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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re: ) Chapter 11  
 )  
Adelphia Communications Corp., *et al.*, ) Case No. 02-41729 (REG)  
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 )  
Debtors. ) Jointly Administered

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**SUMMARY SHEET PURSUANT TO  
UNITED STATES TRUSTEE GUIDELINES FOR REVIEWING  
APPLICATIONS FOR COMPENSATION AND  
REIMBURSEMENT OF EXPENSES  
FILED UNDER 11 U.S.C. § 330**

1. Total Compensation and Expenses Requested. Heidrick & Struggles, Inc. (“Heidrick”), in connection with its first and final application (the “Final Application”) for final allowance of compensation for professional services rendered and reimbursement of expenses incurred in the above-captioned cases, has requested that the Court enter an order:

- (a) finally approving Heidrick’s fees of \$89,334.00 and expenses of \$21,857.96;
- (b) directing payment to Heidrick of the 20% holdback in the amount of for \$17,866.80 for executive search consulting services rendered to the Debtors;
- (c) directing payment to Heidrick for reimbursement of additional actual and necessary expenses incurred in connection with the rendition of such professional services, in the aggregate amount of \$33.37; and
- (d) granting such other and further relief as may be just and proper.

2. Total Compensation and Expenses Previously Awarded. Heidrick has previously been awarded compensation pursuant to its monthly fee application dated May 27, 2004, for services rendered in the amount of \$71,467.20, after adjusting for the 20% holdback, and reimbursement of expense incurred in the amount of \$21,824.59.

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**FIRST AND FINAL APPLICATION OF HEIDRICK & STRUGGLES, INC.,  
AS EXECUTIVE SEARCH CONSULTANTS FOR DEBTORS  
FOR THE PERIOD NOVEMBER 10, 2003 THROUGH MAY 19, 2004**

TO THE HONORABLE ROBERT E. GERBER  
UNITED STATES BANKRUPTCY JUDGE:

Heidrick & Struggles, Inc. (“Heidrick”), executive search consultants for Adelphia Communications Corporation, *et al.* (collectively the “Debtors”), in support of its first and final application (the “Final Application”) for final allowance of its fees and expenses and allowance of the 20% holdback of compensation for professional services rendered and reimbursement of actual and necessary expenses incurred from November 10, 2003 through May 19, 2004 (the “Final Application Period”), respectfully states:

**PRELIMINARY STATEMENT**

1. By this Final Application and pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Heidrick requests that this Court authorize (a) final allowance of all fees and expenses, including the 20% holdback for professional services Heidrick rendered to the Debtors during the Final Application Period in the amount of

\$17,866.80;<sup>1</sup> and (b) the reimbursement of additional actual and necessary expenses incurred by Heidrick in connection with rendering such professional services in the amount of \$33.37.

2. This Court has jurisdiction over this Final Application pursuant to 28 U.S.C. §§ 157 and 1334 and the “Standing Order of Referral of Cases to Bankruptcy Judges” dated July 10, 1984, of District Court Judge Robert T. Ward. Venue of these cases and this Final Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for relief sought herein are sections 330 and 331 of chapter 11 of the Bankruptcy Code and Rule 2016 of the Bankruptcy Rules.

### **GENERAL BACKGROUND**

3. On June 25, 2002, the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

4. The Debtors continue to retain possession of and manage their property and operate their businesses as debtors in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

5. Since June 27, 2002, the Debtors have employed Heidrick as an ordinary course professional to provide executive search services to the Debtors.

6. On February 26, 2004, the Debtors filed an application for an order authorizing the Debtors to employ and retain Heidrick as executive search consultants (the “Heidrick Application”) because Heidrick’s fees exceeded the cap set for ordinary course professionals.

7. On April 2, 2004, this Court approved the Heidrick Application in connection with the Debtors’ continuing search for qualified candidates to fill key positions with the

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<sup>1</sup> On May 27, 2004, in accordance with the Administrative Orders dated June 24, 1991 and April 19, 1995, governing fees and disbursements for professionals in the Southern District of New York bankruptcy cases and this Court’s order dated August 9, 2002, establishing interim compensation procedures in these cases, Heidrick submitted its Statement of Services Rendered and Expenses Incurred for the period November 10, 2003 through March 18, 2004 (the “Fee Statement”). Heidrick’s total fees for services rendered were \$89,334.00.

Debtors, such as the positions of Corporate Counsel and Litigation Counsel. The Heidrick Application also provided that Heidrick would be compensated by the Debtors by a fee equal to one-third of the placed candidate's first year compensation, paid in the form of a retainer.

8. Prior to its retention, Heidrick received \$94,666.00 in professional fee retainers and \$667.25 in reimbursement of expenses.

