proposed Order are Claims filed by holders of the 2024 Notes and/or 2026 Notes. As such, the Duplicative Claims are subsumed within the Master Notes Claims and should be disallowed.

B. Late Filed Claims

5. To the best of my knowledge and belief, and based on the information provided by the Trust's professionals and the records available to me, the Late Claims listed on Exhibit B to the Proposed Order are Claims that were filed after the General Bar Date, do not amend or relate back to a timely-filed claim and thus should be disallowed.

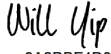
C. Insufficient Documentation Claims

6. To the best of my knowledge and belief, and based on the information provided by the Trust's professionals and the records available to me, the Insufficient Documentation Claims listed on Exhibit C to the Proposed Order (i) do not provide sufficient information to indicate the existence, validity or amount of the claims, and (ii) do not attach any documentation or reference to documentation that would indicate the existence, validity or amount of a debt or claim. Additionally, the Debtor's books and records do not provide a basis for the existence, validity or amount of a claim. Therefore, the Insufficient Documentation

Claims listed on Exhibit C to the Proposed Order should be disallowed.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief, and based on the information provided by the Trust's professionals and records available to me.

Dated: April 8, 2022

DocuSigned by:

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William Yip
Manager
Medley LLC

EXHIBIT 2

**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. ____

**ORDER SUSTAINING FIRST OMNIBUS (NON-SUBSTANTIVE) OBJECTION OF THE
MEDLEY LLC LIQUIDATING TRUST TO CERTAIN (A) DUPLICATIVE CLAIMS;
(B) LATE FILED CLAIMS; AND (C) INSUFFICIENT DOCUMENTATION CLAIMS**

Upon consideration of the *First Omnibus (Non-Substantive) Objection of the Medley LLC Liquidating Trust to Certain (A) Duplicative Claims; (B) Late Filed Claims; and (C) Insufficient Documentation Claims* (the “**First Omnibus Objection**”);² and the Court having considered the Declaration in support of the First Omnibus Objection; and it appearing that notice of the First Omnibus Objection was good and sufficient upon the particular circumstances and that no other or further notice need be given; and the Court having considered the First Omnibus Objection, the claims listed on **Exhibit A** through **Exhibit C** attached hereto, and any responses thereto; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

FOUND AND DETERMINED THAT:

1. The First Omnibus Objection is a core proceeding under 28 U.S.C. § 157(b)(2); and

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 Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the First Omnibus Objection.

2. Each holder of a claim (as to each, a “**Claim**”) listed on **Exhibit A** through **Exhibit C** and attached hereto was properly and timely served with a copy of the First Omnibus Objection, this Order, the accompanying exhibits, and the notice; and

3. Any entity known to have an interest in the Claims subject to the First Omnibus Objection has been afforded reasonable opportunity to respond to, or be heard regarding, the relief requested in the First Omnibus Objection; and

4. The relief requested in the First Omnibus Objection is in the best interests of the Debtor’s creditors, the estate, and other parties in interest; and it is therefore

ORDERED, that the First Omnibus Objection is SUSTAINED; and is further

ORDERED, that each of the Duplicative Claims listed on the attached **Exhibit A** is hereby disallowed and expunged in its entirety; and it is further

ORDERED, that each of the Late Claims listed on the attached **Exhibit B** is hereby disallowed and expunged in its entirety, and it is further

ORDERED, that each of the Insufficient Documentation Claims listed on the attached **Exhibit C** is hereby disallowed and expunged in its entirety, and it is further

ORDERED, that nothing in the First Omnibus Objection or this Order shall be construed as an allowance of any Claim, and all of the Trust’s rights and the rights of other parties in interest to object to any of the Claims or any other Claims (filed or not) which may be asserted against the Debtor on any other grounds are preserved. Additionally, should one or more of the grounds of objection stated in the First Omnibus Objection be dismissed, the Trust’s rights to object on other stated grounds or on any other grounds that the Trust discovers during the pendency of this case are further preserved; and it is further

ORDERED, that each Claim and the objections by the Trust to such Claim, as set forth on **Exhibit A** through **Exhibit C** hereto, constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014 and Local Rule 3007-1. This Order shall be deemed a separate Order with respect to each Claim. Any stay of this Order pending appeal by any claimants whose Claims are subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters listed in the First Omnibus Objection or this Order; and it is further

ORDERED, that this Court shall retain jurisdiction over any matters related to or arising from the First Omnibus Objection or the implementation of this Order.

