

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
)	

FIFTY-FIFTH POST-CONFIRMATION STATUS REPORT

This Fifty-Fifth 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 Supplemental Post-Confirmation Status Report on August 11, 2020 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:

- No decision has been rendered by the Bankruptcy Court on the summary judgment and rebuttal documents that were filed in the prior quarter in Adelphia’s case against its D&O insurance carrier for the recovery of legal fees and other expenses paid by Adelphia in a separate matter which has now been resolved. Adelphia’s position is that the recovery of fees and expenses are required to satisfy the indemnity obligations of the insurance carrier to Adelphia. Settlement discussions have occurred between both parties, but nothing substantive has developed.
- Since 2012, Adelphia has engaged legal counsel, investment bankers, and other advisors to explore the potential of effectuating a transaction (“Rehabilitation Transaction”) with an unrelated third party to rehabilitate and create value for stakeholders. Preliminary discussions concerning a potential Rehabilitation Transaction are ongoing.
- Between the filing of the Fifty-Fourth Post-Confirmation Status Report on July 15, 2020 and the Supplement Post-Confirmation Status Report filed on August 11, 2020, Adelphia received a payment from the U.S. Treasury totaling approximately \$45.0 million. The payment is

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.

inclusive of interest of approximately \$1.4 million and represents the final installment of approximately \$87 million in refunds claimed in conjunction with the filing of Adelpia's 2018 federal income tax return. The refund was expected to be recovered over the next two years; however, a provision of the CARES Act that went into effect in April 2020 accelerated the timing of the refund such that the full remaining amount was immediately recoverable. Due to pending discussions concerning a potential Rehabilitation Transaction, no decision has been made by Developmental Specialists, Inc., the Plan Administrator for Adelpia, as to the amount or timing of any additional distributions to holders of Allowed Claims against Adelpia pursuant to the Plan.

- The Debtors and the Adelpia Recovery Trust ("ART") filed a Motion with the Bankruptcy Court on September 3, 2020 seeking authorization for (i) Adelpia to pay off an interest-bearing note in the outstanding amount of \$7.2 million ("ART Note") previously issued by Adelpia to the ART, (ii) Adelpia to pay ART expenses following the final liquidating distribution by the ART, and (iii) certain procedures relating to the ART's final liquidating distribution and future Adelpia Plan distributions. The Order approving the Motion was entered on October 7, 2020, and the ART Note was paid off on October 8, 2020. The Debtors understand the ART will make its final liquidating distribution on or about October 30, 2020 and file its final tax return on or about February 15, 2021. Pursuant to the Plan and the ART's Declaration of Trust, the ART Trustees shall continue to act until the ART Trustees' duties under the Plan have been fully performed.
- Continued efforts to maximize the value of remaining assets.
- Adelpia filed an amended tax return for 2019 on September 30, 2020.
- The following activity has occurred since June 30, 2020:


	<u>Cash</u>
Balance at June 30, 2020	\$16,802,326
Additions ^(a)	43,549,328
Investment Income ^(b)	1,445,282
Net Plan Disbursements	(5,242)
Operating Costs ^(c)	<u>(542,400)</u>
Balance at September 30, 2020	<u>\$61,249,294</u>

- (a) Additions include the receipt of a tax refund totaling \$43.5 million representing the final installment of an approximately \$87 million refund claimed in conjunction with the filing of Adelpia's 2018 federal income tax return. Additions also include proceeds from ACC Claims Holdings, LLC for the Q2 2020 administrative fee totaling \$15k.
- (b) Investment income includes the receipt of interest totaling \$1.4 million related to the receipt of the \$43.5 million tax refund.
- (c) Operating costs include salaries and professional expenses of \$0.1 million, professional expenses of \$0.1 million, insurance expenses of \$0.1 million, contract labor of \$0.1 million, and other of \$0.1 million.

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

Dated: October 15, 2020

Adelpia Communications Corporation
By: Development Specialists, Inc.
Title: Plan Administrator

By: 
Thomas P. Jeremiassen
Senior Managing Director

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

Exhibit A**Summary of Remaining Cash Held and Deferred Assets**

<u>Cash</u>	<u>3/31/2020</u>	<u>9/30/2020</u>	<u>Status</u>
	<u>(\$ in millions)</u>	<u>(\$ in millions)</u>	
Estate Operations	\$ 0.9	\$ 47.7	Transferred \$47.4 million from Remaining Assets to Estate Operations in Q320 to fund a future distribution and operating expenses that will be incurred through June 2021.
Remaining Assets	15.9	13.5	Received a tax refund totaling \$45.0 million in Q320, inclusive of interest of \$1.4 million, representing the final installment of an approximately \$87 million refund claimed in conjunction with the filing of Adelpia's 2018 tax return. Transferred \$47.4 million from Remaining Assets to Estate Operations in Q320 to fund a future distribution and operating expenses that will be incurred through June 2021.
Total Cash	16.8	61.2	
<u>Deferred Assets</u>			
Interest in Tow Life Insurance Policies	18.2	18.1	Insurance proceeds due on the named individual net of note payable to the Adelpia Recovery Trust.
Federal Tax Refund Receivable	43.5	-	Received a tax refund totaling \$45.0 million in Q320, inclusive of interest of \$1.4 million, representing the final installment of an approximately \$87 million refund claimed in conjunction with the filing of Adelpia's 2018 tax return. The refund of approximately \$43.5 million was expected to be recovered over the next approximately two years; however, a provision of the CARES Act that went into effect in April 2020 accelerated the timing of the refunds such that the full remaining credit was immediately recoverable.
Total Cash and Deferred Assets	\$ 78.5	\$ 79.3	