

Tauber & Balsler, P.C.
Forensic Accountants for Debtors and Debtors in Possession

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(404) 261-7200

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 FEE APPLICATION OF TAUBER & BALSER P.C.,
AS FORENSIC ACCOUNTANTS FOR DEBTORS AND DEBTORS IN POSSESSION
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED FROM
JULY 1, 2005 THROUGH FEBRUARY 12, 2007**

Tauber & Balsler, P.C. ("T&B"), accountants for the above-captioned debtors and debtors in possession in these cases (the "Debtors"), in support of its Final Fee Application (the "Final Application") for allowance of compensation for professional services rendered and reimbursement of expenses incurred from July 1, 2005 through February 12, 2007 (the "Final Application Period"), respectfully represents:

APPLICANT'S ROLE, OBJECTIVES, AND ACCOMPLISHMENTS

As further described in the "Summary of Services Rendered" section below, our professional services entailed certain forensic investigative procedures, litigation consulting services, and the issuance of an expert witness report. All of these services were provided for the purpose of assisting Adelphia's legal counsel in the Company's ongoing litigation matter with Deloitte & Touche, LLP. While the expert witness report was issued on October 31, 2006, our professionals continue to provide ongoing investigative, consulting, and expert witness services to Adelphia legal counsel in this matter subsequent to the date of this Final Fee Application.

SUMMARY OF SERVICES RENDERED

Our professional services comprised three separate and distinct areas, which were 1) forensic investigation and 2) consulting services and 3) expert report.

Service 1) - Forensic investigation

Richard Millman served as a forensic consultant to assist litigation counsel's investigation of the work performed by the company's auditors of the 1999 and 2000 financial statements. This investigation required the review of hundreds of thousands of documents including those created during the original audits by the auditors, documents created during the restatement audits, company documents, depositions, court filings, investigative reports, trial testimony and Security and Exchange Commission filings.

He assisted counsel with issues relating to depositions of various defendant auditors. His work included an analysis of twenty-two current and former auditor depositions, twenty-six current and former company employees and other depositions and comparing the information in the auditors' and the company's files to Generally Accepted Auditing Standards and Generally Accepted Accounting Principles in order to assist counsel in determining if the original audits were conducted in accordance with Generally Accepted Auditing Standards and if the financial statements as originally published were in accordance with Generally Accepted Accounting Principles.

Service 2) – Consulting services

This service required him and staff under his supervision to review hundreds of thousands of documents including those created during the original audits by the auditors, documents created during the restatement audits and company documents, dozens of depositions and to draw his own independent conclusions and opinions of whether the audits done for 1999 and 2000 were in accordance with Generally Accepted Auditing Principles. He also developed his independent opinions of whether the originally issued financial statements were in accordance with Generally Accepted Accounting Principles.

Service 3) – Expert report

Mark I. Murovitz served as Accounting & Auditing expert and he and staff, under his supervision, prepared an expert report detailing his conclusions in connection with 1999 and 2000 audits of Adelphia Communications Corporation by Deloitte & Touche. This service required him and staff to review hundreds of thousands of documents including those created during the original audits by the auditors, documents created during the restatement audits, company documents, depositions, court filings, investigative reports, trial testimony and Security and Exchange Commission filings. His report also details his opinions as to whether the Adelphia Communications Corporation financial statements comply with Generally Accepted Accounting Principles.

COMPENSATION REQUESTED

By this Final Application, Tauber & Balser, P.C. requests (a) final allowance of reasonable compensation for professional services rendered by Tauber & Balser, P.C. to the Debtors in the above captioned cases for the Application period and (b) final allowance of actual and necessary charges and disbursements incurred by Tauber & Balser, P.C., consulting experts and testifying expert for the Debtors, pursuant to section 330, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code.

BASIS FOR COMPENSATION

Engagement of Tauber & Balser, P.C. On March 22, 2005 the Debtors engaged Tauber & Balser, P.C. pursuant to an engagement agreement dated March 22, 2005 (the “Engagement Agreement”) to assist by performing various forensic and investigative accounting procedures and to provide consulting services and expert report, as requested.

