

Adelphia Recovery Trust  
Financial Statements  
(with Supplementary Information)  
and Independent Auditor's Report  
December 31, 2015

**Adelphia Recovery Trust**  
**Index to Financial Statements**

**Financial Statements**

Independent Auditor’s Report ..... 3

Balance Sheet as of December 31, 2015 ..... 4

Statement of Operations and Changes in Net Assets for the year ended December 31, 2015 .. 5

Statement of Cash Flows for the year ended December 31, 2015 ..... 6

Notes to Financial Statements ..... 7

Supplementary Information-Adelphia Recovery Trust Distribution Waterfall as of December 31, 2015 15

Independent Auditor's Report

To the Trustees of the Adelpia Recovery Trust

We have audited the accompanying financial statements of the Adelpia Recovery Trust (the "ART"), which comprise the balance sheet as of December 31, 2015, and the related statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

*Trustees' Responsibility for the Financial Statements*

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adelpia Recovery Trust as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Disclaimer of Opinion on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the Adelpia Recovery Trust Distribution Waterfall as of December 31, 2015, which is the responsibility of the Trustees, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*CohnReznick LLP*

Hartford, Connecticut  
February 29, 2016

**Adelphia Recovery Trust  
Balance Sheet**

**As of  
December 31, 2015**

<b>Assets</b>	
Cash and cash equivalents	\$ 14,234,777
Prepaid assets	639,120
Note and accrued interest receivable	5,887,015
<b>Total assets</b>	<b>\$ 20,760,912</b>
<b>Liabilities and net assets</b>	
Accrued expenses	\$ 77,898
Deferred holder distributions	101,123
<b>Total liabilities</b>	<b>179,021</b>
Net assets	20,581,891
<b>Total liabilities and net assets</b>	<b>\$ 20,760,912</b>

See accompanying notes to financial statements

**Adelphia Recovery Trust**  
**Statement of Operations and Changes in Net Assets**

	<u>For the year ended December 31, 2015</u>
<b>Revenues</b>	
Interest income	\$ 320,703
Total revenues	<u>320,703</u>
<b>Operating expenses</b>	
General and administrative expenses	1,637,902
Professional expenses	426,077
Total operating expenses	<u>2,063,979</u>
<b>Net loss</b>	(1,743,276)
<b>Net assets, beginning of year</b>	42,325,167
Interest holder distributions	<u>(20,000,000)</u>
<b>Net assets, end of year</b>	<u>\$ 20,581,891</u>

See accompanying notes to financial statements

**Adelphia Recovery Trust**  
**Statement of Cash Flows**

**For the year ended**  
**December 31, 2015**

<b>Operating activities</b>	
Net loss	\$ (1,743,276)
Adjustments to reconcile net loss to net cash used in operating activities consisting of changes in operating assets and liabilities:	
Prepaid assets	(57,796)
Note and accrued interest receivable	(282,049)
Accrued expenses	(5,514)
Net cash used in operating activities	(2,088,635)
<b>Financing activities</b>	
Interest holder distributions	(20,000,000)
Net cash used in financing activities	(20,000,000)
<b>Net change in cash and cash equivalents</b>	<b>(22,088,635)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>36,323,412</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 14,234,777</b>

See accompanying notes to financial statements

**Adelphia Recovery Trust**  
**Notes to Financial Statements**  
**December 31, 2015**

**1. Nature and Purpose**

The Adelphia Recovery Trust (the “ART”) is a Delaware statutory trust. The ART was created at the expense of Adelphia Communications Corporation (“Adelphia”) and certain of its subsidiaries (together with Adelphia the “Debtors”). The ART was established on February 13, 2007 pursuant to the First Modified Fifth Amended Joint Chapter 11 Plan of Reorganization of Adelphia Communications Corporation and Certain Affiliated Debtors (the “Plan”), which was confirmed by the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) by an order dated January 5, 2007. The ART became effective February 13, 2007 (the “Effective Date”). Pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934, the ART registered its CVV Series ACC-7 Interests with the Securities and Exchange Commission (the “SEC”) with its filing of an SEC Form 10 on April 30, 2008 and a subsequent amendment on July 2, 2008. The Form 10 and the amendment are available on the ART Website at [Adelphiarestructuring.com](http://Adelphiarestructuring.com).

