

**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 D.I. 80

**SUPPLEMENTAL DECLARATION OF ROBERT M. HIRSH IN SUPPORT OF
DEBTOR'S APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING THE
EMPLOYMENT AND RETENTION OF LOWENSTEIN SANDLER LLP AS COUNSEL
TO THE DEBTOR EFFECTIVE AS OF THE PETITION DATE**

Robert M. Hirsh, pursuant to 28 U.S.C. § 1746, declares as follows:

1. I am a partner of the law firm of Lowenstein Sandler LLP ("Lowenstein Sandler"), which maintains offices in New York, New Jersey, California, Utah, and Washington, D.C. I am an attorney at law, duly admitted and a member in good standing of the bars of the States of New York and New Jersey. I am admitted to practice before this Court in this Chapter 11 Case² *pro hac vice*.

2. I am duly authorized to execute this supplemental declaration (the "Supplemental Declaration") on behalf of Lowenstein Sandler. I am familiar with the matters set forth herein and, if called as a witness, I could and would testify thereto. Unless otherwise stated in this Supplemental Declaration, I have personal knowledge of the facts hereinafter set forth. To the extent that any information disclosed herein requires amendment or modification upon Lowenstein Sandler's completion of further analysis or additional creditor information becomes available to Lowenstein Sandler, a further supplemental declaration will be submitted to the Court.

3. I am filing this Supplemental Declaration to supplement the disclosures that were included in my original declaration, dated April 1, 2021 (the "Original Declaration"), that was

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 Application.



filed with the *Debtor's Application for Entry of an Order Authorizing the Employment and Retention of Lowenstein Sandler LLP as Counsel to the Debtor Effective as of the Petition Date* [Docket No. 80] (the "Application") in accordance with Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). The Court has not yet entered an order regarding the Application.

4. Pursuant to Paragraph 17 of the Original Declaration, Lowenstein Sandler indicated that it would promptly file a supplemental declaration with the Court if it discovers any information that is contrary to the statements made in the Original Declaration or otherwise requires further disclosure.

5. Except as otherwise indicated herein, all facts stated in this Supplemental Declaration are based on my personal knowledge of Lowenstein Sandler's operations and finances, information learned from my review of relevant documents, and information supplied to me by Lowenstein Sandler's partners or employees. If called upon to testify, I could and would testify on that basis.

ADDITIONAL DISCLOSURES

6. In accordance with its ongoing obligations under Bankruptcy Rule 2014 and Local Rule 2014-1, Lowenstein Sandler has conducted, and continues to conduct, an examination of its relationships with the Debtor, its creditors, and other parties in interest in this Chapter 11 Case. Based on ongoing conflicts review, Lowenstein Sandler learned that it inadvertently did not run the following parties through conflicts and therefore supplements the disclosures in the Application:

- a. Medley Capital Corporation; and
- b. MCC Advisors.

7. To the best of my knowledge, after due inquiry, Lowenstein Sandler will not represent any of the aforementioned parties in connection with the Debtor or this Chapter 11 Case.

8. To further clarify Paragraph 22 of the Original Declaration, Lowenstein Sandler performed services on behalf of several non-Debtor affiliates prior to the Debtor's bankruptcy filing as set forth below.

9. Beginning in 2010, Lowenstein Sandler performed legal services on behalf of Medley Capital LLC covering regulatory compliance associated with the conduct of the advisory business to Medley Capital LLC's private funds and business development companies.

10. At the end of 2016, Lowenstein Sandler was engaged to advise Medley Management, Inc. ("MDLY") in connection with its 1934 Act filings and associated corporate governance matters—including attending and documenting board meetings—and matters pertaining to the administration of its equity plan. This engagement also included reviewing and facilitating the 1934 filings for the Debtor. To date, Lowenstein Sandler continues to perform legal services related to the 1934 Act filings and corporate governance matters on behalf of the Debtor and MDLY. Lowenstein Sandler also performs insurance recovery work that consists of administrative tasks such as sending invoices and following up on reimbursements.

11. In December 2020, pursuant to a separate engagement letter, Lowenstein Sandler was engaged to advise MDLY in connection with a proposed reverse merger transaction. That work ceased prior to the Petition Date and all amounts incurred prior to the Petition Date were written off.

12. Lowenstein Sandler, to the best of its knowledge, information and belief, believes that it continues to be a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, and that it does not hold or represent an interest adverse to the Debtor's estate with respect to the matters on which it is employed.

13. I continue to reserve the right to supplement Lowenstein Sandler's disclosures in the event that Lowenstein Sandler learns of any additional connections that require disclosure. If any new material, relevant facts, or relationships are discovered or arise, Lowenstein Sandler will promptly file another supplemental declaration pursuant to Bankruptcy Rule 2014.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: April 23, 2021

/s/ Robert M. Hirsh
Robert M. Hirsh, Esq.