

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re)	Chapter 11 Cases
)	
Adelphia Communications Corporation, <u>et al.</u> ,)	Case No. 02-41729 (SHL)
)	
Reorganized Debtors.)	Jointly Administered

FIFTIETH POST-CONFIRMATION STATUS REPORT

This Fiftieth Post-Confirmation Status Report is filed in accordance with the Post Confirmation Order and Notice, dated February 13, 2007 (the “Effective Date”), in connection with the cases of the above-captioned reorganized debtors (collectively, the “Debtors”). Since the filing of the Amended Forty-Ninth Post-Confirmation Status Report on April 15, 2019 for Adelphia Communications Corporation (“Adelphia”) and Certain of its Affiliated Debtors, describing the Debtors’ progress subsequent to the confirmation of the First Modified Fifth Amended Joint Chapter 11 Plan for Adelphia Communications Corporation and Certain of its Affiliated Debtors, dated as of January 3, 2007, as Confirmed (the “Plan”),¹ for each of the Debtors other than the JV Debtors² by the order dated January 5, 2007 (the “Confirmation Order”), the Debtors, as reorganized pursuant to the Plan, have taken the following steps, among others, in connection with consummation of the Plan:

1. With the assistance of the Honorable Mary Pat Thyng, acting as a mediator, Adelphia was able to settle its claim against Rembrandt for reimbursement of legal fees and expenses incurred by Adelphia in the Rembrandt litigation. The settlement amount received by Adelphia is recorded as “Additions” in the summary of cash activity provided in Section 5 of this report.

2. On the evening before the last day of the evidentiary hearing in the litigation referred to in previous reports as the Bankruptcy Litigation, Quest Turnaround Advisors, LLC (“Quest”), Solus Alternative Management, LP (“Solus”) and a Solus affiliate, ACC Claims Holdings LLC (“ACC Claims”), together with Adelphia and the CVV Trustees entered into an agreement to settle the matters raised in that litigation. The settlement became effective on July 9, 2019 (the “Settlement Effective Date”), which is the date on which the Court Order approving the settlement became final and non-appealable. A summary of the principal terms of the settlement are set forth below:

¹ Capitalized terms used but not defined have the meanings ascribed to such terms in the Plan.

² The JV Debtors are comprised of the following legal entities: Century-TCI California, L.P.; Century-TCI California Communications, L.P.; Century-TCI Distribution Company, LLC; Century-TCI Holdings, LLC; Parnassos Communications, L.P.; Parnassos Distribution Company I, LLC; Parnassos Distribution Company II, LLC; Parnassos, L.P.; Parnassos Holdings, LLC; Western NY Cablevision, L.P. The Third Modified Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for the Century-TCI Debtors and Parnassos Debtors, dated as of June 28, 2006, was confirmed by order dated June 29, 2006.

- a. Quest receives a release from Solus, ACC Claims, Adelphia and the CVV Trustees covering all of its acts or omissions under the Plan Administrator Agreement, the Plan or both, as well as all of its acts or omissions in connection with the matters raised in the Bankruptcy Litigation, while each of Solus, ACC Claims, Adelphia and the CVV Trustees receives a release from the others, as well as from Quest, covering all matters raised in the Bankruptcy Litigation;
 - b. The Plan Administrator Agreement terminates on the fourteenth day (“Start Day”) following the Settlement Effective Date, but certain Sections of the Plan Administrator Agreement, including the Sections providing for indemnification of Quest and the CVV Trustees set forth in Sections 4.7 and 4.12, respectively, survive termination. A copy of the original Plan Administrator Agreement and Amendment 1 thereto are available at Adelphia’s website (www.adelphiarestructuring.com) under Important Documents-Adelphia;
 - c. Quest receives \$1.125 million as compensation for services rendered from April 1, 2018 through the Settlement Effective Date and remains entitled to the Success Fee set forth in Amendment 1 to the Plan Administrator Agreement;
 - d. Adelphia will commence a \$5 million distribution to the holders of ACC Allowed Claims by July 14, 2019;
 - e. Development Specialists, Inc. (“DSI”) and the CVV Trustees (on behalf of Adelphia) will execute a new Plan Administrator Agreement, pursuant to which DSI will become Adelphia’s new Plan Administrator, effective as of the Start Day. Mr. Thomas Jeremiassen will lead DSI’s engagement. DSI started preparing for this engagement on June 1, 2019 so that it could more easily transition into the role of Plan Administrator on the Start Day. DSI will receive compensation of \$25,000 per month from June 1, 2019 onward (with no right to a success fee or any additional compensation), plus reimbursement of out-of-pocket expenses; and
 - f. Adelphia will continue to prosecute the claim, filed by it in Bankruptcy Court, against its D&O insurance carrier for recovery of the legal fees and other expenses paid or payable by it in order to satisfy its indemnity obligations in connection with the Bankruptcy Litigation. If Quest’s assistance with Adelphia’s prosecution of its claim against the insurance carrier or any other Adelphia matter is required after the Start Day, Quest will provide that assistance for compensation set at Quest’s hourly rates then in effect for its professionals and reimbursement of any out-of-pocket expenses incurred by it in connection with such assistance.
3. On July 1, 2019, the Plan Administrator proposed reallocating \$2.4 million from the Remaining Assets Reserve to the Estate Operating Reserve to fund the anticipated increase in operating expenses that will be incurred for the balance of the 2019 calendar year.
4. Continued efforts to maximize the value of remaining assets.