MATTERS OVER \$1,000,000

Responses to Fee Committee Factors:

1. Fees for Forensic Investigation, Consulting Services, and Expert Report

Amount Sought: \$2,102,422.90¹

During the Application Period, Tauber & Balsler, P.C. assisted the Debtors' counsel with issues relating to depositions of various defendant auditors, including analysis of depositions, employees, and the determination as to whether the audits of the financial statements were conducted in accordance with Generally Accepted Auditing Standards and whether the company's financial statements were prepared in accordance with Generally Accepted Accounting Principles. This involved analyzing hundreds of thousands of documents, dozens of depositions, and drawing independent conclusions and opinions as to whether the audits done for 1999 and 2000 were completed in accordance with Generally Accepted Auditing Standards. This also required the preparation of a comprehensive two-hundred and nine page expert report with seven hundred and sixty-one footnote references. These services are all within the role, objectives and accomplishments in accordance with the requirements to assist Adelpia and Adelpia's attorneys in the Deloitte & Touche matter.

2. The total time billed for T&B's services was 7,960.20 hours at an average \$264.12 per hour. For a detail break down of hours by billing rate, please see Exhibit B attached.

3. All time and scope of services has been monitored by Richard Millman, lead consulting T&B Shareholder to assure that the services were as described by T&B's retention order, attached as Exhibit A.

¹ This amount has been previously adjusted as follows:

- a. On the 2nd Interim Application, the total for fees was reduced \$990.00 from the amount requested on our monthly statements (see Exhibit D).
- b. On the 3rd Interim Application, the 20% holdback was adjusted \$8.00 due to a calculation error in computing the amount payable for the period 2/1/07 through 2/12/07 (see Exhibit D).
- c. The billing rate for travel time has been reduced by 50%.
- d. These amounts have been voluntarily discounted by \$865.15.

4. T&B's services were separate and distinct from those of other professionals in the Adelpia case. Whenever possible, without compromising T&B's professional responsibilities, T&B endeavored to avoid duplication of other professionals' work.
5. T&B's services were required to assist Adelpia and Adelpia's attorneys in the Deloitte & Touche matter.
6. The forensic accounting, consulting, investigation and reporting, when considering the volume of information as described above and the complexity of the accounting and auditing issues, were performed in a reasonable amount of time.
7. There were several problems encountered in obtaining access to documents and information that had to be dealt with particularly at the early stages of providing T&B's services. T&B had to work around these obstacles until Adelpia's attorneys were able to resolve access with opposing counsel.
8. T&B has made every effort to comply with the Fee Committee memorandum.
9. T&B has not reduced fees voluntarily.
10. T&B has reduced fees with respect to Interim Applications by \$982.00.
11. T&B has voluntarily reduced expenses by \$865.15
12. T&B has not been requested to reduce expenses by the Fee Committee.

Reimbursement of Charges and Disbursements

Tauber & Balsler, P.C. has disbursed and requests final allowance of \$36,747.77 which represents actual and necessary charges and disbursements, incurred in the rendition of professional services in these cases and is summarized as follows:

Expense Summary	
Expense Category	Total per Category
Telephone	\$234.93
Out of Town Meals	1,441.36
Hotels	15,001.36
Transportation & Parking	19,448.65
Postage	501.47
Working Meals	120.00
TOTAL	\$36,747.77

No agreement or understanding exists between Tauber & Balsler, P.C. and any other person or persons for the sharing of compensation received or to be received for professional services rendered in or in connection with these cases, nor will any be made except as permitted under section 504 (b)(1) of the Bankruptcy Code.

For the period from the Commencement Date, up to but not including, the Effective Date, pursuant to the Compensation Order, T&B has received \$1,681,930.80 in payments for services rendered and \$36,747.77 for expenses incurred in connection with the rendering of such professional services in these cases. This amount represents 100% payment for expenses incurred and 80% payment for services rendered by T&B. Pursuant to the Compensation Order, 20% of the fees for professional services - \$420,492.10 - was subject to a "hold back". By this Final Application, T&B seeks compensation in full for services rendered and expenses incurred during the Final Application Period.

WHEREFORE, Tauber & Balsler, P.C. respectfully requests (a) final allowance of reasonable compensation for professional services rendered as accounting experts for the Debtors in the sum of \$2,102,422.90 in fees incurred during the Application period, (b) final allowance of actual and necessary charges and disbursements incurred during the Application Period in the sum of \$36,747.77 and (c) such other and further relief as is just and proper.

