

Exhibit 4

In The Matter Of:

In re: ADELPHIA COMMUNICATIONS CORPORATION, et al., v.

TERRENCE M. DONOVAN

October 25, 2005

LEGALINK MANHATTAN
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1 TERRENCE M. DONOVAN
2 A. T account.
3 Q. T account. On 1371.
4 A. Again, the purpose behind the T
5 account was to help provide an explanation of
6 the significant drivers of what comprised the
7 1.9 payable on the Arahova 10-Q. In doing so
8 we noted a transaction relating to the swap
9 with Comcast in January of 2001 where it is my
10 understanding that certain entities that were
11 within Arahova were swapped out. And those
12 entities and those cost centers that you're
13 seeing there total \$40 million of a
14 receivable.
15 So, when those cost centers are
16 swapped out, the impact on the payable is you
17 are losing that receivable and therefore the
18 impact of that, by default, the payable is
19 going to go up.
20 Q. Turn down to page 1738 if you
21 would. Can you tell us if you recognize that
22 chart?
23 A. I recognize it.
24 Q. What does this chart depict?
25 A. The two work papers which are

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1 TERRENCE M. DONOVAN
2 1737 and 1738 appear to be the cost centers
3 that were contributed out of Arahova to
4 Olympus in conjunction with the formation of
5 the OCH credit facility.
6 Q. All right. So, the chart that
7 we're seeing on 1737 and 1738 documents that?
8 A. It supports that, yes.
9 Q. Supports that.
10 MR. HOBART: Let's take a
11 break.
12 (Luncheon Recess:12:21 p.m.)
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1 TERRENCE M. DONOVAN
2 AFTERNOON SESSION
3 Time noted: 1:30 p.m.
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5 TERRENCE M. DONOVAN,
6 resumed, having been previously duly sworn,
7 was examined and testified further as follows:
8 CONTINUED EXAMINATION BY MR. HOBART:
9 Q. Good afternoon, Mr. Donovan.
10 Would you go back to DiBella 6, the paper set
11 and turn to page 1746, please.
12 A. Okay.
13 Q. Is it accurate to say this
14 depicts an Arahova balance sheet, restated?
15 MR. SHORE: Objection to the
16 form.
17 MR. O'CONNOR: Objection to
18 form.
19 A. Yes. This schedule would be a
20 balance sheet for Arahova as restated at that
21 point in time.
22 Q. Could it be done today, in
23 other words, could a balance sheet for Arahova
24 be done today?
25 MR. O'CONNOR: Objection to

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2 form.
3 A. A balance sheet could be run
4 for Arahova today under -- the only caveat I
5 would add is it would be the cost centers and
6 legal entities that roll into there, that roll
7 up under Arahova are subject to the accuracy
8 of the legal entities that comprise Arahova.
9 Q. Could, similarly could balance
10 sheets be run today for the other legal
11 entities?
12 MR. SHORE: Objection to the
13 form.
14 A. They could.
15 Q. Other than the balance sheet we
16 just saw have you run any subsequent balance
17 sheets for Arahova?
18 MR. SHORE: Objection to the
19 form.
20 MR. O'CONNOR: I'm prepared to
21 let the witness answer any questions
22 concerning what he's done historically, but
23 not matters which he is currently working on.
24 So that if you want to ask him, again,
25 questions about work that has already been

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1 TERRENCE M. DONOVAN
2 completed in connection with the restatement
3 for the May schedules, that's fine. But any
4 ongoing work, I am going to direct him not to
5 answer.
6 MR. HOBART: On
7 attorney-client?
8 MR. O'CONNOR: No. As I said
9 the other day, it's more like a white knight
10 privilege the way I describe it in the sense
11 that, you know, given the situation where we
12 have the competing interests and as everyone
13 knows the debtors continue to do work on some
14 of these issues, I don't think it would be
15 appropriate for that information to come out
16 piecemeal in the course of discovery.
17 Q. With that caveat, in other
18 words, eliminating whatever it is your counsel
19 doesn't want you to talk about, have you read
20 any balance sheets for Arahova since the one
21 we see here in DiBella 6?
22 A. Yes, we've run -- yes, we
23 probably have run balance sheets from Arahova
24 subsequent to DiBella 6.
25 Q. Can you estimate how many

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2 times?
3 A. No, I can't.
4 Q. Excluding -- sorry, go ahead.
5 Do you want to add?
6 A. No. I have nothing to add.
7 Q. Excluding the materials that
8 your counsel has instructed you not to testify
9 about, can you think of the most recent time
10 that you ran a balance sheet for Arahova?
11 MR. SHORE: Objection.
12 A. I think, if I recall correctly,
13 the accounting group would have run perhaps
14 balance sheets for Arahova through the course
15 of the restatement.
16 At one point in time the
17 company was going to try to file subsidiary
18 10-Ks, which would include Arahova, Olympus,
19 whomever. But it was subsequently decided
20 that we weren't able to produce those
21 financial statements without significant
22 amount of effort and resources. There may
23 have been other reasons.
24 Again, in trying to respond to
25 some of the constituents' questions, I forget

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2 which one asked it, we get so many, one of
3 those requests were to produce balance sheets
4 at various points in time for the legal
5 entities comprising Arahova. And we're in the
6 process of doing so.
7 So, again, I haven't seen the
8 work product yet, but I know we're working on
9 it where we are doing individual balance
10 sheets for each of the Arahova entities. Then
11 creating the sum of those, which would be the
12 Arahova balance sheet.
13 Q. You said you get many
14 inquiries. Since the time of the October 2003
15 presentations, can you estimate on any order
16 of magnitude how many inquiries you received
17 to clarify any of the intercompany balance
18 analysis that you've done?
19 A. Well, there were several,
20 several requests from the October 7 and
21 October 14 presentations. I couldn't give you
22 a figure.
23 And then we then had to focus
24 on trying to get the restatement done, which
25 basically took us through December of '04.

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2 And then once the, basically the May '05
3 schedules were produced, there were several
4 requests. The company maintains a log of
5 those requests. I can't tell you how many are
6 on those requests as we speak. It's probably
7 over 100.
8 Q. Just to go back to your answer
9 a moment ago. You said "A balance sheet could
10 be run for Arahova today. The only caveat I
11 would add, it would be, the cost centers and
12 legal entities that roll in there, that roll
13 up under Arahova are subject to the accuracy
14 of the legal entities that comprise Arahova."
15 Is it accurate that the company
16 has attempted to make the journal entries that
17 impact the financial statements of the legal
18 entities as accurate as possible?
19 MR. SHORE: Objection to the
20 form.
21 A. We made every effort to book
22 the journal entries, the restatement journal
23 entries on the cost center on the appropriate
24 cost center. So, by default, we made every
25 effort to record the journal entries on a