

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
)	

FORTY-SEVENTH POST-CONFIRMATION STATUS REPORT

This Forty-Seventh 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 Forty-Sixth Post-Confirmation Status Report on July 16, 2018 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.

- While the Debtor was preparing its 2017 tax return it discovered the potential for a federal tax refund of approximately \$87,000,000 (a sum which may be reduced by 7% to 10% if the refund becomes subject to the full sequester). If available, the potential tax refund would be payable over four consecutive years, beginning in 2019, at 50% of the total refund amount remaining unpaid, except for the last year (2022), in which 100% of the total refund amount remaining unpaid would be payable.
- Rembrandt Technologies, LLC filed an appeal of the judgment reimbursing legal fees, totaling \$5,805,685 to Adelphia, and posted a bond to secure the obligation in full. Briefing was completed on April 4, 2018. On July 27, 2018, the United States Federal Circuit Court of Appeals (the “Court”) found in favor of Adelphia (along with other appellees) on liability but remanded the damages award decision back to the District Court for reconsideration.

Rembrandt filed a motion on September 26, 2018 for en banc review by the full Court of the three judge panel’s decision. Adelphia with the other appellees will file its response to the motion on November 19, 2018 with a decision from the Court likely to occur sometime in the first quarter of 2019. If the Court grants en banc review, full briefing will have to be completed and a hearing scheduled. In that circumstance, a timeline for final resolution cannot be determined at this time. If the en banc motion is denied, the District Court will

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.

commence its work on the determination of damages to be paid to Adelpia which would likely be finally resolved sometime in 2019. While the motion is considered and damages, if any, are finally determined, the bond securing full payment remains in full force and effect and interest on any damages due to Adelpia will continue to accrue to Adelpia's benefit.

- Continued efforts to maximize the value of remaining assets.
- The following activity has occurred since June 30, 2018:

	<u>Cash</u>
Balance at June 30, 2018	\$ 17,069,264
Additions ^(a)	15,000
Investment Income	77,219
Net Plan Disbursements ^(b)	644,368
Operating Costs ^(c)	<u>(1,193,258)</u>
Balance at September 30, 2018	<u>\$ 16,612,593</u>

^(a) Additions include proceeds from ACC Claims Holdings, LLC for the Q2 2018 administrative fee totaling \$15,000.

^(b) On July 20, 2018, the Plan Administrator returned to the Estate the amount of a \$625,000 inadvertent overpayment of Success Fees paid to it during the December 2007 to December 2009 period. The Plan Administrator also paid to the Estate on that date the sum of \$19,368, which is the amount of interest the Estate would have earned on the \$625,000 overpayment from the time of the overpayment through July 20, 2018.

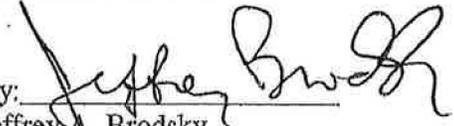
^(c) Operating costs include professional expenses of \$0.8 million, salary and other employee related expenses of \$0.2 million, contract labor of \$0.1 million, and other expenses of \$0.1 million. \$0.698 million of the \$0.8 million of professional expenses constituted payments pursuant to the Plan Administrator Agreement to indemnify the Plan Administrator for legal fees and disbursements incurred in defending motions made by ACC Claims Holdings, LLC and Solus Alternative Asset Management LP. The total amount of legal fees and disbursements paid for this litigation matter through September 30, 2018 and the date of this report totals \$1.017 million and \$1.73 million, respectively, exclusive of a \$0.250 million retainer payment. These amounts relate to legal fees incurred through August 2018. Court hearings for the matter are scheduled in October. Adelpia has notified the relevant insurer that it seeks, among other things, recovery of these legal fees and disbursements on behalf of Adelpia, as well as payment of the Plan Administrator's legal fees and disbursements going forward. While the insurer initially denied coverage, counsel for Adelpia and counsel for the insurer have been in

discussions about the coverage issue. It is not possible to determine whether or when these legal fees and disbursements will be reimbursed and/or paid directly by insurer.

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

Dated: October 12, 2018

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

By: 
Jeffrey A. Brodsky
Member

5613 DTC Parkway
Suite 850
Greenwood Village, CO 80111
(303) 268-6423

Exhibit A

Summary of Remaining Cash Held and Deferred Assets

<u>Cash</u>	6/30/2018 (1) (\$ in millions)	9/30/2018 (1) (\$ in millions)	Status
Estate Operations	\$ 1.4	\$ 0.2	
Remaining Assets	15.7	16.4	
Total Cash	17.1	16.6	
<u>Deferred Assets</u>			
Interest in Tow Life Insurance Policies	18.8	18.7	Insurance proceeds due on the named individual net of note payable to the Adelpia Recovery Trust.
Federal Tax Refund Receivable	87.0	87.0	
Total Cash and Deferred Assets	\$ 122.9	\$ 122.3	

(1) Amounts do not include any proceeds from Adelpia's \$5.8 million judgment against Rembrandt Technologies.