

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Medley LLC,¹

Debtor.

Chapter 11

Case No. 21-10526 (KBO)

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS,
METHODOLOGY AND DISCLAIMERS REGARDING POST-
CONFIRMATION REPORT FOR THE QUARTER ENDED MARCH 31, 2022**

Saccullo Business Consulting, LLC, in its capacity as trustee (the “Liquidating Trustee”) of the Medley LLC Liquidating Trust (the “Liquidating Trust”) established in the above-captioned cases pursuant to the *Modified Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* [Docket No. 445] (as supplemented and amended, the “Plan”),² has filed the attached post-confirmation report (the “PCR”) in the United States Bankruptcy Court for the District of Delaware (the “Court”). The Liquidating Trustee prepared the PCR with the assistance of its advisors and professionals. The PCR was prepared solely for the purpose of complying with the post-confirmation quarterly reporting requirements established by the United States Trustee Program (see <https://www.justice.gov/ust/chapter-11-operating-reports>). The PCR should not be relied upon by any persons for any information in connection with current or future financial conditions or events relating to the Liquidating Trust or the Debtor’s estate.

The financial information contained in the PCR is preliminary, unaudited, limited in scope, and is not prepared in accordance with accounting principles generally accepted in the United States of America nor in accordance with other applicable non-bankruptcy law. In preparing the PCR, the Liquidating Trustee relied on financial data from the books and records available to it at the time of such preparation, as well as certain filings on the docket in the this chapter 11 case. Although the Liquidating Trustee made commercially reasonable efforts to ensure the accuracy and completeness of the PCR, inadvertent errors or omissions may exist.³ The Liquidating Trustee reserves the right to amend and supplement the PCR as may be necessary or appropriate.

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 Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

³ The Liquidating Trustee, together with its agents, advisors, attorneys, and other professionals, as applicable, do not guarantee or warrant the accuracy or completeness of the data that is provided in this PCR.



Part 1: Summary of Post-Confirmation Transfers

Attached hereto as Exhibit A is a summary of the cumulative cash disbursements and total UST Fees owed for the first quarter of 2022 (the “Reporting Period”).

Part 2: Pre-Confirmation Professional Fees and Expenses

The Plan became effective on October 18, 2021 (the “Effective Date”). On the Effective Date, the Liquidating Trustee was appointed in accordance with the terms of the Plan and the Liquidating Trust Agreement (as defined in the Plan).

Part 2a

Information regarding pre-confirmation professional fees and expenses included in the “Approved Current Quarter” and “Approved Cumulative” column of Part 2a of the PCR, comprising professionals for both the pre-Effective Date Debtor and the Official Committee of Unsecured Creditors, is derived from the order approving the final fee applications in the Bankruptcy Case [Docket No. 569] (the “Final Fee Order”),⁴ entered during the Reporting Period on January 26, 2022. The category “Approved Current Quarter” comprises: (i) for certain professionals whose Final Fee Application incorporated a monthly fee statement not previously filed, 100% of the fees and expenses requested in such statement; (ii) unpaid 20% holdback amounts with respect to pre-confirmation professional fees; and (iii) to the extent requested in any professional’s Final Fee Application, 100% of fees incurred post-confirmation in connection with preparation and prosecution of such Final Fee Application.

In addition to its retention as Administrative Advisor to the Debtor [*see* Docket No. 82], Kurtzman Carson Consultants LLC (“KCC”) was also appointed claims and noticing agent by order entered March 10, 2021 [Docket No. 36] (the “KCC Appointment Order”). Pursuant to the KCC Appointment Order, the Debtor was authorized to make payments to KCC in its capacity as claims and noticing agent without further Court order and, therefore, any such amounts are not included the “Paid Cumulative” in Part 2a of the PCR.

As noted on the PCR, no payments on account of approved pre-confirmation professional fees and expenses were made during the Reporting Period. The Liquidating Trustee anticipates making payments on account of currently unpaid pre-confirmation professional fees and expenses approved pursuant to the Final Fee Order when funds are available to do so.

