

Grand Decl.

DECLARATION OF PAUL R. GRAND

1. I am a principal of Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer, P.C. ("Morvillo Abramowitz").

2. I served as primary criminal trial counsel to Timothy Rigas in this case and make this declaration in connection with the Motions to Vacate, Set Aside, or Correct the Sentence filed by John Rigas and Timothy Rigas (the "Rigases").

3. In the spring of 2002, my firm was retained to represent Tim Rigas in what was then an investigation by the Department of Justice and the United State Securities & Exchange Commission. Shortly after my firm was retained, Curtis, Mallet-Prevost, Colt & Mosle, LLP ("Curtis") was retained to represent John Rigas and Swidler Berlin Shereff Friedman, LLP ("Swidler") was retained to represent Michael Rigas.

4. It quickly became apparent to me that the Rigases' prosecution would be historic in terms of its overall complexity and scope. I also soon learned that the Rigases had very few available liquid assets with which to pay experts, consultants, and counsel (once initial retainers were exhausted).

5. In late September 2002, defense counsel began receiving a vast number of documents from the government pursuant to Rule 16 of the Federal Rules of Criminal Procedure. These documents came from numerous sources including Adelphia and Adelphia's auditors (Deloitte & Touche). From late 2002 through early 2003, the Rigases received approximately 8 million pages of material, all of which needed to be reviewed and analyzed to defend against the criminal charges pending against the Rigases.

6. Although my recommendation and preference was to have this review conducted by lawyers and an outside consultant with document management and accounting expertise, due to a lack of money to pay these professionals, Tim Rigas, his brothers Michael and James, co-

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defendant Michael Mulcahey, and several former Adelphia employees who were working for the Rigases, undertook the initial task of reviewing these documents. I had a number of concerns with this approach, including that the document review would not be as complete or useful as it could be if it had been conducted and supervised by counsel and consultants. Because of the Rigases' lack of funds, an outside consultant (Navigant Consulting Inc.) was not retained to assist with the document review until January of 2003. While Navigant and defense counsel devoted substantial time to reviewing documents, even after this date, the Rigases continued to take the lead in reviewing documents produced by the United States Attorney's Office.

7. It now appears that significant exculpatory documents were missed in the Rigases' document review. By way of example, at least two exculpatory documents were not uncovered by the Rigases. The first document is a 1999 memorandum from James Brown, a prosecution witness, to Adelphia's Board of Directors. [A true and correct copy of this memorandum is attached hereto as Exhibit "A"]. This memorandum dealt with the concept of co-borrowing and explicitly disclosed to the Board that the Rigases were using co-borrowed funds for their purchases of Adelphia stock. The second document is a January 9, 1998 memorandum from Bruce Booken to Carl Rothenberger, Jr. (two of Adelphia's lawyers at Buchanan Ingersoll) and Paula Zawadzki. [A true and correct copy of this memorandum is attached hereto as Exhibit "B"]. This document memorializes a conversation regarding how the Rigases could use Adelphia credit availability to fund purchases of stock.

8. In early 2003, I learned that Adelphia and its Special Litigation Committee had created catalogues indexing Adelphia's documents on an issue by issue basis (the "Index"). The Rigases moved to compel the production of the Index, which Adelphia had shared with the government, but that motion was denied. I am informed that filings in Adelphia's bankruptcy

proceedings reflect that Adelphia paid professionals for approximately 15,000 to 16,000 hours of work devoted to preparing the Index. Due to the Rigases' precarious financial condition, they were unable to dedicate the tremendous resources needed to recreate this index.

9. In the fall of 2003, the Honorable Robert E. Gerber of the United States Bankruptcy Court for the Southern District of New York granted the Rigases' application to have their private cable companies, which were then under the control of Adelphia, pay additional defense costs. Had this money been available earlier in the case, defense counsel could have done far more to prepare for the upcoming trial, which at that point was scheduled to begin in less than three months.

