

Sierra Income Corporation

# Sierra, MCC and MDLY Amen Would Create Leading Inter Enhanced Scale, Diversified \$4.7 Billion In Assets Under

## Transactions Unanimously Appr Committees and Boards of Dire

NEW YORK, N.Y., June 19, 1998 - Sierra Income Corporation ("Company"), Medley Capital (Trust) Management, L.P. ("MCC") and MDLY ("MDLY") have entered into a definitive amended agreement which will simultaneously acquire MDLY as a wholly owned subsidiary of Sierra. Sierra will be the surviving entity and development company ("BDC"). The Board of Directors of independent directors has unanimously approved the transaction.

### Transaction Highlights:

- The Combined Company will have total assets including \$1.8 billion of inter
- Upon closing, the Combined Company will be the largest internally managed BDC
- The transaction is expected to create a leading diversified BDC
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Upon closing, the Combined Company's investment management team will consist of four independent directors. The Board of Directors of MCC will consist of the three current directors of MCC to be chosen prior to closing.

"We believe the amended proposed entity," said Brook Taube, CEO of Medley Capital, "will provide increased operational efficiency and diversification. In addition, MDLY's acquisition will increase Sierra's total asset value over time."

### Terms of the Transactions

MCC stockholders will receive 0.5% of MCC Common Stock; the actual exchange ratio is subject to adjustment for certain

closing, the eligible class membership million of cash and \$30 million of

MDLY Class A stockholders, other of Sierra Common Stock for each

Medley LLC Unitholders have agreed immediately prior to closing, and MDLY Class A share and \$2.66 per LLC Unitholders have agreed to a Tax Receivable Agreement with Medley LLC Unitholders will roll Company, which will be subject to interests with stockholders.

At close, current Sierra stockholder condition to closing the transaction Stock Exchange and the Tel Aviv distribution policies of the respective anticipated that the Combined Company close of the transactions.

The mergers are subject to approval of other customary closing conditions of approval of the stipulation of section 2019.

The Sierra-MCC merger agreement special committee and advisors meet with other parties. During this period enter into a superior proposal. The superior proposal.

#### **T r a n s a c t i o n   A d v i s o r s**

- The Special Committee of Sierra Broadhaven Capital Partners, LLC
- The Special Committee of MCC's O'Neill + Partners, L.P. and legal
- The Special Committee of MDLY Capital Inc. and legal counsel
- Medley Management Inc. is serving counsel Eversheds Sutherland (U

#### **A B O U T   S I E R R A   I N C O M E   C O R P O R A T I O N**

Sierra is a non-traded BDC that is secured debt and, to a lesser extent of industries with annual revenue is to generate current income, an externally managed by SIC Advisors Investment Advisers Act of 1940,

## **A B O U T M E D L E Y C A P I T A L C O R P O R A**

M C C is a closed-end, externally (NYSE): and the Tel Aviv Stock Exchange generate current income and capital companies, primarily through direct businesses, refinancing and making a first lien loans and senior secured LLC, which is an investment advisory amended. For additional www.waliminf.com

## **A B O U T M E D L E Y M A N A G E M E N T I N C .**

Medley is an alternative asset manager investors. Medley's national direct middle market in the U.S. Medley (NYSE): (TASE: MCC) and Sierra, a (NASDAQ): and several private investment provided capital to over 400 companies

Medley LLC, the operating company trade on the NYSE (L) and (M) in the New York MSCI Co. and Etchell at Reg A (NYSE): has outstanding bonds which trade (NYSE): (M) and the Tel Aviv Stock MCC (B1).

## **F o r w a r d - L o o k i n g S t a t e m e n t s**

This communication contains "forward proposed transactions. Such forward events and financial performance forward-looking statements on or "should," "would," "expect," "int similar statements of a future or material or similar oral statement. Because forward-looking statements transactions to be completed and improved liquidity for Sierra, MCC, income for both Sierra and MCC, materially from those expressed each of Sierra's, MCC's and MDLY "SEC"), and (i) the satisfaction described herein, including, but Sierra, MCC, and MDLY, Sierra's uncertain outstanding indebtedness thereto, certain required approval the merger transactions), court a certain third-party advisory client



