

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 D.I. 92

**SUPPLEMENTAL DECLARATION OF MICHAEL STRYPE IN SUPPORT OF THE DEBTOR'S APPLICATION FOR ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. §§ 327(a) AND 328(a), FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014 AND DELAWARE BANKRUPTCY LOCAL RULE 2014-1 AUTHORIZING THE RETENTION AND EMPLOYMENT OF RSM US LLP TO PROVIDE AUDIT SERVICES TO THE DEBTOR EFFECTIVE TO THE PETITION DATE**

Pursuant to Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"),<sup>2</sup> I, Michael Strype, declare and say:

1. I am a Partner of RSM US LLP ("RSM"), which maintains its principal offices at 333 Thornall Street, Sixth Floor, Edison, NJ 08837.

2. I am duly authorized to execute this supplemental declaration (the "Supplemental Declaration") on behalf of RSM. 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 RSM's completion of further analysis or additional creditor information becomes available to RSM, 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 6, 2021 (the "Original Declaration"), that was filed with the *Application for an Order Pursuant to 11 U.S.C. §§ 327(a) and 328(a), Federal Rule of Bankruptcy Procedure 2014 and Delaware Bankruptcy Local Rule 2014-1 Authorizing the*

<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 used but not otherwise defined herein shall have the meanings ascribed to them in the Application.



*Retention and Employment of RSM US LLP to Provide Audit Services to the Debtor Effective to the Petition Date* [Docket No. 92] (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 16 of the Original Declaration, RSM 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 RSM’s operations and finances, information learned from my review of relevant documents, and information supplied to me by RSM’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, RSM 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, RSM learned that it inadvertently did not run the following parties through conflicts and therefore supplements the disclosures in the Application:

- a. MCC Advisors;
- b. SIC Advisors; and
- c. Lowenstein Sandler LLP (“Lowenstein”).

7. RSM performs audit services for MCC Advisors since MCC Advisors is consolidated into the Debtor. No stand-alone audit or non-audit services are performed by RSM on behalf of MCC Advisors. RSM maintains independence under the rules of the Securities and Exchange Commission with respect to MCC Advisors.

8. RSM performs audit services for SIC Advisors since SIC Advisors is consolidated into the Debtor. No stand-alone audit or non-audit services are performed by RSM on behalf of

SIC Advisors. RSM maintains independence under the rules of the Securities and Exchange Commission with respect to SIC Advisors.

9. Pursuant to the Agreement with the Debtor, RSM is required to perform audit services for both MCC Advisors and SIC Advisors in order to complete the consolidated financial statements for the Debtor as of and for the year ending December 31, 2021.

10. Also, RSM performed valuation services for Advertise Purple, one of Lowenstein's clients.

11. RSM had previously run the following parties through conflicts that were not included on the disclosures in the Application:

- a. Medley Capital Corporation; and
- b. Sierra Income Corporation.

12. To the best of my knowledge, after due inquiry, RSM does not have any connection with the parties identified in Paragraph 11 and will not represent any of the aforementioned parties in connection with the Debtor or this Chapter 11 Case.

13. RSM, 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.

14. I continue to reserve the right to supplement RSM's disclosures in the event that RSM learns of any additional connections that require disclosure. If any new material, relevant facts, or relationships are discovered or arise, RSM 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/ Michael Strype  
Michael Strype