

# EXHIBIT C

10/27/2005 DeLucia, Robert

1 UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

2

3 In Re: Chapter 11

4 ADELPHIA COMMUNICATIONSCORPORATION, et al., Case No.:

5 02-41729 (REG) Debtors.

6

7 OCTOBER 27, 2005 9:39 A.M.

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9 Deposition of by ROBERT DeLUCIA,  
10 pursuant to notice, taken at the offices of  
11 WILLKIE FARR & GALLAGHER LLP, 787 Seventh  
12 Avenue, New York, New York, before Debra  
13 Sapio Lyons, a Registered Diplomat Reporter,  
14 a Certified Realtime Reporter, a Certified  
15 Shorthand Reporter and Notary Public of the  
16 State of New York.

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LEGALINK MANHATTAN (212) 557-7400

1 ROBERT DeLUCIA

2 the form.

3 MR. SHORE: Objection to the  
4 form.

5 THE WITNESS: Can you define  
6 reasonable?

7 BY MR. MORSE:

8 Q. I think that in certain of the  
9 documents that we'll go through later, some  
10 emails, we will talk about your direction to  
11 your subordinates as ensuring that entries  
12 are reasonable. So it may be -- it may be  
13 that we just wait until we go back to those  
14 documents to look at the reasonableness as  
15 far as a definition.

16 In terms of financial  
17 statements and accounting entries, what do  
18 you understand reasonable to mean?

19 A. Reasonable to me, in an  
20 accounting sense, means reasonably stated.

21 Q. So not absent reference to  
22 reality?

23 A. Right.

24 MR. SHORE: Objection to form.

25 THE WITNESS: Yes.

1 ROBERT DeLUCIA

2 BY MR. MORSE:

3 Q. So using that definition, would  
4 you, in your opinion, believe that the  
5 restated entries -- the restatement entries  
6 and the restated financial statements were  
7 reasonable?

8 MR. SHORE: Objection to the  
9 form.

10 THE WITNESS: Yes.

11 BY MR. MORSE:

12 Q. These same entries and  
13 financial statements, they were done at the  
14 cost center level?

15 MR. SHORE: Objection to the  
16 form.

17 THE WITNESS: Yes.

18 BY MR. MORSE:

19 Q. And as a result, Project 18 --  
20 excuse me, as a result of Project 18  
21 restatement efforts --

22 (Interruption.)

23 MR. McLAUGHLIN: Can the people  
24 on the phone put their phones on mute,  
25 please.

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2 Why don't you start the  
3 question again.

4 MR. MORSE: Okay.

5 BY MR. MORSE:

6 Q. As a result of -- excuse me.

7 You previously testified that  
8 the restated entries and the restated  
9 financials were done at the cost center  
10 level.

11 The cost centers, as I  
12 understand, roll-up into the legal entity  
13 level?

14 A. Yes.

15 Q. And as a result, the Project 18  
16 restatement efforts provided -- or excuse  
17 me, provide restated financial records,  
18 although they may not be audited, at the  
19 legal entity level?

20 MR. McLAUGHLIN: Objection to  
21 the form.

22 MR. SHORE: Objection.

23 THE WITNESS: Could you repeat  
24 the question?

25 BY MR. MORSE:

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2 Q. Sure.

3 You had testified that the  
4 restatement entries and the restated  
5 financials are done at the cost center  
6 level. The cost centers roll-up to the  
7 legal entity level. Therefore, the Project  
8 18 restatement efforts, they provide  
9 restated financials, although they may not  
10 be audited, at the legal entity level?

11 MR. McLAUGHLIN: Objection to  
12 the form.

13 MR. SHORE: Objection to the  
14 form.

15 THE WITNESS: Yes.

16 BY MR. MORSE:

17 Q. Is it fair to say that one goal  
18 in preparing financial statements in  
19 accordance with GAAP is to accurately  
20 identify the assets and liabilities of an  
21 entity?

22 MR. McLAUGHLIN: Let me just  
23 object.

24 You're asking for his  
25 understanding, not a legal conclusion?

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2 out by myself to certain individuals on the  
3 accounting staff to provide Teri McMullen  
4 with assistance on completing the poling or  
5 gathering of supporting documentation for  
6 intercompany transaction, and the assistance  
7 to help her complete the questions that were  
8 posed by PWC on the second round from the  
9 original selections.