The ART holds certain litigation claims transferred to it pursuant to the Plan against various third parties (the “Causes of Action”). The Causes of Action transferred to the ART for resolution were recorded at the nominal amount of \$1. The ART exists to resolve the Causes of Action through litigation or settlement for the holders of interests (the “Holders”) in the ART. The Holders on the Effective Date were the restitution fund established under the Plan by the U.S. Treasury (the “Restitution Fund”) and certain creditors and equity holders of the Debtors. The ART will distribute to the Holders the net proceeds from resolving the Causes of Action, less amounts withheld for the costs of administering the ART and prosecuting the remaining Causes of Action (“Distributions”).

The Plan provides that the ART shall dissolve upon the earlier of the Distribution of all of its assets to the Holders or the fifth anniversary of its creation which was on February 13, 2012, subject to the right of the Trustees to extend the ART’s term with the approval of the Bankruptcy Court for the Southern District of New York. In November 2011, the ART filed a motion to extend the term of the ART through December 31, 2014 because several Causes of Action were unlikely to be resolved prior to February 13, 2012. In December 2011, the motion was granted by the Bankruptcy Court. In July 2014, the ART filed a second motion to extend the term of the ART in light of the current status of the Causes of Action and the administrative tasks to be performed after the Causes of Action are resolved. On September 23, 2014 the Bankruptcy Court approved an extension through September 23, 2015.

The ART filed a further motion in August 2015, with the Bankruptcy Court, to extend the term of the ART to December 31, 2016 in light of the current status of the Causes of Action. The motion also sought the cancellation of certain Series of CVV Interests as part of a staged wind-down process. The Bankruptcy Court granted the motion on September 22, 2015. Following the cancellation of the CVV Interests, including the CVV Series ACC-7 Interests which were registered with the SEC, the ART discontinued SEC reporting, as disclosed in a Form 15 filed on September 28, 2015. The Form 15 is available on the ART Website at [Adelphiarestructuring.com](http://Adelphiarestructuring.com).

The Bankruptcy Court may approve additional extensions to resolve the Causes of Action, distribute the net proceeds to Holders or complete other administrative responsibilities of the Trustees.

The ART is administered by five individual Trustees who were appointed by creditors of the Adelphia estate. The ART had no employees through December 31, 2015. The Trustees engage third party professionals and others including Quest Turnaround Advisors (the “Trust Administrator”), which along with Adelphia, assist the

Trustees in administering the activities of the ART. The Trustees have the duty and authority to take actions necessary to protect, maintain, liquidate to cash and maximize the Causes of Action, whether by litigation, settlement or otherwise. The time frame for ultimate resolution of any of the Causes of Action cannot be estimated. For a description of the ongoing Causes of Action see Note 8.

On the Effective Date, Adelpia contributed \$25.0 million to the ART and paid certain expenses of the ART, to fund the initial costs of operation. Additional amounts appropriate to prosecute outstanding Causes of Action or otherwise fund the activities of the ART will be obtained from any proceeds received from resolved Causes of Action, through earnings on ART investments or through loans from third parties including Adelpia. These amounts, and any amounts held pending Distribution to the Holders, will be the only amounts held by the ART.

Pursuant to the Plan and the Declaration, the Trustees are permitted to retain amounts for contingent and future costs and expenses. Pursuant to the Plan and the Declaration, all Distributions are net of any costs and expenses incurred by the ART in connection with administering, litigating or otherwise resolving the various Causes of Action of the ART.

