

# **EXHIBIT F**

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UNITED STATES BANKRUPTCY COURTSOUTHERN DISTRICT OF NEW YORK

-----xIn re: Chapter 11  
ADELPHIA COMMUNICATIONS Case No.:  
CORPORATION, et al., 02-41729 (REG)  
Debtors.-----x

December 6, 2005 9:39 a.m.

Deposition of CHARLES R. HACKER, JR.,  
pursuant to Subpoena, at the offices of White &  
Case 1185 Avenue of the Americas, New York, New  
York, before Tammy M. Pastor, a Registered  
Professional Reporter, Certified LiveNote  
Reporter and Notary Public within and for the  
State of New York.

1 CHARLES R. HACKER, JR.

2 and procedures that were undertaken with respect  
3 to intercompany accounts.

4 My question is do you recall having  
5 any discussions with Mr. Nee or Mr. Garrett in  
6 your preparation for today's deposition with  
7 respect to what they did, other than what may be  
8 contained in this document?

9 MR. SHORE: Objection to the form.

10 A. As it relates to anything other  
11 than this?

12 Q. Right.

13 A. What I do recall is the  
14 conversation related to the fact that initially  
15 we were retained to look at other 10-K filers  
16 and that that process stopped. So there was  
17 some work that was begun, it wasn't completed  
18 because we were told to stop by the company.

19 As well as some of the things I  
20 have already been through, the primary objective  
21 was to make sure the intercompany accounts  
22 eliminated.

23 Q. But making sure that the  
24 intercompany accounts eliminated included  
25 testing certain of the intercompany accounts as

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2 set forth in Hacker 4; correct?

3 MR. SHORE: Objection to the form.

4 A. I believe that's correct.

5 Q. And, in addition, with respect to  
6 Hacker 3 that describes intercompany account  
7 analysis that we looked at a moment ago, that  
8 also details work that PwC did with respect to  
9 analyzing intercompany accounts that ended up  
10 allowing it to be comfortable enough to believe  
11 they eliminated in consolidation; correct?

12 MR. SHORE: Objection to the form.

13 A. That's right.

14 Q. Just so that we're clear again,  
15 with your 30(b)(6) hat on -- when I say  
16 30(b)(6), I don't know if you understand that,  
17 but my point is that you have been prepared to  
18 testify on certain subjects on behalf of PwC.

19 MR. SHORE: Objection to the form.

20 Q. With your 30(b)(6) hat on do you  
21 have any reason to believe anything contained in  
22 Hacker 3 doesn't accurately reflect the work  
23 that PwC did with respect to intercompany  
24 account analysis?

25 A. I have no reason to believe that

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2 that doesn't.

3 (Hacker Exhibit 5 for  
4 identification, December 2, 2004, ACC 1999-2003  
5 Planning, Completion and Issues, production  
6 numbers PwC EWP Arahova 00011974 through 976.)

7 Q. We will mark as Hacker 5, a  
8 multiple page document dated, completed date  
9 December 2, 2004 with production numbers PwC, I  
10 am going to skip all the rest of the letters,  
11 00011974 through 976.

12 A. Okay.

13 Q. Have you seen Hacker 5 before?

14 A. No.

15 Q. The title of the document says  
16 Analyze Legal Entity Break Down of Results of  
17 Testing for Searches for Unrecorded Liabilities.

18 Did you discuss with Mr. Garrett or  
19 Mr. Nee the level at which the testing that  
20 PwC's audit team did in connection with their  
21 work related to the restated financial  
22 statements?

23 MR. CARUSO: Objection because  
24 that is beyond the scope of Hacker 2. But you  
25 can answer the question.

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2 A. My understanding was that we did  
3 not issue an audit opinion on any other legal  
4 entity besides Adelpia.

5 Q. Okay. I understand that. My  
6 question is do you know -- strike that.

7 Is it accurate to say that PwC not  
8 only looked at and analyzed the top level  
9 Adelpia entity, but also analyzed legal  
10 entities in order to be comfortable enough to  
11 issue an audit opinion for the restated  
12 financial statements?

13 MR. SHORE: Objection to the form.

14 A. Clearly in connection with the  
15 audit of the financial statements of Adelpia,  
16 the consolidated financial statements of  
17 Adelpia, the audit team would have had to look  
18 at transactions within the various legal  
19 entities themselves.

20 Q. Do you know whether that analysis  
21 went down to the cost center level?

22 MR. SHORE: Objection.

23 MR. CARUSO: Objection.

24 A. I need you to clarify the question  
25 because transactions by their nature are going

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2 to go down to all different types of levels. So  
3 when selecting a transaction, again, if it is a  
4 fixed asset, for instance, you know it could be  
5 in cost center X, Y, or Z that could be three  
6 different levels and still might be selected.

