

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 (REG)
Debtors.	)	Jointly Administered

FINAL APPLICATION OF HOLLAND & KNIGHT LLP, AS SPECIAL COUNSEL FOR DEBTORS AND DEBTORS IN POSSESSION, FOR FINAL ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED FROM NOVEMBER 1, 2004 THROUGH FEBRUARY 13, 2007

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

Holland & Knight LLP ("H&K"), special counsel for the above-captioned debtors and debtors in possession in these cases (the "Debtors"), in support of its final application (the "Final Application") for allowance of compensation for professional services rendered and reimbursement of expenses incurred from November 1, 2004 through February 13, 2007 (the "Final Application Period"), respectfully represents:

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"), H&K requests that this Court authorize: (a) allowance of compensation for professional services H&K rendered to the Debtors during the

Final Application Period in the amount of \$2,049,304.43¹ and (b) the reimbursement of actual and necessary expenses H&K incurred in connection with the rendering of such professional services in the amount of \$247,220.08.

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 predicates for the 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, Adelphia Communications Corporation and certain of its subsidiaries and affiliates commenced cases under chapter 11 of the Bankruptcy Code.

4. H&K was originally retained by the Debtors, as an ordinary course professional under the terms of this Court's Order pursuant to Sections 105(a), 327(e) and 328 of the Bankruptcy Code Authorizing Debtors in Possession to Employ Professionals Utilized in the Ordinary Course of Business dated June 27, 2002, as amended (the "OCP Order").

5. Once H&K's fees reached the threshold amount of \$350,000.00, the OCP Order required that H&K be retained in accordance with, inter alia, Sections 327 and 328 of the Bankruptcy Code. Consequently, on September 18, 2005, the Debtors filed a formal Application for an Order Authorizing Employment and Retention of H&K as Special Counsel for the Debtors and Debtors in Possession Pursuant to Sections 327(e) and 328 of the Bankruptcy

¹ The amount of \$2,049,304.43 is calculated as total fees requested of \$2,101,160.50 less H&K's voluntary reduction of \$34,965.50 less the Fee Committee's suggested reduction of \$16,890.57 for the First Fee Application Period.

Code, which was approved by Order of the Court dated April 8, 2005. A copy of the Order approving H&K's retention as Special Counsel to the Debtors is annexed hereto as **Exhibit 1**.

H&K'S FEES AND EXPENSES

6. H&K's services have been substantial, necessary, and beneficial to the Debtors and to their estates, creditors, and other parties in interest. Throughout the Final Application Period, the variety and complexity of the issues involved in these cases and the need to address those issues on an expedited basis have required H&K, in discharge of its professional responsibilities, to devote substantial time by professionals from many legal disciplines on a daily basis, and often through night and weekend work.

7. For the Final Application Period, pursuant to the Compensation Order, H&K has received \$1,677,307.78² in payment for services rendered and \$247,220.08 for expenses incurred in connection with the rendering of such professional services. These amounts represent 80% payment for services rendered (plus a portion of the 8th Interim Fee Period holdback) and 100% payment for expenses incurred by H&K. Pursuant to the Compensation Order, 20% of the fees for professional services are subject to a "holdback". By this Final Application, H&K seeks allowance of compensation in the amount that has been previously billed for services rendered and expenses incurred during the Final Application Period.

8. To date, in the exercise of its billing judgment, H&K has written off a total of \$51,856.07 in fees. During the Final Application Period, H&K voluntarily elected to write-off \$34,965.50 in fees, as reflected in the monthly billing statements served pursuant to the

² The amount of fees received to date of **\$1,677,307.78** is calculated by multiplying \$2,066,195.00 (Total Services \$2,101,160.50 – Time Written Off \$34,965.50) by eighty percent (80%) and adding \$24,351.78 (representing the released portion of the 8th Interim Fee Application holdback).

Compensation Order. In addition, at the Fee Committee's request, H&K has further reduced its first application (8th Interim Fee Application) fee amount by \$16,890.57.

9. No agreement or understanding exists between H&K and any other entity for the sharing of compensation to be received for services rendered in or in connection with this case. See Affidavit of Jose A. Casal, Esq., annexed hereto as **Exhibit 2**.

10. H&K maintains written records of the time expended by attorneys, law clerks and paraprofessionals in rendering professional services to the Debtors. Such time records are made contemporaneously with the rendition of services by each person rendering such services. The daily time records for the Final Application Period, broken down by matter number and listing the name of the attorney, law clerk or paraprofessional, the date on which the services were performed, and the amount of time spent in performing the services, have been previously provided in electronic data form and in hard copy form annexed to the Monthly Fee Statements and the Interim Fee Applications.

11. For the convenience of the Court and parties-in-interest, also annexed hereto as **Exhibit 3** is: (i) a list of the attorneys, law clerks and paraprofessionals who have worked on matters during the Final Application Period; (ii) the date of law school graduation for each attorney; (iii) the aggregate time expended by each individual during the Final Application Period; (iv) his or her hourly billing rate during the Final Application Period; (v) the amount of H&K's fees attributable to each individual; and (vi) the blended hourly rate for the Final Application Period.

12. H&K also maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of professional services. A schedule setting forth the categories of expenses and amounts for which reimbursement is requested is annexed

hereto as **Exhibit 4**. Copies of the back-up substantiation for the expenses reflected in Exhibit 4 have been previously provided electronically with each Monthly Fee Statement.

