

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

.....X

In re:
ADELPHIA COMMUNICATIONS CORP., et al.,

Debtors.

Chapter 11
Case No. 02-41729 (REG)

(Jointly Administered)

.....X

**ORDER AUTHORIZING AND APPROVING THE (I) SETTLEMENT AGREEMENT
BETWEEN ESTATE PARTIES AND BOIES SCHILLER & FLEXNER LLP AND (II)
FINAL APPLICATION FOR PROFESSIONAL COMPENSATION OF
BOIES SCHILLER & FLEXNER LLP**

Upon the motion dated May 7, 2007 (the “Motion”)¹ (Docket No. 13563) of the Fee Committee (the “Fee Committee”) of Adelphia Communications Corp. and its affiliated debtors (the “Debtors”) for itself and on behalf of the Debtors, the Official Committee of Unsecured Creditors (the “Committee”) and the Office of the United States Trustee (the “UST”); collectively, the “Estate Parties”) by and through its counsel Cooley Godward Kronish LLP, seeking entry of an order pursuant to §§ 105(a) and 330 of Chapter 11, Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing and approving (I) that certain settlement agreement, dated March 22, 2007 (annexed to the Motion as **Exhibit “A”**, the “Settlement Agreement”) among Boies Schiller & Flexner, LLP (“BSF”) and the Estate Parties with respect to BSF’s Final Application for Compensation, dated October 3, 2005 (the “Final Fee Application”) (ECF No. 8622) and (II) the Final Fee Application of BSF; and it appearing that the parties negotiated the Settlement Agreement at arm’s length and in good faith; and it

¹ Any term not defined herein shall have the meaning ascribed to it in the Motion or the Agreement, as applicable.

appearing that the Court has jurisdiction to consider the Motion and the Final Fee Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.); and due notice of the Motion and Final Fee Application having been provided in accordance with Federal Rule of Bankruptcy Procedure 2002 to those parties indicated in the Master Service List, the Estate Parties and BSF, and it appearing that no other or further notice need be provided; and it further appearing that the relief requested in the Motion is in the best interests of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, that the Motion is granted; and it is further

ORDERED, that the Estate Parties are authorized to enter into the Settlement Agreement and that the terms of the Settlement Agreement are hereby approved in all respects; and it is further

ORDERED that the Final Fee Application is approved in all respects, on a final basis, as modified and set forth in the attached **Schedule A**; and it is further

ORDERED, that BSF is authorized to apply the \$1,500,000.00 retainer (the “Retainer”) it is currently holding on behalf of the Debtors against (i) the Prepetition Amounts (as defined in the Application) and (ii) fees and expenses allowed in connection with the Application, but which remain unpaid as of the date hereof; provided, however, that BSF’s application of the Retainer to the amounts set forth in (i) and (ii) above is without prejudice to any defenses BSF may have to any avoidance action that may be brought against it by the Debtors and/or the Adelpia Recovery Trust and BSF may raise any applicable defense

(including, if proven, setoff), that would have been available to BSF had the Retainer not been applied; and it is further

ORDERED that the Debtors are hereby directed and authorized to pay to BSF all fees and expenses awarded, to the extent not already paid and after application of (i) the \$1,500,000.00 retainer (as discussed above) and (ii) reduction as per the Settlement Agreement, in the net amount of \$2,636,258.33 consistent with the accounting set forth on Schedule B; and it is further

ORDERED that the terms of this order are without prejudice to the claims, if any, of the Debtors and their successor-in-interest, the Adelpia Recovery Trust, with respect to the prosecution of any avoidance actions under Chapter 5 of the Bankruptcy Code against BSF in connection with any pre-petition transfers by any of the Debtors to BSF.

ORDERED that this Court shall retain jurisdiction over all matters arising from or related to this Order.

Dated: New York, New York
August 1, 2007

/s/ Robert E. Gerber
Honorable Robert E. Gerber
United States Bankruptcy Judge

CASE NO.: 02-41729 (REG)(Jointly Administered)
CASE NAME: In Re Adelpia Communications Corporation, et al.

**SCHEDULE A
CURRENT FEE PERIOD¹**

APPLICANT	DATE / DOCUMENT NO. OF APPLICATION	FEES REQUESTED	FEES AWARDED²	EXPENSES REQUESTED	EXPENSES AWARDED
<u>Debtors' Professional</u>					
Boies Schiller & Flexner LLP	10/03/05 – ECF No. 8622	\$29,800,291.50	\$25,700,291.50	\$1,975,818.65	\$1,975,818.65

¹ In conformity with the Local Rules for the Southern District of New York, this Schedule reflects the fees and expenses requested and awarded for the period of June 26, 2002 through August 12, 2005.

² “Fees Awarded” for Boies Schiller & Flexner, LLP reflect an agreed upon reduction in the amount of \$4.1 million. This reduction amount is in addition to the \$1.5 million already deducted in the Final Fee Application, for a total agreed reduction of \$5.6 million.

SCHEDULE A

DATE: August 1, 2007

INITIALS: REG USBJ

CASE NO.: 02-41729 (REG)(Jointly Administered)

CASE NAME: In Re Adelpia Communications Corporation, et al.

Schedule B
Final Accounting

<u>Description</u>	<u>Amount due to BSF</u>
Total fees due (as set forth in BSF Final Fee Application)	\$7,128,511.90
Total expenses due (as set forth in BSF Final Fee Application)	\$428,984.43
Less reduction as per the Settlement Agreement	(\$4,100,000.00)
Less net retainer held by BSF	(\$821,238.00) ³
TOTAL	\$2,636,258.33

³ BSF currently holds a retainer in the amount of \$1,500,000.00. BSF shall apply the retainer against prepetition invoices in the aggregate amount of \$678,762.00, leaving a balance of \$821,238.00

SCHEDULE B

DATE: August 1, 2007

INITIALS: REG USBJ