

Exhibit 5

In The Matter Of:

In re: ADELPHIA COMMUNICATIONS CORPORATION, et al.,

DANIEL M. ARONSON

November 16, 2005

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1 identification, document entitled "Discussion
 2 Materials.")
 3 (Aronson Exhibit 7 for
 4 identification, document entitled "Presentation
 5 to the Official Unsecured Creditors Committee.)
 6 (Aronson Exhibit 8 for
 7 identification, document entitled "Discussion
 8 materials Regarding ACC-Arahova Dispute.")
 9 (Aronson Exhibit 9 for
 10 identification, document entitled "Asset
 11 Transfer" bearing Bates numbers LF-A/E 003175
 12 through LF-A/E 003214 .)
 13 BY MR. PACE:
 14 Q. On the record, okay. Mr. Aronson,
 15 the reporter has just handed you what I marked
 16 as Aronson Exhibit 6, a presentation dated
 17 September of 2005 titled "Discussion Materials
 18 Adelphia." Have you seen this document before?
 19 A. Yes, I have.
 20 Q. And initially I would just like to
 21 ask you about something specific in this
 22 document. You can look around as you wish and
 23 we will return to it perhaps later. But if you
 24 could turn to page 22, please, which is Bates
 25 No. 5346. And so you will see that the third

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1 bullet point reads "Allocation of cost of the
 2 government settlement. Cost should be spread
 3 among the capital structure" and then it has a
 4 number of sub bullets beneath that. Do you see
 5 that?
 6 MR. RUEGGER: Let him read the
 7 second part.
 8 THE WITNESS: I didn't read the
 9 second part.
 10 BY MR. PACE:
 11 Q. Okay. We are on -- let me make
 12 sure we are on the same page.
 13 MR. RUEGGER: 5546.
 14 BY MR. PACE:
 15 Q. I may have skipped something.
 16 Third bullet point. "Allocation of cost of the
 17 government settlement. Costs should be spread
 18 among the capital structure." Do you see that?
 19 A. Yes.
 20 Q. Have you been involved in any
 21 analysis of how the cost of the government
 22 settlement should be allocated in this case?
 23 A. Yes. Yes, I have.
 24 Q. Let me just go through it. Are
 25 these the factors that you are considering in

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1 deciding how to allocate the cost of the
 2 government settlement?
 3 MR. McLAUGHLIN: Interpose an
 4 objection, two pronged objection. One, the
 5 document that the witness is reading from states
 6 prominently at the bottom right hand corner that
 7 it is for settlement purposes. No. 2, to the
 8 extent that the witness has been involved in
 9 ongoing discussions about the way in which the
 10 allocation should be done, those -- to the
 11 extent that he is aware of those issues based
 12 upon discussions he has had with counsel, he
 13 should refrain from disclosing the substance of
 14 those communications. Actually, it's a three
 15 pronged objection. And No. 3 the judge has
 16 already instructed the debtors that they are not
 17 to express their views on issues such as these
 18 which are dispute issues. So with those three
 19 instructions if you can answer the question, go
 20 ahead.
 21 THE WITNESS: I need you to repeat
 22 the question or the court reporter I'm sorry, I
 23 need the last question.
 24 MR. PACE: Okay, could you read
 25 that, please.

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1 (Requested portion of record read.)
 2 MR. McLAUGHLIN: And you have my
 3 objection in mind?
 4 THE WITNESS: Yes, I do. I don't
 5 really know what I can answer. Can we take a 30
 6 second break so that I can confer with debtor's
 7 counsel.
 8 BY MR. PACE:
 9 Q. Sure.
 10 A. I'm just trying to be as
 11 cooperative as possible.
 12 Q. I understand.
 13 (Witness and counsel confer.)
 14 MR. McLAUGHLIN: For the record,
 15 before the witness answers, the witness pointed
 16 out to me that to the extent that my instruction
 17 to him was based on privilege, he believes that
 18 this information may have been shared with
 19 constituents, so a privilege basis may not exist
 20 at least with respect to what is reflected on
 21 this piece of paper.
 22 My other instructions still do stand,
 23 though. However just for the record, I do want
 24 to make it clear that this is a document that
 25 was prepared for settlement purposes and I think