13. Pursuant to the administrative order regarding guidelines for fees and disbursements for professionals in bankruptcy cases (the "Administrative Order"), H&K recorded its services rendered and disbursements incurred on different matters reasonably expected by the Debtors to constitute a substantial portion of the fees sought during the Final Application Period. Annexed hereto as **Exhibit 5** is a list of all the matters for which services were rendered during the Final Application Period and the aggregate amount of hours and fees expended for each of those matters.

SUMMARY OF SERVICES RENDERED

14. Recitation of each and every item of professional services that H&K performed during the Final Application Period would unduly burden the Court. Hence, the following summary highlights the major areas to which H&K devoted time and attention during the Final Application Period. The full breadth of H&K's services are reflected in H&K's time records which have been previously provided in electronic and hard copy form. Additionally, Exhibit 3 lists: (a) all attorneys, law clerks and paraprofessionals who have performed services in each respective service category; and (b) a breakdown of the hours spent and the amount of compensation requested for each attorney, law clerk and paraprofessional within each service category.

A. **Circle Acquisitions, Inc. v. Starpoint Limited Partnership a/k/a CP Security Ltd. d/b/a Adelpia Security**

15. During the Final Application Period, H&K provided legal services relating to the defense and settlement of the above referenced arbitration proceeding, which concerned litigation over contracts entered into between the parties including, but not limited to, the

assignment of alarm monitoring service contracts involving alleged damage claims in excess of \$25 million (the "Circle Matter"). H&K's legal services included, but were not limited to, conducting voluminous discovery reviews, preparation of numerous pleadings and affidavits, preparation of confidentiality agreements, attending numerous arbitration conferences, hearings and a two week final arbitration hearing. Prior to the final arbitration hearing, attention to discovery included the on-site review of hundreds of thousands of the claimant's documents and records, analysis and compilation of discovery findings, preparation for, and taking of, depositions, third party interviews, consultations with and retaining expert witnesses and the preparation of various discovery motions.

16. Following the two week final arbitration hearing, the arbitrator sought the assistance of the parties with respect to the retention of a forensic accountant to assist with the various damage issues which included the preparation of numerous exhibit binders, compilation of damages information and calculations, estimation of bankruptcy claims and conducting research on numerous legal issues relating to damages. Upon the issuance of the arbitrator's order, an attorneys' fees expert was retained to assist with the determination of various attorneys' fees issues which related directly to the arbitrator's final order. Prior to the determination of the attorneys' fee issues, H&K assisted in negotiating and documenting a final settlement agreement between the parties.

B. **Sierra Liquidity Fund LLC v. Southeast Florida Cable Inc. d/b/a Adelphia able Communications**

17. During the Final Application Period, H&K provided legal services relating to the defense and settlement of the above-referenced lawsuit, which concerned litigation over the alleged costs of construction work performed. H&K's legal services included, but were not limited to, engaging in settlement negotiations and preparing settlement documents.

C. **John Christensen v. Adelphia Cable Vision of West Palm Beach**

18. During the Final Application Period, H&K provided legal services relating to the defense and settlement of the above-referenced lawsuit, which concerned litigation over the alleged theft of jewelry from a customer's home. H&K's legal services included, but were not limited to, preparing and responding to discovery, witness preparation, deposition attendance, preparation for mediation and trial, attendance at hearings, engaging in settlement negotiations and preparing settlement documents.

C. **Townsend Place Condominium Association / Termination of Contract**

19. During the Final Application Period, H&K provided legal services relating to the expected termination of the Townsend Place Condominium Association Agreement. H&K's legal services included, but were not limited to, researching and advising of the relevant status of the law with respect to such termination.

D. **Williams Gulliani v. Adelphia Communications Corporation**

20. During the Final Application Period, H&K provided legal services relating to the defense of the above-referenced lawsuit, which concerned litigation over a trip and fall allegedly caused by an exposed underground wire allegedly installed by an Adelphia subcontractor. H&K's legal services included, but were not limited to, preparing pleadings, preparing and responding to discovery, taking depositions, attendance at hearings, and engaging in settlement negotiations.

E. **Cowlitz Cablevision Corporation / Environmental Review**

21. During the Final Application Period, H&K provided legal services relating to the environmental review of contamination of real property (the "Cowlitz Matter"). H&K's

legal services included, but were not limited to, client and expert consultations and the review of environmental reports and proposals.

F. **Rosalind Wunderlin v. Adelpia Communications Corporation**

22. During the Final Application Period, H&K provided legal services relating to the defense, mediation, settlement and enforcement of the parties' settlement agreement in the above-referenced lawsuit, which originally concerned litigation over the alleged theft of jewelry from a customer's home (the "Wunderlin Matter"). H&K's legal services included, but were not limited to, preparing pleadings and correspondences, attending depositions, preparing and responding to discovery requests, attending mediation, negotiating settlement, and enforcing the settlement agreement to compel payment thereunder. The resolution of the Wunderlin Matter included obtaining a mediated settlement agreement which provided for an award of the majority of H&K's attorney's fees and costs incurred.

G. **Adelpia Communications Corporation v. Lexington Insurance Co.**

23. During the Final Application Period, H&K provided legal services relating to the prosecution of the above-referenced lawsuit, which concerns litigation over the scope of Adelpia's business interruption insurance. H&K's legal services included, but were not limited to, reviewing and preparing the initial pleadings to commence the litigation.