Part 2b

Information regarding cumulative pre-confirmation professional fees and expenses included in Part 2b of the PCR, comprising four of the ordinary course professionals that provided services to the Debtor, is derived from the Final Fee Order.⁵ The category “Approved Current Quarter”

⁴ The applications underlying the Final Fee Order are available at Docket Nos. 523, 524, 528, 529 and 530 (the “Final Fee Applications”).

⁵ The underlying fee applications are available at Docket Nos. 515, 522 and 525.

includes Andersen Tax LLC's fees and expenses for October 2021 that were approved during the Reporting Period.

Pursuant to Eversheds Sutherlands (US) LLP's ("Eversheds") retention order, Eversheds is being compensated by various insurance carriers and not by the Debtor [see Docket No. 167]. As such, none of the compensation Eversheds received is reported on the PCR as having been paid by the Debtor or the Liquidating Trustee.

Other than the professionals listed on the PCR form for Part 2b, the Liquidating Trustee does not currently have information relating to payment of any fees or expenses of any other professionals that would have been paid by the pre-confirmation Debtor.

Part 3: Recoveries of the Holders of Claims and Interests Under Confirmed Plan

"Total Anticipated Payments Under Plan" are unknown at this time and will depend on, among other things: (i) continuing claims reconciliation efforts and the resultant final allowed amount of such claims; and (ii) particularly as to unsecured claims, (a) the recoveries from Causes of Action against insiders and other litigation targets, (b) the proceeds from the Remaining Company Contracts, and (c) the administrative expenses of the Liquidating Trust.

The claims reconciliation process is ongoing and the Liquidating Trustee is not able to determine at this time the total amount of claims that will be allowed. As such, reporting with respect to the anticipated total amount of "Allowed Claims" of all priority levels is not possible at this time.

A figure of "\$0" has been entered in the PCR in the columns "Total Anticipated Payments Under Plan" and "Allowed Claims" where such information is unknown or not yet determined.

Pursuant to the Plan, no distributions will be made on account of equity interests.

Part 3 does not include a \$715,375.00 payment to U.S. Bank, N.A. as Notes Trustee that occurred in the fourth quarter of 2021. Pursuant to Section VII.R. of the Plan, the Liquidating Trustee shall pay certain reasonable and documented unpaid Notes Trustee Fees in accordance with the Wind-Down Budget and the Liquidating Trust Agreement. Section VII.R. of the Plan further provides that payment of the Notes Trustee Fees is made as part of the treatment of Class 3 Notes Claims under the Plan but would not reduce recoveries on account of any of the Notes Claims. As distributions to holders of allowed unsecured claims have not commenced, and this payment to the Notes Trustee does not impact recoveries on the Notes Claims, the foregoing disbursement during the Reporting Period is not reflected in Part 3 of the PCR.

Part 4: Questionnaire

The December 31, 2023 date listed in Part 4 is included solely as a placeholder. The Liquidating Trustee cannot currently anticipate, with any degree of certainty, when the application for a Final Decree closing the chapter 11 case may be filed.

Exhibit A

<u>Case No.</u>	<u>Debtor Entity</u>	<u>Reporting Period</u>	<u>Disbursements During Period</u>	<u>UST Fee Amount</u> <i>(Rounded Up to Nearest \$1)</i>
21-10526	Medley LLC	3/31/2022	\$ 142,825.99	\$ 572.00

UNITED STATES BANKRUPTCY COURT

DISTRICT OF Delaware

In re: Medley LLC

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Case No. 21-10526

Debtor(s)

☐ Jointly Administered

Post-confirmation Report

Chapter 11

Quarter Ending Date: 03/31/2022

Petition Date: 03/07/2021

Plan Confirmed Date: 10/18/2021

Plan Effective Date: 10/18/2021

This Post-confirmation Report relates to: ☐ Reorganized Debtor

☒ Other Authorized Party or Entity: Medley LLC Liquidating Trust

Name of Authorized Party or Entity

/s/ Christopher M. Samis

Signature of Responsible Party

04/22/2022

Date

Christopher M. Samis

Printed Name of Responsible Party

Potter Anderson & Corroon LLP
1313 N. Market Street, 6th Floor
Wilmington, DE 19801

