

**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 Nos. 324, 328
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NOTICE OF PLAN SUPPLEMENT

The above-captioned debtor and debtor in possession (the “Debtor”) hereby files this Supplement to the Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC (the “Plan”).

On August 13, 2021, the Debtor filed the Plan [Docket No. 324]. Among other things, the Plan provides for, on the Plan’s effective date: (i) the establishment of a Liquidating Trust that will be responsible for, among other things, distribution to holders of unsecured claims and pursuing certain causes of action of the Debtor’s estate, and (ii) the appointment of a Plan Administrator that will be responsible for, among other things, the payment of administrative expenses and priority claims, and for winding down the Debtor’s estate.

On August 16, 2021, the Bankruptcy Court entered an Order (I) Approving on an Interim Basis the Adequacy of Disclosures in the Combined Plan and Disclosure Statement, (II) Scheduling the Confirmation Hearing and Deadline for Filing Objections, (III) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Third Amended Combined Plan and Disclosure Statement, and Approving the Form of Ballot and Solicitation Package, and (IV) Approving the Notice Provisions [Docket No. 328] (the “Solicitation Order”).

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.



The Solicitation Order, among other things (i) approved the disclosures set forth in the Plan on an interim basis, (ii) set a deadline of September 17, 2021 to file a supplement to the Plan, (iii) and set deadlines for voting on the Plan, objecting to the Plan, and scheduling a hearing to consider confirmation of the Plan.

Attached hereto as Exhibit A is a copy of the Liquidating Trust Agreement and Declaration of Trust, Exhibit B is a copy of the Liquidation Analysis and Cash Forecast, and Exhibit C is a copy of the Rejected Executory Contracts and Unexpired Leases Schedule.

The Debtor expressly reserves the right to amend the Liquidating Trust Agreement at any time prior to the hearing to consider confirmation of the Plan.

Dated: September 17, 2021

MORRIS JAMES LLP

/s/ Jeffrey R. Waxman

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EXHIBIT A

LIQUIDATING TRUST AGREEMENT AND DECLARATION OF TRUST

This Liquidating Trust Agreement and Declaration of Trust (the “Agreement”), dated as of October [•], 2021, is made by and among Medley LLC (the “Debtor”), Medley Capital LLC (“Medley Capital”), the Official Committee of Unsecured Creditors of Medley LLC (the “Creditors’ Committee”), and Saccullo Business Consulting, LLC (“SBC”), by and through Anthony M. Saccullo, as trustee (the “Liquidating Trustee,” and together with the Debtor, Medley Capital and the Creditors’ Committee, each, a “Party” and collectively, the “Parties”).

RECITALS

A. On March 7, 2021, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), Case No. 21-10526 (KBO).

B. On April 22, 2021, the United States Trustee for Region 3 (the “U.S. Trustee”) appointed the Creditors’ Committee consisting of (i) U.S. Bank, National Association; (ii) Mr. Glenn Gardipee; (iii) Mr. James MacAyeal; and (iv) Mr. Carl Wegerer, III (Docket No. 110).

C. The Debtor, the Creditors’ Committee and Medley Capital filed the *Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC* on August 13, 2021 (as confirmed, the “Plan”) (Docket No. 324).¹

D. On [•], 2021, the Bankruptcy Court entered an order (“Confirmation Order”) (Docket No [•]) confirming the Plan, which became effective on [•], 2021 (“Effective Date”).

E. The Plan provides for the establishment of the Liquidating Trust effective on the Effective Date of the Plan.

¹ As set forth in section 1.2 of this Agreement, capitalized terms used in this Agreement but not otherwise defined herein shall have the same meanings set forth in the Plan.

F. The Confirmation Order provides for the appointment of a trustee as Liquidating Trustee of the Liquidating Trust, and the Plan and this Agreement provide for the appointment as necessary of any successor Liquidating Trustee of the Liquidating Trust.

G. The Liquidating Trust is established for the benefit of the Liquidating Trust Beneficiaries entitled to distributions under the Plan.

H. The Liquidating Trust is established for the purpose of collecting, holding, administering, distributing, and liquidating the Liquidating Trust Assets for the benefit of the Liquidating Trust Beneficiaries in accordance with the terms and conditions of this Agreement, the Plan, and the Confirmation Order and with no objective to continue or engage in the conduct of a trade or business, except to the extent necessary to, and consistent with, the Plan and the Confirmation Order and liquidating purpose of the Liquidating Trust.

I. Pursuant to the Plan, the Debtor, the Liquidating Trust, the Liquidating Trustee, Medley Capital and the Liquidating Trust Beneficiaries are required to treat, for all federal income tax purposes, the transfer of the Liquidating Trust Assets to the Liquidating Trust as a transfer of the Liquidating Trust Assets by the Debtor to the Liquidating Trust Beneficiaries in satisfaction of their respective Allowed Class 3 Notes Claims and Allowed Class 4 General Unsecured Claims, as applicable, followed by a transfer of the Liquidating Trust Assets by the Liquidating Trust Beneficiaries to the Liquidating Trust in exchange for the beneficial interest herein, and to treat the Liquidating Trust Beneficiaries as the grantors and owners of the Liquidating Trust for federal income tax purposes.

J. Pursuant to the Plan, the Liquidating Trust is intended for federal income tax purposes (i) to be treated as a grantor trust within the meaning of sections 671-677 of the Internal Revenue Code of 1986, as amended (“IRC”), and also (ii) to qualify as a liquidating trust within

the meaning of Treasury Regulation section 301.7701-4(d), subject to the Liquidating Trustee's discretion to elect to treat the Liquidating Trust or any of the Liquidating Trust Assets (in whole or in part) as a Disputed Ownership Fund for federal income tax purposes in accordance with Section 7.3 herein.

K. In accordance with the Plan, the Liquidating Trust is further intended to be exempt from the requirements of (i) pursuant to section 1145 of the Bankruptcy Code, the Securities Exchange Act of 1933, as amended, and any applicable state and local laws requiring registration of securities, and (ii) the Investment Company Act of 1940, as amended, pursuant to sections 7(a) and 7(b) of that Act and section 1145 of the Bankruptcy Code.

NOW, THEREFORE, in accordance with the Plan and the Confirmation Order, and in consideration of the promises, and the mutual covenants and agreements of the Parties contained in the Plan and herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and affirmed, the Parties agree and declare as follows:

DECLARATION OF TRUST

The Debtor, Medley Capital, the Creditors' Committee and the Liquidating Trustee enter into this Agreement to effectuate the distribution of the Liquidating Trust Assets to the Liquidating Trust Beneficiaries pursuant to the Plan and the Confirmation Order;

Pursuant to Section VII.E. of the Plan and Section 2.3 of this Agreement, all right, title, and interest in, under, and to the Liquidating Trust Assets are absolutely and irrevocably transferred to the Liquidating Trust and to its successors in trust and its successors and assigns, for all purposes;

TO HAVE AND TO HOLD unto the Liquidating Trustee and its successors in trust; and

IT IS HEREBY FURTHER COVENANTED AND DECLARED, that the Liquidating Trust Assets and all other property held from time to time by the Liquidating Trust under this Agreement and any proceeds thereof and earnings thereon are to be held by the Liquidating Trust and applied on behalf of the Liquidating Trust by the Liquidating Trustee on the terms and conditions set forth in the Plan and this Agreement, solely for the benefit of the Liquidating Trust Beneficiaries and for no other party.

ARTICLE I

RECITALS, PLAN DEFINITIONS, OTHER DEFINITIONS, INTERPRETATION, AND CONSTRUCTION

- 1.1 Recitals. The Recitals are incorporated into and made terms of this Agreement.
- 1.2 Definitions. All capitalized terms used in this Agreement but not defined herein shall have the meanings set forth in the Plan.
- 1.3 Interpretation; Headings. All references herein to specific provisions of the Plan or Confirmation Order are without exclusion or limitation of other applicable provisions of the Plan or Confirmation Order. Words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the provisions of this Agreement.
- 1.4 Construction of Agreement. This Agreement shall not be construed to impair or limit in any way the rights of any Person under the Plan.
- 1.5 Conflict Among Plan Documents. In the event of any inconsistency between the Plan and this Agreement, this Agreement shall control and take precedence. In the event of any inconsistency between the Confirmation Order and this Agreement, this Confirmation Order shall control and take precedence.

ARTICLE II
ESTABLISHMENT OF TRUST

2.1 Effectiveness of Agreement; Name of Trust. This Agreement shall become effective on the Effective Date. The Liquidating Trust shall be officially known as the “Medley LLC Liquidating Trust.”

2.2 Purpose of Trust. The Debtor and the Liquidating Trustee, pursuant to the Plan and in accordance with the Bankruptcy Code, hereby create the Liquidating Trust for the primary purpose of collecting, holding, administering, distributing, and liquidating the Liquidating Trust Assets for the benefit of the Liquidating Trust Beneficiaries in accordance with the terms and conditions of this Agreement and the Plan, and with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the Plan and the liquidating purpose of the Liquidating Trust.

2.3 Transfer of Liquidating Trust Assets.

2.3.1 Conveyance of Liquidating Trust Assets. Pursuant to the Plan, the Debtor and Medley Capital each hereby grants, assigns, transfers, conveys, and delivers, on behalf of the Liquidating Trust Beneficiaries, the Liquidating Trust Assets to the Liquidating Trust as of the Effective Date for Liquidating Trust Assets available on the Effective Date or periodically thereafter as additional Liquidating Trust Assets become available (provided that Additional GUC Funds shall vest in the Liquidating Trust from time to time in accordance with the Wind-Down Budget from the Effective Date through the Wind-Down Date) in trust for the benefit of the Liquidating Trust Beneficiaries, for all uses and purposes and to be administered and applied as specified in this Agreement and the Plan. Each of the Debtor and Medley Capital (as applicable) shall, from time to time, as and when reasonably requested by the Liquidating

Trustee, execute and deliver or cause to be executed and delivered all such documents, in recordable form where necessary or appropriate. Further, each of the Debtor and Medley Capital (as applicable) shall take or cause to be taken such further action as the Liquidating Trustee may reasonably deem necessary or appropriate, to vest or perfect in the Liquidating Trust or confer to the Liquidating Trust title to and possession of the Liquidating Trust Assets. The Liquidating Trustee shall have no duty to arrange for any of the transfers contemplated under this Agreement or by the Plan or to ensure their compliance with the terms of the Plan and the Confirmation Order and shall be conclusively entitled to rely on the legality and validity of such transfers.

2.3.2 Title to Liquidating Trust Assets. Pursuant to the Plan, all of the Debtor's and Medley Capital's respective right, title and interest in and to the Liquidating Trust Assets, including all such assets held or controlled by third parties, are automatically vested in the Liquidating Trust on the Effective Date and shall comprise Liquidating Trust Assets for all purposes, free and clear of all liens, claims, encumbrances and other interests, except as specifically provided in the Plan, and such transfer is on behalf of the Liquidating Trust Beneficiaries to establish the Liquidating Trust. The Liquidating Trustee shall be authorized to obtain possession or control of, liquidate, and collect all of the Liquidating Trust Assets in the possession or control of third parties, pursue all Causes of Action, and pursue, assert and/or and exercise all rights of setoffs and recoupment and defenses of the Debtor or its Estate to any counterclaims that may be asserted by any and all defendants as to any Causes of Action or Holders of Disputed Claims. Without limiting the generality of the foregoing, the Liquidating Trustee shall have the right to invoke section 542 of the Bankruptcy Code to pursue turnover of Liquidating Trust Assets. On the Effective Date, the Liquidating Trust shall be substituted for the Debtor for all purposes with respect to the Liquidating Trust Assets and administration of

Claims and Interests. To the extent any law or regulation prohibits the transfer of ownership of any of the Liquidating Trust Assets from the Debtor or Medley Capital (as applicable) to the Liquidating Trust and such law is not superseded by the Bankruptcy Code, the Liquidating Trust's interest shall be a lien upon and security interest in such Liquidating Trust Assets, in trust, nevertheless, for the sole use and purposes set forth in Section 2.2, and this Agreement shall be deemed a security agreement granting such interest thereon without need to file financing statements or mortgages. By executing this Agreement, the Liquidating Trustee on behalf of the Liquidating Trust hereby accepts all such property as Liquidating Trust Assets, to be held in trust for the Liquidating Trust Beneficiaries, subject to the terms of this Agreement and the Plan.

