

EXHIBIT M

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UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In The Matter Of

Case No.:
02-41729

ADELPHIA COMMUNICATIONS, INC.
Debtor

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July 26, 2005
10:35 a.m.
United States Custom House
One Bowling Green
New York, New York 10004

Hearing re: Motion by Atty for the Ad Hoc
Committee of Arahova Noteholders Striking Debtors' May
2005 Amendments to Schedule of Liabilities, etc.;
Motion of the Ad Hoc Committee of Arahova Noteholders
Granting Leave, Standing and Authority to Prosecute
Intercompany Claims and Causes of Action, Modifying
the Automatic Stay; Motion by Attorney for the Debtor
for an Order in Aid of Confirmation Establishing
Pre-Confirmation Procedures to Resolve Certain
Intercreditor Issues.

B E F O R E:
HON. ROBERT E. GERBER,
Bankruptcy Judge.

1 Adelpia Communications Corp.
 2 out of control and raise a material risk of
 3 adverse consequences to the thousands of
 4 stakeholders in this case. The proposed order,
 5 at least as modified by the mechanisms I will
 6 require, will balance the needs and concerns of
 7 litigants to make each and every one of the
 8 arguments they would need to make and make the
 9 evidentiary showings they would wish to make
 10 consistent with not destroying the Time Warner
 11 deal and bringing down the recoveries for all
 12 of the many stakeholders in this case.

13 Preliminarily, I note that the
 14 issues on these three motions are intertwined.
 15 In material part, they deal not with whether
 16 issues and concerns of the parties will be
 17 addressed by this Court, or whether decisions
 18 the Debtors made with respect to scheduling
 19 intercompany liabilities would be binding on
 20 affected creditors. Rather, the matters before
 21 me today deal with how the issues of concern
 22 should be addressed, and, in particular, what
 23 is the best way to get all of the issues
 24 decided that need to be decided, consistent
 25 with due process, and, equally importantly, as

1 Adelpia Communications Corp.
 2 I have noted, preserving the value in this case
 3 for the many stakeholders in this case, some of
 4 whom have a stake in the Arahova bondholders/
 5 parent bondholders' controversy and even more
 6 of whom do not.

7 In material part, I come out the
 8 way I do not because I consider issues unworthy
 9 of judicial scrutiny, but because I think it's
 10 of the highest importance that we keep our eye
 11 on the ball and that we not let these
 12 intercreditor disputes explode in a way that
 13 could cause Adelpia's reorganization to spin
 14 out of control.

15 Turning first to the STN motion.
 16 As the Debtors have not joined in the Arahova
 17 noteholders' motion and, indeed, oppose it,
 18 this motion is governed by the Second Circuit's
 19 decision in *Unsecured Creditors' Committee of*
 20 *Debtor STN Enterprises v. Noyes (In Re STN*
 21 *Enterprises)* 779 F2d, 901, Second Circuit 1985.
 22 That decision requires the Court to consider
 23 whether the debtor has unjustifiably declined
 24 bring the suit itself and whether an action
 25 asserting the claims is likely to benefit the

1 Adelpia Communications Corp.
 2 reorganization estate. Here I am not in in a
 3 position to make either of those findings and,
 4 in fact, must conclude exactly to the contrary.

5 First, I find that the Debtors
 6 did not unjustifiably decline to bring the
 7 action. They properly perceived that the
 8 issues the Arahova noteholders wished to raise,
 9 while deserving of judicial scrutiny, were more
 10 efficiently and justly considered in the
 11 context of the totality of the issues that have
 12 given rise to intercreditor disputes and
 13 represented only a subset of the issues
 14 involving the rights and obligations of the
 15 Arahova Debtors' estates.

16 The Debtors also concluded,
 17 appropriately, that allowing the stakeholders
 18 in the respective estates to raise the issues
 19 the Arahova noteholders wished to raise would
 20 ensure that they were appropriately litigated
 21 without requiring the Debtors to choose sides
 22 between one competing creditor group or
 23 another. As the Equity Committee properly
 24 observed in its opposition to the Arahova
 25 noteholders' motion, STN addresses the

1 Adelpia Communications Corp.
 2 possibility that by reason of debtor neglect or
 3 misconduct, meritorious litigation would never
 4 be prosecuted. Here, of course, all of the
 5 issues would be litigated and the Debtors would
 6 not be standing in the way of whatever
 7 entitlements the Arahova debtors or the Arahova
 8 noteholders would otherwise have.

9 Secondly, I find that delegating
 10 the Arahova noteholders the right to bring
 11 these claims in the manner the Arahova
 12 noteholders desire, especially given their
 13 disinclination to address all of the issues
 14 that could potentially impact on the Arahova
 15 debtors' estates, would not be in the interests
 16 of either the Arahova debtors or all of the
 17 other debtors in these very complex chapter 11
 18 cases.

19 The issues that the Arahova
 20 noteholders asked me to deputize them to pursue
 21 are inextricably intertwined with the other
 22 intercompany issues that need to be addressed
 23 by this Court. The Debtors have proposed a
 24 specific mechanism for investigating and
 25 prosecuting the rights of the Arahova debtors