

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

THIRTY-FIFTH POST-CONFIRMATION STATUS REPORT

This Thirty-Fifth Post-Confirmation Status Report 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 Thirty-Fourth Post-Confirmation Status Report on July 15, 2015 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.

- Completed post remediation ground water monitoring at a previous Adelphia operational location in Waterbury, CT. All filings required for closure have been filed. The process to close this environmental site should be completed in the fourth quarter 2015.
- Received a decision from Judge Sleet of the Delaware U.S. District Court (the “District Court”) allowing Adelphia, and other similarly situated defendants, to apply to recover reasonable legal fees related to a previous litigation due to improper conduct by the plaintiff in the matter. Adelphia has filed a fee reimbursement request and is awaiting a decision by the District Court.

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.

- Completed the review and filing of the Adelpia Recovery Trust (“ART”) 10Q for the quarter ended June 30, 2015. Pursuant to the entry of an Order Further Extending the Term of the Adelpia Recovery Trust and Authorizing Certain Wind-Down Steps on September 22, 2015, certain junior certificates previously issued by the ART were cancelled. Upon the cancellation of such junior certificates, the ART filed Form 15 resulting in the termination of registration under Section 12(g) of the SEC eliminating the requirement on a going-forward basis for the ART to file quarterly 10Qs, annual 10Ks, and any other SEC reports.
- Reviewed the balance in the tax reserves, and as a result of the foregoing analysis, Adelpia was able to transfer \$0.3 million to excess reserves.
- Received \$13.5k in full satisfaction of a judgment that was entered on September 16, 2005 in favor of Adelpia Media Services against Alan Frank Cancelino d/b/a Cosmic Closet Design Group.
- Filed a Motion with the Bankruptcy Court on September 17, 2015 seeking relief for the DTC to recognize changes in beneficial ownership of the Senior Notes Claims. The Order granting the motion was entered on October 15, 2015 by Judge Gerber. The Motion is available on the <http://www.adelphiarestructuring.com/> website.
- Temporarily discontinued efforts to destroy all of Adelpia’s historical records until resolution of an issue in a legal proceeding in which Adelpia is not a party.
- Continued ongoing efforts to recover additional funds for the Estate through the sale of miscellaneous assets and the recovery of unclaimed property.
- The following activity has occurred since June 30, 2015 through September 30, 2015:

| | <u>Cash</u> |
|--------------------------------|----------------------|
| Balance at June 30, 2015 | \$ 35,026,604 |
| Additions ^(a) | 19,946 |
| Investment Income | 965 |
| Net Plan Disbursements | (65) |
| Operating Costs ^(b) | <u>(1,161,764)</u> |
| Balance at September 30, 2015 | <u>\$ 33,885,686</u> |

^(a) Additions include Alan Frank Cancelino d/b/a Cosmic Closet Design Group settlement of \$13.5k, and Dell settlement of \$6.4k.

^(b) Operating costs include professional expenses of \$0.6 million, salary and other employee related expenses of \$0.3 million, contract labor of \$0.1 million, and other expenses of \$0.2 million.

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

Annexed to this report as Exhibit B is an updated chart summarizing the distribution of cash and shares of TWC common stock made to classes of Claims. This chart reflects all distributions made through September 30, 2015. The chart does not reflect (i) the distributions of CVV units or distributions on account of such units from the Adelpia Recovery Trust and (ii) additional distributions that may be made after September 30, 2015 as a result of the release of escrows, reserves and holdbacks pursuant to the Plan.

Dated: October 15, 2015

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


By: 
Jeffrey A. Brodsky
Member
4582 S. Ulster Street
Denver, CO 80237
(303) 268-6423

Exhibit A

Summary of Remaining Cash Held and Deferred Assets

| | 6/30/2015 (\$ in millions) | 9/30/2015 (\$ in millions) | Status |
|---|-------------------------------|-------------------------------|---|
| Cash | | | |
| Estate Operations | 4.3 | 3.1 | |
| Tax Reserves | 0.6 | 0.3 | Reserves for open tax years. |
| Remaining Assets | 30.1 | 30.5 | |
| Total Cash | 35.0 | 33.9 | |
| <u>Deferred Assets</u> | | | |
| Interest in Tow Life Insurance Policies | 19.6 | 19.6 | Insurance proceeds due on the named individual net of note payable to the Adelpia Recovery Trust. |
| Total Cash and Deferred Assets | \$ 54.6 | \$ 53.5 | |

Exhibit B

The following chart summarizes the distributions of cash and shares of TWC Common Stock to holders of allowed claims under the Plan made through September 30, 2015. It does not reflect the distributions of CVV units or distributions on account of such units from the Adelphia Recovery Trust. Actual distributions may vary due to rounding. The chart is based on the assumption that distributions made to Indenture Trustees for the benefit of the underlying noteholders will be distributed in their entirety to the noteholders and will not be subject to holdback or reduction with respect to any claims of the applicable Indenture Trustee. The chart does not reflect additional distributions that may be made after September 30, 2015 as a result of the release of escrows, reserves and holdbacks. The amount and timing of additional distributions resulting from the release of the escrows, reserves and holdbacks are subject to the terms and conditions of the Plan and numerous other conditions and uncertainties, many of which are outside the control of Adelphia Communications Corporation and its subsidiaries.