2.4 Capacity of Liquidating Trust. Notwithstanding any state or federal law to the contrary or anything herein, the Liquidating Trust shall itself have the capacity, in its own right and name, to act or refrain from acting, including the capacity to sue and be sued and to enter into contracts. The Liquidating Trust may alone be the named movant, respondent, party plaintiff or defendant, or the like in all adversary proceedings, contested matters, and other state or federal proceedings brought by or against it, and may settle and compromise all such matters in its own name. For the avoidance of doubt, to the extent of any right or obligation of the Liquidating Trust specified in the Plan or this Agreement, the Liquidating Trustee may also act on behalf of the Debtor and Liquidating Trust.

2.5 Cooperation of Debtor and Medley Capital. The Debtor, Medley Capital and their respective professionals shall to use commercially reasonable best efforts to cooperate with the Liquidating Trust and Liquidating Trustee and their professionals in effecting the transition from the Debtor to the Liquidating Trust of administration of the Liquidating Trust Assets and review

and resolution of creditors' Claims ; provided that with respect to the Medley Executives (as defined in the Plan), such reasonable cooperation will not materially interfere with the Medley Executives' normal job responsibilities. Such cooperation shall include, but not be limited to identifying and facilitating access to (i) any evidence and information (whether in hard copy or electronic format) the Liquidating Trustee reasonably requests in connection with the Liquidating Trust's performance of activities and responsibilities under the Plan, including, but not limited to, investigation, prosecution or other pursuit, or defense (as applicable) of Causes of Action, review and validation of Claims (including objections to Disputed Claims); (ii) current or former employees or Professionals of the Debtor or Medley Capital with knowledge regarding any Causes of Action or Claims asserted in the Chapter 11 Case (including, but not limited to Disputed Claims); and (iii) information the Liquidating Trustee reasonably requests in connection with Medley Capital's efforts to realize Additional GUC Funds.

2.6 No Retention of Excess Cash. Notwithstanding anything in this Agreement to the contrary, under no circumstances shall the Liquidating Trust retain Cash or Cash equivalents in excess of a reasonable amount (as determined by the Liquidating Trustee in its sole discretion) to meet claims, expenses, and contingent liabilities or to maintain the value of the Liquidating Trust Assets during liquidation other than reserves established pursuant to Sections 3.2.15, 3.2.21 and/or 4.1.2 of this Agreement or Section IX.D.3 of the Plan, and the Liquidating Trust shall distribute all amounts not required to be retained for such purposes to the Liquidating Trust Beneficiaries as promptly as reasonably practicable in accordance with the Plan and this Agreement.

2.7 Acceptance by Liquidating Trustee. Saccullo Business Consulting, LLC, by and through Anthony M. Saccullo, as trustee accepts its appointment as Liquidating Trustee of the Liquidating Trust.

ARTICLE III

ADMINISTRATION OF TRUST

3.1 Rights, Powers, and Privileges of Liquidating Trustee Generally. Except as otherwise provided in this Agreement, the Plan, or the Confirmation Order, as of the date that the Liquidating Trust Assets are transferred to the Liquidating Trust, the Liquidating Trustee on behalf of the Liquidating Trust may control and exercise authority over the Liquidating Trust Assets, over the acquisition, management, and disposition thereof, and over the management and conduct of the affairs of the Liquidating Trust. In administering the Liquidating Trust Assets, the Liquidating Trustee shall endeavor not to unduly prolong the Liquidating Trust's duration, with due regard that undue haste in the administration of the Liquidating Trust Assets may fail to maximize value for the benefit of the Liquidating Trust Beneficiaries and otherwise be imprudent and not in the best interests of the Liquidating Trust Beneficiaries.

3.1.1 Power to Contract. In furtherance of the purpose of the Liquidating Trust, and except as otherwise specifically restricted in the Plan, Confirmation Order, or this Agreement, the Liquidating Trustee shall have the right and power on behalf of the Liquidating Trust and the Debtor, and also may cause the Liquidating Trust or the Debtor, to enter into any covenants or agreements binding the Liquidating Trust or the Debtor, and to execute, acknowledge and deliver any and all instruments that are necessary or deemed by the Liquidating Trustee to be consistent with and advisable in furthering the purpose of the Liquidating Trust and the performance of obligations under the Plan.

3.1.2 Ultimate Right to Act Based on Advice of Counsel or Other Professionals.

The Liquidating Trustee shall consult with the Oversight Committee as required by Article VIII of this Agreement and as specified in the Plan, provided however, except to the extent that affirmative consent of the Oversight Committee is required thereby, nothing in this Agreement shall be deemed to prevent the Liquidating Trustee from taking or refraining to take any action on behalf of the Liquidating Trust that, based upon the advice of counsel or other professionals, the Liquidating Trustee determines it is obligated to take or to refrain from taking in the performance of any duty that the Liquidating Trustee may owe the Liquidating Trust Beneficiaries or any other Person under the Plan, Confirmation Order, or this Agreement.

3.2 Powers of Liquidating Trustee. Without limiting the generality of the above Section 3.1, consistent with and in addition to the powers granted in the Plan, the Liquidating Trustee shall have the power to take the following actions on behalf of the Liquidating Trust and any powers reasonably incidental thereto that the Liquidating Trustee, in its reasonable discretion, deems necessary or appropriate to fulfill the purpose of the Liquidating Trust, without Bankruptcy Court approval or approval of any other party-in-interest, unless otherwise specifically limited or restricted by the Plan or this Agreement, including:

3.2.1 hold legal title to the Liquidating Trust Assets and to any and all rights of the Debtor, Medley Capital and the Liquidating Trust Beneficiaries in or arising from the Liquidating Trust Assets;

3.2.2 adopt, execute, deliver, or file all agreements, certificates, and other documents and instruments necessary or appropriate for the Liquidating Trust to implement the Plan (including, but not limited to, any filings related to the Liquidating Trustee's election to

treat the Liquidating Trust or any Liquidating Trust Asset (in whole or in part) as a Disputed Ownership Fund);

3.2.3 receive, maintain, conserve, supervise, prosecute, collect, settle, manage, invest, protect, and where appropriate, cause the Liquidating Trust to abandon the Liquidating Trust Assets, including causing the Liquidating Trust to invest any moneys held as Liquidating Trust Assets in accordance with the terms of Section 3.5 hereof, subject only to the consent of the Oversight Committee to the extent of a Major Issue;

3.2.4 open, maintain, and close bank accounts on behalf of or in the name of the Liquidating Trust;

3.2.5 cause the Liquidating Trust or the Debtor to enter into any agreement or execute any document or instrument required by or consistent with the Plan, the Confirmation Order or this Agreement, and to perform all obligations thereunder;

3.2.6 collect and liquidate all Liquidating Trust Assets, including the sale of any Liquidating Trust Assets, subject only to the consent of the Oversight Committee to the extent of a Major Issue;

3.2.7 take all reasonably appropriate actions as may be necessary to enable the Debtor's non-Debtor Affiliates to perform the Remaining Company Contracts or similar documents in accordance with the Wind-Down Budget;

3.2.8 protect any Causes of Action vested in the Liquidating Trust and Liquidating Trustee by this Agreement by any method deemed appropriate, including, without limitation, by judicial proceedings, and enforce the Liquidating Trust's rights to the Liquidating Trust Assets;

3.2.9 undertake to (i) investigate any Liquidating Trust Assets, including, but not limited to, Causes of Action, (ii) in reliance upon the Debtor's Schedules and the official Claims Register maintained in the Chapter 11 Case, review, reconcile, allow, compromise, settle, estimate (pursuant to section 502(c) of the Bankruptcy Code or otherwise) or object to all Claims subject only to the Oversight Committee's consent to the extent of a Major Issue, and (iii) cause the Liquidating Trust to seek the examination of any Person pursuant to Federal Rule of Bankruptcy Procedure 2004 in connection with any of the foregoing;

3.2.10 consult with, compensate and direct any professionals that may be employed and retained by a member of the Oversight Committee in accordance with Section VII.G. of the Plan and Article VIII of this Agreement;

3.2.11 cause the Liquidating Trust to employ or retain, without further order of the Bankruptcy Court, a Disbursing Agent, employ or retain any other professionals (including, but not limited to, any professionals (including any professionals or other Persons retained by the Debtors, the Creditors' Committee, or the Oversight Committee in this Chapter 11 Case), which, for the avoidance of doubt, also includes any additional SBC personnel beyond the Liquidating Trustee), agents, independent contractors, and third parties to assist the Liquidating Trust or Liquidating Trustee in connection with the rights and responsibilities set forth in the Plan and this Agreement, and pay the reasonable compensation (and reasonable and documented expenses) thereof, in each case qualifying as a Liquidating Trust Expense;

3.2.12 Cause the Liquidating Trust to pay all of its lawful expenses, debts, charges, taxes, and any other Liquidating Trust Expenses, and make all other payments relating to the Liquidating Trust Assets, solely out of Liquidating Trust Assets, subject to the Oversight

Committee's approval rights with respect to any amendments to the Wind-Down Budget through the Wind-Down Date;

3.2.13 review, initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, litigate to judgment or elect not to pursue all Causes of Action, including, but not limited to, all Avoidance Actions and any actions against current and former Insiders of the Debtor, subject only to (i) the Liquidating Trustee's obligation under the Plan to inform the Oversight Committee of the filing or commencement of Causes of Action other than objections to Claims or Interests; and (ii) obtaining the Oversight Committee's consent to the extent of a Major Issue;

3.2.14 calculate and make, or cause any third-party Disbursing Agent retained by the Liquidating Trust to make, all Distributions to the holders of Allowed Claims as provided for in, or contemplated by, the Plan and this Agreement; provided that, for the avoidance of doubt, the Liquidating Trustee (without direction or consent of the Oversight Committee) shall be bound to pay the Notes Trustee Fees in accordance with the terms of Plan from Liquidating Trust Assets and acknowledges that all Distributions to Class 3 Claims shall be paid through the Notes Trustee and be subject to the Notes Trustee Charging Lien in accordance with the Plan;

3.2.15 establish, adjust, and maintain a Disputed Claims Reserve;

3.2.16 cause the Liquidating Trust to withhold from the amount distributable to any Person the maximum amount needed to pay any tax or other charge that the Liquidating Trustee has determined, based upon the advice of its agents and/or professionals, may be required to be withheld from such Distribution under the income tax or other laws of the United States or of any state or political subdivision thereof;

3.2.17 in reliance upon the Debtor's Schedules and the official Claims Register maintained in the Chapter 11 Case, to maintain a register evidencing the beneficial interest herein held by each Liquidating Trust Beneficiary and, in accordance with Section 3.6 of this Agreement, such register may be the official Claims Register maintained in the Chapter 11 Case;

3.2.18 (i) cause the Liquidating Trust to make all tax withholdings, file tax information returns, file and prosecute tax refund claims, make tax elections by and on behalf of the Liquidating Trust (including, without limitation, the determination and election of designating the Liquidating Trust or any Liquidating Trust Asset to be taxed, in whole or in part, as a Disputed Ownership Fund), and file tax returns for the Liquidating Trust as a grantor trust under Section 671 of the Internal Revenue Code and Treasury Income Tax Regulation section 1.671-4 (and as a Disputed Ownership Fund, if such election is made in whole or in part) pursuant to and in accordance with the Plan and Article VII hereof, and pay taxes, if any, payable for and on behalf of the Liquidating Trust (or the Disputed Ownership Fund, if applicable), (ii) file any and all remaining tax returns for the Debtor and the Estate, as applicable, and file and prosecute tax refund claims in connection therewith; provided, however, that notwithstanding any other provision of this Agreement, neither the Liquidating Trust nor the Liquidating Trustee shall have any responsibility (other than to make Distributions in connection with a related Allowed Claim, if any) or personal liability in any capacity whatsoever for the preparation, filing, signing or accuracy of the Debtor's income tax returns that are due to be filed after the Effective Date, or for any tax liability related thereto, and (iii) pursue the Company Tax Refund;

3.2.19 cause the Liquidating Trust to send annually to Liquidating Trust Beneficiaries, in accordance with applicable tax laws and regulations, a separate statement stating a Liquidating Trust Beneficiary's interest in the Liquidating Trust and its share of the

Liquidating Trust's income, gain, loss, deduction or credit, and to instruct all such Liquidating Trust Beneficiaries to report such items on their federal tax returns (the "Annual Grantor Statement"); provided, however, that to the extent the Liquidating Trustee, in its sole discretion and upon the advice of tax professionals retained by the Liquidating Trust, determines that the Liquidating Trust or any Liquidating Trust Asset (whether in whole or in part) should elect to be treated as a Disputed Ownership Fund, such Disputed Ownership Fund election may obviate some or all of the requirement to provide Annual Grantor Statements;

3.2.20 cause the Liquidating Trust to seek a determination of tax liability or refund under section 505 of the Bankruptcy Code;

3.2.21 cause the Liquidating Trust to establish such reserves for taxes, assessments and other administrative Liquidating Trust Expenses as may be necessary and appropriate for the proper operation of matters incident to the Liquidating Trust;

3.2.22 cause the Liquidating Trust to purchase and carry all insurance policies that the Liquidating Trustee deems reasonably necessary or advisable and to pay all associated insurance premiums and costs out of the Liquidating Trust Assets as a Liquidating Trust Expense;

3.2.23 undertake all administrative functions of the Liquidating Trust, including overseeing the winding down and termination of the Liquidating Trust;

3.2.24 undertake all administrative functions remaining in the Chapter 11 Case, wind down the remaining affairs of the Debtor (if any) including, but not limited to, amending the Organizational Documents of the Debtor as may be necessary and dissolving the Debtor under applicable state law, and to report and make required payments of fees to the U.S. Trustee and overseeing the closing of the Chapter 11 Case;

3.2.25 exercise, implement, enforce, and discharge all terms, conditions, powers, duties, and other provisions of the Plan, the Confirmation Order, and this Agreement; and

3.2.26 take all other actions consistent with the provisions of the Plan that the Liquidating Trustee deems reasonably necessary or desirable to administer the Liquidating Trust.

