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**GOVERNMENT RECEIVES OVER \$530 MILLION FOR VICTIMS  
IN ADELPHIA FRAUD/FORFEITURE ACTION**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that the Government has received over \$530 million in cash and Time Warner Cable stock as a result of its criminal forfeiture action in the prosecution of Adelphia Communications Corporation founder JOHN J. RIGAS and his son, TIMOTHY J. RIGAS, a non-prosecution agreement with Adelphia Communications Corporation ("ADELPHIA"), and a joint settlement of civil fraud claims brought by the United States Securities and Exchange Commission ("SEC"). The funds will be used to compensate the victims of the ADELPHIA fraud.

The RIGAS prosecution arose from one of the largest corporate frauds in American history. In July 2004, JOHN J. RIGAS and TIMOTHY J. RIGAS were convicted of securities fraud and other offenses following a jury trial. As established by the evidence at trial:

From the late 1990s through 2002, JOHN and TIMOTHY RIGAS misappropriated billions of dollars from ADELPHIA -- then the nation's sixth-largest cable television company -- for the benefit of themselves and other members of the RIGAS family. Certain cable companies that were privately owned by JOHN RIGAS, TIMOTHY RIGAS, and other members of the RIGAS family -- but managed by ADELPHIA -- were purchased and/or upgraded with funds wrongfully taken from ADELPHIA. These "Rigas Managed Entities" ("RMEs") were so highly leveraged that they did not generate enough cash to pay their own operating expenses and interest charges, and were thus effectively subsidized by cash advances

from ADELPHIA. In March of 2002, ADELPHIA disclosed that it was liable for more than \$2 billion in borrowings attributed to certain RMEs that were not reflected in ADELPHIA's prior SEC filings and financial reports. ADELPHIA filed for bankruptcy protection on June 25, 2002.

In April of 2005, the criminal forfeiture proceedings against JOHN and TIMOTHY RIGAS were resolved with the signing of an agreement between the U.S. Attorney's Office for the Southern District of New York (the "Office") and JOHN RIGAS, his son MICHAEL RIGAS (who pleaded guilty to making a false entry in the books and records of ADELPHIA) and various uncharged members of the RIGAS family. The agreement provided for the forfeiture to the United States of fourteen RMEs, securities, and RIGAS family real estate. A non-prosecution agreement between the Office and ADELPHIA, announced the same day, resolved potential corporate criminal charges against ADELPHIA and its subsidiaries. As part of the non-prosecution agreement, the Office agreed to convey to ADELPHIA the RMEs and certain other assets forfeited to the Government by the RIGASES, in exchange for \$715 million to be used to compensate ADELPHIA securityholders who lost money as a result of the fraud. ADELPHIA and the RIGASES also resolved civil fraud charges as part of a joint settlement with the SEC.

On July 31, 2006, ADELPHIA sold substantially all of its assets, including the RMEs and associated properties, to Time Warner NY Cable LLC and Comcast Corporation for over \$17 billion. Pursuant to the terms of the non-prosecution agreement, on January 9, 2007, ADELPHIA paid approximately \$200 million in cash to the Government. Today, ADELPHIA transferred to the Government over 9.5 million shares of common stock of Time Warner Cable ("TWC"). Under the plan of reorganization in the ADELPHIA bankruptcy proceeding, which became effective on February 13, 2007, the shares transferred to the Government are valued at over \$332 million. In approximately sixty days, ADELPHIA will make a second distribution of TWC stock, bringing the total value of the stock transferred to the Government to approximately \$400 million. An additional \$115 million will be provided as "an interest in a litigation trust to be funded by recoveries obtained by Adelphia or its designee in certain adversary proceedings in bankruptcy and other claims," according to the non-prosecution agreement.

The over \$700 million to be forfeited will be distributed to the victims of the fraud pursuant to the Attorney General's discretionary authority to restore forfeited property to victims through the petition for remission or mitigation process set forth in Title 28, Part 9, of the Code of Federal Regulations. An additional \$70 million collected by the SEC in

related civil actions will also be distributed to the fraud victims. Due to the large number of potential victims, a Special Master, RICHARD C. BREEDEN, Chairman of Richard C. Breeden & Co. and former Chairman of the SEC, will identify and notify potential victims, verify and process petitions, and recommend a pro rata distribution to the Attorney General.

Potential victims and other interested persons may obtain further information by calling 1-866-446-4884, or by logging onto the website [www.AdelphiaFund.com](http://www.AdelphiaFund.com). Both the hotline and the website have been established exclusively for the ADELPHIA case.

Assistant United States Attorney BARBARA A. WARD is in charge of the criminal forfeiture proceedings. Assistant United States Attorneys WARD, SHARON COHEN LEVIN, and WILLIAM F. JOHNSON are in charge of coordinating the administration of the Victim Fund with Mr. BREEDEN, the Department of Justice, and the SEC.

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