

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re)	Chapter 11 Cases
)	
Adelphia Communications Corporation, <u>et al.</u> ,)	Case No. 02-41729 (SHL)
)	
Reorganized Debtors.)	Jointly Administered
)	

AMENDED FORTY-EIGHTH POST-CONFIRMATION STATUS REPORT

This Amended Forty-Eighth Post-Confirmation Status Report is being filed to add footnote (2) on Exhibit A and is filed in accordance with the Post Confirmation Order and Notice, dated February 13, 2007 (the “Effective Date”), in connection with the cases of the above-captioned reorganized debtors (collectively, the “Debtors”). Since the filing of the Forty-Seventh Post-Confirmation Status Report on October 12, 2018 for Adelphia Communications Corporation (“Adelphia”) and Certain of its Affiliated Debtors, describing the Debtors’ progress subsequent to the confirmation of the First Modified Fifth Amended Joint Chapter 11 Plan for Adelphia Communications Corporation and Certain of its Affiliated Debtors, dated as of January 3, 2007, as Confirmed (the “Plan”),¹ for each of the Debtors other than the JV Debtors² by the order dated January 5, 2007 (the “Confirmation Order”), the Debtors, as reorganized pursuant to the Plan, have taken the following steps, among others, in connection with consummation of the Plan.

- Rembrandt Technologies, LLC filed an appeal of the judgment reimbursing legal fees, totaling \$5,805,685 to Adelphia, and posted a bond to secure the obligation in full. Briefing was completed on April 4, 2018. On July 27, 2018, the United States Federal Circuit Court of Appeals (the “Court”) found in favor of Adelphia (along with other appellees) on liability but remanded the damages award decision back to the District Court for reconsideration. Rembrandt filed a motion on September 26, 2018 for en banc review by the full Court of the three judge panel’s decision. Adelphia, with the other appellees, filed its response to the motion on November 19, 2018. The Court denied the en banc review on January 3, 2019. Adelphia and the other appellees are now considering their next steps which might include mediation with Rembrandt or remanding the matter to the District Court for a final determination of reimbursable fees to Adelphia. The bond securing full payment remains in full force and effect and interest on any damages due to Adelphia will continue to accrue to Adelphia’s benefit.

¹ Capitalized terms used but not defined have the meanings ascribed to such terms in the Plan.

² The JV Debtors are comprised of the following legal entities: Century-TCI California, L.P.; Century-TCI California Communications, L.P.; Century-TCI Distribution Company, LLC; Century-TCI Holdings, LLC; Parnassos Communications, L.P.; Parnassos Distribution Company I, LLC; Parnassos Distribution Company II, LLC; Parnassos, L.P.; Parnassos Holdings, LLC; Western NY Cablevision, L.P. The Third Modified Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for the Century-TCI Debtors and Parnassos Debtors, dated as of June 28, 2006, was confirmed by order dated June 29, 2006.

- Continued efforts to maximize the value of remaining assets.
- The following activity has occurred since September 30, 2018:

	<u>Cash</u>
Balance at September 30, 2018	\$16,612,593
Additions ^(a)	20,942
Investment Income	82,310
Net Plan Disbursements	0
Operating Costs ^(b)	<u>(1,135,152)</u>
Balance at December 31, 2018 ^{(c), (d), (e)}	<u>\$15,580,693</u>

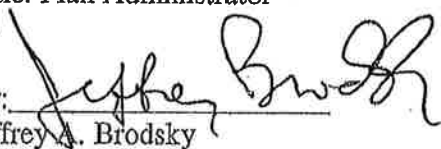
- (a) Additions include proceeds from ACC Claims Holdings, LLC for the Q3 2018 administrative fee totaling \$15k and Colorado unclaimed property receipts of \$6k.
- (b) Operating costs include professional expenses of \$0.8 million, salary and other employee related expenses of \$0.2 million, contract labor of \$0.1 million, and other expenses of \$0.1 million. \$0.7 million of the \$0.8 million of professional expenses constituted payments pursuant to the Plan Administrator Agreement to indemnify the Plan Administrator for legal fees and disbursements incurred in defending motions made by ACC Claims Holdings, LLC and Solus Alternative Asset Management LP (the “Bankruptcy Litigation”).
- (c) Not reflected in this Balance is the accrual of \$1.45 million in fees payable to the Plan Administrator as of December 31, 2018 pursuant to Amendment No. 1 to the Plan Administrator Agreement. Further, the total amount of legal fees and disbursements that have been incurred by the Plan Administrator in the Bankruptcy Litigation through November 30, 2018 is \$2.49 million, exclusive of a \$0.250 million retainer payment. As of the date of this report, the Plan Administrator had made an indemnification claim on Adelphia for \$.76 million of these fees and expenses, but such amounts have not yet been paid and also are not reflected in this Balance.

- (d) Adelphia has notified its insurer that it seeks, among other things, recovery of legal fees and disbursements paid by Adelphia to indemnify the Plan Administrator in connection with the Bankruptcy Litigation, as well as payment of the Plan Administrator's legal fees and disbursements going forward. The D&O carrier has denied coverage. Adelphia has retained coverage counsel and intends to bring an action against the D&O insurance carrier. It is not possible to determine whether or when these legal fees and disbursements will be reimbursed and/or paid directly by the insurer.
- (e) On January 4, 2019, the Plan Administrator provided Adelphia's 2019 Budget to the ART Trustees and proposed that Adelphia transfer \$1.45 million from the Remaining Assets Reserve to the Estate Operating Reserve to fund operating expenses. The 2019 Budget does not currently include any accrual for payment of the Plan Administrator's unpaid fees through December 31, 2018 or the Plan Administrator's unpaid indemnification claims in connection with the Bankruptcy Litigation, referred to in note (c) above. Nor does the 2019 Budget currently provide for fees for the Plan Administrator in 2019. On January 10, 2019, the ART Trustees reviewed and approved the 2019 Budget and the transfer that was proposed by the Plan Administrator. The Plan Administrator intends to seek approval for the transfer of funds from the ART Trustees for those accrued fees and indemnification claims and 2019 fees at a later date.

The remaining assets held in reserve are detailed in Exhibit A.

Dated: January 24, 2019

Adelphia Communications Corporation
By: Quest Turnaround Advisors, LLC
Title: Plan Administrator

By: 
Jeffrey A. Brodsky
Member

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Greenwood Village, CO 80111
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Exhibit A of 4**Summary of Remaining Cash Held and Deferred Assets**

<u>Cash</u>	9/30/2018 ⁽¹⁾	12/31/2018 ⁽¹⁾	Status
Estate Operations	(\$ in millions)	(\$ in millions)	
	\$ 0.2	\$ 0.2	
 Remaining Assets	 16.4	 15.4	
	<hr/>	<hr/>	
Total Cash	16.6	15.6	
 <u>Deferred Assets</u>			
Interest in Tow Life Insurance Policies	18.7	18.6	Insurance proceeds due on the named individual net of note payable to the Adelpia Recovery Trust.
Federal Tax Refund Receivable ⁽²⁾	87.0	87.0	
Total Cash and Deferred Assets	<u>\$ 122.3</u>	<u>\$ 121.2</u>	

⁽¹⁾ Amounts do not include any proceeds from Adelpia's \$5.8 million judgment against Rembrandt Technologies.

⁽²⁾ The Alternative Minimum Tax refund receivable, if collectible, may be reduced by 7% to 10% in the unlikely event the tax credit becomes subject to the full federal government sequester.