The Distribution of any net proceeds from settlements or judgments are made at the sole discretion of the Trustees in accordance with the provisions of the Plan and the Declaration. On December 21, 2010 the ART made a Distribution of \$215.0 million in cash to the Holders of Interests in the Trust in accordance with the waterfall priority established in the Plan. A record date of December 13, 2010 was established by the Trust for purposes of this Distribution. No Distributions were made in 2011. The Trustees made two Distributions in 2012, one on March 1, 2012 for \$30 million with a record date of February 23, 2012 and one on December 18, 2012 for \$30 million with a record date of December 10, 2012.

No Distributions were made in 2013 or 2014. However, during 2013 previously issued ART Distributions reverted to the ART in the amount of approximately \$101,000. These funds were returned to the ART in accordance with Plan provisions regarding unclaimed Distributions and have been recorded as a deferred holder distributions liability on the ART balance sheet. Such funds have reverted to the ART for the benefit of Interest Holders in the class of the forfeiting Holders and will be distributed to such Interest Holders at a time determined by the Trustees.

On December 8, 2015, the ART made a distribution of \$20 million in cash. A record date of December 1, 2015 was established by the Trust for purposes of this distribution.

The ART Trustees will continue to retain cash in reserve to administer the ART and fund the prosecution of the Causes of Action and will continue to assess the adequacy of funds held for all potential costs and expenses of the ART and will distribute ART excess assets, if any, to Holders. No Distributions are currently planned. If and when future Distributions occur, they will be made according to the waterfall priority established in the Plan. Any assets not previously distributed by the ART, and that are not required for remaining costs and expenses, will be distributed in accordance with the Trust Declaration upon the dissolution of the ART.

## **2. Significant Accounting Policies**

### **Basis of Accounting**

The ART has assessed the requirements to report under the liquidation basis of accounting. The Financial Accounting Standards Board stipulated in its 2013-07 update, that an entity with a limited life, as stipulated in its formation documents, should not apply the liquidation basis of accounting. Consequently, the ART will continue to

report under United States generally accepted accounting principles for going-concern entities. The ART will assess the need to adopt any required changes to its current basis of accounting on an ongoing basis.

### **Use of Estimates**

The financial statements were prepared in conformity with accounting principles generally accepted in the United States and require the ART to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual results are likely to differ from those estimates and those differences may be significant.

### **Cash and Cash Equivalents, and Temporary Investments**

The ART considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Substantially all cash and cash equivalents are held in the trust department of a financial institution. The amount on deposit does not exceed the federally insured limit. As of December 31, 2015 all cash equivalents consist of bank deposits, bank certificates of deposit (“CDs”) or money market funds which are invested in US Government Treasury obligations in accordance with the ART investment policy.

### **Income Taxes**

The ART is not subject to federal or state income taxes. The ART is not aware of any transactions or events up to and including December 31, 2015 that would subject it to federal income taxes. Further, the ART has no unrecognized income tax benefits as of December 31, 2015 nor are there any amounts required to be included in the financial statements for interest or penalties on unrecognized income tax benefits.

The Plan and Declaration provide that, for federal income tax purposes, the ART was deemed to be formed in two steps. The contribution by Adelpia of \$25.0 million for the purpose of pursuing the Causes of Action, the Causes of Action and any and all other property transferred to the ART (together, the “ART Property”) were treated first as a deemed transfer of the ART Property to the holders of claims and equity interests who receive interests in the ART (“Interests”) (in proportion to the fair market values of the Interests they receive). This was followed by a deemed transfer by each such holder of its interest in the ART Property to the ART, in exchange for Interests.

The Holders are treated as the grantors of the ART and the Trustees have and will continue to file tax returns for the ART as a “grantor trust” pursuant to Section 1.671-4(a) of the U.S. Treasury Regulations. The ART obtained a private letter ruling from the Internal Revenue Service confirming the ART’s treatment for tax purposes as a pass-through grantor trust. As a condition to receiving that private letter ruling, the ART amended its Declaration to eliminate the Trustees’ obligation under the Declaration of Trust to “use reasonable best efforts and with the approval of the Bankruptcy Court to have the [ART] interests . . . listed on a national securities exchange.” On June 4, 2008, the Bankruptcy Court granted the Trust’s motion to so amend the ART’s Declaration.

