

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Medley LLC,¹

Debtor.

Chapter 11

Case No. 21-10526 ()

**DEBTOR’S MOTION FOR ENTRY OF AN ORDER
EXTENDING THE DEBTOR’S TIME TO FILE ITS
SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS**

The above-captioned debtor and debtor in possession (the “Debtor”), by and through its undersigned proposed counsel, hereby submits this motion (the “Motion”) for entry of an order, substantially in the form attached hereto as Exhibit A, extending the time within which the Debtor must file its schedules of assets and liabilities (including schedules of executory contracts and unexpired leases) and statement of financial affairs (collectively, the “Schedules”) required pursuant to section 521 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”), and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1007-1(b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”). In support of this Motion, the Debtor relies upon and incorporates by reference the *Declaration of Richard T. Allorto, Jr. in Support of Chapter 11 Petition and First Day Pleadings* (the “First Day Declaration”),² filed concurrently herewith. In further support of this Motion, the Debtor respectfully represents as follows:

¹ 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, 6th Floor East, New York, New York 10017.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.



JURISDICTION, VENUE AND STATUTORY PREDICATES

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012 (Sleet, C.J.). This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper in this District under 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought herein are Bankruptcy Rules 1007(b) and (c) and Local Rule 1007-1(b).

4. Pursuant to Local Rule 9013-1(f), the Debtor consents to the entry of a final judgment or order with respect to this Motion if it is determined that the Court lacks Article III jurisdiction to enter such final order or judgment absent the consent of the parties.

BACKGROUND

5. On the date hereof (the "Petition Date"), the above-captioned Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby initiating the above-captioned chapter 11 case (the "Chapter 11 Case"). The Debtor continues to operate its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the filing of this Motion, no trustee, examiner, or committee has been requested or appointed in this Chapter 11 Case.

6. Additional details regarding the Debtor's business and the facts and circumstances supporting the relief requested herein are set forth in the First Day Declaration which is incorporated herein by reference.

RELIEF REQUESTED

7. Pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rules 1007(b) and (c)

and Local Rule 1007-1(b), a chapter 11 debtor is required, within fourteen (14) days from the date of filing its petition, to file its Schedules. By this Motion, the Debtor seeks an extension of time to file its Schedules for an additional twenty-one (21) days, which will provide the Debtor with a total of thirty-five (35) days after the Petition Date to file its Schedules, without prejudice to its right to seek additional extensions of this deadline. Therefore, the Debtor seeks an extended deadline to file the Schedules through April 11, 2021.

BASIS FOR RELIEF REQUESTED

8. Although the Debtor has commenced the extensive process of gathering the necessary information to prepare and finalize the Schedules, the fourteen (14) day time period provided by Bankruptcy Rule 1007(c) will be insufficient for the Debtor to complete the Schedules.

9. Pursuant to Bankruptcy Rules 1007(a)(5), 1007(c) and 9006(b), an extension of time to file the Schedules may be granted “for cause.” While the Bankruptcy Rules do not define or delineate the parameters necessary to establish cause, courts have held that “cause” is a liberal standard, and extensions of time to file schedules and statements of financial affairs should be granted in the absence of prejudice or bad faith. *See Bryant v. Smith*, 165 B.R. 176, 181-82 (W.D. Va. 1994).

10. The Debtor submits that under the circumstances, good and sufficient cause exists for the extension of time to file the Schedules sought by this Motion. The nature and complexity of the Debtor’s current and historical business affairs, the numerous matters the Debtor must address in the early days of this Chapter 11 Case, and the pressure incident to the commencement of the Chapter 11 Case provide ample cause justifying, if not necessitating, the extension of the deadline to file the Schedules requested herein. As a result, the Debtor has not had the opportunity

to gather all of the necessary information to prepare and file its Schedules.