| | |
|----|---|
| 10 | <p>No Plan Distributions of fractional shares of TWC Common Stock will be made. Fractional shares shall be rounded to the nearest whole unit (with any amount equal to or less than one-half share to be rounded down). Fractional share information is provided in this chart to facilitate the calculation of recoveries for claims.</p> |
| 11 | <p>For claims resolved prior to March 12, 2009, percent recovery is calculated based on the recalculated Deemed Value of the TWC Class A Common Stock of \$37,8038 per share as calculated at the end of the 60-day test period established in the Plan through March 11, 2009. For claims resolved after March 12, 2009 percent recovery is calculated based on the adjusted Deemed Value of \$82,6014. See Note 10.</p> |
| 12 | <p>Principal amount includes accrued prepetition interest where applicable.</p> |
| 13 | <p>ESL Claims are not all quantified, and have been conditionally expunged. In the event that recoveries are sufficient to provide for payment in full of the allowed claims held by holders of CVV Interests that are senior to the Subordinated CVV Interests under the Plan, the 510(b) claims will be automatically reinstated, without further order of the Bankruptcy Court or actions of any party, provided that such reinstated 510(b) claims shall remain subject to allowance by the Bankruptcy Court. ACC Common Stock Interests are not limited as to recovery.</p> |
| 14 | <p>Based on liquidation preference.</p> |
| 15 | <p>Because this chart is designed to depict, among other things, the distribution deficiencies between and among CVV Interest classes, the basis of presentation of information in this chart differs from the basis of presentation utilized in prior disclosures regarding distributions to creditors; accordingly, recovery percentages and other information may not be comparable to information set forth in such prior disclosures.</p> |
| 16 | <p>Does not reflect the accrual of post-Effective Date dividends with respect to CVV Interests.</p> |
| 17 | <p>Distributions pursuant to the Plan may not exceed the allowed amount of a Claim. To the extent that cash and TWC Common Stock otherwise would be paid to the holders of ACC Senior Notes Claims in excess of the allowed amount of their Claims, such amounts, instead, are allocated to holders of ACC Subordinated Notes Claims ("the Spillover"). However, by virtue of the "pay-over" provisions contained in the Subordinated Indentures which "pay-over" provisions are expressly preserved by the Plan, the Spillover is paid to the holders of the ACC Senior Notes.</p> |
| 18 | <p>Number of shares of TWC Class A Common Stock presented have not been adjusted to reflect the TWC 1-for-3 reverse stock split and the \$10.27 per share special cash dividend, see note 10.</p> |
| 19 | <p>Effective March 12, 2009, the Deemed Value was adjusted from \$37,8038 to \$82,6014 to reflect the TWC 1-for-3 reverse stock split and the \$10.27 per share special cash dividend. The Common Stock presented here were distributed after and reflect the reverse stock split.</p> |
| 20 | <p>Reflects the excess of reserves established for Settlement Party Fee Claims over the amount distributed to Allowed Settlement Party Fee Claim holders. Such excess was distributed to the holders of Claims in the Class whose distribution was initially reduced by the Settlement Party Fee Claims. The Post-Effective Date dividend accrual reflects these reserves.</p> |
| 21 | <p>Reserves deemed excess by the Plan Administrator are distributed to the ACC Senior Notes, ACC Trade, and ACC Other Unsecured Claims (the "Senior Class") in accordance with Article V of the Plan which provides that the Senior Class shall share subsequent distributions based on the Pro Rata Share of the ACC Allocable Portion for each class of claims in the ACC Senior Class. The ACC Allocable Portion presently is 93.144%, 4.897% and 1.959% for the ACC Senior Notes, ACC Trade and ACC Other Unsecured Claims, respectively, and is not expected to change. The Allocable Portion is calculated as the ratio of Allowed Claims to Total ACC Claims for each group of claims in the Senior Class (which includes the ACC Subordinated Notes) and in accordance with the Plan, the Allocable Portion attributed to the ACC Senior Notes Allocable Portion. In the event of a subsequent distribution: 1) the allocable portion percentages is applied to the total distribution amount to arrive at the distribution amount for each ACC class, 2) amounts are then allocated within each ACC class Pro Rata based on the total Allowed Claim amount (i.e., \$5,109,693,748 for ACC Senior Notes) to the total Allowed Claims for each CUSIP, 3) in the case of ACC Senior Notes a distribution per \$1,000 principal amount (i.e., \$4,936,847,118 for ACC Senior Notes) is calculated for each CUSIP, and 4) distributions are paid subject to the rounding conventions of the Plan and the DTC.</p> |