7 Q. What you're saying in some  
8 instances it is going to go down to a deeper  
9 level than it might in other instances?

10 A. Right. The nature, time and extent  
11 of audit procedures is planned in beginning of  
12 an audit. It is something that requires  
13 judgement and the full nature of that is  
14 designed in order to give an opinion on the  
15 financial statements of Adelpia as a whole.

16 Q. So when PwC's judgement determined  
17 it was necessary to look at the cost center  
18 level with respect to any of the tasks that it  
19 was looking at in connection with its audits,  
20 then that is something they would have done;  
21 correct?

22 MR. SHORE: Objection to the form.

23 MR. CARUSO: Objection. You can  
24 answer.

25 A. Again I think they would look at

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2 transactions or accounts and could look at  
3 different cost centers depending on what they  
4 select.

5 MR. HOBART: I'll ask your counsel  
6 rather than you, is it your position he is not a  
7 designee for 30(b)(6) purposes with respect to  
8 the subjects in Hacker 5?

9 MR. SHORE: Objection to the form.

10 MR. CARUSO: Yes. In other words,  
11 it is our position that PwC was not asked to  
12 designate a person to testify about the entire  
13 audit of the consolidated financial statements  
14 of Adelpia as of December 31, 2003 or as of  
15 December 31, 2004.

16 We did have a lengthy conference  
17 call with Mr. Pace of White & Case, with your  
18 colleague Mary Chu and with Mr. Fischer of the  
19 Equity Committee at which we discussed narrowing  
20 the subjects of the original subpoena that was  
21 issued by Arahova to PwC. And that was a  
22 constructive call.

23 Based on that call and based on  
24 other communications we designated Mr. Hacker as  
25 the person who has the most substantive

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2 W. Garrett at PwCglobal.Com. Is that Mr.  
3 Garrett?

4 A. Mr. Garrett.

5 Q. Then there is a Keith Belotte.

6 A. Yes, Keith Belotte.

7 Q. Any other PwC people you recognize  
8 on this?

9 A. No.

10 Q. This is from Vanessa Wittman who  
11 was and is the CFO of Adelphia. She says "As I  
12 mentioned last week we wanted to post you on how  
13 we'll be approaching the intercompany balances.  
14 Attached is a presentation to walk you through  
15 your thinking -- our thinking."

16 Do you know what input, if any, PwC  
17 provided to Adelphia with respect to the  
18 intercompany balances approach that the company  
19 was taking as of September of 2003?

20 A. I do not in connection with this.

21 Q. Let me hand you a document marked  
22 as Macdonald 2. I ask you to take a look at the  
23 document.

24 A. Okay.

25 Q. This exhibit, Macdonald 2 is from

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2 John Nee. He is one of the partners you talked  
3 to in preparing for your deposition today;  
4 correct?

5 A. That's correct.

6 Q. He is referring to the status on  
7 intercompany testing as set forth in this  
8 document.

9 What do you know about the testing  
10 that PwC did with respect to intercompanies in  
11 connection with its audit of the restated  
12 Adelphia books and records?

13 MR. CARUSO: Objection to the  
14 form.

15 A. In connection with the audited  
16 financial statements of Adelphia, the  
17 consolidated statements would have been the --  
18 the steps would have been what was included in,  
19 I believe it was one of the exhibits you  
20 previously showed me, Hacker 3, maybe.

21 Q. Right.

22 A. That's Hacker 3. It would  
23 primarily be the five steps included on the  
24 second page of that.

25 Q. Now, just so at least I'm clear

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2 because I am not an accountant, PwC wouldn't  
3 audit a single intercompany balance at Adelphia;  
4 would they?

5 MR. SHORE: Objection to the form?

6 A. When you say a single, I don't  
7 understand what you mean, intercompany balances  
8 by their nature have to be between two parties.

9 Q. Okay. My point is that it wouldn't  
10 be appropriate to ask whether PwC audited the  
11 intercompany balances, they audited the company;  
12 correct?

13 A. That's right.

14 MR. CARUSO: Objection.

15 Q. And in the course of doing the  
16 audit of the company, they are going to  
17 undertake various procedures, including, among  
18 others, testing the intercompany accounts;  
19 correct?

20 A. Well, again, the purpose of an  
21 audit is to render an opinion on the financial  
22 statements as a whole.

23 In connection with that, an auditor  
24 will perform testing on various accounts that  
25 they deem relevant based upon their audit scope

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2 that they determined in the planning process of  
3 the audit.