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1 restrictions other than what exists --
 2 MR. RUEGGER: Confidentiality.
 3 Anybody who signs on we don't have a problem
 4 with them seeing these documents.
 5 MS. ATTANASIO: I assume that
 6 Mr. Pace would have no problem.
 7 MR. PACE: No, we filed the order
 8 and aid, but I think we pointed out that
 9 everyone needs to be going forward differently,
 10 so we have sent them to debtors for uploading in
 11 the data room and also I think one -- like I
 12 said, one party requested them yesterday, so we
 13 sent an additional copy to the ACC folks.
 14 (Discussion off the record.)
 15 MS. DENNIS: We will do what we
 16 can. I can't speak for White & Case, but they
 17 will do what they can.
 18 MR. RUEGGER: No other questions?
 19 Did you finish your statement?
 20 MS. JAGDE: I did, thank you.
 21 MR. RUEGGER: No one else has any
 22 more questions at least on the first round?
 23 REDIRECT EXAMINATION.
 24 BY MR. PACE:
 25 Q. Just a few follow-up questions. We

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1 will stay here obviously. Okay. Mr. Aronson,
 2 thank you very much for your time and patience
 3 today. I just have a few follow-up questions
 4 relating to your testimony earlier.
 5 Do you recall in response to questions
 6 by -- do you recall in response to questions by
 7 Mr. Bennett earlier today testifying generally
 8 as to any differences as to the effect on
 9 Arahovia between the allocation scenarios run
 10 through the 18 debtor scenario versus the 230
 11 debtor scenario?
 12 A. Yes, I do recall.
 13 Q. And this is the rough transcript so
 14 I apologize if it is not perfect, but I believe
 15 your answer was "I do not believe that there
 16 were scenarios that showed material differences
 17 across all scenarios. There were some that
 18 showed minimal differences between two" and then
 19 it says there is a blank "five cents, but
 20 sitting here today, I cannot tell you whether
 21 there were specific boxes in my various recovery
 22 models." Do you generally recall that?
 23 A. Yes, I recall that.
 24 Q. Okay. Thank you. And I just want
 25 to ask about you said "minimal differences

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1 between two five cents."
 2 A. I think I said two to five cents.
 3 Q. Between two and five cents. That
 4 explains it. It's a rough transcript. That
 5 explains it. Do you have any understanding as
 6 to which way the two to five cents runs? In
 7 other words, is it positive or negative to
 8 Arahovia?
 9 MR. BENNETT: Objection to form.
 10 MR. RUEGGER: There are so many
 11 scenarios it's hard to say from point A to point
 12 B.
 13 MS. DENNIS: Objection to form.
 14 MR. RUEGGER: But you can try to
 15 answer the question.
 16 THE WITNESS: When there was par
 17 plus accrued to Arahovia, there was no
 18 difference. That was an easy one.
 19 BY MR. PACE:
 20 Q. Right.
 21 A. In certain of the other scenarios,
 22 two to five cents went both ways, but I believe
 23 it was predominantly negative to Arahovia.
 24 Q. Okay. And in general, the
 25 different scenarios you are talking about, you

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1 are talking about that there were I don't know
 2 if you want to estimate the number, but many
 3 different scenarios that we are talking about so
 4 it wasn't just one uniform difference of two to
 5 five cents across all scenarios?
 6 A. That's correct.
 7 Q. Okay. In connection with the sale
 8 to Time Warner and Comcast, have you -- has
 9 Lazard done any evaluation of whether certain
 10 assets could not be sold?
 11 A. No.
 12 Q. Have you -- has Lazard quantified
 13 the possible effect on the purchase price of
 14 Time Warner or Comcast purchasing all of the
 15 assets except for any one particular legal
 16 entity?
 17 A. Yes, and we are going to take a
 18 minute with Willkie.
 19 (Witness and counsel confer.)
 20 MR. RUEGGER: There is no question
 21 pending but because I anticipate a question I'm
 22 trying to think of the specifics of the last
 23 one. We inquired and I am going to instruct the
 24 witness not to answer any more questions on the
 25 subject that could disclose the contents of