3.3 Exclusive Authority to Pursue Causes of Action. The Liquidating Trust shall have the exclusive right, power, and interest to review, reconcile, enforce, collect, compromise, settle, or elect not to pursue the Causes of Action, subject only to the consent of the Oversight Committee in respect of a Major Issue. The Liquidating Trust shall be the sole representative of the Estate under section 1123(b)(3) of the Bankruptcy Code with respect to Causes of Action. The Liquidating Trust shall be vested with and entitled to assert all setoffs and defenses of the Debtor or the Liquidating Trust to any counterclaims that may be asserted by any defendant with respect to any Cause of Action. The Liquidating Trust shall also be vested with and entitled to assert all the Debtor's and the Estate's rights with respect to any such counterclaims, under section 558 of the Bankruptcy Code.

3.4 Abandonment. If, in the Liquidating Trustee's reasonable judgment, any non-Cash Liquidating Trust Assets cannot be sold in a commercially reasonable manner or the Liquidating Trustee believes in good faith that such property has inconsequential value to the Liquidating Trust or the Liquidating Trust Beneficiaries, the Liquidating Trustee shall have the right to cause the Liquidating Trust to abandon or otherwise dispose of such property, including by donation of such property to a charitable organization of the Liquidating Trustee's choosing. After (i) final Distributions have been made in accordance with the terms of the Plan and this Agreement and (ii) payment of or reservation for all Liquidating Trust Expenses, if the Cash Liquidating Trust Assets remaining on hand amount to less than \$25,000 (or some other amount

as may be approved by the Oversight Committee at the request of the Liquidating Trustee), the Liquidating Trustee may donate such funds to Delaware Pro Se Bankruptcy Foundation; provided that in the event such organization is not in existence at such time, then to a charitable organization of the Liquidating Trustee's choosing.

3.5 Safekeeping and Investment of Liquidating Trust Assets. All moneys and other assets received by the Liquidating Trust or Liquidating Trustee shall, until distributed or paid over as provided herein and in the Plan, be held in trust for the benefit of the Liquidating Trust Beneficiaries but need not be segregated in separate accounts from other Liquidating Trust Assets, unless and to the extent required by law or the Plan. Neither the Liquidating Trust nor the Liquidating Trustee shall have any liability for interest or producing income on any moneys or other assets received by either of them and held for Distribution on account of Allowed Claims or payment to the Liquidating Trust Beneficiaries, except as such interest shall actually be received by the Liquidating Trust or Liquidating Trustee, which shall be distributed as provided in the Plan; provided, however, that the Liquidating Trustee shall not be obligated or required to ensure that the Liquidating Trust hold any moneys, other assets, or the Liquidating Trust Assets in interest bearing accounts, other than as may be required under the Plan. Except as otherwise provided by the Plan, the powers of the Liquidating Trustee to invest any moneys held by the Liquidating Trust, other than those powers reasonably necessary to maintain the value of the assets and to further the Liquidating Trust's liquidating purpose, other than in short-term money market funds, shall be limited to powers to invest in demand and time deposits, such as short-term certificates of deposit, in banks or other savings institutions, or other temporary liquid investments, such as treasury bills; provided, however, that the scope of permissible investments shall be limited to include only those investments that a liquidating trust, within the

meaning of Treas. Reg. § 3.01.7701-4(d), may be permitted to hold pursuant to the Treasury Regulations, or any modification of the Internal Revenue Service (“IRS”) guidelines, whether set forth in IRS rulings, IRS pronouncements, or otherwise. For the avoidance of doubt, the provisions of section 11-2.3 of the Estates, Powers, and Trusts Law of New York shall not apply to this Agreement. Notwithstanding the foregoing, the Liquidating Trustee shall not be prohibited from engaging in any trade or business on its own account, provided that such activity does not interfere or conflict with the Liquidating Trustee’s administration of the Liquidating Trust.

3.6 Maintenance and Disposition of Liquidating Trust and Debtor Records. The Liquidating Trustee shall maintain accurate records of the administration of Liquidating Trust Assets, including receipts and disbursements and other activity of the Liquidating Trust. The Liquidating Trust may, but has no obligation to, engage a claims agent (including, but not limited to, the Claims Agent) to continue to maintain and update the Claims Register maintained in the Chapter 11 Case during all or any portion of the administration of the Liquidating Trust. To the extent of any Class 3 Notes Claims and Class 4 General Unsecured Claims reflected thereon, the Claims Register may serve as the Liquidating Trustee’s register of beneficial interests held by Liquidating Trust Beneficiaries. The books and records maintained by the Liquidating Trustee and any records (whether hard copy or electronic) of the Debtor transferred to the Liquidating Trust may be disposed of by the Liquidating Trustee at the later of (i) such time as the Liquidating Trustee determines in its sole discretion upon the advice of counsel that the continued possession or maintenance of such books and records is no longer necessary for the benefit of the Liquidating Trust or the Liquidating Trust Beneficiaries and (ii) upon the termination and completion of the winding down of the Liquidating Trust.

3.7 Reporting Requirements. In addition to the quarterly post-confirmation report required by the U.S. Trustee, the Liquidating Trustee shall provide the Oversight Committee, the U.S. Trustee and the Bankruptcy Court the information and reports they may reasonably request concerning Liquidating Trust administration including, but not limited to, any status report (the form of which may be written or oral at the sole, reasonable discretion of the Liquidating Trustee) requested by the Oversight Committee pursuant to Section VII.G. of the Plan.

3.8 No Bond Required; Procurement of Insurance. Notwithstanding any state or other applicable law to the contrary, the Liquidating Trustee (including any successor Liquidating Trustee) shall be exempt from giving any bond or other security in any jurisdiction and shall serve hereunder without bond. The Liquidating Trustee is authorized, but not required to, obtain all reasonable insurance coverage for itself, its agents, representatives, employees, or independent contractors, including, without limitation, coverage with respect to the liabilities, duties and obligations of the Liquidating Trustee and its agents, representatives, employees, or independent contractors under this Agreement. The cost of any such insurance coverage shall be a Liquidating Trust Expense and paid out of Liquidating Trust Assets.

ARTICLE IV

DISTRIBUTIONS

4.1 Distribution and Reserve of Liquidating Trust Assets. Following the transfer of Liquidating Trust Assets to the Liquidating Trust, the Liquidating Trustee shall make continuing efforts on behalf of the Liquidating Trust to collect, liquidate, and distribute all Liquidating Trust Assets, subject to any reserves required under the Plan or this Agreement.

4.1.1 Distributions. The Liquidating Trustee shall cause the Liquidating Trust to distribute to Liquidating Trust Beneficiaries, at least annually, the net Assets Available for Distributions to Unsecured Creditors, provided that the Liquidating Trust may retain an amount

of net income and other Liquidating Trust Assets, as may be determined by the Liquidating Trustee in its sole discretion to be reasonably necessary to maintain the value of the Liquidating Trust Assets or to meet expenses, claims, and contingent liabilities of the Liquidating Trust and the Liquidating Trustee, and retention of such amount may preclude Distributions to holders of Allowed Claims of any priority level.

4.1.2 Reserves; Pooling of Reserved Funds. Before any Distribution can be made on account of any Allowed Claims, the Liquidating Trustee shall, in its reasonable discretion, establish, supplement, and maintain reserves for Liquidating Trust Expenses in an amount sufficient to meet any and all expenses and liabilities of the Liquidating Trust, including attorneys' fees and expenses, the fees and expenses of other professionals, and fees owed to the U.S. Trustee. In accordance with Section 3.2.15 of this Agreement, the Liquidating Trust may also maintain as necessary a Disputed Claims Reserve with respect to Claims required to be administered by the Liquidating Trust. For the avoidance of doubt, the Liquidating Trustee may withhold any Distribution on account of a Claim of any priority level pending the Liquidating Trust's determination of whether to object to any such Claim. Any such withheld Distribution may become part of the Disputed Claims Reserve and shall be distributed to the appropriate Holder no later than the first Distribution Date after a decision is made not to object to the pertinent Claim or the Claim becomes Allowed. The Liquidating Trustee need not maintain the Liquidating Trust's reserves in segregated bank accounts and may pool funds in the reserves with each other and other funds of the Liquidating Trust; provided, however, that the Liquidating Trust shall treat all such reserved funds as being held in a segregated manner in its books and records.

4.1.3 Distributions Net of Reserves and Costs. Distributions shall be made net of reserves in accordance with the Plan and this Agreement, and also net of the actual and reasonable costs of making the Distributions.

4.1.4 Right to Rely on Professionals. Without limitation of the generality of Section 6.6 of this Agreement, in determining the amount or timing of any Distribution or establishment or amount of any reserves, the Liquidating Trustee may rely on, and shall be fully protected in relying on, the advice and opinion of the Liquidating Trust's financial advisors, accountants, or other professionals.

4.2 Method and Timing of Distributions. Distributions to holders of Allowed Claims will be made from the Liquidating Trust in accordance with the terms of the Plan (in particular, Article IX) and this Agreement; provided, however, that the Liquidating Trustee in its sole, reasonable discretion will determine the timing of Distributions. The Liquidating Trust may, but is not required to, engage a third-party Disbursing Agent or other Persons to assist in making Distributions.

4.3 Withholding from Distributions. The Liquidating Trustee, in its sole, reasonable discretion, may cause the Liquidating Trust to withhold from amounts distributable from the Liquidating Trust to any Holder of an Allowed Claim, any and all amounts as may be sufficient to pay the maximum amount of any tax or other charge that has been or might be assessed or imposed by any law, regulation, rule, ruling, directive, or other governmental requirement on such Holder or the Liquidating Trust with respect to the amount to be distributed to such Holder. The Liquidating Trustee shall determine such maximum amount to be withheld by the Liquidating Trust in its sole, reasonable discretion and shall cause the Liquidating Trust to distribute to the Holder any excess amount withheld.

4.4 Tax Identification Numbers. As more fully set forth in Section IX.F. of the Plan, the Liquidating Trustee may require any Holder of any Claim to furnish its taxpayer identification number as assigned by the IRS, including without limitation by providing an executed current Form W-9, Form W-8 or similar tax form, as a prerequisite to receiving any Distribution under the Plan or this Agreement. If a Holder does not timely provide the Liquidating Trustee with its taxpayer identification number in the manner and by the deadline established by the Liquidating Trustee and/or the Plan, the Holder shall be deemed to have forfeited its right to any current, reserved, or future Distributions provided for under the Plan and such Holder's Claim shall be disallowed and expunged without further order of the Bankruptcy Court. Any such forfeited Distribution shall be deemed to have reverted to the Liquidating Trust for all purposes, including for Distributions to other Holders of Allowed Claims or the satisfaction of Liquidating Trust Expenses, notwithstanding any federal, provincial, or state escheat, abandoned or unclaimed property law to the contrary.

