

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

PROSPECT CAPITAL MANAGEMENT L.P.,)
Petitioner and Counter-Respondent,)
v.) C.A. No. 22-mc-89-JLH-CJB
STRATERA HOLDINGS, LLC and)
DESTRA CAPITAL MANAGERS LLC,)
Respondents and Counter-Petitioners.)

~~PROPOSED~~ FINAL JUDGMENT

WHEREAS, on March 11, 2022, an arbitration panel issued a Final Award [D.I. 15, Exhibit 6], attached hereto as **Exhibit 1** (the “Final Award”), in an arbitration between the parties to this suit;

WHEREAS, Prospect Capital Management L.P. (“Prospect”) claims that the Final Award constitutes an unauthorized modification of an earlier-issued arbitration award;

WHEREAS, Prospect filed a Petition and Motion to Confirm Arbitration Award and Vacate Unauthorized Modifications (“Prospect’s Petition”) [D.I. 1];

WHEREAS, Prospect filed a Supplemental Petition and Motion to Confirm Arbitration Award and Vacate Unauthorized Modifications (“Prospect’s Supplemental Petition”) [D.I. 14];

WHEREAS, Respondents and Counter-Petitioners Stratera Holdings, LLC (“Stratera”) and Destra Capital Managers LLC (“Destra,” and, collectively with Stratera, “Respondents”) filed their Counter-Petition and Motion to Enforce Arbitration Award (the “Counter-Petition”) [D.I. 31];

WHEREAS, the United States Magistrate Judge's Report and Recommendation [D.I. 42] recommended that Prospect's Petition and Prospect's Supplemental Petition be denied and that Respondents' Counter-Petition be granted;

WHEREAS, the Court's Memorandum Order [D.I. 58] adopted the Magistrate Judge's Report and Recommendation, denied Prospect's Petition and Prospect's Supplemental Petition, and granted Respondents' Counter-Petition, and it granted Respondents' request for attorneys' fees, costs, and expenses;

NOW, THEREFORE, for the reasons set forth in the United States Magistrate Judge's Report and Recommendation [D.I. 42] and the Court's Memorandum Order [D.I. 58], it is therefore **ORDERED, ADJUDGED, and DECREED** that final judgment is hereby entered in favor of Respondents and against Prospect as follows:

Prospect's Petition and the Supplemental Petition are **DENIED**;

Respondents' Counter-Petition is **GRANTED**; and

The Final Award is **CONFIRMED**.

Prospect shall remit to Respondents the following:

1. \$13,849,145 for unpaid distributions based upon fees incurred through the quarter ending September 30, 2024.
2. \$2,437,559 in prejudgment interest on such distributions.
3. \$3,492,790.66 for attorneys' fees awarded in the Final Award.
4. \$498,159 for post-award interest on those attorneys' fees.
5. Attorneys' fees, costs, and expenses incurred in this Court proceeding and in all

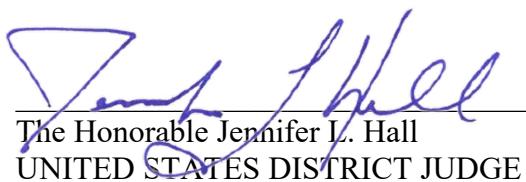
efforts to obtain enforcement of the Final Award, in an amount to be determined by the Court upon application, in accordance with Section 11.15(b)(B) of the parties' Third Amended and Restated Limited Liability Company Agreement of Priority Senior Secured Income Management, LLC (the "Third Agreement").

Additionally, in accordance with the Final Award, beginning with the quarter ending

December 31, 2024, Prospect shall pay to Respondents the amounts due under the Third Agreement for each quarter no later than 90 days after the end of each such quarter, calculated in the manner described by the arbitration panel's Revised Interim Award, attached as Exhibit 2, and in the same manner as Prospect's calculation of Respondents' share of all Management and Incentive Fees that were collected and improperly retained by Prospect and not distributed to Respondents, as provided in "Calculations Spreadsheet 2," attached as Exhibit 3. If any such payment is not made within such 90 days, simple interest will accrue at the legal rate then in effect under 6 Del. C. § 2301.

Pursuant to 28 U.S.C. § 1961, Prospect must also pay to Respondents post-judgment interest, calculated on the amounts specified in paragraphs 1 through 4, from the date of this Judgment through the time such amounts are paid at the rate of 4.3475%, which is the weekly average one-year constant maturity Treasury yield for the week ending November 15, 2024, and the amount determined in paragraph 5 from the date the Court enters a judgment setting the amount through the time such amounts are paid at the same rate of 4.345%. All post-judgment interest shall be computed daily and shall be compounded annually.

SO ORDERED this 21st day of November, 2024.



The Honorable Jennifer L. Hall
UNITED STATES DISTRICT JUDGE