Items of income, gain, loss, deduction and other tax items have been and will be allocated to the Holders that would be entitled to receive such items if they constituted cash distributions or reductions therefrom. The Holders are responsible for the payment of taxes on a current basis that result from such allocations whether or not cash is distributed.

As of December 31, 2015 the net tax basis of the ART is approximately \$346.8 million higher than the reported amount of net assets in the ART financial statements.

## Revenue Recognition

Revenue from Causes of Action is recognized when collection is reasonably assured and:

For settlements that are not submitted to the Bankruptcy Court for approval, when the settlement agreement is fully executed by all parties to the agreement.

For settlements that are submitted for Bankruptcy Court approval, when an order entered by the Bankruptcy Court approving the settlement becomes a final order and is not subject to appeal. Settlements collected but subject to appeal are recorded as deferred settlement revenue until the time for appeal expires.

For judgments, when a judgment entered by the Bankruptcy Court becomes a final judgment and is not subject to appeal or such appeal when made is determined to be frivolous or have a remote chance of success.

The ART is currently in the process of prosecuting the Causes of Action as discussed in Note 8.

### 3. Distributions

Pursuant to the Plan and the Declaration, Distributions to Holders are net of any costs and expenses incurred by the ART in connection with administering, litigating or otherwise resolving the various Causes of Action. Such amounts withheld from Distribution may also include those amounts used to pay for expected fees and expenses of the Trustees, premiums for directors and officers insurance, and other insurance and fees and expenses of attorneys and consultants. Distributions will be made only from assets of the ART and only to the extent that the ART has sufficient assets (over amounts retained for contingent liabilities and future costs and expenses) to make such payments in accordance with the Plan and the Declaration. No Distribution is required to be made to any Holder unless such Holder is to receive in such Distribution at least \$25.00 (per Holder class, name and address), or unless such Distribution is the final Distribution to such Holder pursuant to the Plan and the Declaration.

Distributions are made at the sole discretion of the Trustees in accordance with the provisions of the Plan and the Declaration and are payable to Holders of Interests in the Trust in accordance with the waterfall priority established in the Plan. On December 8, 2015, the ART made a distribution of \$20 million in cash. A record date of December 1, 2015 was established by the Trust for purposes of this distribution.

### 4. Notes Receivable

On August 3, 2007 the ART settled a Cause of Action and received an unsecured note bearing simple (non-compounding) interest, at a rate of 8%, in the principal amount of \$4,875,250. The Court approved the settlement of that Cause of Action on September 6, 2007. The note is recourse only to the future proceeds of approximately \$27.4 million from life insurance policies on the lives of Mr. Leonard Tow and his wife. In July 2014, a first to die rider on one of the policies was triggered by the death of Claire Tow and a payment of \$2.1 million was made to the ART in October 2014, by Adelpia, as required by the terms of the note and the settlement. The \$2.1 million payment was allocated ratably between principal of \$1.340 million and accrued interest of \$0.760 million through the payment date.

The remaining proceeds shall not be paid until the death of Mr. Leonard Tow. As of December 31, 2015 the balance under the note was \$5,887,015, comprised of the principal amount of the note of \$3,535,309 and accrued interest of \$2,351,706. Principal and accrued interest are considered fully collectable.

## 5. Other Related Party Transactions and Prepaid Expenses

The Trust Administrator and Adelpia continue to provide administrative support to the ART including maintaining electronic data and paper documents used in prosecuting the Causes of Action, support for Holder Distributions when they might occur (including maintenance of data related to the implementation of Plan provisions) and financial reporting. These services have and will continue to be provided at no cost to the ART under the terms of various agreements between the ART, the Trust Administrator and Adelpia. The ART financial statements do not reflect any amounts for these services.