4.5 Unclaimed and Undeliverable Distributions. If any Distribution to a Holder of any Claim is returned to the Liquidating Trustee as undeliverable and/or otherwise remains unclaimed (including, but not limited to, as a result of a voided Distribution check in accordance with Section 4.6 of this Agreement) after a period of 90 calendar days from original issuance, no further Distributions to such Holder shall be made unless and until the Holder notifies the Liquidating Trustee of such Holder's then-current address and taxpayer identification number. After the date that is 90 calendar days from the date of issuance, absent such notification to the Liquidating Trustee, such Distribution is shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and all title to and beneficial interest in such undeliverable Distribution shall revert to and/or remain in the Liquidating Trust automatically and without any

need for further order by the Bankruptcy Court, notwithstanding any federal, provincial or state escheat, abandoned or unclaimed property laws to the contrary, and shall be distributed in accordance with this Article IV and the Plan. If a Holder timely provides the Liquidating Trustee the necessary information within the 90-day period set forth above, all missed Distributions shall be made to the Holder as soon as is practicable, without interest.

4.5.1 No Responsibility to Attempt to Locate Claim Holders. The Liquidating Trustee may, in its sole discretion, attempt to determine the current address or otherwise locate the Holder of any Claim, but nothing in this Agreement or the Plan shall require the Liquidating Trustee to do so.

4.5.2 Disallowance of Claims; Cancellation of Corresponding Beneficial Interests. All Claims in respect of undeliverable or unclaimed Distributions that have been deemed to have reverted to the Liquidating Trust for all purposes (including, but not limited to, for Distribution to Holders of other Allowed Claims or the satisfaction of Liquidating Trust Expenses) pursuant to Section IX.D. of the Plan shall be deemed disallowed and expunged without further action by the Liquidating Trust or Liquidating Trustee and without further order of the Bankruptcy Court, the Liquidating Trustee shall be authorized to reflect, or direct the Claims Agent to reflect, the disallowance of any such Claim on the books of the Liquidating Trust and on the Claims Register, and the corresponding beneficial interests in the Liquidating Trust of any Liquidating Trust Beneficiary holding such disallowed Claim(s) shall be deemed cancelled. The Holder with respect to any such disallowed Claim shall no longer have any right, claim, or interest in or to any Distributions in respect of such Claim, and further, such Holder is forever barred, estopped, and enjoined from receiving any Distributions under the Plan or this

Agreement and from asserting such disallowed Claim against the Liquidating Trust or Liquidating Trustee.

4.5.3 Inapplicability of Escheat, Abandoned or Unclaimed Property Laws.

Unclaimed property held by the Liquidating Trust shall not be subject to the escheat, abandoned or unclaimed property laws of the United States, or any other federal, provincial, state, or any local governmental unit.

4.6 Voided Checks; Request for Reissuance. Distribution checks issued to Holders of Allowed Claims shall be null and void if not negotiated within 90 calendar days after the date of issuance thereof. Distributions in respect of voided checks shall be treated as unclaimed Distributions under Section IX.D. of the Plan and administered under Section IX.D. of the Plan and Section 4.5 of this Agreement. Requests for reissuance of any check shall be made in writing directly to the Liquidating Trustee by the Holder of the Allowed Claim that was originally issued such check. All such requests shall be made promptly and in time for the check to be reissued and cashed before the funds for the checks become unrestricted Liquidating Trust Assets under Section 4.5 of this Agreement. The Holder shall bear all the risk for, and shall indemnify and hold the Liquidating Trust and Liquidating Trustee harmless against any loss that may arise if, the Liquidating Trustee does not reissue a check promptly after receiving a request for its reissuance and the date(s) established by Section IX.D.5 of the Plan passes without the check being reissued or cashed.

4.7 Conflicting Claims. If any conflicting claims or demands are made or asserted with respect to the beneficial interest of a Liquidating Trust Beneficiary under this Agreement, or if there is any disagreement between the assignees, transferees, heirs, representatives, or legatees succeeding to all or a part of such an interest resulting in adverse claims or demands being made

in connection with such interest, then, in any of such events, the Liquidating Trustee shall be entitled, in its sole discretion, to refuse to comply with any such conflicting claims or demands.

4.7.1 The Liquidating Trustee may elect to cause the Liquidating Trust to make no payment or Distribution with respect to the beneficial interest of a Liquidating Trust Beneficiary subject to conflicting claims or demand, or any part thereof, and to refer such conflicting claims or demands to the Bankruptcy Court, which shall have continuing jurisdiction over resolution of such conflicting claims or demands; provided, however, that the Liquidating Trustee shall have no obligation to resolve any conflicting claims or demands among Persons with respect to such beneficial interests. Neither the Liquidating Trust nor the Liquidating Trustee shall be or become liable to any of such parties for their refusal to comply with any such conflicting claims or demands, nor shall the Liquidating Trust or Liquidating Trustee be liable for interest on any funds which may be so withheld.

4.7.2 The Liquidating Trustee shall be entitled to refuse to act until either (i) the rights of the adverse claimants have been adjudicated by a Final Order of the Bankruptcy Court; or (ii) all differences have been resolved by a valid written agreement among all such parties to the satisfaction of the Liquidating Trustee, which agreement shall include a complete release of the Liquidating Trust and Liquidating Trustee. Until the Liquidating Trustee receives written notice that one of the conditions of the preceding sentence is met, the Liquidating Trustee may deem and treat as the absolute owner under this Agreement of the beneficial interest in the Liquidating Trust the Liquidating Trust Beneficiary identified as the owner of that interest in the books and records maintained by the Liquidating Trust. The Liquidating Trustee may deem and treat such Liquidating Trust Beneficiary as the absolute owner for purposes of receiving

Distributions and any payments on account thereof for federal and state income tax purposes, and for all other purposes whatsoever.

4.7.3 In acting or refraining from acting under and in accordance with this Section 4.7 of the Agreement, the Liquidating Trustee shall be fully protected and incur no liability to any purported claimant or any other Person pursuant to Article VI of this Agreement.

4.8 Priority of Expenses of Liquidating Trust. The Liquidating Trust must reserve for or pay all its expenses before making Distributions.

ARTICLE V

LIQUIDATING TRUST BENEFICIARIES

5.1 Interest Beneficial Only. The ownership of a beneficial interest in the Liquidating Trust shall not entitle any Liquidating Trust Beneficiary, the Debtor, or Medley Capital to any title in or to the Liquidating Trust Assets or to any right to call for a partition or division of such assets or to require an accounting.

5.2 Ownership of Beneficial Interests Hereunder. Each Liquidating Trust Beneficiary shall own a beneficial interest herein which shall, subject to Section 4.1 of this Agreement and subject to the Plan, be entitled to a Distribution in the amounts, and at the times, as set forth in the Plan or this Agreement.

5.3 Evidence of Beneficial Interest. Ownership of a beneficial interest in the Liquidating Trust Assets shall not be evidenced by any certificate, security, or receipt or in any other form or manner whatsoever, except as maintained on the books and records of the Liquidating Trust by the Liquidating Trustee.

5.4 No Right to Accounting. Neither the Liquidating Trust Beneficiaries nor their successors, assigns, creditors, nor any other Person shall have any right to an accounting by the

Liquidating Trust or the Liquidating Trustee, and neither the Liquidating Trust nor the Liquidating Trustee shall be obligated to provide any accounting to any Person. Nothing in this Agreement is intended to require the Liquidating Trust or the Liquidating Trustee at any time or for any purpose to file any accounting or seek approval of any court with respect to the administration of the Liquidating Trust or as a condition for making any advance, payment, or Distribution out of proceeds of Liquidating Trust Assets.

5.5 No Standing. Except as expressly provided in this Agreement, a Liquidating Trust Beneficiary shall not have standing to direct or to seek to direct the Liquidating Trust or the Liquidating Trustee to do or not to do any act or to institute any action or proceeding at law or in equity against any Person upon or with respect to the Liquidating Trust Assets.

5.6 Requirement of Undertaking. The Liquidating Trustee may request the Bankruptcy Court to require, in any suit for the enforcement of any right or remedy under the Plan or this Agreement, or in any suit against the Liquidating Trustee for any action taken or omitted by it as Liquidating Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, including reasonable attorneys' fees, against any party litigant in such suit; provided, however, that the provisions of this Section 5.6 shall not apply to any suit by the Liquidating Trustee.

5.7 Limitation on Transferability. It is understood and agreed that the beneficial interests herein shall be non-transferable and non-assignable during the term of this Agreement except by operation of law. An assignment by operation of law shall not be effective until appropriate notification and sufficient proof thereof is submitted to and affirmatively accepted by the Liquidating Trustee, and the Liquidating Trustee may continue to cause the Liquidating Trust to pay all amounts to or for the benefit of the assigning Liquidating Trust Beneficiaries until

receipt by the Liquidating Trustee of proper notification and acceptable proof of assignment by operation of law. The Liquidating Trustee may rely upon such proof without the requirement of any further investigation.

5.8 Exemption from Registration. The rights of the Liquidating Trust Beneficiaries arising under this Agreement may be deemed “securities” under applicable law. However, such rights have not been defined as “securities” under the Plan because (i) the parties hereto intend that such rights shall not be securities, and (ii) if the rights arising under this Agreement in favor of the Liquidating Trust Beneficiaries are deemed to be “securities,” the exemption from registration under section 1145 of the Bankruptcy Code is intended to be applicable to such securities. No party to this Agreement shall make a contrary or different contention.

5.9 Delivery of Distributions. Subject to the terms of this Agreement, the Liquidating Trustee shall cause the Liquidating Trust to make Distributions to the Liquidating Trust Beneficiaries in the manner provided in the Plan and this Agreement.

ARTICLE VI

THIRD PARTY RIGHTS AND LIMITATION OF LIABILITY

6.1 Parties Dealing With the Liquidating Trustee. In the absence of actual knowledge to the contrary, any Person dealing with the Liquidating Trust or the Liquidating Trustee shall be entitled to rely on the authority of the Liquidating Trustee or any of the Liquidating Trustee’s agents to act in connection with the Liquidating Trust Assets. There is no obligation of any Person dealing with the Liquidating Trustee to inquire into the validity or expediency or propriety of any transaction by the Liquidating Trustee or any agent of the Liquidating Trustee.

6.2 Limitation of Liquidating Trustee and Oversight Committee Liability. In exercising the rights granted herein, the Liquidating Trustee shall exercise its reasonable best judgment, to the end that the affairs of the Liquidating Trust shall be properly managed and the

interests of all the Liquidating Trust Beneficiaries safeguarded. However, notwithstanding anything herein to the contrary, neither the Liquidating Trustee nor any member of the Oversight Committee, nor any of their respective firms, companies, affiliates, partners, officers, directors, members, employees, designees, professionals, advisors, attorneys, representatives, disbursing agents, or agents, and any of such Person's successors and assigns, shall incur any responsibility or liability by reason of any error of law or fact or of any matter or thing done or suffered or omitted to be done under or in connection with this Agreement, whether sounding in tort, contract, or otherwise, except for fraud, gross negligence, or willful misconduct that is found by a Final Order (not subject to further appeal or review) of a court of competent jurisdiction to be the direct and primary cause of loss, liability, damage, or expense suffered by the Liquidating Trust. In no event shall the Liquidating Trustee or any member of the Oversight Committee be liable for indirect, punitive, special, incidental, or consequential damage or loss (including but not limited to lost profits) whatsoever, even if the Liquidating Trustee or the Oversight Committee has been informed of the likelihood of such loss or damages and regardless of the form of action. Without limiting the foregoing, the Liquidating Trustee shall be entitled to the benefits of the limitation of liability, release and exculpation provisions set forth in the Plan, including, but not limited to Sections VII.F.3, VII.F.4, XI.C. and XI.D. of the Plan, and additionally, the Liquidating Trustee and the Oversight Committee shall be entitled to the benefits of any limitation of liability and exculpation provisions set forth in the Confirmation Order.

6.3 No Liability for Acts of Other Persons. None of the Persons identified in the immediately preceding Section 6.2 of this Agreement shall be liable for the act or omission of any other Person identified in that section.

6.4 No Liability for Acts of Predecessors. No successor Liquidating Trustee shall be in any way responsible for the acts or omissions of any Liquidating Trustee in office prior to the date on which such successor becomes the Liquidating Trustee, unless a successor Liquidating Trustee expressly assumes such responsibility.