Dated: Atlanta, Georgia
March 30, 2007

Tauber & Balser, P.C.

By: *Richard Millman*
Richard Millman, CPA, CVA
Stockholder

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF
TAUBER & BALSER, P.C. AS FORENSIC ACCOUNTANTS PURSUANT
TO SECTIONS 327(a) 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(a) and 328 of title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtors to retain Tauber & Balsler LLP ("T&B") as forensic accountants; and upon the affidavit of Richard W. Millman, 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 T&B does not hold or represent an interest adverse to the Debtors' estates and that the employment of T&B 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 T&B as their forensic accountants 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 T&B 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: October 11, 2005

s/ Robert E. Gerber

HON. ROBERT E. GERBER
UNITED STATES BANKRUPTCY JUDGE

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

**DEBTORS' APPLICATION FOR ORDER AUTHORIZING
EMPLOYMENT AND RETENTION OF TAUBER & BALSER, P.C.
AS FORENSIC ACCOUNTANTS PURSUANT TO SECTIONS
327(a) AND 328 OF THE BANKRUPTCY CODE**

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors") respectfully represent:

INTRODUCTION

1. The Debtors seek this Court's authority to retain Tauber & Balser, P.C. ("T&B") to provide (i) litigation support services to Dechert LLP ("Dechert") in connection with Dechert's representation of the Debtors in litigation (the "Deloitte Litigation") between the Debtors and Deloitte & Touche LLP ("Deloitte"), and (ii) consulting and/or expert testimony services to the Debtors, including, among other things, advising the Debtors with regard to the investigation of claims asserted by and against Deloitte. On July 18, 2005, the Debtors retained T&B as an ordinary course professional pursuant to the 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 subsequently amended from time to time (collectively, the "OCP Orders"). Because T&B has exceeded the monthly cap for ordinary course professionals, the Debtors have determined that it is necessary to retain T&B. By this application (the "Application"), the Debtors seek entry of an order,

pursuant to sections 327(a) and 328 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Bankruptcy Rule 2014-1, authorizing the employment and retention of T&B. The facts and circumstances supporting the Application are set forth in the Affidavit of Richard W. Millman, (the “Millman Affidavit”), annexed hereto as Exhibit A.

BASIS FOR RELIEF REQUESTED

2. This Court has jurisdiction over this 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, issued by District Court Judge Robert J. Ward. Venue of this proceeding and the within application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 327(a), 328(a), 330 and 331 of the Bankruptcy Code.

A. T&B’s Qualifications

3. T&B, a leading accounting and consulting firm, has its principal place of business in Atlanta, Georgia. The Debtors have selected T&B as their advisors because of the firm’s diverse experience and extensive knowledge in the fields of forensic accounting and litigation support. The Debtors believe that T&B is well qualified to serve as forensic accountants in these chapter 11 cases.

B. Services To Be Provided By T&B

4. Subject to the approval of this Court, T&B will provide forensic accounting services to the Debtors in these chapter 11 cases, in connection with, but not limited to, the Deloitte Litigation. T&B will also provide consulting and expert testimony services to the Debtors in these cases, including advising the Debtors with regard to the investigation of claims

asserted by and against Deloitte, including claims related to Deloitte's adherence to accounting and auditing standards. As noted above, T&B has substantial expertise in the these areas, and as a result, T&B is well-qualified to perform these services for the Debtors.

C. Compensation

5. In consideration for T&B's services, subject to the Court's approval, T&B will be compensated on an hourly basis, plus reimbursement of actual and necessary expenses incurred. The ranges of hourly rates payable to T&B for services, by classification, are currently as follows:

Key Personnel	\$170 - \$440
Paraprofessionals	\$95
Associates	\$125 - \$135
Senior Professional Staff	\$145 - \$165

The professionals and paraprofessionals involved in the Debtors' cases will span the respective ranges noted above.

D. Other Provisions

6. In accordance with sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules, the Administrative Order Re: Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases and the Order Establishing Procedures for Interim Compensation and Reimbursement of Expense of Professionals and Committee Members entered in these cases on August 9, 2002 (the "Interim Compensation Procedures Order"), T&B will apply to the Court for the interim and final allowance of compensation and reimbursement of expenses.