11. The additional time requested by the Debtor will help the Debtor make a smoother transition into chapter 11 and, therefore, ultimately maximize the value of its estate for the benefit of creditors and all parties-in-interest. Consequently, it is in the best interests of the Debtor and its creditors that the Debtor is provided the extension of time to file its Schedules sought herein. The relief requested herein is not prejudicial to the rights of any party in interest in this case.

12. Courts in this district routinely grant extensions of the period in which to file schedules of assets and liabilities and statements of financial affairs, with the period of the extension tracking the size and complexity of the cases in question. *See, e.g., In re Global Eagle Entertainment Inc.*, No. 20-11835 (JTD) (Bankr. D. Del. August 18, 2020); *In re Hexion Holdings LLC*, No. 19-10684 (KG) (Bankr. D. Del. May 1, 2019); *In re Imerys Talc America, Inc.*, No. 19-10289 (LSS) (Bankr. D. Del. Mar. 19, 2019); *In re Vitamin World, Inc.*, No. 17-11933 (KJC) (Bankr. D. Del. Oct. 6, 2017); *In re Panda Temple Power, LLC*, No. 17-10839 (LSS) (Bankr. D. Del. May 22, 2017); *In re Chieftain Sand & Proppant, LLC*, No. 17-10064 (KG) (Bankr. D. Del. Jan. 10, 2017); *In re Chaparral Energy, Inc.*, No. 16-11144 (LSS) (Bankr. D. Del. June 7, 2016).

13. Accordingly, the Debtor submits that cause exists to extend the deadline for the Debtor to file its Schedules through and including April 11, 2021, without prejudice to the Debtor's right to seek further extensions of this deadline from this Court.

NO PRIOR REQUEST

14. No previous motion for the relief sought herein has been made to this or to any other Court.

NOTICE

15. Notice of this Motion has been given to: (a) the United States Trustee for the

District of Delaware; (b) U.S. Bank National Association as indenture trustee for the Debtor's 7.25% Senior Notes (due 2024) and 6.875% Senior Notes (due 2026); (c) the U.S. Securities and Exchange Commission; (d) the New York Stock Exchange; (e) all individuals or entities that have requested notice in this Chapter 11 Case pursuant to Bankruptcy Rule 2002; (f) the District Director of Internal Revenue for the District of Delaware and all other taxing authorities for the jurisdictions in which the Debtor conducts business; (g) all relevant state attorneys general; (h) the plan sponsor, Medley Management Inc.; (i) Strategic Capital Advisory Services; (j) MOF II GP; (k) Vornado Realty Trust; (l) the holders of the twenty largest unsecured claims against the Debtor; and (m) pursuant to Local Rule 2002-1(e), counsel to any of the foregoing, if known. In light of the nature of the relief requested herein, the Debtor submits that no other or further notice is required.

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CONCLUSION

WHEREFORE, the Debtor respectfully requests that the Court enter an order, substantially in the form annexed hereto, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: March 7, 2021

MORRIS JAMES LLP

/s/ Brya M. Keilson

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*Proposed Counsel to the Debtor
and Debtor-in-Possession*

Exhibit A
Proposed Order

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

In re:

Medley LLC,¹

Debtor.

Chapter 11

Case No. 21-10526 ()

Re: Docket No. ____

**ORDER EXTENDING THE TIME WITHIN WHICH THE DEBTOR
MUST FILE ITS SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS**

Upon consideration of the motion (the “Motion”)² of the above-captioned debtor and debtor-in-possession (the “Debtor”) for entry of an order extending the Debtor’s time to file its Schedules and Statement, without prejudice to the Debtor’s right to seek further extensions of such periods upon a showing of cause therefor pursuant to Bankruptcy Rule 1007 and Local Rule 1007-1(b); and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012 (Sleet, C.J.); 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 as set forth herein.
2. The deadline for the Debtor to file its Schedules is extended through and including April 7, 2021, without prejudice to the Debtor’s right to seek further extensions of such periods upon a showing of cause therefor pursuant to Bankruptcy Rule 1007 and Local Rule 1007-1(b).

¹ 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, 6th Floor East, New York, New York 10017.

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

3. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.