6.5 No Liability for Good Faith Error of Judgment. The Liquidating Trustee shall not be liable for any error of judgment made in good faith, unless it shall be finally determined by a Final Order of a court of competent jurisdiction (not subject to further appeal or review) that the Liquidating Trustee was grossly negligent in ascertaining the pertinent facts.

6.6 Reliance by Liquidating Trustee and Oversight Committee on Documents and Advice of Counsel or Other Persons. Except as otherwise provided herein, the Liquidating Trustee and Oversight Committee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Liquidating Trustee and/or the Oversight Committee also may engage and consult with its respective legal counsel and other agents and advisors, and shall not be liable for any action taken, omitted, or suffered in reliance upon the advice of such counsel, agents, or advisors.

6.7 No Liability For Acts Approved by Bankruptcy Court or Oversight Committee. The Liquidating Trustee and the Oversight Committee shall have the right at any time, but shall not be required, to seek instructions from the Bankruptcy Court concerning the administration or disposition of the Liquidating Trust or the Liquidating Trust Assets and the Claims required to be administered by the Liquidating Trust. Neither the Liquidating Trustee nor the Oversight Committee shall be liable for any act or omission that has been approved by the Bankruptcy

Court, and all such actions or omissions shall conclusively be deemed not to constitute fraud, gross negligence, or willful misconduct. The Liquidating Trustee shall not be liable for any act or omission approved by the Oversight Committee under Article VIII of this Agreement, any applicable provision of the Plan, the Confirmation Order, or otherwise, and all such actions or omissions shall conclusively be deemed not to constitute fraud, gross negligence, or willful misconduct.

6.8 No Personal Obligation for Liquidating Trust Liabilities. Persons dealing with the Liquidating Trustee shall have recourse only to the Liquidating Trust Assets to satisfy any liability incurred by the Liquidating Trust or Liquidating Trustee to any such Person in carrying out the terms of this Agreement, and the Liquidating Trustee shall have no personal, individual obligation to satisfy any such liability.

6.9 Indemnification. The Liquidating Trustee and the Oversight Committee, and their respective consultants, agents, attorneys, accountants, financial advisors, estates, employees, officers, directors, principals, professionals and other representatives, each in their representative capacity as such, and any of such Person's successors and assigns (collectively, the "Indemnified Parties" and each, an "Indemnified Party") shall, to the fullest extent permitted by applicable law, be defended, held harmless, and indemnified by the Liquidating Trust from time to time and receive reimbursement from and against any and all loss, liability, expense (including counsel fees), or damage of any kind, type or nature, whether sounding in tort, contract, or otherwise, that the Indemnified Parties may incur or sustain in connection with the exercise or performance of any of the Liquidating Trust's, the Liquidating Trustee's or the Oversight Committee's respective powers and duties under this Agreement or in rendering services by the Indemnified Party to the Liquidating Trust or the Liquidating Trustee, including, without limitation, the costs

of counsel or others in investigating, preparing, defending, or settling any action or claim (whether or not litigation has been initiated against the Indemnified Party) or in enforcing this Agreement (including its indemnification provisions), except if such loss, liability, expense, or damage is finally determined by a Final Order (not subject to further appeal or review) of a court of competent jurisdiction to result directly and primarily from the fraud, gross negligence, or willful misconduct of the Indemnified Party asserting this provision.

6.9.1 Expense of Liquidating Trust; Limitation on Source of Payment of Indemnification. All indemnification liabilities of the Liquidating Trust under this Section 6.9 shall be Liquidating Trust Expenses. The amounts necessary for such indemnification and reimbursement shall be paid by the Liquidating Trust out of the available Liquidating Trust Assets after reserving for all actual and anticipated expenses and liabilities of the Liquidating Trust. Neither the Liquidating Trustee nor the Oversight Committee or any of its members shall be personally liable for the payment of any Liquidating Trust Expense or other liability of the Liquidating Trust, and no Person shall look to the Liquidating Trustee, the Oversight Committee, or other Indemnified Parties personally for the payment of any such expense or liability.

6.9.2 Procedure for Current Payment of Indemnified Expenses; Undertaking to Repay. The Liquidating Trust shall reasonably promptly pay an Indemnified Party all amounts subject to indemnification under this Section 6.9 on submission of invoices for such amounts by the Indemnified Party. The Oversight Committee shall approve the indemnification of any Indemnified Party and thereafter shall approve any monthly bills of such Indemnified Party for indemnification over \$50,000, such approval not to be unreasonably withheld. By accepting any indemnification payment, the Indemnified Party undertakes to repay such amount promptly if it is determined that the Indemnified Party is not entitled to be indemnified under this Agreement.

The Bankruptcy Court shall hear and finally determine any dispute arising out of this Section 6.9.

6.10 No Implied Obligations. Neither the Liquidating Trustee nor the Oversight Committee shall be liable except for the performance of such duties and obligations as are specifically set forth herein, and no implied covenants or obligations shall be read into this Agreement against the Liquidating Trustee or the Oversight Committee.

6.11 Confirmation of Survival of Provisions. Without limitation in any way of any provision of this Agreement, the provisions of this Article VI shall survive the death, dissolution, liquidation, incapacity, resignation, replacement, or removal, as may be applicable, of the Liquidating Trustee, or the termination of the Liquidating Trust or this Agreement and shall inure to the benefit of the Liquidating Trustee's and the Indemnified Parties' heirs and assigns.

ARTICLE VII

TAX MATTERS

7.1 Tax Treatment of Liquidating Trust. Pursuant to and in accordance with the Plan, for all federal income tax purposes, the Debtor, the Liquidating Trust Beneficiaries, Medley Capital, the Liquidating Trustee and the Liquidating Trust shall treat the Liquidating Trust as a liquidating trust within the meaning of Treasury Income Tax Regulation Section 301.7701-4(d) and IRS Revenue Procedure 94-45, 1994-2 C.B. 124, and the transfer of the Liquidating Trust Assets to the Liquidating Trust shall be treated as a transfer of the Liquidating Trust Assets by the Debtor and Medley Capital to the Liquidating Trust Beneficiaries in satisfaction of their Allowed Class 3 Notes Claims and Allowed Class 4 General Unsecured Claims, followed by a transfer of the Liquidating Trust Assets by the Liquidating Trust Beneficiaries to the Liquidating Trust in exchange for their pro rata beneficial interests in the Liquidating Trust as set forth herein

and in the Plan. The Liquidating Trust Beneficiaries shall be treated as the grantors and owners of the Liquidating Trust for federal income tax purposes.

7.2 Annual Reporting and Filing Requirements. Pursuant to and in accordance with the terms of the Plan and this Agreement, the Liquidating Trustee shall file tax returns for the Liquidating Trust as a grantor trust pursuant to Treasury Income Tax Regulation Section 1.671-4(a).

7.3 Tax Treatment as a Disputed Ownership Fund. The Liquidating Trustee may, in the Liquidating Trustee's sole discretion, determine the best way to report for tax purposes with respect to the Liquidating Trust and/or any Liquidating Trust Assets, (i) file a tax election to treat any portion or all of the Liquidating Trust and/or any Liquidating Trust Assets (in either case, in whole or in part) as a "disputed ownership fund" ("Disputed Ownership Fund") within the meaning of Treasury Income Tax Regulation Section 1.468B-9 for federal income tax purposes; or (ii) elect to report as a separate trust or sub-trust or other entity. If an election is made to report the Liquidating Trust and/or any Liquidating Trust Assets (in either case, in whole or in part) as a Disputed Ownership Fund, the Liquidating Trust shall comply with all federal and state tax reporting and tax compliance requirements of the Disputed Ownership Fund, including but not limited to the filing (under a specially established tax identification number distinct from that established for the Liquidating Trust) of a separate federal tax return for the Disputed Ownership Fund and the payment of federal and/or state income tax due.

7.4 Valuation of Liquidating Trust Assets. After the Effective Date, but in no event later than the due date for timely filing of the Liquidating Trust's first federal income tax return (taking into account applicable tax filing extensions), the Liquidating Trustee shall (i) determine the fair market value of the Liquidating Trust Assets as of the Effective Date, based on the

Liquidating Trustee's good faith determination; and (ii) establish appropriate means to apprise the Liquidating Trust Beneficiaries of such valuation; provided, however, that no such valuation will be required if the Liquidating Trustee elects to treat the Liquidating Trust and/or the Liquidating Trust Assets (in either case, in whole or in part) as a Disputed Ownership Fund. The valuation, if established pursuant to the terms of this Section 7.4, shall be used consistently by all parties (including, without limitation, the Debtor, Medley Capital, the Liquidating Trust, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) for all federal income tax purposes.

ARTICLE VIII

OVERSIGHT COMMITTEE

8.1 Appointment, Composition, and Governance of Oversight Committee. Consistent with Section VII.G. of the Plan, effective as of the Effective Date, the Oversight Committee shall comprise two members appointed by the Creditors' Committee, Glen Gardipee and James MacAyeal, and one member appointed by existing management of Medley Capital, [•]. Unless or until the Oversight Committee adopts different bylaws, the bylaws previously adopted by the Creditors' Committee shall govern the actions of the Oversight Committee and be binding on all members thereof, and the fiduciary duties that applied to the Creditors' Committee and its members prior to the Effective Date shall apply to the Oversight Committee and all members thereof, regardless of whether or not any member of the Oversight Committee served on the Creditors' Committee; provided, however, that to the extent that any bylaws applicable to the Oversight Committee are inconsistent with Section VII.G. of the Plan, the terms of the Plan shall control. The bylaws of the Oversight Committee may be amended from time to time in the discretion of the Oversight Committee; provided, however that the bylaws at all times shall provide that each member of the Oversight Committee shall disclose any actual or potential conflict of interest (including, but not limited to, any actual or potential conflict with another

Oversight Committee member) and shall recuse itself from participation in meetings regarding, or from voting on, matters in connection with any such actual or potential conflict of interest.

The existence of a conflict of interest shall be determined by an affirmative vote of a majority in number of members of the Oversight Committee present at a given meeting (less the vote(s) of the members having the apparent conflict of interest).

8.2 Rights and Duties of Oversight Committee; Corresponding Limitations on Liquidating Trustee's Actions. The rights and duties of the Oversight Committee shall be those specifically set forth in the Plan, this Article and in Article VI and Sections 3.7, 9.3 and 9.5 of this Agreement. The Liquidating Trustee shall limit its actions on behalf of the Liquidating Trust in accordance with the limits established by those provisions. The Oversight Committee and the Liquidating Trustee may agree on standing authority for the Liquidating Trustee to act on behalf of the Liquidating Trust with respect to actions subject to the Oversight Committee's approval or authorization under the Plan and this Agreement. The rights and duties of the Oversight Committee shall include to:

8.2.1 appoint a successor Liquidating Trustee upon the resignation, death, dissolution, incapacity, liquidation or removal of the Liquidating Trustee in accordance with the terms of Section 9.3 of this Agreement;

8.2.2 approve any indemnity in favor of any third party granted or agreed to by the Liquidating Trustee;

8.2.3 authorize any action or inaction by the Liquidating Trustee on behalf of the Liquidating Trust with respect to Major Issues;

8.2.4 employ and retain professionals, in addition to professionals employed or retained by the Liquidating Trustee, for the Liquidating Trust;

8.2.5 approve the sale or other monetization of any Assets remaining in the Debtor's Estate over \$100,000, including, the Debtor's direct or indirect investments in funds managed by any Affiliate of the Debtor;

8.2.6 receive and review any report detailing the means by which the Liquidating Trustee invests and/or insures the remaining Liquidating Trust Assets pending final Distributions under the Plan; and

8.2.7 receive and review status reports on all Distributions, material litigation, investment/insurance of the Liquidating Trust Assets, material Disputed Claims, and all other material matters affecting the Liquidating Trust Beneficiaries, which shall be provided by the Liquidating Trustee within a reasonable timeframe after a request by the Oversight Committee or any member thereof.

8.3 Approval and Authorization on Negative Notice. The Liquidating Trustee may obtain any approval or authorization required under the Plan or this Agreement from the Oversight Committee on two (2) business days negative notice or less if the circumstances require as determined by the Liquidating Trustee in its sole discretion. The Liquidating Trustee may make requests on behalf of the Liquidating Trust for approval or authorization by the Oversight Committee orally (if during a meeting (virtual, telephonic, or in person) among the Liquidating Trustee and the Oversight Committee) or in writing, which may be made in the form of an e-mail. In the event any Oversight Committee member objects to the Liquidating Trustee's request, the Liquidating Trustee shall consult with the members of the Oversight Committee

about how to proceed. The Bankruptcy Court shall hear and finally determine any dispute arising out of this section or this Article.