7. According to T&B's books and records, T&B has received no payments to date and is owed approximately \$202,231.30¹ in compensation for services rendered and expenses incurred in the Debtors' chapter 11 cases.

**T&B'S CONNECTIONS WITH PARTIES IN INTEREST
AND POSSIBLE CONFLICTS OF INTEREST**

8. To the best of the Debtors' knowledge, information, and belief, other than as set forth herein or in the Millman Affidavit, T&B has not represented and has no relationship with: (i) the Debtors; (ii) their creditors or equity security holders; (iii) any other parties-in-interest in this case; (iv) the respective attorneys and accountants of any of the foregoing; or (v) the United States Trustee or any person employed in the Office of the United States Trustee, in any matter relating to these cases.

9. As set forth in the Millman Affidavit, the personnel and professionals of T&B: (a) do not have any connection with the Debtors, their creditors, or any party-in-interest, or their respective attorneys; (b) do not hold or represent an interest adverse to the estate; and (c) are "disinterested persons" within the meaning of Bankruptcy Code section 101(14).

APPLICABLE LEGAL AUTHORITY

10. Bankruptcy Code section 327(a) provides, in relevant part, as follows:

Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

11 U.S.C. § 327(a).

¹ Pursuant to the OCP Orders, the Debtors are not authorized to pay any ordinary course professional's bill for fees and expenses in excess of \$50,000 per month without further court approval. T&B expects to continue to exceed this monthly cap and thus cannot be paid until this Court has approved its retention.

11. Bankruptcy Code section 328(a) provides, in relevant part, as follows:

The trustee . . . with the court's approval, may employ or authorize the employment of a professional person under section 327 . . . of this title . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, or on a contingent fee basis.

11 U.S.C. § 328(a).

12. Bankruptcy Rule 2014 provides, in relevant part, as follows:

An order approving the employment of financial advisors . . . or other professionals pursuant to § 327 . . . of the Code shall be made only on application of the trustee or committee.

Fed R. Bankr. P. 2014.

13. Local Bankruptcy Rule 2014-1 provides, in relevant part, as follows:

An application for the employment of a professional person pursuant to §§ 327 and 328 of the Bankruptcy Code shall state the specific facts showing the reasonableness of the terms and conditions of the employment, including the terms of any retainer, hourly fee or contingent fee arrangement.

S.D.N.Y. L.B.R. 2014-1.

14. As more fully set forth in the Millman Affidavit and to the best of the Debtors' knowledge, T&B is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. Moreover, the Debtors believe that the employment of T&B, on the terms and conditions set forth herein, is necessary, essential and in the best interests of their bankruptcy estates, creditors and equityholders.

PROCEDURE

15. The Debtors will provide notice of this Application to: (i) the Office of the United States Trustee for the Southern District of New York; (ii) counsel to the agents for the Debtors' prepetition and postpetition lenders; (iii) counsel to the Official Committee of Unsecured Creditors and the Official Committee of Equity Security Holders; (iv) all parties who have filed a request for service of all pleadings pursuant to Bankruptcy Rule 2002 as of the day prior to the service hereof; and (v) T&B.

16. As this Application presents no novel issues of law, the Debtors request that the requirement of the service and filing of a separate memorandum of law under Local Bankruptcy Rule 9013-1(b) be deemed satisfied by this Application.

17. No previous request for the relief sought in this Application has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form annexed hereto, granting the relief requested herein and such other and further relief as this Court may deem just or proper.

Dated: September 12, 2005

WILLKIE FARR & GALLAGHER LLP
Attorneys for Adelpia Communications
Corporation, et al.