10 Q. And if you recall, what  
11 prompted you to send this, DeLucia-16,  
12 email?

13 A. As I've stated previously, one  
14 of my overriding responsibilities in  
15 relation to Project 18 and for the  
16 department is resource allocation, moving  
17 resources to where they're needed most. And  
18 this would have been my direction to these  
19 accounting individuals to assist Terry out  
20 to get this completed as soon as possible.

21 Q. And in your understanding, why  
22 was the intercompany testing important to  
23 what PWC was doing?

24 MR. McLAUGHLIN: Objection to  
25 the form.

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2 THE WITNESS: Not addressing to  
3 what PWC, but from our standpoint, we  
4 wanted to ensure that PWC was able to get  
5 through the intercompany, provide them  
6 with all the supporting documentation, as  
7 well as having them conclude that the  
8 intercompany area had been audited to  
9 their level of satisfaction, for them to  
10 say, to our -- their level of  
11 satisfaction, so that we could complete  
12 this area and move on for the audit.

13 BY MR. MORSE:

14 Q. So based on your understanding,  
15 could PWC complete their audit without doing  
16 this intercompany testing?

17 MR. SHORE: Objection to the  
18 form.

19 THE WITNESS: My understanding  
20 is, no, they could not complete their  
21 audit and issue an audit opinion without  
22 completion of this testing.

23 MR. MORSE: Let me mark as  
24 DeLucia-17, a single-page email  
25 transition -- transmission, excuse me,

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2 Q. Prior to the completion of the  
3 audit, were these and other similar issues  
4 ultimately resolved?

5 MR. SHORE: Objection to the  
6 form.

7 THE WITNESS: Yes.

8 BY MR. MORSE:

9 Q. And at the end of the Project  
10 18 process and the restatement process, were  
11 there any outstanding requests for  
12 supporting documentation or otherwise from  
13 PWC?

14 MR. SHORE: Objection to the  
15 form.

16 THE WITNESS: No.

17 BY MR. MORSE:

18 Q. At the end of the process, the  
19 Project 18 restatement process, were there  
20 any disagreements with PWC as to any  
21 accounting -- excuse me, any accounting  
22 treatments that were left unresolved?

23 MR. SHORE: Objection to the  
24 form.

25 THE WITNESS: The completion of

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2 Project 18 was -- the substantial  
3 completion of Project 18 was during the  
4 December, 2003 and January, 2004 time  
5 frame. At that time, the major remaining  
6 area open included intercompanies and  
7 related parties, but the major area was  
8 property, plant and equipment, which had  
9 to be completed.

10 Now, at the end of Project 18,  
11 we would not have completed all of the  
12 issues that had been outstanding for the  
13 audit.

14 BY MR. MORSE:

15 Q. As of December 23rd, 2004, when  
16 you issued those restated financials,  
17 however, were those issues resolved?

18 MR. SHORE: Object to the form.

19 THE WITNESS: Yes.

20 BY MR. MORSE:

21 Q. And is that the same -- as of  
22 December 23rd, 2004, there were no  
23 outstanding requests, obviously, from PWC?

24 MR. SHORE: Object to the form.

25 THE WITNESS: That is correct.

1 ROBERT DeLUCIA

2 BY MR. MORSE:

3 Q. And on or about December 23rd,  
4 2004, PWC issued an unqualified opinion on  
5 the audit of the restated financial  
6 statements?

7 MR. SHORE: Objection to the  
8 form.

9 THE WITNESS: They issued an  
10 unqualified opinion with an explanatory  
11 paragraph. The explanatory paragraph had  
12 to concern our going concern in relation  
13 to the bankruptcy filing.

14 BY MR. MORSE:

15 Q. To the best of your knowledge,  
16 these Project 18 goals that we talked about  
17 in the beginning, as of December 23rd, 2004,  
18 they were achieved; is that correct?

19 A. That's correct.

20 Q. And to the best of your  
21 knowledge, the restatement entries and the  
22 resulting restated financial statements were  
23 GAAP compliant?

24 MR. SHORE: Objection to the  
25 form.