8.4 Compensation of Professionals. The Oversight Committee shall approve prior to payment any professional's monthly bill that amounts to more than \$100,000. Either the Liquidating Trustee or the professional submitting the bill may seek such approval as set forth in the preceding Section 8.3 of this Agreement. The Bankruptcy Court shall hear and finally determine any dispute arising out of this section.

8.5 Appointment of Supplemental Trustee. The Oversight Committee shall approve the Liquidating Trustee's appointment of any Supplemental Trustee (defined below) under Section 9.9 of this Agreement and the removal and replacement of any Supplemental Trustee under that provision.

8.6 Reimbursement of Oversight Committee Expenses. The Liquidating Trustee shall pay from the Liquidating Trust Assets any attorneys' fees and expenses payable under Section VII.G of the Plan, which shall constitute Liquidating Trust Expenses. The Bankruptcy Court shall hear and finally determine any dispute arising out of this section.

8.7 Oversight Committee Dispute with Liquidating Trustee. In the event of a dispute or conflict with the Liquidating Trustee, with the unanimous consent of the Oversight Committee, the Oversight Committee shall have the right to retain counsel of its choice, and the reasonable fees and expenses of such counsel shall be paid by the Liquidating Trust according to the following procedures: (i) upon the submission of a fee statement to the Oversight Committee and to the Liquidating Trustee and its counsel, the Liquidating Trustee shall have 10 business days from the receipt of such fee statement to give notice of an objection to the professional seeking compensation or reimbursement; (ii) for an objection to be valid, it shall be in writing

and shall set forth in detail the fees objected to and the basis for the objection; (iii) any objection that remains unresolved within 10 business days after such objection is made shall be submitted to the Bankruptcy Court for resolution, and the Bankruptcy Court shall hear and finally determine any dispute arising out of this section; and (iv) the uncontested portion of such fee statement shall be paid within 30 days after its delivery to the Oversight Committee and the Liquidating Trustee.

8.8 At any time prior to the Wind-Down Date, if the Oversight Committee votes on a on an issue with less than unanimous consent, such dissenting member may challenge that decision with the Bankruptcy Court. The dissenting member shall be entitled to retain legal counsel to represent it in such challenge. The Liquidating Trust will pay the reasonable fees of the dissenting member's legal counsel, up to \$50,000 in the aggregate.

8.9 Liquidating Trustee's Conflict of Interest. The Liquidating Trustee shall disclose to the Oversight Committee any conflicts of interest that the Liquidating Trustee has with respect to any matter arising during administration of the Liquidating Trust. In the event that the Liquidating Trustee cannot take any action, including without limitation the prosecution of any Causes of Action (including, but not limited to, the objection to any Disputed Claim), by reason of an actual or potential conflict of interest, in the absence of an appointment of a Supplemental Trustee, the Oversight Committee acting by majority shall be authorized to take any such action(s) on behalf of the Liquidating Trust in the Liquidating Trustee's place and stead. The Bankruptcy Court shall hear and finally determine any dispute arising out of this section.

8.10 Resignation of Oversight Committee Members.

8.10.1 Generally. A member of the Oversight Committee may resign at any time on notice (including e-mailed notice) to the other Oversight Committee members and the

Liquidating Trustee. The resignation shall be effective on the later of (i) the date specified in the notice delivered to the other Oversight Committee members and the Liquidating Trustee or (ii) the date that is 30 calendar days after the date such notice is delivered.

8.10.2 Occurrence of the Wind-Down Date. Upon the Wind-Down Date, the Oversight Committee member appointed by Medley Capital shall resign and be replaced by Carl Wegerer, III, who was selected by the Creditors' Committee prior to the Confirmation Date in accordance with Section VII.G. of the Plan; provided, however, that if Mr. Wegerer is unwilling or lacks the capacity to serve when the Wind-Down Date occurs, the replacement of the Oversight Committee member appointed by Medley Capital shall be governed by Section 8.10 of this Agreement.

8.11 Appointment of Replacement Oversight Committee Members. Except as provided in Section 8.9.2 of this Agreement, in the event of the resignation, death, incapacity, dissolution or removal of a member of the Oversight Committee, the remaining members of Oversight Committee, if any, shall approve, a replacement member of the Oversight Committee. The Bankruptcy Court shall hear and finally determine any dispute arising out of this section.

8.12 Absence of Oversight Committee. In the event that no one is willing to serve on the Oversight Committee, or there shall have been no Oversight Committee members for a period of 30 consecutive calendar days, then the Liquidating Trustee may, during such vacancy and thereafter, disregard any reference in this Agreement, the Plan, or the Confirmation Order to an Oversight Committee, and all references to the Oversight Committee's rights and responsibilities this Agreement, the Plan and the Confirmation Order will be null and void.

ARTICLE IX

SELECTION, REMOVAL, REPLACEMENT AND COMPENSATION OF LIQUIDATING TRUSTEE

9.1 Initial Liquidating Trustee. The Liquidating Trustee has been selected by the Creditors' Committee and is appointed effective as of the Effective Date. The initial Liquidating Trustee shall be the entity identified in the preamble of this Agreement.

9.2 Term of Service. The Liquidating Trustee shall serve until (i) the completion of the administration of the Liquidating Trust Assets and the Liquidating Trust, including the winding up of the Liquidating Trust, in accordance with this Agreement and the Plan; (ii) termination of the Liquidating Trust in accordance with the terms of this Agreement and the Plan; or (iii) the Liquidating Trustee's resignation, death, dissolution, incapacity, liquidation or removal. In the event that the Liquidating Trustee's appointment terminates by reason of resignation, death, dissolution, incapacity, liquidation or removal, the Liquidating Trustee shall be immediately compensated for all reasonable fees and expenses accrued but unpaid through the effective date of termination, whether or not previously invoiced. The provisions of Article VI of this Agreement shall survive the resignation or removal of any Liquidating Trustee.

9.3 Removal of Liquidating Trustee. Any Person serving as Liquidating Trustee may be removed at any time for cause by the unanimous consent of the Oversight Committee. Any other party in interest, on notice and hearing before the Bankruptcy Court, may seek removal of the Liquidating Trustee for cause. The Bankruptcy Court shall hear and finally determine any dispute arising out of this section.

9.4 Resignation of Liquidating Trustee. The Liquidating Trustee may resign at any time on written notice to the Oversight Committee, the U.S. Trustee, and the Bankruptcy Court. The resignation shall be effective on the later of (i) the date specified in the notice of resignation

and (ii) the date that is thirty calendar days (30) after the date such notice is filed with the Bankruptcy Court and served on the Oversight Committee members and the U.S. Trustee. In the event of a resignation, the resigning Liquidating Trustee shall render to the Oversight Committee and the U.S. Trustee a full and complete accounting of monies and assets received, disbursed, and held during the term of office of that Liquidating Trustee.

9.5 Appointment of Successor Liquidating Trustee. Upon the resignation, death, dissolution, incapacity, liquidation or removal of a Liquidating Trustee, the Oversight Committee may unanimously designate a successor Liquidating Trustee upon notice to the Bankruptcy Court. Any party in interest (including, in the case of resignation, the Liquidating Trustee) may file a motion in the Bankruptcy Court to appoint a successor trustee if the Oversight Committee fails to designate one. In the event no party in interest seeks the appointment of a successor Liquidating Trustee, the Bankruptcy Court may do so on its own motion. Any successor Liquidating Trustee so appointed (i) shall consent to and accept its appointment as successor Liquidating Trustee, which may be done by e-mail or through acquiescence in not objecting to a motion for approval of its appointment as successor Liquidating Trustee, (ii) shall not have any liability or responsibility for the acts or omissions of any predecessor(s) and (iii) shall serve in such capacity for the term specified in Section 9.2 of this Agreement.

9.6 Powers and Duties of Successor Liquidating Trustee. A successor Liquidating Trustee shall have all the rights, privileges, powers, and duties of his, her or its predecessor under this Agreement, the Plan, and Confirmation Order.

9.7 Liquidating Trust Continuance. The resignation, death, dissolution, incapacity, liquidation, or removal of the Liquidating Trustee shall not terminate the Liquidating Trust,

revoke any existing agency created pursuant to this Agreement, the Plan, or Confirmation Order, or invalidate any action theretofore taken by the Liquidating Trustee.

9.8 Compensation of Liquidating Trustee. The terms of the compensation of the Liquidating Trustee shall be as set forth on **Exhibit A** hereto. Following the Effective Date of the Plan, any modification to the terms of the compensation of the Liquidating Trustee hereunder shall be approved by the Oversight Committee. The Bankruptcy Court shall hear and finally determine any dispute arising out of this Section 9.8 or **Exhibit A**. In the event that a Successor Trustee or a Supplemental Trustee is appointed as contemplated herein, a notice of appointment, including the rate to be charged by the Successor Trustee or Supplemental Trustee, shall be filed with the Bankruptcy Court.

9.9 Appointment of Supplemental Trustee. If the Liquidating Trustee has a conflict or any of the Liquidating Trust Assets are situated in any state or other jurisdiction in which the Liquidating Trustee is not qualified to act as Liquidating Trustee, subject to the approval of the Oversight Committee, the Liquidating Trustee shall nominate and appoint a Person duly qualified to act as trustee (the "Supplemental Trustee") solely with respect to such conflict, or in such state or jurisdiction, and require from each such Supplemental Trustee such security as may be designated by the Liquidating Trustee in its sole discretion. In the event the Liquidating Trustee is unwilling or unable to appoint a disinterested Person to act as Supplemental Trustee to handle any such matter, the Bankruptcy Court, on notice and hearing, may do so. The Liquidating Trustee or the Bankruptcy Court, as applicable, may confer upon such Supplemental Trustee any or all of the rights, powers, privileges, and duties of the Liquidating Trustee hereunder, subject to the conditions and limitations of this Agreement, except as modified or limited by the laws of the applicable state or other jurisdiction (in which case, the laws of the

state or other jurisdiction in which such Supplemental Trustee is acting shall prevail to the extent necessary). To the extent the Supplemental Trustee is appointed by the Liquidating Trustee, the Liquidating Trustee shall require such Supplemental Trustee to be answerable to the Liquidating Trustee for all monies, assets, and other property that may be received in connection with the administration of all property of the Estate. The Liquidating Trustee or the Bankruptcy Court, as applicable, may remove such Supplemental Trustee, with or without cause, and appoint a successor Supplemental Trustee at any time by executing a written instrument declaring such Supplemental Trustee removed from office and specifying the effective date and time of removal.

ARTICLE X

DURATION OF LIQUIDATING TRUST

10.1 Duration. Once the Liquidating Trust becomes effective upon the Effective Date of the Plan, the Liquidating Trust and this Agreement shall remain and continue in full force and effect until the Liquidating Trust is terminated.

10.2 Termination on Payment of Liquidating Trust Expenses and Distribution of Liquidating Trust Assets. Upon the payment of all costs, expenses, and obligations incurred in connection with administering the Liquidating Trust, and the Distribution of all Liquidating Trust Assets in accordance with the provisions of the Plan, the Confirmation Order, and this Agreement, the Liquidating Trust shall terminate, and the Liquidating Trustee shall be discharged and shall have no further responsibility in connection therewith except as may be required to effectuate such termination under relevant law and to the limited extent set forth in Section 10.5 of this Agreement.

10.3 Termination after Five Years. If the Liquidating Trust has not been previously terminated pursuant to Section 10.2 hereof, on the fifth (5th) anniversary of the Effective Date,

unless the Liquidating Trust term has been extended in accordance with Section 10.3.1 of this Agreement, the Liquidating Trustee shall distribute all of the Liquidating Trust Assets to the Liquidating Trust Beneficiaries in accordance with the Plan, and immediately thereafter the Liquidating Trust shall terminate, and the Liquidating Trustee be discharged and shall have no further responsibility in connection therewith except as may be required to effectuate such termination under relevant law and to the limited extent set forth in Section 10.5 of this Agreement.

10.3.1 In no event shall the Liquidating Trust terminate or be dissolved later than five (5) years from the Effective Date unless the Bankruptcy Court, upon motion within the six-month period prior to the fifth anniversary (or the end of any extension period previously approved by the Bankruptcy Court), determines that a fixed period extension not to exceed one (1) year per each subsequent extension request is necessary to facilitate or complete the recovery, liquidation, and distribution of the Liquidating Trust Assets.