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Debtor's Name Medley LLC

Case No. 21-10526

Part 1: Summary of Post-confirmation Transfers

	Current Quarter	Total Since Effective Date
a. Total cash disbursements	\$142,826	\$2,007,546
b. Non-cash securities transferred	\$0	\$0
c. Other non-cash property transferred	\$0	\$0
d. Total transferred (a+b+c)	\$142,826	\$2,007,546

Part 2: Preconfirmation Professional Fees and Expenses

a.			Approved Current Quarter	Approved Cumulative	Paid Current Quarter	Paid Cumulative
	Professional fees & expenses (bankruptcy) incurred by or on behalf of the debtor	<i>Aggregate Total</i>	\$1,289,248	\$4,454,916	\$0	\$1,922,752
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i						
ii	B. Riley Securities, Inc	Financial Professional	\$820,000	\$1,050,957	\$0	\$230,957
iii	FTI Consulting	Financial Professional	\$30,545	\$529,691	\$0	\$362,466
iv	Kelley Drye & Warren LLP	Lead Counsel	\$172,350	\$1,281,299	\$0	\$613,996
v	Kurtzman Carson Consultants	Other	\$8,195	\$64,030	\$0	\$27,441
vi	Morris James	Lead Counsel	\$192,327	\$1,161,327	\$0	\$516,347
vii	Potter Anderson	Local Counsel	\$65,830	\$367,612	\$0	\$171,546
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Debtor's Name Medley LLC

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Debtor's Name Medley LLC

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b.			Approved Current Quarter	Approved Cumulative	Paid Current Quarter	Paid Cumulative
	Professional fees & expenses (nonbankruptcy) incurred by or on behalf of the debtor		\$118,755	\$2,358,584	\$0	\$268,225
	<i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Eversheds Sutherland (US) LLP	Special Counsel	\$0	\$2,080,055	\$0	\$0
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Debtor's Name Medley LLC

Case No. 21-10526

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ix	Andersen Tax	Other	\$118,755	\$159,285	\$0	\$40,530
x	Corporation Service Company	Other	\$0	\$0	\$0	\$108,451
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xiii	RSM	Other	\$0	\$119,244	\$0	\$119,244
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Debtor's Name Medley LLC

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c.	All professional fees and expenses (debtor & committees)			\$0	\$0	\$0	\$0

Part 3: Recoveries of the Holders of Claims and Interests under Confirmed Plan

	Total Anticipated Payments Under Plan	Paid Current Quarter	Paid Cumulative	Allowed Claims	% Paid of Allowed Claims
a. Administrative claims	\$0	\$0	\$0	\$0	0%
b. Secured claims	\$0	\$0	\$0	\$0	0%
c. Priority claims	\$0	\$0	\$0	\$0	0%
d. General unsecured claims	\$0	\$0	\$0	\$0	0%
e. Equity interests	\$0	\$0	\$0		

Part 4: Questionnairea. Is this a final report? Yes ☐ No ☒

If yes, give date Final Decree was entered:

If no, give date when the application for Final Decree is anticipated: 12/31/2023

b. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Debtor's Name Medley LLC

Case No. 21-10526

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information and provision of this information is mandatory. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6) and to otherwise evaluate whether a reorganized chapter 11 debtor is performing as anticipated under a confirmed plan. Disclosure of this information may be to a bankruptcy trustee when the information is needed to perform the trustee's duties, or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." *See* 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case, or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Post-confirmation Report and its attachments, if any, are true and correct and that I have been authorized to sign this report.