E. **Bankruptcy Matters**

24. During the Final Application Period, in accordance with the Compensation Order, H&K prepared and served monthly fee statements for each month from November 1, 2004 through February 13, 2007. To date, H&K has also prepared a total of five fee applications. H&K has worked to comply with the directives of the Fee Committee and the

requirements of the fee protocol approved by this Court on March 7, 2003, by providing relevant fee materials so that the Fee Committee may monitor the fees incurred in these cases.

EVALUATING H&K'S SERVICES

25. As highlighted above, during the Final Application Period, H&K has continued to provide extensive services to the Debtors in connection with its representation and defense of litigation arising from the Debtors' continued business operations.

26. “[T]he ‘lodestar’ method of fee calculation developed by the Sixth Circuit, see Lindy Bros. Builders Inc. v. American Radiator & Standard Sanitary Corp., 487 F.2d 161, 167 (3d Cir. 1973), is the method to be used to determine a ‘reasonable’ attorney fee in all the federal courts, including the bankruptcy courts.” In re Cena’s Fine Furniture, Inc., 109 B.R. 575, 581 (E.D.N.Y. 1990); In re Poseidon Pools of America, Inc., 216 B.R. 98, 100 (E.D.N.Y. 1997). Accord In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 22 (Bankr. S.D.N.Y. 1991) (“In determining the ‘reasonableness’ of the requested compensation under § 330, Bankruptcy Courts now utilize the ‘lodestar’ method”).

27. “The lodestar amount is calculated by multiplying the number of hours reasonably expended by the hourly rate, with the ‘strong presumption’ that the lodestar product is reasonable under § 330.” Drexel, 133 B.R. at 22 (citations omitted). H&K’s hourly rates and fees charged are consonant with the market rate for comparable services. The hourly rates and fees charged by H&K are the same as (or less than) those generally charged to, and paid by, H&K’s other clients. Indeed, unlike fees paid by most H&K clients, due to the “holdbacks” of fees and the delays inherent in the fee application process, the present value of the fees paid to H&K by the Debtors is significantly less than the fees paid monthly by other H&K clients.

28. The hours expended by H&K were necessary. “[T]he appropriate perspective for determining the necessity of the activity should be prospective: hours for an activity or project should be disallowed *only* where a Court is convinced it is readily apparent that no reasonable attorney should have undertaken that activity or project or where the time devoted was excessive.” Drexel, 133 B.R. at 23 (emphasis added). Moreover, in passing upon the reasonableness of hours expended, courts should be mindful of the “practical judgments, often within severe time constraints, [professionals make] on matters of staffing, assignments, coverage of hearings and meetings, and a wide variety of similar matters.” Id. These judgments are presumed to be made in good faith. Id.

FEE COMMITTEE FACTORS

29. When evaluated in light of the factors to be considered in determining reasonableness, as identified by the Fee Committee of Adelphia Communications, et al. (the "Fee Committee) in paragraph 2.4 of its Final Compensation Procedures, it is clear that H&K's fees are reasonable. The Fee Committee's factors are discussed below:

(1) **The Final Applicant’s role, objectives, and accomplishments in the Adelphia Case.** The role and objective of H&K in the Adelphia Case was to represent the Debtors with respect to all pre-existing and future litigation and business matters arising in the Southeast region of the United States. During the Final Application Period, H&K successfully defended several lawsuits filed against the Debtors. The most significant representation was the successful defense of the fraud claims raised in the Circle Matter which related to litigation over the assignment of alarm monitoring service contracts and involved alleged damage claims exceeding \$25 million.

(2) The time billed for the services and the billing rates. As discussed above, the time billed by H&K was necessary to accomplish the desired results for the Debtors. H&K's hourly rates and fees charged are consonant with the market rate for comparable services. The hourly rates and fees charged by H&K are the same as (or less than) those generally charged to, and paid by, H&K's other clients. Indeed, unlike fees paid by most H&K clients, due to the "holdbacks" of fees and the delays inherent in the fee application process, the present value of the fees paid to H&K by the Debtors is significantly less than the fees paid monthly by other H&K clients.

(3) Steps taken by the Final Applicant to provide services solely within their scope of employment, as prescribed by their respective retention orders. H&K was retained to provide legal services relating to "(i) the Circle Matter; (ii) general litigation matters in the Southeast region; and (iii) legal advice pertaining to business matters in the Southeast region." See Affidavit Pursuant to FRBP 2014(a) of David R. Softness in Support of Debtor's Application to Employ and Retain Holland & Knight LLP as Special Counsel. H&K was careful to stay within the scope of its representation. Only in one instance, with the consent of Adelpia's representatives, did H&K provide legal services outside of the Southeast region through the use of H&K's Los Angeles office, relating to the Cowlitz Matter, which concerned the environmental review of some of the Debtors' real property located near Los Angeles, California.

(4) Coordination of the Final Applicant's services with those of other professionals in the Adelpia Case to limit or prevent duplication of work being done. H&K worked closely with David Bertrand and Christopher Melcher at Adelpia to ensure that Adelpia stayed apprised of the tasks undertaken by H&K and to ensure that services were not duplicated. Additionally, when possible, H&K partners and senior counsel delegated tasks to H&K's lower cost junior associates. These associates would routinely report to the senior attorneys as to the status of particular matters in order to further avoid the duplication of effort.