4 Q. Sorry, were you finished?

5 A. Yes.

6 Q. And in Macdonald 2, this shows the  
7 testing of intercompanies as of May 20, 2004  
8 with respect to the number of journal entries  
9 that are being reviewed; correct?

10 MR. CARUSO: Objection.

11 A. It does, yes. But you can't tell  
12 by this schedule whether it relates to what I  
13 described before where at some point in time  
14 there was testing that was being done as it  
15 relates to the different 10-K filers.

16 Q. Did you discuss with Mr. Nee in  
17 preparing for your deposition today that apart  
18 from the testing that was done in connection  
19 with the aborted 10-K filings of subsidiaries of  
20 Adelphia, that they also did intercompany  
21 testing in connection with the audit on the  
22 overall company, parent company?

23 MR. O'CONNOR: Objection to the  
24 form.

25 A. Again, I think my discussion was as

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2 it related to the company as a whole. It would  
3 have been the Hacker 3.

4 Q. And Hacker 3 relates to the audit  
5 of the company as a whole as opposed to the  
6 aborted subsidiary audit?

7 MR. SHORE: Objection to the form.

8 MR. O'CONNOR: Objection to the  
9 form.

10 Q. Let me see if I can try that again.  
11 Hacker 3 sets forth procedures that relate to  
12 the audit of Adelphia, the parent company;  
13 correct?

14 MR. CARUSO: Adelphia's  
15 consolidated financial statements.

16 MR. HOBART: I'll accept that.  
17 Thank you.

18 A. I believe that's correct. Yes.

19 Q. It doesn't set forth, to your  
20 knowledge, procedures with respect to auditing  
21 that was being done but never completed with  
22 respect to any of Adelphia's subsidiaries?

23 MR. CARUSO: Objection to the  
24 form.

25 A. It does not. But I will just

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2 caution that some of these work papers have  
3 links. So, to the extent it might link to  
4 something or some of the testing done during  
5 that process that was utilized for the financial  
6 statements as a whole, I can't tell by looking  
7 at this work paper.

8 Q. Fair enough. Is it your  
9 understanding that PwC conducted sufficient  
10 testing to enable it to issue an audit opinion  
11 on the consolidated financial statements of  
12 Adelphia?

13 MR. SHORE: Objection to the form.

14 A. That is my understanding, yes.

15 (Hacker Exhibit 7 for  
16 identification, December 21, 2004 ACC  
17 1999 -2003 Planning, Completion and Issues,  
18 production numbers PwC EWP Arahova 00004848  
19 though 57.)

20 Q. I will mark as Hacker 7, a multiple  
21 page document dated December 21, 2004 titled  
22 Allocation of Value on Prestige Acquisition.  
23 Production numbers PwC 4848 through 4857.

24 A. Okay.

25 Q. Have you seen this document before

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2 financials that PwC was auditing; do I have that  
3 correct?

4 A. I believe that's correct.

5 Q. Let me backup and ask a few general  
6 questions. Look at the last sentence of the  
7 first paragraph on this page. There has been a  
8 discussion of various allocations. At the end  
9 of the paragraph it says "For each of the  
10 allocations, PwC performed the below  
11 procedures." Do you see that?

12 A. Yes, I do.

13 Q. And then a bit further down the  
14 page there is a series of seven bullet points.

15 A. Right.

16 Q. Is it consistent with your  
17 understanding that PwC did in fact perform each  
18 of those procedures as to each of the  
19 allocations that is discussed in this document?

20 MR. SHORE: Objection to the form.

21 MR. CARUSO: When you say in this  
22 document, are you also referring to the  
23 cross-references that are linked herein?

24 MR. BENTLEY: No. I'm referring  
25 to Exhibit 3 itself.

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2 MR. CARUSO: I'll object to the  
3 form.

4 A. I believe the steps would have been  
5 included underneath all the different  
6 categories.

7 Q. So, for example, you see the third  
8 bullet point says that PwC will "Determine that  
9 the basis for the allocation appears reasonable,  
10 e.g. allocation made on basis of revenue?" Do  
11 you see that?

12 A. Yes, I do.

13 Q. So, it is your understanding that  
14 PwC would have made that determination as to  
15 each of the allocations that is discussed below?

16 MR. SHORE: Objection to the form.

17 A. I believe that's correct.

18 Q. Who at PwC would have been the lead  
19 people involved in making that determination?

20 A. I believe it would be, you know,  
21 David Bohl, B-O-H-L and John Nee.

22 Q. What role, if any, would Mr.  
23 Garrett have played in that determination?

24 A. Well, Mr. Garrett was the signing  
25 partner, so he would have reviewed or looked at