10. I declare under penalty of perjury that the foregoing is true and correct under 28 U.S.C. § 1746.

EXECUTED ON: October 3, 2011

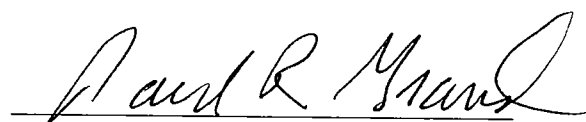

Paul R. Grand

Exhibit A

EXHIBIT

R. 242

To: Adelphia Communications Corporation Board of Directors
From: Jim Brown - VP Finance
Re: Status of Bank Financing

On February 17, 1999, Adelphia Communications Corporation and the John Rigas family requested proposals for the placement of \$700 Million of senior debt by several cable television companies (collectively the "Borrowers") owned by Adelphia subsidiaries or by the Rigas family. All of the companies included in the proposed credit facilities are currently included in the UCA Corp. and Affiliates ("UCA") credit agreement or the Hilton Head Communications ("HHC") credit agreement. We are anticipating placing \$400 MM of the debt through commercial banks (original commitments to these properties under the current credit agreements totaled \$550 MM which has been reduced to the present level of \$440 MM) with the remainder to be placed with other institutions as a pari passu "B" Tranche. The current lenders to UCA and HHC are primarily Banks with long term and strong relationships with Adelphia and the Rigas family. Consequently, we expect a high degree of participation from these lenders in this new facility.

The initial use of proceeds from the new credit facility will be to repay existing indebtedness of UCA and HHC and to make a distribution to the Rigas family. The Rigas family intends to use the proceeds of this distribution to purchase equity securities from Adelphia.

Response to the request for proposal has been exceptionally strong. To date, we have received proposals from 14 of the 16 institutions that we solicited for proposals. Each of the proposals included an offer to lead the transaction and expressed a willingness to take underwriting risk. And none of the proposals gave any indication of a possible difficulty in consummating the transaction. Additionally, consensus terms and pricing from the proposals indicate this transaction can be completed on terms and pricing substantially improved over the existing UCA and HHC credit facilities and the recently completed Parnassos facility. Three of the proposals, those received from Credit Suisse First Boston, Chase Securities and TD Securities, included offers to underwrite the entire facility.

On a normal course basis, the expected closing date is March 31, 1999. However, TD Securities indicated a willingness to take all syndication risk, which would allow the loan to be closed by March 15, 1999.

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Exhibit B

MEMORANDUM

To: ✓ Carl Rothenberger, Jr.
Paula Zawadzki

From: Bruce I. Booken

Date: January 9, 1998

Re: Proposed Adelpia/Highland Holdings Financing

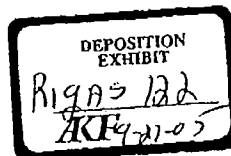
Colin Higgin and Dean Marshall discussed with me yesterday the proposed financing transaction which is primarily intended to provide liquidity to the Rigas family so that they can participate in future Adelpia stock offerings. The Chelsea credit facility provides for the issuance of letters of credit and there is currently adequate borrowing capacity to allow for the issuance of a \$50,000,000 letter of credit. A letter of credit presumably would be issued in favor of a newly formed subsidiary of Adelpia ("Newco") which would be directly owned by Adelpia and would not be part of any borrowing group. Newco would presumably agree to pay to Chelsea the fees associated with the issuance and maintenance of the letter of credit. I am not certain whether other amounts would be payable to Chelsea.

Highland Holdings, a general partnership owned by the Rigas family, would borrow \$50,000,000 from a third party lender (presumably a bank) and the \$50,000,000 borrowing would be guaranteed by Newco. The Newco guaranty would be secured by the letter of credit. Newco would presumably receive a fee from Highland Holdings for the secured guaranty being provided for the benefit of Highland Holdings.

This proposed financing transaction appears to be a way in which Adelpia can assist and arrange for financing for the benefit of Highland Holdings rather than directly lend money to Highland Holdings. I would like to get together with you to generally discuss this proposed financing structure. In particular, I would like to discuss the various affiliate transactions which are occurring and determine what actions should be taken with respect to those transactions.

/kjb

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