## 6. Fair Value of Financial Instruments

As of December 31, 2015 the fair value of cash and cash equivalents, prepaid assets and accrued expenses approximate their carrying values.

The fair value of the note receivable and accrued interest has been determined using unobservable inputs (i.e. Level 3, as defined in Accounting Standards Codification 820-10) and approximates \$5.3 million as of December 31, 2015. The fair value was derived by discounting to December 31, 2015 the projected maturity value of the note including accrued interest. The discount rate was derived using the published yield on the 3 and 5 year benchmark U.S. Treasury bond plus the average reported spread on certain public unsecured bonds of the life insurance companies that provided the Tow life insurance policies. The projected maturity values, including interest, were calculated using life expectancy tables. The discount rate is based on the yield on the notes issued by the life insurance companies underwriting the life insurance policies and various other risk factors associated with the note.

The carrying values were approximately \$5.9 million as of December 31, 2015. The note bears 8% simple interest and is recourse only to the proceeds of various life insurance policies on Mr. Leonard Tow.

## 7. Trustee Compensation

After December 31, 2007 the Official Committee of Unsecured Creditors of Adelpia Communications Corporation and all of its Affiliated Debtors-In-Possession (the "Creditors Committee") agreed to Trustee compensation of \$43,750 per quarter, or \$175,000 annually.

Under an agreement with the Creditors Committee, in 2015 each of the five Trustees received annual base compensation of \$175,000 paid at the beginning of each quarter in the amount of \$43,750. The Trustees may award reasonable additional service compensation ("Additional Service Compensation") to any Trustee for additional service to the ART. The aggregate amount of Additional Service Compensation distributed to all Trustees as a group may not exceed \$350,000 per year. The amounts paid and expensed as Additional Service Compensation in 2015 totaled \$350,000. This was authorized and paid in 2015 for Trustee services rendered in 2014. As of the date of the financial statements, \$256,000 of Additional Service Compensation was awarded for service in 2015 through the extension term ending September 23, 2015. As part of the ART's motion to extend the term through December 31, 2016, the Trustees determined to forego Additional Service Compensation for the proposed extended term, subject to reinstatement of the full amount of Additional Service Compensation in the event of a recovery in the FPL Litigation.

Incentive Compensation ("Incentive Compensation") may be awarded in conjunction with the termination of the ART, based on the amount of aggregate Distributions to the Holders over the existence of the ART. At this time, no Incentive Compensation is expected to be paid at the termination of the ART.

## 8. Causes of Action

### FPL Litigation

On June 24, 2004, the Creditors' Committee filed a fraudulent conveyance complaint against FPL Group, Inc. and West Boca Security, Inc. (collectively, "FPL") in the Bankruptcy Court relating to pre-petition transactions. The FPL action seeks to recover an alleged fraudulent transfer arising out of Adelphia's repurchase of certain of its stock from FPL in January 1999 for \$149.5 million. Pursuant to the Plan, the claims asserted in the FPL Litigation were transferred to the ART.

On July 13, 2011, the Bankruptcy Court denied FPL's motion for leave to amend its answer to add a new defense. FPL filed an appeal of the Bankruptcy Court's July 13, 2011 decision, which was denied September 18, 2012. On September 28, 2011, FPL moved to withdraw the reference to Bankruptcy Court. The District Court denied FPL's motion to withdraw the reference on January 30, 2012. Trial began April 30, 2012 and testimony concluded on May 3, 2012. The parties submitted post-trial briefs on June 22, 2012. The Bankruptcy Court heard closing arguments on July 25, 2012. On May 6, 2014, the Bankruptcy Court issued proposed Findings of Fact and Conclusions of Law (the "Proposed Findings"), which recommend that the District Court enter judgment in favor of FPL. The District Court for the Southern District of New York accepted the Bankruptcy Court's recommendations over the objections filed by the ART, and entered judgment in favor of FPL on March 20, 2015. The ART's appeal to the Second Circuit Court of Appeals is fully briefed and pending.