(5) Whether the services were necessary to the administration of, or beneficial at the time at which the services were rendered. The services rendered by H&K were performed diligently and efficiently and were necessary and beneficial. H&K's services, in some cases, prevented the further disruption to the Debtors' business operations resulting from pending litigation. The resolution of the fraud claims in the Circle Matter removed a potential liability which exceeded \$25 million from Adelpia's financial forecast. The resolution of the Wunderlin Matter included obtaining a mediated settlement agreement which provided for an award of the majority of H&K's attorney's fees and costs incurred as of the mediation date.

(6) Whether the services were performed within a reasonable amount of time commensurate with the complexity, importance and nature of the problem, issue or task addressed. H&K provided timely service on all of the matters for which it was engaged. In some instances, H&K operated under very limited time

constraints. Specifically, at the direction of the Arbitrator in the Circle Matter, H&K was able to comply with the Arbitrator's requests to review, compile and summarize the documents and information necessary to assess the complex damages calculations that were at issue in the case.

(7) The opposition encountered and the problems that arose. The claimant's approach to litigating the Circle Matter including, resisting all forms of discovery, as well as, claimant's alleged damage claims exceeding \$25 million, required extensive motion practice, almost daily communications and numerous motions to compel discovery, which included hundreds of thousands of documents. Respondent had to review, compile and analyze hundreds of thousands of documents, identify, locate and depose multitudes of witnesses (many of whom had moved out of the area, including out of the country), conduct extensive third party discovery, and attend multiple hearings before the Arbitrator.

(8) Compliance with Fee Committee Memorandum. H&K, at all times, has made a diligent effort to comply with the Fee Committee Memorandum and it believes that it is in compliance therewith.

(9) Any amounts by which the fees of the Final Applicant have been reduced voluntarily, with respect to an Interim Application or otherwise, prior to their submission to or review by the Fee Committee identified by work code or, if none, by description. During the Final Fee Application H&K voluntarily elected to write-off \$34,965.50 in fees, as reflected in the monthly billing

statements served pursuant to the Compensation Order. A true and correct chart detailing the voluntary reductions is attached hereto as **Exhibit 6**.

(10) Any amounts by which the fees of the Final Applicant have been reduced at the recommendation of the Fee Committee, with respect to an Interim Application or otherwise, identified by work code or, if none, by description. In addition to the voluntary write offs referenced above, H&K has further reduced its first fee application (8th Interim Fee Application) by \$16,890.57 at the Fee Committee's request. The Fee Committee's recommendations for further reductions from H&K's second, third, fourth and fifth fee application are still pending. A true and correct chart detailing the Fee Committee's recommended reductions is attached hereto as **Exhibit 7**.

(11) Any amounts by which the expenses of the Final Applicant have been reduced voluntarily, with respect to an Interim Application or otherwise, prior to their submission to or review by the Fee Committee identified by expense category. H&K has not voluntarily reduced the amount of expenses for which it seeks reimbursement. These expenses were all necessary expenses incurred in the course of H&K's representation of the Debtors. Included in these expenses were advances of significant amounts for purposes of expert and consultant retention, document database management, investigative services, arbitration fees and other filing and court costs, which H&K paid on the Debtors' behalf.

(12) Any amounts by which the expenses of the Final Applicant have been reduced at the recommendation of the Fee Committee, with respect to an Interim Application or otherwise, identified by expense category. To our knowledge, the Fee Committee has not recommended a reduction of H&K's expenses with respect to an Interim Application or otherwise.

(13) Any other matters that the Fee Committee believes should be considered by the Bankruptcy Court in its final determination of compensation and expense reimbursement for the Final Applicant. H&K believes that the Debtors received excellent value and results at reasonable rates and costs in the services provided by H&K during the Final Fee Period.

H&K'S REQUEST FOR FINAL COMPENSATION

30. The allowance of 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.

31. 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, including the debtor's attorney:

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

11 U.S.C. § 330. The Congressional intent and policy expressed in section 330 of the Bankruptcy Code is to provide for adequate compensation to continue to attract qualified and competent practitioners to bankruptcy cases.

32. H&K submits that its request for final allowance of compensation is reasonable. The services rendered by H&K, as highlighted above, required substantial time and effort.

33. The services rendered by H&K during the Final Application Period were performed diligently and efficiently. Accordingly, when possible, H&K delegated tasks to lower cost junior attorneys and law clerks or, for discrete matters, to attorneys with specialized expertise in the particular task at issue. While that approach may have required intra-office conferences between individual attorneys who spent only a few hours on the matter at hand, the net result was enhanced cost efficiency.

34. During the Final Application Period, H&K generally assigned discrete projects or tasks to particular associates assigned to the case. These associates would be primarily responsible for interacting with the various parties in interest to accomplish particular tasks. The associates would routinely report to senior attorneys as to the status of particular matters and related issues. While this system sometimes required the presence of multiple H&K associates at certain meetings, the expense associated with having multiple attorneys meet together was insignificant compared to the cost savings realized by not requiring a single, more senior attorney to be brought up to speed on the various issues and disputes that the various associates were involved with on a daily basis.

35. Although duplication of effort has been avoided to the greatest extent possible, some duplication may have occurred as a result of the intensity of the matters in which

H&K was engaged, the complexity of the issues that arose during these cases, and the urgent basis upon which some of these services were rendered. However, H&K believes that any duplication of effort was *de minimis*, is covered by H&K's write-offs in the exercise of its billing judgment, and was beneficial to the Debtors in that thorough knowledge of the background and the history of these cases makes each successive task more efficient.