10.4 No Termination by Beneficiaries. The Liquidating Trust may not be terminated at any time by the Liquidating Trust Beneficiaries.

10.5 Continuance of Liquidating Trust for Winding Up; Discharge and Release of Liquidating Trustee. After the termination of the Liquidating Trust and solely for the purpose of liquidating and winding up the affairs of the Liquidating Trust, the Liquidating Trustee shall continue to act as such until its responsibilities have been fully performed. Except as otherwise specifically provided herein, upon the Distribution of the Liquidating Trust Assets including all excess reserves, the Liquidating Trustee and the Liquidating Trust's professionals and agents shall be deemed discharged and have no further duties or obligations hereunder. Upon a motion by the Liquidating Trustee, the Bankruptcy Court may enter an order relieving the Liquidating

Trustee, its employees, professionals, and agents of any further duties, discharging and releasing the Liquidating Trustee, its employees, professionals, and agents from all liability related to the Liquidating Trust, and releasing the Liquidating Trustee's bond, if any.

ARTICLE XI

MISCELLANEOUS

11.1 Cumulative Rights and Remedies. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies under law or in equity.

11.2 Notices. All notices to be given to Liquidating Trust Beneficiaries may be given by ordinary mail, electronic mail, or may be delivered personally, at the addresses for such Liquidating Trust Beneficiaries appearing on the books kept by the Liquidating Trustee or the Claims Register, as maintained by the Claims Agent. Any notice or other communication which may be or is required to be given, served, or sent to the Liquidating Trustee shall be in writing and shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, or transmitted by hand delivery or facsimile (if receipt is confirmed) addressed as follows:

If to the Liquidating Trust or Liquidating Trustee:

Anthony M. Saccullo
Saccullo Business Consulting, LLC
27 Crimson King Drive
Bear, Delaware 19701
Telephone: (302) 832-5595
Fax: (302) 836-8877
Email: ams@sacculloconsulting.com

with a copy to its counsel:

[•]

or to such other address as may from time to time be provided in written notice by the Liquidating Trustee.

11.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to rules governing the conflict of laws.

11.4 Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns.

11.5 Particular Words. Reference in this Agreement to any Section or Article is, unless otherwise specified, to that such Section or Article under this Agreement. The words “hereof,” “herein,” and similar terms shall refer to this Agreement and not to any particular Section or Article of this Agreement.

11.6 Execution. All funds in the Liquidating Trust shall be deemed *in custodia legis* until such times as the funds have actually been paid to or for the benefit of a Liquidating Trust Beneficiary, and no Liquidating Trust Beneficiary or any other Person can execute upon, garnish or attach the Liquidating Trust Assets or the Liquidating Trustee in any manner or compel payment from the Liquidating Trust except by Final Order of the Bankruptcy Court. Payments will be solely governed by the Plan and this Agreement.

11.7 Amendment. This Agreement may be amended by written agreement signed by each of the Liquidating Trustee and the Oversight Committee or by order of the Bankruptcy Court; provided, however, that such amendment may not be inconsistent with the Plan or the Confirmation Order.

11.8 No Waiver. No failure or delay of any party to exercise any right or remedy pursuant to this Agreement shall affect such right or remedy or constitute a waiver thereof.

11.9 No Relationship Created. Nothing contained herein shall be construed to constitute any relationship created by this Agreement as an association, partnership or joint venture of any kind.

11.10 Severability. If any term, provision, covenant, or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable, or against its regulatory policy, the remainder of the terms, provisions, covenants, and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

11.11 Further Assurances. Without limitation of the generality of Section 2.5 of this Agreement, the Parties agree to execute and deliver all such documents and notices and to take all such further actions as may reasonably be required from time to time to carry out the intent and purposes and provide for the full implementation of this Agreement and the pertinent provisions of the Plan, and to consummate the transactions contemplated hereby and thereby.

11.12 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or email in pdf format shall be equally effective as delivery of a manually executed counterpart.

11.13 Jurisdiction. The Bankruptcy Court shall have jurisdiction regarding the Debtor, Medley Capital, the Liquidating Trust, the Liquidating Trustee, the Oversight Committee, and the Liquidating Trust Assets, including, without limitation, the determination of all disputes arising out of or related to administration of the Liquidating Trust. The Bankruptcy Court shall have continuing jurisdiction and venue to hear and finally determine all disputes and related matters among the Parties arising out of or related to this Agreement or the administration of the

Liquidating Trust. The Parties expressly consent to the Bankruptcy Court hearing and exercising such judicial power as is necessary to finally determine all such disputes and matters. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Case, including the matters set forth in this Agreement, the provisions of this Agreement shall have no effect on and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter, and all applicable references in this Agreement to an order or decision of the Bankruptcy Court shall instead mean an order or decision of such other court of competent jurisdiction.

IN WITNESS WHEREOF, the Parties have or are deemed to have executed this Agreement as of the day and year written above.

Medley LLC

By: _____

Name: _____

Title: _____

Medley Capital LLC

By: _____

Name: _____

Title: _____

The Official Committee of Unsecured Creditors
of Medley LLC

By: _____

Name _____

Title: _____

ANTHONY M. SACCULLO AT SACCULLO BUSINESS
CONSULTING, LLC, not individually, but solely in its
capacity as Liquidating Trustee

By: _____

Name: _____

Title: _____

Exhibit A

Terms of the Compensation of the Liquidating Trustee

1. **Monthly Fee.** Beginning on the Effective Date through and including the Wind-Down Date and subject to the Plan and this Agreement, the Liquidating Trustee shall be employed and compensated on a monthly basis at \$7,500 per month (earned for the first partial month after the Effective Date and on the first of every month thereafter); provided, however, that should the Oversight Committee request that the Liquidating Trustee perform additional wind-down services under this Agreement beyond the Wind-Down Date, such monthly compensation shall continue for a time period mutually agreed upon between the Liquidating Trustee and the Oversight Committee at the time of such request; plus
2. **Commission.** Five (5%) percent of the Gross Cash (as hereinafter defined) received, which shall be accrued and segregated monthly beginning on the Effective Date and each month thereafter, payable upon the Liquidating Trustee's reasonable request and presentation of a separate invoice (which shall include the calculation of Gross Cash) to the Oversight Committee for the Oversight Committee's approval with respect to the timing of such payment (which approval shall not be unreasonably withheld). "Gross Cash" is defined as the sum of (i) the Cash in the Estate on the Effective Date; plus (ii) any additional Cash that comes into the Estate via the implementation of the Plan at any time during the Chapter 11 Case; plus (iii) the Gross Proceeds (as hereinafter defined) of any recoveries received after the Effective Date in this Chapter 11 Case, without regard to timing of the receipt of such Gross Proceeds. "Gross Proceeds" is defined as the total amount of consideration (whether Cash or other assets to be monetized to Cash at a sum certain) for the transfer or sale of any Liquidating Trust Asset and/or settlement or resolution of any Causes of Action asserted by the Liquidating Trust in this Chapter 11 Case.
3. **Expenses of Liquidating Trustee.** The Liquidating Trustee shall also be reimbursed for all actual, reasonable, and necessary out-of-pocket expenses incurred in the performance of the Liquidating Trustee's duties hereunder. Any successor to the Liquidating Trustee shall also be entitled to reasonable compensation and reimbursement of reasonable out-of-pocket expenses in connection with the performance of its duties; provided, however, that such compensation for any successor trustee may be different from the terms provided herein and, in any event, shall be approved by order of the Bankruptcy Court prior to the retention of any subsequent Liquidating Trustee.
4. **Engagement of Additional SBC Personnel.** To the extent the Liquidating Trustee reasonably determines that the Liquidating Trust requires the engagement and retention of SBC professionals beyond Mr. Saccullo, the Liquidating Trustee will present a separate engagement letter, including an applicable fee proposal, to the Oversight Committee for their approval prior to the Liquidating Trust utilizing the services of any additional SBC professionals.

EXHIBIT B

Liquidation Analysis

\$ actual	Chapter 7 Liquidation					Proposed Chapter 11					Notes
	Book Value	Recovery Estimate \$		Recovery Estimate %		Book Value	Recovery Estimate \$		Recovery Estimate %		
		Low	High	Low	High		Low	High	Low	High	
Assets											
Cash and Cash Equivalents	\$ 623,391	\$ 623,391	\$ 623,391	100%	100%	\$ 25,000	\$ 25,000	\$ 25,000	100%	100%	A
Other Assets	393,082	-	-	0%	0%	393,082	-	-	0%	0%	B
Deferred Tax Asset, net	835,877	-	-	0%	0%	835,877	-	-	0%	0%	
Prepaid Expenses	603,620	-	-	0%	0%	603,620	-	-	0%	0%	C
Equity Returns From Subsidiaries	(6,551,737)	290,000	580,000	nm	nm	(6,551,737)	1,000,000	1,750,000	nm	nm	D, I
Total Assets	\$ (4,095,766)	\$ 913,391	\$ 1,203,391	nm	nm	\$ (4,694,157)	\$ 1,025,000	\$ 1,775,000	nm	nm	
Administrative Costs											
Trustee Fees		\$ (27,402)	\$ (36,102)				\$ (40,000)	\$ (40,000)			E
Professional Fees		(750,000)	(500,000)				(360,000)	(360,000)			F
Cash Flow During Orderly Wind Down		(150,000)	(100,000)				2,000	2,000			G
Net Liquidation Adjustments		\$ (927,402)	\$ (636,102)				\$ (398,000)	\$ (398,000)			
Medley Capital Plan Contribution		\$ -	\$ -				\$ 1,888,705	\$ 1,888,705			H
Residual Proceeds From Medley Capital LLC		(750,000)	(500,000)				1,266,693	1,794,735			I
Notes Trustee Fees		-	-				(716,375)	(716,375)			J
Cash Proceeds Available For Distribution		\$ (764,011)	\$ 67,289				\$ 3,066,023	\$ 4,344,065			

	Claim Amount	Recovery Estimate \$		Recovery Estimate %		Claim Amount	Recovery Estimate \$		Recovery Estimate %		
		Low	High	Low	High		Low	High	Low	High	
Administrative Claims	\$ 4,966,203	\$ -	\$ 67,289	0%	1%	\$ 1,813,705	\$ 1,813,705	\$ 1,813,705	100%	100%	K
Class 1 Secured Claims	-	-	-	0%	0%	-	-	-	0%	0%	
Class 2 Priority Non-Tax Claims	1,681	-	-	0%	0%	1,681	1,681	1,681	100%	100%	
Class 3 Notes Claims	125,511,108	-	-	0%	0%	125,511,108	1,092,880	2,381,142	1%	2%	
Class 4 General Unsecured Claims	\$7,776,781 - \$18,117,488	-	-	0%	0%	\$7,776,781 - \$18,117,488	157,757	147,538	1%	2%	
Class 5 Intercompany Claims	TBD	-	-	nm	nm	-	-	-	0%	0%	
Class 6 Interests	-	-	-	0%	0%	-	-	-	0%	0%	
Total		\$ -	\$ 67,289				\$ 3,066,023	\$ 4,344,065			

Liquidation Analysis

- A *Reflects forecasted cash balance as of October 15, 2021 per latest cash flow projections*
- B *Assumes all existing receivables collected in the ordinary course of business and are reflected in the "Cash and Cash Equivalents" line item*
- C *Book value reflects accounting treatment for funding ongoing MDLY D&O insurance payments by Medley LLC*
- D *Reflects illustrative net proceeds realized from the potential sale of certain General and Limited Partnership interests of non-Debtor subsidiaries*
- E *Chapter 7 Trustee Fees calculated at 3.0% of gross proceeds available for distribution. Chapter 11 scenario reflects fees payable by Liquidating Trust to Liquidating Trustee through the Outside Date*
- F *Estimate of fees payable to professionals to be retained through the Outside Date*
- G *Reflects estimated cumulative net cash flow to Medley LLC through the Outside Date*
- H *Reflects payments from Medley Capital (i) on the Effective Date to (a) the Debtor in an amount equal to all Allowed and estimated Administrative Claims and Professional Claims, and (b) the Liquidating Trust in an amount equal to the Initial GUC Funds; and (ii) after the Effective Date, from time to time through the Outside Date, comprising the Additional GUC Funds*
- I *Reflects the remaining cash proceeds from Medley Capital LLC after payment of all estimated obligations by the Outside Date*
- J *Reflects estimated Notes Trustee Fees*
- K *Reflects estimates subject to Bankruptcy Court approval*