M D L Y b y c o n t a c t i n g S a m A n d e r s o n

P a r t i c i p a n t s i n t h e S o l i c i t a t i o n

S i e r r a , M C C , a n d M D L Y a n d t h e i r m a n a g e m e n t a n d c e r t a i n e m p l o y e e s a n t i c i p a t e d s o l i c i t a t i o n o f p r o x i r e g a r d i n g S i e r r a ' s d i r e c t o r s a n d i t s 2 0 1 9 a n n u a l m e e t i n g o f *S s i t e o r c r k a h P r o x y " S t a l t e f m o e r n m t* a t i o n r e g a r d i n g M d e f i n i t i v e p r o x y s t a t e m e n t f o r i t 2 0 1 9 *M C C h 2 0 " 1 9 " P r o l x n y f o S r t m a t e i m o e n n t r e g a* o f f i c e r s i s a v a i l a b l e i n i t s d e f i n f i l e d w i t h t h e *M S D E L C Y o 2 n 0 1 A 9 " p ) P . i r l T x 3 y 0 t , S 2* s e c u r i t i e s b y s u c h d i r e c t o r s o r e S i e r r a 2 0 1 9 P r o x y S t a t e m e n t , t h e S t a t e m e n t , s u c h c h a n g e s h a v e b e e F o r m 4 f i l e d b y s u c h d i r e c t o r s o r d e t a i l e d i n f o r m a t i o n r e g a r d i n g t h i n t e r e s t s , b y s e c u r i t y h o l d i n g s o S t a t e m e n t / P r o s p e c t u s w h e n s u c h d f i l e d w i t h t h e S E C . T h e s e d o c u m e a b o v e .

N o O f f e r o r S o l i c i t a t i o n

T h e i n f o r m a t i o n i n t h i s p r e s s r e l o f f e r t o s e l l o r t h e s o l i c i t a t i o n o r t h e s o l i c i t a t i o n o f a n y v o t e o p r o p o s e d t r a n s a c t i o n s o r o t h e r w i s a n y j u r i s d i c t i o n i n c o n t r a v e n t i o n m e a n s o f a p r o s p e c t u s m e e t i n g t h a m e n d e d .

1 T h e C o m b i n e d C o m p a n y r e f e r s t o S i e r r a a n d t h e m e r g e r o f M D L Y w i o f S i e r r a . A l l o f t h e f i n a n c i a l m H o w e v e r , a s t h e m e r g e r o f S i e r r a S i e r r a a n d M C C , t h e s u r v i v i n g e n a n i n t e r n a l l y m a n a g e d B D C , w i t h w h o l l y o w n e d s u b s i d i a r y . I n t h a t t r a n s a c t i o n w i t h a n o t h e r e n t i t y o l o n g t e r m . A l l o f t h e s e s c e n a r i o P r o x y S t a t e m e n t / P r o s p e c t u s o f S i  
2 E s t i m a t e s o f t h e C o m b i n e d C o m p r e p o r t e d f i n a n c i a l i n f o r m a t i o n o f  
3 T h e i n d e p e n d e n t d i r e c t o r s o f S i a d d i t i o n a l i n d e p e n d e n t d i r e c t o r w  
4 T h e \$ 3 0 m i l l i o n o f S i e r r a c o m m t o b e r e p o r t e d i n t h e a m e n d m e n t t o t h e M C C m e r g e r a g r e e m e n t . T h e

t h e D e l a w a r e C h a n c e r y C o u r t , p r o  
a s s e r t e d i n t h e a c t i o n c a p t i o n e d  
N o . 2 0 1 9 - 0 1 0 0 - K S J M .

5 L i s t i n g o n t h e T e l A v i v S t o c k E  
c o n s u m m a t e d , a n d i s t h e r e f o r e n o  
6 M e d l e y M a n a g e m e n t I n c . i s t h e  
a d v i s e r s ( c o l l e c t i v e l y , " M e d l e y " )  
w h i c h r e p r e s e n t s t h e s u m o f t h e n  
f u n d l e v e l , i n c l u d i n g a m o u n t s s u t  
c o m m i t m e n t s t o f u n d s t h a t h a v e y  
m a n a g e m e n t a r e a s o f M a r c h 3 1 , 2

**I n v e s t o r R e l a t i o n s C o n t a c t :**

S a m A n d e r s o n  
H e a d o f C a p i t a l M a r k e t s & R i s k M  
M e d l e y M a n a g e m e n t I n c .  
2 1 2 - 7 5 9 - 0 7 7 7

**M e d i a C o n t a c t s :**

J o n a t h a n G a s t h a l t e r / N a t h a n i e l G a  
G a s t h a l t e r & C o .  
2 1 2 - 2 5 7 - 4 1 7 0

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