36. During the Final Application Period, H&K encountered certain novel and complex legal issues, often requiring extensive research and drafting. H&K brought to bear legal expertise in many areas, including various litigation issues. H&K attorneys have rendered advice in these areas with skill and dispatch.

DISBURSEMENTS

37. H&K incurred actual and necessary out-of-pocket expenses during the Final Application Period in connection with the rendition of the professional services described above, in the amounts set forth in Exhibit 4.³ By this Final Application, H&K respectfully requests allowance of such reimbursement in full.

38. The disbursements for which H&K seeks reimbursement include the following:

- a. Duplicating - In-house copying is charged at \$0.10 per page, based upon the cost of duplicating services. The charge per page includes a charge for maintaining the duplicating facilities. Outside copy services are charged at actual cost;
- b. Telecommunications - Long distance calls are billed at actual cost. Outgoing facsimile transmittals are billed at \$1.00 per page, while there is no charge for incoming facsimiles. This rate is based upon costs incurred by H&K for phone charges and equipment maintenance;

³ H&K's standard practice is to treat certain expenses as having been incurred when such obligations are recorded and reflected as payable in H&K's accounting system.

- c. Computer Research Charges - H&K's practice is to bill clients for LEXIS and Westlaw research at actual cost, which includes vendor payments and phone charges;
- d. Local Car Service - H&K's practice is to allow attorneys to charge clients for mileage expense reimbursements in accordance with the per-mile rates established by the Internal Revenue Service;
- e. Airfare, Lodging, Out-of-Town Meals and Miscellaneous Travel Expenses - H&K's practice is to charge clients for these expenses at actual cost; and
- f. Delivery Services - H&K's practice is to charge clients for postal, overnight delivery and courier services at actual cost.

PROCEDURE

39. H&K 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 post-petition bank lenders; (iii) counsel to the Committees; (iv) the Debtors; and (v) the Fee Committee.

40. On September 28, 2005, H&K filed with this Court its first application for interim compensation for professional services for the period of November 1, 2004 through February 28, 2005. On February 28, 2006, H&K filed with this Court its second application for interim compensation for professional services for the period of March 1, 2005 through August 31, 2005. On June 16, 2006, H&K filed with this Court its third application for interim compensation for professional services for the period of September 1, 2005 through February 28, 2006. On October 17, 2006, H&K filed with this Court its fourth application for interim compensation for professional services for the period of March 1, 2006 through August 31, 2006. On March 28, 2007, H&K filed with this Court its fifth application for interim compensation for professional services for the period of September 1, 2006 through February 13, 2007. Except for the foregoing interim applications, no previous application for the relief sought herein has been made to this or any other court.

CONCLUSION

WHEREFORE, H&K respectfully requests that this Court enter an order awarding

H&K:

- (a) final compensation from the Debtors for services rendered from November 1, 2004 through February 13, 2007, inclusive, in the amount of \$2,049,304.43⁴;
- (b) reimbursement of actual, necessary expenses incurred in connection with the rendition of such services, in the amount of \$247,220.08; and
- (c) such other and further relief as may be just.

Dated: March 30, 2007.

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: _____

Jose A. Casal
Florida Bar No. 767522
Joaquin J. Alemany
Florida Bar No. 662380
Peter A Zisser (PZ-9634)

701 Brickell Avenue
30th Floor
Miami, Florida 33131
Tel. (305) 374-8500
Fax (305) 789-7799

--and--

195 Broadway, 24th Floor
New York, NY, 10007
Tel. (212) 513-3200
Fax (212) 385-9010

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The amount of \$2,049,304.43 is calculated as total fees requested of \$2,101,160.50 less H&K's voluntary reduction of \$34,965.50 less the Fee Committee's suggested reduction of \$16,890.57 for the First Fee Application Period.

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

Adelphia Communications Corporation, et al.,

Debtors.

Chapter 11 Case

Case No. 02-41729 (REG)

(Jointly Administered)

**ORDER AUTHORIZING EMPLOYMENT AND RETENTION
OF HOLLAND & KNIGHT LLP AS SPECIAL COUNSEL FOR
THE DEBTORS AND DEBTORS IN POSSESSION PURSUANT
TO SECTIONS 327(e) AND 328 OF THE BANKRUPTCY CODE**

Upon the application (the "Application") of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for an order, pursuant to sections 327(e), 328, 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtors to retain Holland & Knight LLP ("H&K") as special counsel; and upon the affidavit of David. R. Softness, annexed to the Application as Exhibit A; and notice of the Application having been given as set forth in the Application; and it appearing that such notice is due and sufficient and that no further or other notice is required; and the Court being satisfied that H&K does not hold or represent an interest adverse to the Debtors' estates and that the employment of H&K is necessary and in the best interests of the Debtors and their estates, creditors and interest holders; and the Court having reviewed the Application and having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, that subject to the terms and conditions of this Order, the Application is granted; and it is further

ORDERED, that terms not otherwise defined herein shall have the meaning ascribed to them in the Application; and it is further

ORDERED, that the Debtors are authorized to employ, retain, compensate, and reimburse H&K as their special counsel on the terms and conditions set forth in the Application and this Order; and it is further

ORDERED, that to the extent that the Application is inconsistent with this Order, the terms of this Order shall control; and it is further

ORDERED, that H&K shall file interim and final fee applications pursuant to the applicable provisions of the Bankruptcy Code, Bankruptcy Rules and the Local Rules and Orders of this Court; and it is further

ORDERED, that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this order.