EXHIBIT A

Exhibit A - Duplicative Claims
See paragraph 17 of the Objection

<u>Row #</u>	<u>Claimant Name</u>	<u>Duplicative Claim</u>				<u>Reason for Disallowance</u>
		<u>Remaining Claim No.</u>	<u>Duplicate Claim No. to be Disallowed</u>	<u>Claim Amount</u>	<u>Claim Priority</u>	
1	Ames, Michael	\$70,769,770.83 master proof of claim (No. 4) filed by U.S. Bank, National Association, in its capacity as Indenture Trustee in connection with the 2024 Notes	20	\$12,387.45	General Unsecured	Claim is subsumed within one of the Master Notes Claims that was allowed pursuant to an order approving a stipulation between the Indenture Trustee and the Debtor [Docket No. 101]. An objection to this Claim is also been filed on the grounds of untimeliness. See <u>Exhibit B</u> .
2	Baughman, Joseph A.	\$70,769,770.83 (No. 4) and/or \$54,741,337.50 (No. 5) master proof of claim filed by U.S. Bank, National Association, in its capacity as Indenture Trustee in connection with the 2024 Notes and 2026 Notes	19	\$21,400.00	General Unsecured	Claim is subsumed within one of the Master Notes Claims that was allowed pursuant to an order approving a stipulation between the Indenture Trustee and the Debtor [Docket No. 101]. An objection to this Claim is also been filed on the grounds of untimeliness. See <u>Exhibit B</u> .
3	Cheong, Lai Chi	\$70,769,770.83 (No. 4) and/or \$54,741,337.50 (No. 5) master proof of claim filed by U.S. Bank, National Association, in its capacity as Indenture Trustee in connection with the 2024 Notes and 2026 Notes	12	\$15,000.00	General Unsecured	Claim is subsumed within one of the Master Notes Claims that was allowed pursuant to an order approving a stipulation between the Indenture Trustee and the Debtor [Docket No. 101]. An objection to this Claim is also been filed on the grounds of untimeliness. See <u>Exhibit B</u> .
4	Ho, Richard	\$70,769,770.83 master proof of claim (No. 4) filed by U.S. Bank, National Association, in its capacity as Indenture Trustee in connection with the 2024 Notes	21	\$5,508.80	General Unsecured	Claim is subsumed within one of the Master Notes Claims that was allowed pursuant to an order approving a stipulation between the Indenture Trustee and the Debtor [Docket No. 101]. An objection to this Claim is also been filed on the grounds of untimeliness. See <u>Exhibit B</u> .
5	McThomas, Michael	\$70,769,770.83 (No. 4) and/or \$54,741,337.50 (No. 5) master proof of claim filed by U.S. Bank, National Association, in its capacity as Indenture Trustee in connection with the 2024 Notes and 2026 Notes	22	\$4,919.00	General Unsecured	Claim is subsumed within one of the Master Notes Claims that was allowed pursuant to an order approving a stipulation between the Indenture Trustee and the Debtor [Docket No. 101]. An objection to this Claim is also been filed on the grounds of untimeliness. See <u>Exhibit B</u> .

Exhibit A - Duplicative Claims

See paragraph 17 of the Objection

<u>Row #</u>	<u>Claimant Name</u>	<u>Duplicative Claim</u>				<u>Reason for Disallowance</u>
		<u>Remaining Claim No.</u>	<u>Duplicate Claim No. to be Disallowed</u>	<u>Claim Amount</u>	<u>Claim Priority</u>	
6	Sheffield, Kit	\$70,769,770.83 master proof of claim (No. 4) filed by U.S. Bank, National Association, in its capacity as Indenture Trustee in connection with the 2024 Notes	13	\$310,000.00	General Unsecured	Claim is subsumed within one of the Master Notes Claims that was allowed pursuant to an order approving a stipulation between the Indenture Trustee and the Debtor [Docket No. 101]. An objection to this Claim is also been filed on the grounds of untimeliness. See <u>Exhibit B</u> .