By: /s/ Shelley C. Chapman
Shelley C. Chapman (SC-4691)

787 Seventh Avenue
New York, New York 10019-6099
(212) 728-8000

Exhibit B

Time billed for the services and the billing rates:

Time (hours) Billed @ 100%	Billing Rate
35.50	\$485.00
404.10	\$475.00
170.60	\$465.00
60.20	\$450.00
95.40	\$440.00
23.70	\$425.00
74.80	\$350.00
902.30	\$325.00
1,047.90	\$310.00
604.70	\$295.00
1.00	\$290.00
386.30	\$285.00
.70	\$275.00
239.10	\$260.00
681.30	\$250.00
933.00	\$240.00
156.00	\$215.00
161.60	\$190.00
28.80	\$185.00
1.00	\$180.00
1.00	\$170.00
2.00	\$165.00
16.10	\$160.00
781.40	\$155.00
562.10	\$150.00
33.50	\$145.00
295.00	\$140.00
.60	\$130.00
.30	\$125.00
3.50	\$115.00
156.90	\$95.00
Travel Time Billed @ 50%	Billing Rate
12.00	\$232.50
16.00	\$225.00
28.50	\$155.00
22.30	\$147.50
21.00	\$120.00
TOTAL HOURS BILLED	AVERAGE BILLING RATE
7,960.20 hours	\$264.12

Exhibit C

SUMMARY OF FEES, EXPENSES, AND PAYMENTS 2005-2007

Inv #	Date of Fee Application	Fees	Expenses	Total Due	Amount Paid	Holdback
42120	10/6/2005	\$205,368.00	\$8,268.76	\$213,636.76	\$172,563.16	\$41,073.60
42419	10/7/2005	\$93,784.15	\$1,550.31	\$95,334.46	\$76,578.11	\$18,756.35
42571	11/3/2005	\$93,908.00	\$984.51	\$94,892.51	\$76,110.91	\$18,781.60
42939	12/5/2005	\$34,345.50	\$2,236.45	\$36,581.95	\$29,712.85	\$6,869.10
43543	1/11/2006	\$31,524.00	\$1,006.54	\$32,530.54	\$25,225.74	\$7,304.80
43820	1/31/2006	\$81,650.00	\$34.90	\$81,684.90	\$65,354.90	\$16,330.00
44127	2/28/2006	\$72,853.00	\$2,616.57	\$75,469.57	\$61,898.97	\$13,570.60
44704	3/31/2006	\$125,130.50	\$2,237.59	\$127,368.09	\$102,341.99	\$25,026.10
45580	5/3/2006	\$139,926.00	\$19.08	\$139,945.08	\$111,959.88	\$27,985.20
46464	6/6/2006	\$107,849.00	\$10.99	\$107,859.99	\$86,290.19	\$21,569.80
46702	7/10/2006	\$161,723.50	\$421.91	\$162,145.41	\$129,800.71	\$32,344.70
47116	8/11/2006	\$166,756.00	\$3,720.06	\$170,476.06	\$137,124.86	\$33,351.20
47278	8/31/2006	\$257,093.50	\$161.38	\$257,254.88	\$205,836.18	\$51,418.70
47521	10/5/2006	\$131,689.75	\$1,410.94	\$133,100.69	\$106,762.74	\$26,337.95
47834	11/3/2006	\$232,676.25	\$2,875.30	\$235,551.55	\$189,016.30	\$46,535.25
48447	12/11/2006	\$48,707.50	\$3,550.99	\$52,258.49	\$42,516.99	\$9,741.50
48475	1/4/2007	\$8,131.50	\$18.45	\$8,149.95	\$6,523.65	\$1,626.30
49003	2/5/2007	\$65,660.75	\$3,165.41	\$68,826.16	\$55,694.01	\$13,132.15
49114	2/21/2007	\$43,646.00	\$2,457.63	\$46,103.63	\$37,366.43	\$8737.20
TOTALS		\$2,102,422.90	\$36,747.77	\$2,139,170.67	\$1,718,678.57	\$420,492.10

Exhibit D

Details of Fee and Expense Reductions

Footnote number	Document adjusted	Issue	Amount initially reported	Corrected amount	Amount of adjustment
1 a.	2 nd Interim Application	Total Fees	\$958,478.50	\$957,488.50	(\$990.00)
1 b.	3 rd Interim Application	Total Interim Holdback	\$106,102.35	\$106,110.35	\$8.00
1 c.	Monthly Applications	Travel time billing discounted 50%	\$68,141.00	\$34,070.50	(\$34,070.50)
1 d.	N/A	Travel related expenses	\$865.15	\$0.00	\$865.15