Dated: April 8, 2005

S/ Robert E. Gerber
HON. ROBERT E. GERBER
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 2

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**AFFIDAVIT PURSUANT TO SECTION 504 OF THE
BANKRUPTCY CODE AND BANKRUPTCY RULE 2016**

STATE OF FLORIDA)
) ss.:
COUNTY OF MIAMI DADE)

Jose A. Casal, being duly sworn, deposes and says:

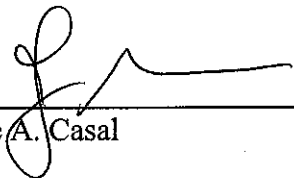
A. I am a partner of the firm of Holland & Knight LLP (“H&K”), which maintains offices at 701 Brickell Avenue, Suite 3000, Miami, Florida 33131.

B. By order dated April 8, 2005, H&K was retained to represent the above-captioned debtors and debtors in possession (collectively, the “Debtors”).

C. This affidavit is submitted pursuant to Rule 2016 of the Federal Rules of Bankruptcy Procedure in connection with H&K’s application for: (a) an final allowance of compensation for services rendered as counsel to the Debtors from November 1, 2004 through February 13, 2007, inclusive; and (b) the reimbursement of expenses incurred in connection therewith.

D. No agreement or understanding exists between H&K and any person for a division of compensation or reimbursement received or to be received herein or in connection with the within cases.

E. To date, H&K has received no payment, except pursuant to this Court's Order Under Local Rule 2016-1 and 11 U.S.C. §§105(a) and 331 Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals And Committee Members, dated August 9, 2002, or promise of payment for the services rendered in these chapter 11 cases other than pursuant to the order authorizing the retention of H&K herein and as disclosed herein and in H&K's Monthly Fee Statements.

By: 

Jose A. Casal

EXHIBIT 3

**SERVICES RENDERED BY PROFESSIONALS
NOVEMBER 1, 2004 THROUGH FEBRUARY 13, 2007**

Name	Department	Law School Graduation	Position	Hours	Hourly Rate	Fees Earned
PARTNERS						
Alexander, Martin J.	Litigation	05/1982	Partner (01/01/1991)	1.00	550.00	\$550.00
Bellows, Christopher N.	Litigation	05/1985	Partner (01/01/1993)	1.00	460.00	\$460.00
Bevington, Elizabeth L.	Litigation	05/1985	Partner (01/01/1993)	0.50	385.00	\$192.50
Casal, Jose A.	Litigation	05/1988	Partner (01/01/1996)	1.40	475.00	\$665.00
Clary, Donald	Litigation	05/1979	Partner (01/01/2004)	16.50 45.70 8.60	350.00 385.00 425.00	\$5,775.00 17,594.50 3,655.00
Hickey, J. Michelle	Litigation	05/1989	Partner (08/01/2000)	3.40	400.00	\$1,360.00
Hogan, John M.	Litigation	05/1977	Lateral Partner (06/30/1998)	631.40 184.10	575.00 625.00	\$363,055.00 115,062.50
Ice, Thomas E.	Litigation	05/1985	Lateral Partner (02/20/2001)	2.50	355.00	\$887.50
Mena, Daniel	Litigation	05/1995	Partner (01/01/2003)	1.10	385.00	\$423.50
Mercier, Judith M.	Litigation	05/1994	Partner (01/01/2002)	809.80 162.50 2.50	380.00 410.00 435.00	\$307,724.00 66,625.00 1,087.50
Pabian, Ilene, M.	Litigation	05/1995	Partner (01/01/2003)	69.10	355.00	\$24,530.50
Smith, Lenore C.	Litigation	12/1989	Partner (01/01/1998)	61.80	380.00	\$23,484.00
Softness, David R.	Bankruptcy	05/1985	Lateral Partner (10/01/2003)	80.80 17.20	415.00 455.00	\$33,532.00 7,826.00
Williams, Dwayne E.	Litigation	05/1997	Partner (01/01/2002)	16.50 3.50	365.00 400.00	\$6,022.50 1,400.00
Wing, James D.	Litigation	05/1975	Partner (05/16/1994)	1.70	625.00	1,062.50
ASSOCIATES						
Aleman, Joaquin J.	Litigation / Bankruptcy	05/2003	Associate	196.00 74.70 116.60 123.10 56.70	200.00 220.00 235.00 245.00 285.00	\$39,200.00 16,434.00 27,401.00 30,159.50 16,159.50
Annunziato, Christopher	Litigation	12/1997	Associate	442.20 90.60	290.00 310.00	\$128,238.00 28,086.00