5. The following activity has occurred since March 31, 2019:

	Cash
Balance at March 31, 2019	\$14,273,223
Additions	2,847,528
Investment Income	84,189
Net Plan Disbursements	0
Operating Costs ^(a)	<u>(381,588)</u>
Balance at June 30, 2019	<u>\$16,823,352</u>

(a) Operating costs include salaries and related expenses of \$0.17 million, professional expenses of \$0.07 million, contract labor of \$0.06 million, and other expenses of \$0.08 million.

The remaining assets held in reserve are detailed in Exhibit A.

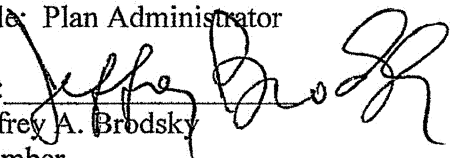
Quest is pleased to have served as Plan Administrator for Adelphia for the past 12 ½ years. Over that period distributions to creditors were \$1.8 billion greater than originally anticipated with subsidiary creditors having been paid in full including post-petition interest and parent company claimholders having been paid the full amount of their allowed claim and a nominal amount of their post-petition interest. These recoveries are substantially higher than the original recoveries contemplated by the Plan and Disclosure Statement. In addition, parent company claimholders should continue to receive additional recoveries.

Quest appreciates the dedication, efforts and support of all of Adelphia Communication Corporation's employees and contractors and the Trustees of the Adelphia Recovery Trust that have provided guidance and worked closely with us since the Effective Date.

Quest is pleased to transition the responsibility for managing the Adelphia Estate to DSI and trusts that under DSI's guidance additional recoveries will be achieved for the parties in interest.

Dated: July 15, 2019

Adelphia Communications Corporation
By: Quest Turnaround Advisors, LLC
Title: Plan Administrator

By: 
Jeffrey A. Brodsky
Member

5613 DTC Parkway
Suite 590
Greenwood Village, CO 80111
(303) 268-6423

Exhibit A

Summary of Remaining Cash Held and Deferred Assets

<u>Cash</u>	<u>3/31/2019</u>	<u>6/30/2019</u>	<u>Status</u>
	(\$ in millions)	(\$ in millions)	
Estate Operations	\$ 1.1	\$ 0.7	
Remaining Assets	13.2	16.1	
Total Cash	14.3	16.8	
<u>Deferred Assets</u>			
Interest in Tow Life Insurance Policies	18.6	18.5	Insurance proceeds due on the named individual net of note payable to the Adelpia Recovery Trust.
Federal Tax Refund Receivable	87.0	87.0	Filed the Adelpia 2018 tax return which included the Alternative Minimum Tax Credit of \$87.0 million. The refund will be collected over a four year period: 50% of the total in 2019 (totaling \$43.5 million), 50% of the balance in 2020 and 2021, and the remaining balance in 2022.
Total Cash and Deferred Assets	<u>\$ 119.9</u>	<u>\$ 122.3</u>	