CONSOLIDATED
(\$ in thousands)

Budget / Actual Week Ended:	BK	BK	BK	BK	BK	BK	BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK
	Budget 9/3/2021	Budget 9/10/2021	Budget 9/17/2021	Budget 9/24/2021	Budget 10/1/2021	Budget 10/8/2021	Budget 10/15/2021	Budget 10/22/2021	Budget 10/29/2021	Budget 11/5/2021	Budget 11/12/2021	Budget 11/19/2021	Budget 11/26/2021	Budget 12/3/2021	Budget 12/10/2021	Budget 12/17/2021	Budget 12/24/2021	Budget 12/31/2021	Budget 1/7/2022	Budget 1/14/2022
Beginning Cash Balance	\$ 6,647	\$ 5,891	\$ 5,812	\$ 4,618	\$ 4,486	\$ 3,452	\$ 3,451	\$ 1,271	\$ 1,440	\$ 1,300	\$ 1,407	\$ 1,378	\$ 3,244	\$ 3,028	\$ 2,700	\$ 2,672	\$ 2,477	\$ 2,397	\$ 994	\$ 2,950
<i>Cash Inflows</i>																				
Other Management fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236	\$ -	\$ -	\$ -	\$ -	\$ 841	\$ -	\$ 156	\$ -	\$ -	\$ -	\$ 40	\$ -	\$ -
SIC management fees	-	-	-	-	-	-	2,165	-	-	-	-	722	-	-	-	-	-	-	2,100	-
Admin fees	-	-	-	-	-	-	-	218	-	405	-	-	-	-	-	-	-	-	-	-
Tax Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Rebate	-	-	-	-	-	-	726	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Promote Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350	-	-
Intercompany Inflow	31	-	-	-	-	-	-	-	-	-	-	642	-	-	-	-	-	-	-	543
Sierra Inflow	-	-	-	-	666	-	-	-	-	-	-	-	-	-	-	-	-	666	-	-
Total Inflows	\$ 31	\$ -	\$ -	\$ -	\$ 666	\$ -	\$ 3,128	\$ 218	\$ -	\$ 405	\$ -	\$ 2,205	\$ -	\$ 156	\$ -	\$ -	\$ -	\$ 1,056	\$ 2,100	\$ 543
<i>Cash Outflows</i>																				
Salaries & Benefits	\$ (269)	\$ -	\$ (255)	\$ -	\$ (326)	\$ -	\$ (2,189)	\$ -	\$ -	\$ (201)	\$ -	\$ (238)	\$ -	\$ (201)	\$ -	\$ (221)	\$ -	\$ (2,178)	\$ -	\$ -
Long Term Earn Out	-	-	-	-	-	-	-	-	-	-	-	(50)	-	-	-	-	-	(200)	-	-
RSU Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	(171)	-	-	-	(81)	-	-	-	-	(81)	-	-	-	(81)	-	-	-	(81)	-	-
Fund Marketing Fees	-	-	-	-	-	-	-	-	-	-	-	(115)	-	(78)	-	-	-	-	-	-
DE Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax payments	-	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	-	-
Insurance	(125)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IT Costs	(6)	(8)	(1)	-	(3)	(8)	-	(1)	(3)	(8)	-	-	(24)	(8)	-	(6)	(4)	-	(4)	-
Professional Fees	(200)	-	-	(30)	-	-	-	-	-	-	-	-	(59)	-	-	-	(30)	-	(79)	-
Legal Fees	(40)	-	-	-	(16)	-	-	-	-	(16)	-	-	-	(20)	-	-	-	-	(25)	-
G&A and other working capital	24	(37)	(59)	(70)	(6)	6	(81)	(38)	(10)	14	(24)	65	(132)	(97)	(28)	31	(42)	-	(36)	(17)
Restructuring Fees	-	-	(863)	-	(847)	-	(1,656)	-	-	-	-	-	-	-	-	-	-	-	-	(543)
Post-Emergence Monitoring Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plan of Reorganization Payments	-	-	-	-	-	-	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Outflow	-	(34)	(15)	(28)	(420)	-	(739)	(10)	(127)	(5)	(6)	-	-	-	-	-	-	-	-	-
Liability Paydown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding to Professional Fee Escrow	-	-	-	-	-	-	(543)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Outflows	\$ (787)	\$ (80)	\$ (1,193)	\$ (133)	\$ (1,699)	\$ (2)	\$ (5,308)	\$ (49)	\$ (140)	\$ (298)	\$ (30)	\$ (338)	\$ (216)	\$ (484)	\$ (28)	\$ (195)	\$ (80)	\$ (2,459)	\$ (143)	\$ (560)
Free Cash Flow	\$ (756)	\$ (80)	\$ (1,193)	\$ (133)	\$ (1,033)	\$ (2)	\$ (2,180)	\$ 169	\$ (140)	\$ 108	\$ (30)	\$ 1,866	\$ (216)	\$ (328)	\$ (28)	\$ (195)	\$ (80)	\$ (1,403)	\$ 1,957	\$ (17)
Ending Cash Balance	\$ 5,891	\$ 5,812	\$ 4,618	\$ 4,486	\$ 3,452	\$ 3,451	\$ 1,271	\$ 1,440	\$ 1,300	\$ 1,407	\$ 1,378	\$ 3,244	\$ 3,028	\$ 2,700	\$ 2,672	\$ 2,477	\$ 2,397	\$ 994	\$ 2,950	\$ 2,933
Salaries & Benefits Break-Out																				
Base Salary	(234)	-	(222)	-	(217)	-	(192)	-	-	(175)	-	(192)	-	(175)	-	(192)	-	(175)	-	-
Legacy Deferred Comp	-	-	-	-	(67)	-	-	-	-	-	-	(15)	-	-	-	-	-	(8)	-	-
Compensation Payments	-	-	-	-	-	-	(1,820)	-	-	-	-	-	-	-	-	-	-	(1,820)	-	-
Benefits and Payroll Taxes	(35)	-	(33)	-	(43)	-	(302)	-	-	(26)	-	(31)	-	(26)	-	(29)	-	(300)	-	-
Executive Comp Withheld (Paid)	-	-	-	-	-	-	125	-	-	-	-	-	-	-	-	-	-	125	-	-
Total	\$ (269)	\$ -	\$ (255)	\$ -	\$ (326)	\$ -	\$ (2,189)	\$ -	\$ -	\$ (201)	\$ -	\$ (238)	\$ -	\$ (201)	\$ -	\$ (221)	\$ -	\$ (2,178)	\$ -	\$ -

CONSOLIDATED
(\$ in thousands)

Budget / Actual Week Ended:	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK	Post-BK
	Budget 1/21/2022	Budget 1/28/2022	Budget 2/4/2022	Budget 2/11/2022	Budget 2/18/2022	Budget 2/25/2022	Budget 3/4/2022	Budget 3/11/2022	Budget 3/18/2022	Budget 3/25/2022	Budget 4/1/2022	Budget
Beginning Cash Balance	\$ 2,933	\$ 2,911	\$ 2,950	\$ 1,738	\$ 1,624	\$ 1,853	\$ 1,819	\$ 1,511	\$ 1,323	\$ 2,885	\$ 2,868	
<i>Cash Inflows</i>												
Other Management fees	\$ -	\$ -	\$ -	\$ -	\$ 466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369	
SIC management fees	-	-	-	-	-	-	-	-	1,584	-	-	
Admin fees	199	-	370	-	-	-	-	-	142	-	-	
Tax Return	-	-	-	-	-	-	-	-	-	-	-	
Rent Rebate	-	-	-	-	-	-	-	-	-	-	-	
Net Promote Fees	-	-	-	-	-	-	-	-	-	-	-	
Intercompany Inflow	-	-	-	-	-	-	-	-	-	-	-	
Sierra Inflow	-	-	692	-	-	-	-	-	-	-	-	
<i>Total Inflows</i>	\$ 199	\$ -	\$ 1,062	\$ -	\$ 466	\$ -	\$ -	\$ -	\$ 1,726	\$ -	\$ 369	
<i>Cash Outflows</i>												
Salaries & Benefits	\$ (221)	\$ -	\$ (2,242)	\$ -	\$ (131)	\$ -	\$ (111)	\$ -	\$ (131)	\$ -	\$ (500)	
Long Term Earn Out	-	-	-	-	-	-	-	-	-	-	-	
RSU Payments	-	-	-	-	-	-	-	-	-	-	-	
Rent	-	-	-	(81)	-	-	(81)	-	-	-	-	
Fund Marketing Fees	-	-	-	-	-	-	-	-	-	-	-	
DE Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	
Tax payments	-	-	-	-	-	-	(22)	(20)	-	-	(5)	
Insurance	-	-	-	-	-	-	-	-	-	-	-	
IT Costs	(3)	(4)	(9)	(3)	(5)	-	(4)	(4)	(8)	-	(4)	
Professional Fees	-	-	(24)	-	(67)	-	(90)	(108)	-	-	(30)	
Legal Fees	-	-	-	-	(28)	-	-	-	-	-	(25)	
G&A and other working capital	3	43	-	(31)	(6)	(35)	(0)	(56)	(26)	(17)	(20)	
Restructuring Fees	-	-	-	-	-	-	-	-	-	-	-	
Post-Emergence Monitoring Fees	-	-	-	-	-	-	-	-	-	-	-	
Plan of Reorganization Payments	-	-	-	-	-	-	-	-	-	-	(1,797)	
Intercompany Outflow	-	-	-	-	-	-	-	-	-	-	-	
Liability Paydown	-	-	-	-	-	-	-	-	-	-	(857)	
Funding to Professional Fee Escrow	-	-	-	-	-	-	-	-	-	-	-	
<i>Total Outflows</i>	\$ (221)	\$ 39	\$ (2,274)	\$ (114)	\$ (237)	\$ (35)	\$ (308)	\$ (188)	\$ (165)	\$ (17)	\$ (3,237)	
Free Cash Flow	\$ (21)	\$ 39	\$ (1,212)	\$ (114)	\$ 230	\$ (35)	\$ (308)	\$ (188)	\$ 1,561	\$ (17)	\$ (2,868)	
Ending Cash Balance	\$ 2,911	\$ 2,950	\$ 1,738	\$ 1,624	\$ 1,853	\$ 1,819	\$ 1,511	\$ 1,323	\$ 2,885	\$ 2,868	\$ -	
Salaries & Benefits Break-Out												
Base Salary	(192)	-	(175)	-	(114)	-	(97)	-	(114)	-	(105)	
Legacy Deferred Comp	-	-	-	-	-	-	-	-	-	-	-	
Compensation Payments	-	-	(1,887)	-	-	-	-	-	-	-	-	
Benefits and Payroll Taxes	(29)	-	(309)	-	(17)	-	(15)	-	(17)	-	(16)	
Executive Comp Withheld (Paid)	-	-	129	-	-	-	-	-	-	-	(379)	
Total	\$ (221)	\$ -	\$ (2,242)	\$ -	\$ (131)	\$ -	\$ (111)	\$ -	\$ (131)	\$ -	\$ (500)	

EXHIBIT C

**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. 324, 328

**NOTICE OF ASSUMPTION, REJECTION OR RETENTION OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

PLEASE TAKE NOTICE that pursuant to the terms of the Third Amended Combined Disclosure Statement and Chapter 11 Plan of Medley LLC (the “Plan”), the Debtor has designated executory contracts and unexpired leases, as set forth on Exhibit 1 attached hereto. Such designation remains subject to further modification, change or amendment consistent with the terms of the Plan and related documents.

DATED: September 17, 2021
Wilmington, Delaware

MORRIS JAMES LLP

/s/ Jeffrey R. Waxman

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Counsel to the Debtors

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.

EXHIBIT 1

Summary of Contracts for Schedule of Rejected Executory Contracts and Unexpired Leases

Counterparty	Contract	Proposed Treatment	Cure Amount (if any)
Law Office of John D. Fredericks	Legal services	Rejected	N/A
Broadway 280 Park Fee LLC (SL Green Realty Corp.)	Guarantor of Medley Capital office space lease	Rejected	N/A
RDG Filings (division of Research Data Group, Inc.)	EDGAR conversion and filing portal	Assumed	\$0
Tribridge Holdings, LLC (a/k/a Concerto Cloud Services, LLC)	Cloud/support services for accounting and general ledger	Assumed	\$0
LexisNexis	Intelligize subscription	Assumed	\$0
Medley Capital and Advisor subsidiaries	Services and Licensing Agreement	Assumed	\$0