At this time, the ART cannot predict the outcome of the FPL Litigation or estimate the possible financial effect of this proceeding on the ART's financial statements.

### Avoidance Actions

On July 31, 2003, Adelphia and its debtor affiliates filed with the Bankruptcy Court their Statements of Financial Affairs, which included a schedule of payments to insider entities made within one year prior to Adelphia's filing for bankruptcy and payments to non-insider entities made within ninety days prior to Adelphia's filing for bankruptcy. Subsequently, Adelphia engaged in extensive analysis of all such payments to determine if they could be avoided pursuant to certain provisions of the Code.

On April 20, 2004, Adelphia filed a motion seeking to abandon most of the potential actions to avoid the pre-petition payments because, among other reasons, (i) Adelphia believed that pursuing certain of such actions against parties with whom Adelphia was continuing to do business could have a significant adverse impact on important, ongoing business relationships, and (ii) the costs associated with pursuing such actions far outweighed any potential benefit to the Adelphia debtors' estates that might otherwise result from bringing such actions. In response to certain objections to Adelphia's motion, Adelphia amended its initial motion.

On May 27, 2004, the Bankruptcy Court entered an order tolling all claims to avoid inter-debtor payments and authorizing the abandonment of potential actions to avoid (i) transfers to taxing authorities; (ii) transfers to human resource providers engaged in business with Adelphia; (iii) transfers determined to have been made in the ordinary course of business; and (iv) certain transfers deemed *de minimis*. As to the remainder of the transfers made by Adelphia during the relevant one-year and ninety-day periods prior to the bankruptcy filing, Adelphia either (i) entered into tolling agreements with the transferee extending Adelphia's time to initiate an action, or (ii) filed a complaint and initiated an adversary proceeding against the transferee.

As of June 25, 2004, Adelphia secured approximately 250 tolling agreements with various transferees, including members of the Rigas family, the Rigas family entities, former executives James Brown and Michael Mulcahey, and former directors Erland Kailbourne, Dennis Coyle, Leslie Gelber, and Peter Metros, among others. Certain of these tolling agreements have been amended from time to time. In addition, Adelphia filed approximately 150 complaints in the Bankruptcy Court commencing actions to avoid certain pre-petition transfers and payments. Those complaints have since been dismissed or resolved after further investigation.

At this time, the ART does not anticipate any material financial effect of these proceedings on the ART's financial statements.

## **9. Subsequent Events**

The ART has evaluated events and transactions for potential recognition or disclosure through February 29, 2016, which is the date the financial statements were available to be issued.