Name	Department	Law School Graduation	Position	Hours	Hourly Rate	Fees Earned
Choi, Dana L.	Litigation	05/1994	Associate	540.90 20.00	330.00 360.00	\$178,497.00 7,200.00
Lazarus, Jason D.	Litigation	05/1997 05/1998	Associate	5.80 15.20	305.00 400.00	\$1,769.00 6,080.00
McKinney, Diara D.	Litigation	05/2005	Associate	110.50	180.00	\$19,890.00
Matthews, Marc D.	Litigation	12/2003	Associate	15.40	170.00	\$2,618.00
Mockler III, Richard J.	Litigation	05/2001 05/2002	Associate	7.60	360.00	\$2,736.00
Shahoulian, David	Litigation	05/2002	Associate	797.90 50.50 238.20	225.00 250.00 275.00	\$179,527.50 12,625.00 65,505.00
Sjggerud, Michael A.	Litigation	05/2001	Associate	28.50	215.00	\$6,127.50
Starks, Michael D.	Litigation	5/1996	Associate	404.60	315.00	\$127,449.00
Ward, Joseph J.	Litigation	05/1998	Associate	16.80 1.70	285.00 305.00	\$4,788.00 518.50
Zisser, Peter A.	Bankruptcy	05/1991	Senior Counsel	.50	395.00	\$197.50
LEGAL ASSISTANTS						
Allman, Melissa P.	Litigation		Legal Asst.	4.00 8.20	165.00 170.00	\$660.00 1,394.00
Aude, Luz M.	Litigation		Legal Asst.	110.00	150.00	\$16,500.00
Chifari, Elizabeth	Library		Librarian	0.30	110.00	\$33.00
Diaz-Peralta, Ellen	Litigation		Legal Asst.	471.10	165.00	\$77,731.50
Dooley, Stephanie	Library		Librarian	0.60	70.00	\$42.00
Fields, Martha	Litigation		Legal Asst.	266.00 32.80	175.00 190.00	\$46,550.00 6,232.00
Fried, Nicole	Litigation		Legal Asst.	12.00	195.00	\$2,340.00
Gailey, James R.	Litigation		Legal Asst.	9.70	200.00	\$1,940.00
Goethel, Amber	Litigation		Legal Asst.	31.40	155.00	\$4,867.00
Havenick, Alex	Litigation		Legal Asst.	63.20	140.00	\$8,848.00

Name	Department	Law School Graduation	Position	Hours	Hourly Rate	Fees Earned
Hawkins, Margaret A.	Litigation		Legal Asst.	0.70	95.00	\$66.50
				1.00	110.00	110.00
Hilliard, Rebecca J.	Litigation		Legal Asst.	0.80	140.00	\$112.00
Knopf, Rebecca	Litigation		Legal Asst.	32.80	160.00	\$5,248.00
Lancaster, Wilfred S.	Bankruptcy		Legal Asst.	1.00	175.00	\$175.00
				0.50	185.00	92.50
Llorrente, Michael	Litigation		Legal Asst.	14.50	155.00	\$2,247.50
Perez, Luis	Litigation Support		Litigation Support	0.50	100.00	\$50.00
Perlich, Denise L.	Litigation		Legal Asst.	3.00	170.00	\$510.00
Pieczulewski, Jacqueline A.	Litigation		Legal Asst.	0.20	140.00	\$28.00
Schilling, Gloria	Litigation		Legal Asst.	5.50	125.00	\$687.50
Stauffer, Sally K.	Litigation		Legal Asst.	82.80	185.00	\$15,318.00
Swain, Martell R.	Litigation		Legal Asst.	1.60	140.00	\$224.00
Valdes, Alina M.	Litigation		Legal Asst.	98.60	140.00	\$13,804.00
Walton III, Costell	Litigation		Legal Asst.	3.40	170.00	\$578.00
Wong, Anne Marie	Litigation		Legal Asst.	92.10	115.00	\$10,591.50
Totals				6,824.90	**	\$2,101,160.50

** The blended hourly rate for services provided during the Final Application Period is \$307.87 calculated by dividing the total fees of \$2,101,160.50 by the total hours of 6,824.90.

EXHIBIT 4

DISBURSEMENTS FOR NOVEMBER 1, 2004 THROUGH FEBRUARY 13, 2007

Disbursement	Amount
Airfare/Train	1,843.55
Arbitrator Fees	4,000.00
Courier	4,139.74
Court Reporter	27,995.60
Data Acquisition	81,661.90
Electronic Discovery	3,162.77
Expert Fees -Attorney's Fees Expert/Consultant	4,094.00
Expert Fees -Environmental Expert/Consultant	4,000.00
Filing Fees	799.00
Local Car Fare	2,164.93
Local Meals	1,555.97
Lodging	4,688.00
Long Distance Telephone	1,198.49
Mediator Fee	266.66
Online Research	53,528.90
Outside Reproduction	12,921.70
Postage	60.19

Process of Service	410.00
Reproduction	21,933.40
Tabs / Velobind	2,625.69
Telecopy	2,095.00
Trial Exhibits	9,438.86
Video Conferencing	2,102.64
Witness Fees	533.09
TOTAL	\$247,220.08

EXHIBIT 5

**SERVICES RENDERED BY CATEGORY
NOVEMBER 1, 2004 THROUGH FEBRUARY 13, 2007**

Service Category	Hours	Fees Earned
1. General Litigation	6,824.90	\$2,101,160.50
TOTAL	6,824.90	\$2,101,160.50

EXHIBIT 6

**H&K FEES VOLUNTARILY REDUCED WITH
RESPECT TO INTERIM APPLICATIONS**

<u>Fee Period</u>	<u>Total Fees Requested</u>	<u>Amounts Voluntarily Written-Off</u>	
8 th Interim	\$414,889.00	\$2,465.50	(Transitory Time)
9 th Interim	\$1,209,693.00	\$18,318.00	(Transitory Time)
10 th Interim	\$149,119.50	\$5,222.50	(Transitory Time)
11 th Interim	\$289,111.00	\$8,959.50	(Transitory Time)
12 th Interim	\$38,348.00	\$0.00	(No Transitory time)
TOTAL	\$2,101,160.50	\$34,965.50	