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1 communications with counsel who were exploring
2 and considering what advice to give to the
3 debtor on these matters. It's a privileged
4 matter, as far as I'm concerned. I don't mind
5 if you talk to him -- you can explore the
6 communications in terms of who, when and what,
7 but the substance I'm afraid is off limits.
8 BY MR. PACE:
9 Q. Okay. I'll ask a few questions and
10 see where we end up. You mentioned that I asked
11 about whether Lazard quantified the possible
12 effect on the purchase price of the sale going
13 forward except for a particular entity and you
14 said yes. And I would like to know with respect
15 to that work, when did Lazard perform that work?
16 A. Over the last six months. I
17 couldn't give you a specific time frame, but
18 some time over the last six months, probably
19 closer to the beginning, three to six months
20 ago.
21 Q. Was that work at the request of
22 counsel for the debtor?
23 A. Yes, it was.
24 Q. Is that work ongoing?
25 A. No.

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1 Q. When was it completed?
2 A. It was never completed.
3 Q. Who else -- have you discussed this
4 work with anyone at Adelphia?
5 A. The concept was discussed between
6 Lazard, Willkie and Adelphia.
7 Q. Who at Adelphia was involved in the
8 discussions?
9 A. Some combination of Vanessa
10 Wittman, Brad Sonnenberg and Bill Schleyer.
11 Q. In connection with your discussions
12 with any of them, were counsel present during
13 all of those discussions?
14 A. On this topic, every one of them.
15 Q. Did that analysis include an
16 analysis of whether -- of the effect of the sale
17 going forward without Arahovia Communications
18 Inc. and its subsidiaries?
19 MR. RUEGGER: I'll instruct him not
20 to answer.
21 MS. DENNIS: Objection.
22 BY MR. PACE:
23 Q. You talked about consensus briefly
24 before do you know whether the sales to Time
25 Warner or Comcast, whether any legal entities

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1 had the ability to withhold consent to the deal?
2 A. Was that a question?
3 Q. Yes. Do you know whether?
4 A. No, I was not the M&A banker for
5 this transaction nor the M&A lawyer.
6 Q. Based on your experience, can the
7 ability of an entity to withhold consent to a
8 sale be considered an asset?
9 MS. DENNIS: Objection to form.
10 MR. RUEGGER: I'm not sure I
11 understand the question, so objection to form.
12 BY MR. PACE:
13 Q. I can rephrase it.
14 A. Please.
15 Q. If it will make it easier. Based
16 on your experience in this case and other cases,
17 can the ability of an entity to withhold consent
18 to a deal be a sign of value?
19 MR. RUEGGER: If you have an
20 option?
21 BY MR. PACE:
22 Q. Yes, the ability of any one of the
23 entities for example to say no, I'm not going to
24 consent to my assets being sold.
25 A. It is purely subjective. It is

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1 subjective.
2 Q. So suffice it to say you haven't
3 attempted to assign any value to the ability to
4 withhold consent in this case?
5 A. That's correct.
6 Q. Do you know whether any legal
7 entities have been advised as to their ability
8 to withhold consent to the sale to Time Warner
9 or Comcast?
10 MR. RUEGGER: Why wouldn't that be
11 privileged unless it's advice from someone who
12 is not a lawyer in which case I don't think they
13 are going to be paying very much for it.
14 MR. PACE: Just whether he knows
15 whether they have been advised.
16 MR. RUEGGER: Do you know whether
17 John's lawyer told John whether he had the right
18 not to sell? That's -- if he knew it, it would
19 be privileged unless it is not a lawyer in which
20 case it is not worth much.
21
22 (Testimony continued on following
23 page to include jurat.)
24
25