# Supplementary Information

**ART Distribution Waterfall Chart**  
December 31, 2015<sup>(1)</sup>

Remaining Aggregate Distribution <sup>(2)</sup>	Distribution Description <sup>(3)</sup>	ART Distribution Recipient <sup>(4)</sup>	
0	RF Holders Paid In Full	RF	0.00%
		Arahova	0.00%
		ACC-1	0.00%
		Olympus	0.00%
		FrontierVision	0.00%
		ACC-2	0.00%
		ACC-3	0.00%
		FPL	0.00%
0 - 362,000,000	Until Series Olympus has received aggregate distributions of \$16 million plus the Olympus Fees, plus accrued post-Effective Date dividends	Arahova	45.87%
		ACC-1	42.73%
		Olympus	5.00%
		FrontierVision	2.50%
		ACC-2	2.25%
		ACC-3	0.90%
		FPL	0.75%
362,000,001 - 870,000,000	Until cumulative distribution is \$1,165 million	Arahova	48.37%
		ACC-1	45.06%
		FrontierVision	2.50%
		ACC-2	2.37%
		ACC-3	0.95%
		FPL	0.75%
870,000,001 - 5,484,000,000	Until Series Arahova has received \$625 million plus the Arahova Fees plus accrued post-Effective Date dividends	ACC-1	76.60%
		Arahova	14.51%
		ACC-2	4.03%
		FrontierVision	2.50%
		ACC-3	1.61%
		FPL	0.75%
5,484,000,001 - 5,814,000,000	Until Series FPL has received aggregate distributions of \$6.2 million plus Default Interest, plus accrued post-Effective Date dividends (ACC-1, ACC-2 and ACC-3 paid in full)	ACC-1	90.11%
		ACC-2	4.74%
		FrontierVision	2.50%
		ACC-3	1.90%
		FPL	0.75%
5,814,000,001 - 5,845,000,000	Until Series FPL has received aggregate distributions of \$6.2 million plus Default Interest, plus accrued post-Effective Date dividends	Series Arahova	96.75%
		FrontierVision	2.50%
		FPL	0.75%
5,845,000,001 - 5,867,000,000	Until Series FrontierVision has received aggregate distributions of \$85 million plus 80% of the FrontierVision Fees, plus accrued post-Effective Date dividends	Series Arahova	97.50%
		FrontierVision	2.50%
5,867,000,001 - 5,888,000,000	Until the additional distribution to the Series Arahova Interests equals \$50 million plus accrued post-Effective Date dividends at a rate of 5% per annum	Series Arahova	100.00%
<b>Below Interests Cancelled per Order Dated September 22, 2015 <sup>(5)</sup></b>			
	Until ESL holders have received Payment in Full of their Claims and Case 8% interest plus accrued post-Effective Date dividends		
	Until ACC-4 holders have received the full amount of their Allowed Claims plus Case Contract Interest plus accrued post-Effective Date dividends		
	Until ACC-5 holders have received the full amount of their Allowed Claims plus Case 8% interest plus accrued post-Effective Date dividends		
	Until ACC-6 holders receive distributions in accordance with the relative priorities established by the Liquidation Preferences governing the shares of ACC Preferred Stock and the Bankruptcy Code		
	Each ACC-7 holder is entitled to receive a pro rata share of any distributions remaining		

Capitalized terms used in this chart but not otherwise defined have the respective meaning given to them under the Plan.

<sup>(1)</sup> Remaining aggregate distributions and ART distribution percentages are as of December 31, 2015.

<sup>(2)</sup> Pursuant to the terms of the Plan, certain series of Interests are entitled to post-Effective Date dividends on certain amounts due to the corresponding class of claims. For purposes of calculating the reference amount on which post-Effective Date dividends accrue, the distribution of the True-Up Holdback is treated as if it occurred on the Effective Date. Remaining aggregate distributions have been reduced as a result of the \$215 million cash distribution to certain CVV Holders as of December 21, 2010, the \$30 million cash distribution on March 1, 2012, the \$30 million cash distribution on December 18, 2012, the \$20 million cash distribution on December 8, 2015, as well as distributions made by Adelpia for excess reserves and for refunds of reserves established for Settlement Party Fee Claims.

<sup>(3)</sup> Unless otherwise stated, post-Effective Date dividends accrue at a rate of 8.9% per annum.

<sup>(4)</sup> This chart is adjusted in accordance with Plan sections 5.1 and 5.2 with regard to pay-off priorities between the ACC Senior Notes, Trade and Other Unsecured Classes and the Subsidiary Notes Classes due to the magnitude of distributions by Adelpia to the ACC Senior Notes, Trade and Other Unsecured Classes as a result of the release of escrows, reserves and holdbacks. Sharing percentages portrayed reflect sharing relationships at the entry point of the individual breakpoints illustrated and do not reflect all changes in sharing relationships when multiple classes have concurrent pay-offs.

<sup>(5)</sup> These Interests were cancelled in accordance with the Order Further Extending the Term of the Adelpia Recovery Trust and Authorizing Certain Wind-Down Steps on September 22, 2015.