/s/ William Yip

Signature of Responsible Party

Authorized Signatory

Title

William Yip

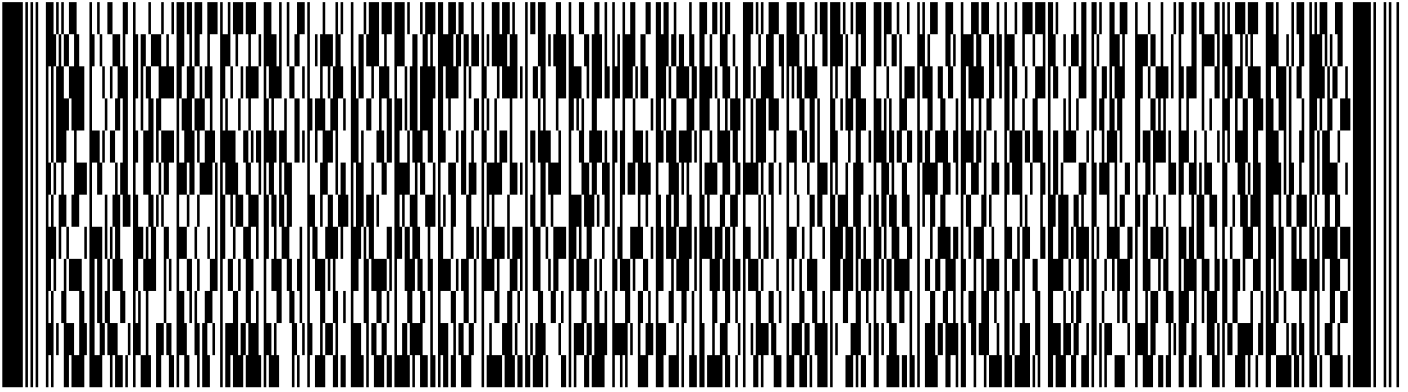
Printed Name of Responsible Party

04/22/2022

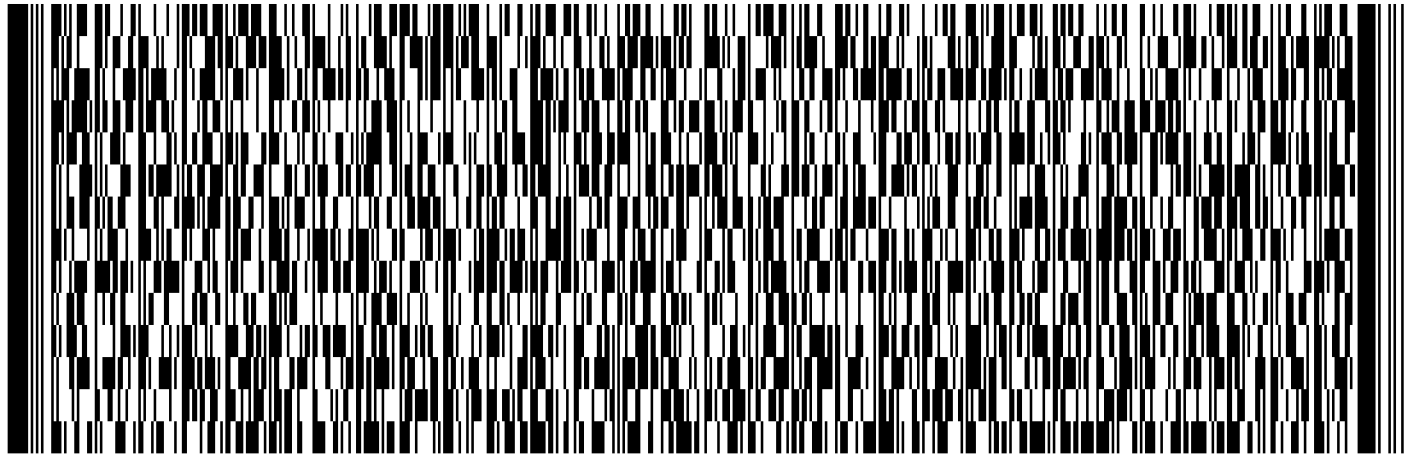
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Debtor's Name Medley LLC