#### **HEIDRICK'S FEES AND EXPENSES**

9. Heidrick's services in these cases have been substantial, necessary, and beneficial to the Debtors and to their estates, creditors and other parties in interest. Throughout this case, Heidrick has devoted substantial time and worked diligently in the search for qualified candidates to fill key positions with the Debtors.

10. On May 27, 2004, Heidrick served on all applicable parties and parties in interest its Statement of Services Rendered and Expenses Incurred by Heidrick & Struggles, Inc., Executive Search Consultants for Adelpia Communications Corporation, *et al.*, for the Period November 10, 2003 through March 18, 2004 (the "Fee Period") for allowance of compensation for professional services Heidrick rendered to the Debtors in the amount of \$71,467.20, which is net of the 20% holdback, and the reimbursement of actual and necessary expenses incurred by Heidrick in connection with the rendering of such professional services in the amount of \$21,824.59 (the "Fee Statement"). No objections to the Fee Statement were filed. A copy of the Fee Statement is attached hereto as **Exhibit A**.

11. By this Final Application, Heidrick seeks final allowance of all fees and expenses previously allowed and paid, including the 20% holdback of compensation for services rendered and described and reflected in the Fee Statement, in the amount of \$17,866.80. Heidrick also seeks reimbursement of expenses incurred during the Final Application Period in the amount of \$33.37.

12. No agreement or understanding exists between Heidrick and any other entity for the sharing of compensation to be received for services rendered in connection with this case. See Affidavit of Fritz E. Freidinger (the “Freidinger Affidavit”), attached hereto as **Exhibit B**.

13. Heidrick is compensated on a per project basis for actual and necessary expenses incurred by Heidrick. Heidrick charges fees consistent with its peer firms. Within the industry, standard compensation for locating a candidate is equal to one-third of the placed candidate’s total first year compensation paid in the form of a retainer.

#### **HEIDRICK’S REQUEST FOR FIRST AND FINAL COMPENSATION**

14. The allowance of first and final compensation for services rendered and reimbursement of expenses incurred in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

[A] debtor’s attorney, or any professional person ... may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered ... as is provided under section 330 of this title.

11 U.S.C. § 331.

15. Concerning the level of compensation, section 330(a)(1)(A) of the Bankruptcy Code provides, in pertinent part, that the court may award to a professional person,

reasonable compensation for actual, necessary services rendered by the ... professional person, or attorney ...

11 U.S.C. § 330.

#### **THE HOLDBACK**

16. Heidrick respectfully requests the payment of the 20% holdback for the compensation of fees as described in the Fee Statement. Pursuant to the policy of the Office of the United States Trustee and the practice of this Court, 20% of fees are subject to the holdback

pending a final resolution of the cases to (i) protect the estates against administrative insolvency concerns, and (ii) ensure sufficient funds are available for the Court's determination of the appropriate level of fees during the final fee application process.

17. Heidrick submits that both of these policies are adequately satisfied even after allowing the payment of the 20% holdback. Accordingly, Heidrick respectfully requests that the Court approve Heidrick's request for payment of the 20% holdback for compensation of fees as described in the Fee Statement.

### **DISBURSEMENTS**

18. Heidrick incurred actual and necessary out-of-pocket expenses during the Final Application Period in the connection with the rendering of the professional services in the amount of \$33.37. A copy of the supporting expense invoice is attached hereto as **Exhibit C**. By this Final Application, Heidrick respectfully requests allowance of such reimbursement in full.

### **PROCEDURE**

19. Heidrick has provided notice of this Final Application to: (i) the Office of the United States Trustee; (ii) counsel to the agents for the Debtors' prepetition and postpetition bank lenders; (iii) counsel to the Committees; (iv) the Debtors; and (v) all other parties and parties in interest that have filed a notice of appearance in these cases.

20. No previous application for relief sought herein has been made to this or any other court.

### **CONCLUSION**

WHEREFORE, Heidrick respectfully requests that this Court enter an order:

(a) finally allowing Heidrick's fees of \$89,334.00 and expenses of \$21,857.96;

(b) directing payment by the Debtors to Heidrick of the entire 20% holdback for the Fee Statement in the amount of \$17,866.80;

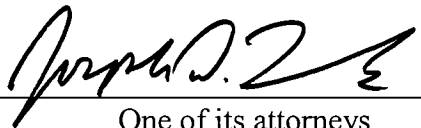
(c) directing payment by the Debtors to Heidrick of actual and necessary expenses incurred in connection with the rendering of such services in the amount of \$33.37; and

(d) granting such other and further relief as may be just.

Dated: July 15, 2004

Respectfully submitted,

HEIDRICK & STRUGGLES, INC.

By:  \_\_\_\_\_  
One of its attorneys

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