EXHIBIT B

Exhibit B - Late Claims

See paragraph 18 of the Objection

Row #	Claims to be Disallowed and Expunged					Reason For Disallowance
	Claimant Name	Date Filed	Claim No.	Claim Amount	Claim Priority	
1	Ames, Michael	10/23/2021	20	\$12,387.45	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds that it is subsumed within one of the Master Notes Claims. See <u>Exhibit A</u> .
2	Baughman, Joseph A.	10/23/2021	19	\$21,400.00	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds that it is subsumed within one or more of the Master Notes Claims. See <u>Exhibit A</u> .
3	Cheong, Lai Chi	5/20/2021	12	\$15,000.00	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds that it is subsumed within one or more of the Master Notes Claims. See <u>Exhibit A</u> .
4	Kirsch, Cynthia	08/29/2021	17	\$2,021.22	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds that it was filed without sufficient documentation. See <u>Exhibit C</u> .
5	Kirsch, John	08/29/2021	16	\$4,796.74	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds that it was filed without sufficient documentation. See <u>Exhibit C</u> .
6	Ho, Richard	10/23/2021	21	\$5,508.80	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds that it is subsumed within one of the Master Notes Claims. See <u>Exhibit A</u> .
7	McThomas, Michael	10/25/2021	22	\$4,919.00	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds that it is subsumed within one or more of the Master Notes Claims. See <u>Exhibit A</u> .
8	Richard, Bertrand A.	11/15/2021	23	\$20,000.00	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds that it was filed without sufficient documentation. See <u>Exhibit C</u> .

Exhibit B - Late Claims

See paragraph 18 of the Objection

<u>Row #</u>	<u>Claims to be Disallowed and Expunged</u>					<u>Reason For Disallowance</u>
	<u>Claimant Name</u>	<u>Date Filed</u>	<u>Claim No.</u>	<u>Claim Amount</u>	<u>Claim Priority</u>	
9	Rothschild, Martin	08/28/2021	15	\$12,500.00	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds it was filed without sufficient documentation. See <u>Exhibit C</u> .
10	Sheffield, Kit	7/8/2021	13	\$310,000.00	General Unsecured	Claim was filed after the General Bar Date of 4/30/21. An objection to this Claim was also filed on the grounds that it is subsumed within one of the Master Notes Claims. See <u>Exhibit A</u> .

EXHIBIT C

Exhibit C - Insufficient Documentation Claims

See paragraph 19-20 of the Objection

<u>Row #</u>	<u>Claims to be Disallowed and Expunged</u>					<u>Reason For Disallowance</u>
	<u>Claimant Name</u>	<u>Claim No.</u>	<u>Claim Amount</u>	<u>Claim Priority</u>	<u>Asserted Basis</u>	
1	Kirsch, Cynthia	17	\$2,021.22	General Unsecured	Money owed	The Claimant failed to provide sufficient documentation to the Trust for reconciliation purposes and the Debtor's books and records do not reflect any Claim on behalf of claimant. An objection to this Claim is also being filed on the ground of untimeliness. See <u>Exhibit B</u> .
2	Kirsch, John	16	\$4,796.74	General Unsecured	Money owed	The Claimant failed to provide sufficient documentation to the Trust for reconciliation purposes and the Debtor's books and records do not reflect any Claim on behalf of claimant. An objection to this Claim is also being filed on the ground of untimeliness. See <u>Exhibit B</u> .
3	Richard, Bertrand A.	23	\$20,000.00	General Unsecured	Stock redemption	The Claimant failed to provide sufficient documentation to the Trust for reconciliation purposes and the Debtor's books and records do not reflect any Claim on behalf of claimant. An objection to this Claim is also being filed on the ground of untimeliness. See <u>Exhibit B</u> .
4	Rothschild, Martin	15	\$12,500.00	General Unsecured	None specified	The Claimant failed to provide sufficient documentation to the Trust for reconciliation purposes and the Debtor's books and records do not reflect any Claim on behalf of claimant. An objection to this Claim is also being filed on the ground of untimeliness. See <u>Exhibit B</u> .