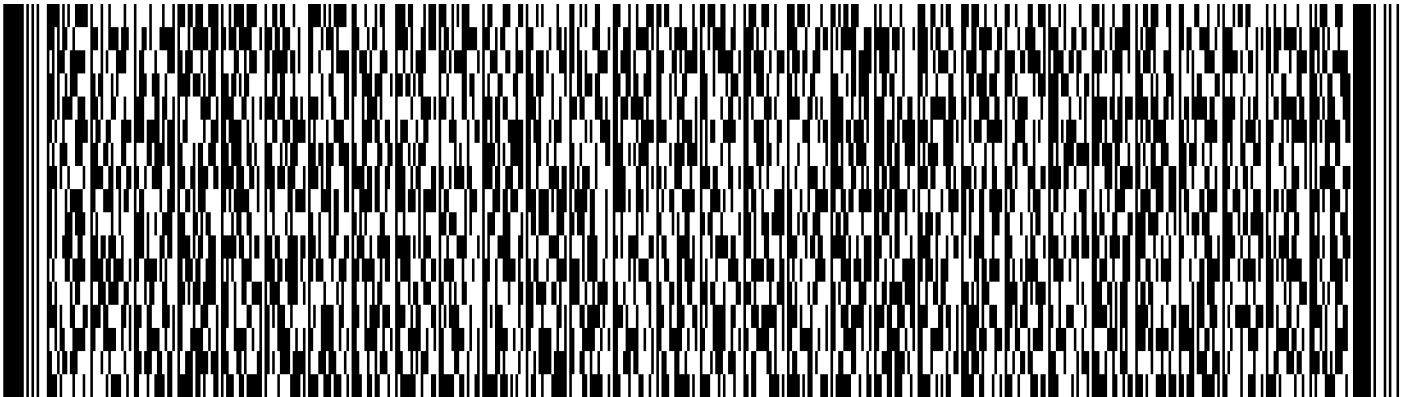
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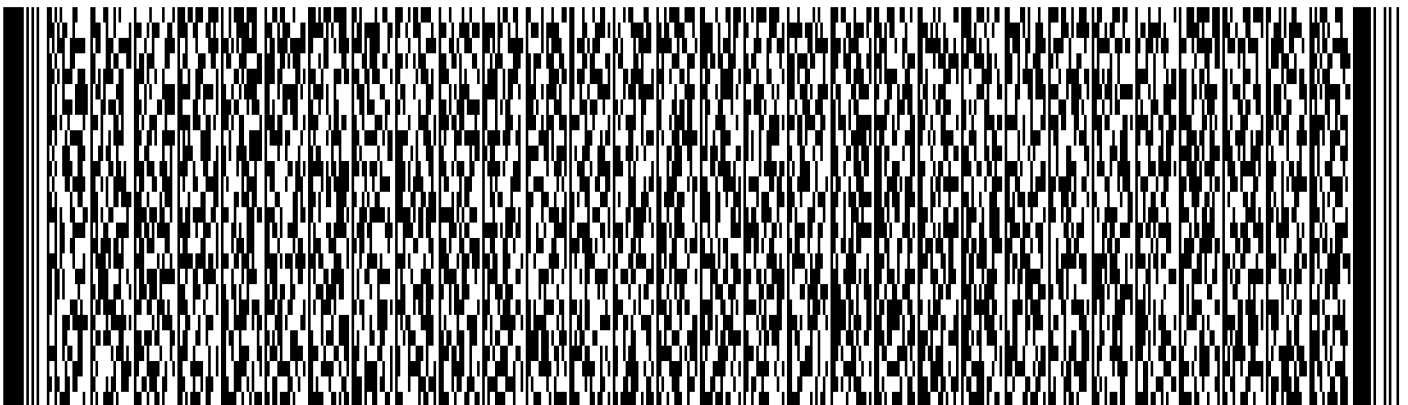
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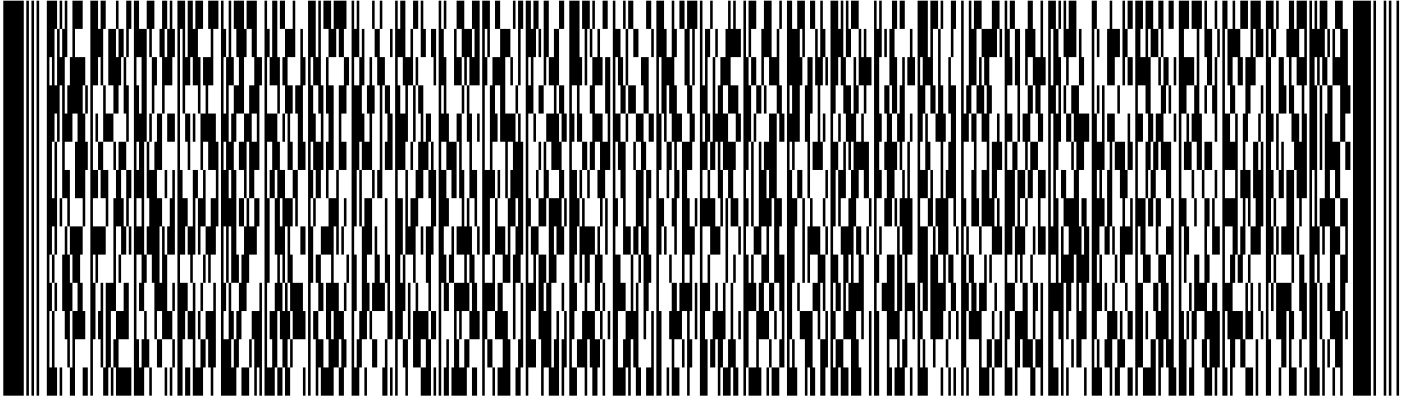
Page 2 Minus Tables