EXHIBIT 7

**ADDITIONAL H&K FEES REDUCED AT THE
RECOMMENDATION OF THE FEE COMMITTEE**

<u>Fee Period</u>	<u>Total Fees Requested</u>	<u>Fee Committee Recommendation</u>
8 th Interim	\$414,889.00	\$16,890.57 (11/22/2006)
9 th Interim	\$1,209,693.00	Pending
10 th Interim	\$149,119.50	Pending
11 th Interim	\$289,111.00	Pending
12 th Interim	\$38,348.00	Pending
TOTAL	\$2,101,160.50	\$16,890.57

EXHIBIT 8

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**CERTIFICATION PURSUANT TO
ADMINISTRATIVE ORDER RE: GUIDELINES
FOR FEES AND DISBURSEMENTS FOR PROFESSIONALS
IN SOUTHERN DISTRICT OF NEW YORK BANKRUPTCY CASES**

I, Jose A. Casal, certify as follows:

1. I am a partner of the firm of Holland & Knight LLP (“H&K” or “Applicant”). H&K represents the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”).
2. I submit this certification in conjunction with H&K’s application, dated March 30, 2007 (the “Final Application”), for final allowance of fees and reimbursement of expenses in these cases for the period from November 1, 2004 through February 13, 2007, inclusive (the “Final Application Period”). The Final Application is being submitted pursuant to this Court’s Order Under Local Rule 2016-1 and 11 U.S.C. §§105(a) and 331 Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals And Committee Members, dated August 9, 2002 (the “Compensation Order”).
3. I am the professional designated by H&K with the responsibility for H&K’s compliance in these cases with the Administrative Order, dated April 19, 1995 (the “Amended

Guidelines”), in this District regarding guidelines for fees and disbursements for professionals in bankruptcy cases.

4. I have read H&K's Final Application and, to the best of my knowledge, information and belief formed after reasonable inquiry (except as stated herein or in the Final Application): (i) the fees and disbursements sought in the Final Application fall within the Amended Guidelines and the guidelines issued January 30, 1996, by the Office of the United States Trustee (the “UST Guidelines” and, together with the Amended Guidelines, the “Guidelines”); and (ii) except to the extent the fees and disbursements are prohibited by the Guidelines, the fees and disbursements sought are billed at or below the rates and in accordance with practices customarily employed by H&K and generally accepted by its clients.

5. In accordance with the Interim Compensation Order, the Debtors and other parties have reviewed the H&K monthly fee statements that form the basis for the Final Application and H&K has not received any objections to the amounts requested therein. Such monthly statements of fees and disbursements have been provided to the United States Trustee, the Debtors, the Official Committee of Unsecured Creditors and the Official Committee of Equity Security Holders (the “Committees”).

6. A copy of the Final Application has been provided to the United States Trustee, the Committees, and the Debtors contemporaneously with the filing hereof.

7. Attached to the Final Application as Exhibit 5 is a current list of the different matter headings under which time is recorded. That list includes all discrete activities within these cases during the Final Application Period that reasonably could have been expected to: (a) continue over a period of at least three months; and (b) constitute a significant portion of the fees to be sought for the final period.

8. Attached to the Final Application as Exhibit 3 is a copy of the daily time records maintained by the attorneys, law clerks and paraprofessionals of H&K in the ordinary course of business. The time records set forth in reasonable detail the services rendered by H&K in these cases.

9. Except as set forth herein or in the Final Application, the reimbursement of expenses sought in the Final Application: (a) does not include a charge for profit or amortization of the cost of any investment, equipment or capital outlay; and (b) when the reimbursement sought is for a service which H&K purchased or contracted for from a third party, includes only the amount billed to H&K by the third party vendor and paid by H&K to such vendor.

10. H&K has sought to keep its fees and expenses at a reasonable level and to utilize professional services and incur expenses as necessary to represent the Debtors competently.

Respectfully submitted,

By: _____

Jose A. Casal

EXHIBIT 9

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**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. Holland & Knight LLP (“H&K”), in connection with its final application (the “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) awarding H&K final allowance of compensation for services rendered to the Debtors in the aggregate amount of \$2,049,304.43*;
- (b) awarding H&K final allowance of reimbursement of actual, necessary expenses incurred in connection with the rendition of such professional services, in the aggregate amount of \$247,220.08; and
- (c) granting such other and further relief as may be just and proper.

* The amount of \$2,049,304.43 is calculated as total fees requested of \$2,101,160.50 less H&K's voluntary reduction of \$34,965.50 less the Fee Committee's suggested reduction of \$16,890.57 for the First Fee Application Period.

2. Total Compensation and Expenses Previously Awarded. H&K has been previously awarded \$425,184.95 (\$442,075.52 fees requested less agreed reduction \$16,890.57) for its First Fee Application (8th Interim Fee Period). H&K has still not been awarded any compensation for services rendered and/or reimbursement of expenses with respect to its Second, Third or Fourth Fee Applications.

3. Name, Billing Rate, Bar Admission Date, Total Hours Billed and Total Billings for Each Professional. Please refer to Exhibit 3 of the Application for: (a) the names and applicable billing rates for each professional and paraprofessional who billed time during the period for which compensation for services rendered and reimbursement of expenses incurred is sought (the "Final Application Period"); (b) the date of law school graduation for each attorney; (c) the total hours and total amounts billed for each attorney, law clerk and paraprofessional listed; and (d) the hourly rate for each attorney, law clerk and paraprofessional who billed time during the Final Application Period.