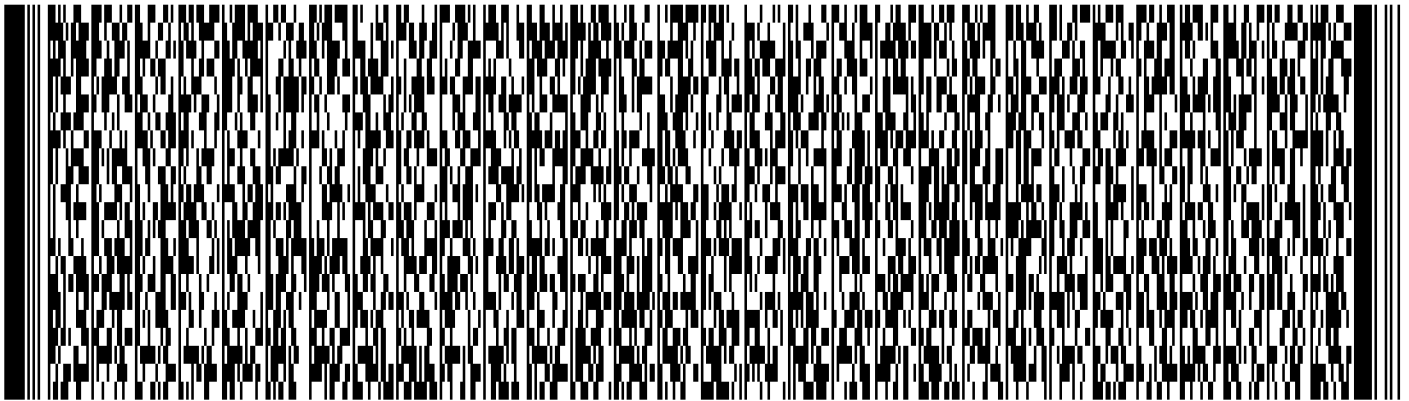
Bankruptcy Table 1-50

Debtor's Name Medley LLC

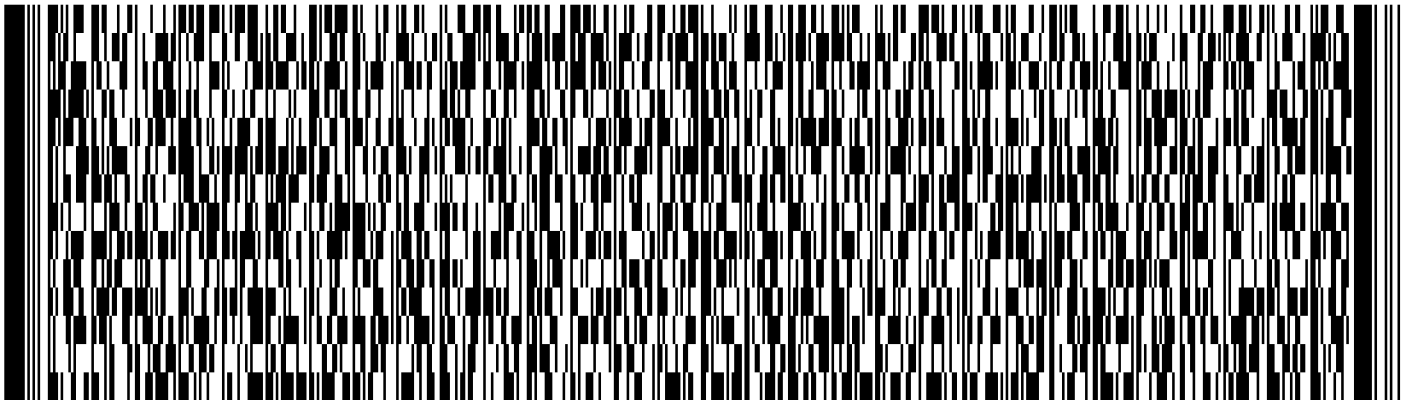
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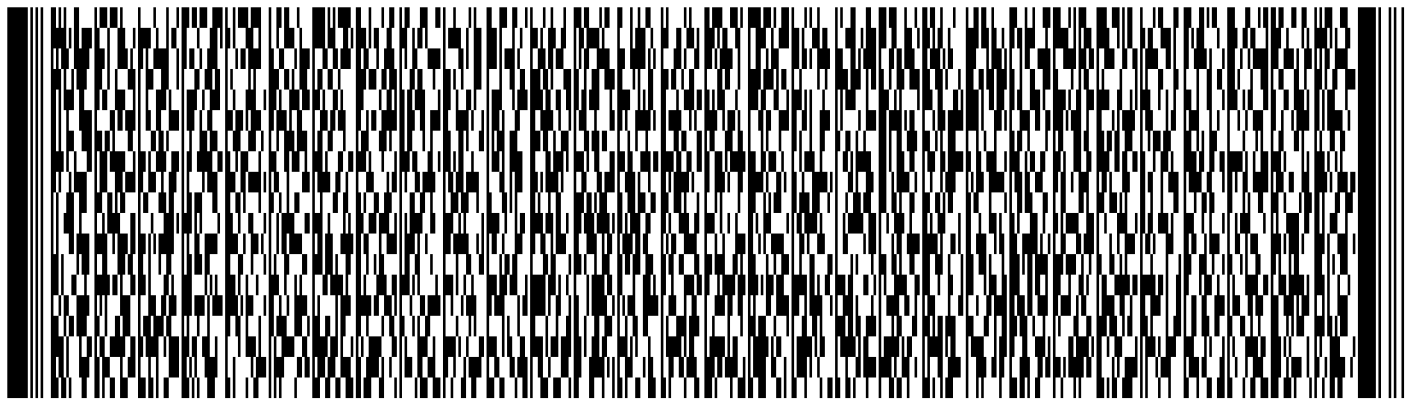
Bankruptcy Table 51-100



Non-Bankruptcy Table 1-50



Non-Bankruptcy Table 51-100



Part 3, Part 4, Last Page

CERTIFICATE OF SERVICE

I, Christopher M. Samis, do hereby certify that on April 22, 2022, a copy of the foregoing *Chapter 11 Post-Confirmation Report for the Quarter Ending 03/31/2022* was served on the parties listed below in the manners indicated.

United States Trustee

Jane M. Leamy

Email: jane.m.leafy@usdoj.gov

Via Email

/s/ Christopher M. Samis

Christopher M. Samis (No. 4909)