

EXHIBIT J

Arahova Noteholders Committee's Position Statement

THIS POSITION STATEMENT IS BEING PROVIDED TO THE DEBTORS AS A MERE ACCOMODATION AND MAY NOT BE MODIFIED IN ANY MANNER WITHOUT THE EXPRESS WRITTEN CONSENT OF THE AD HOC COMMITTEE OF ARAHOVA NOTEHOLDERS.

Subject to the reservation of rights and qualifications contained therein, the Ad Hoc Committee of Arahova Noteholders (the "Arahova Noteholders Committee") filed its Preliminary Issues Statement on August 16, 2005, as required by the Resolution Process Order, a copy of which is attached hereto. The Arahova Noteholders Committee expressly reserves the right to modify the Preliminary Issues Statement (as expressly permitted by the Resolution Process Order) and to modify the positions set forth herein. The Arahova Noteholders Committee further reserves all other rights, including the right to object to the Plan and the Disclosure Statement on any grounds.

Intercompany Claims

Without in any way limiting the issues raised by the Arahova Noteholders Committee in its Preliminary Issues Statement, the Arahova Noteholders Committee believes that the Debtors' reconstruction of the Debtors' prepetition books and records without Bankruptcy Court authorization and oversight was and remains a violation of several sections of the Bankruptcy Code, including sections 362, 363 and 549. Upon information and belief, the reconstruction of the Debtors' books and records was performed without consideration to the independent fiduciary duties owing to the estates of Arahova and its direct and indirect subsidiaries (collectively, the "Arahova Debtors"). The Arahova Noteholders Committee believes, among other things, that a majority of the intercompany claims asserted against the Arahova Debtors are (i) unenforceable as not representative of a "right to payment" as set forth in the definition of "claim" in section 101(5) of the Bankruptcy Code, (ii) avoidable under chapter 5 of the Bankruptcy Code or (iii) otherwise constitute equity contributions. The Arahova Noteholders Committee believes that a substantial amount of value was transferred from the Arahova Debtors prior to the Petition Date, including, but not limited to, in connection with the Rigas Family fraud, and that the Arahova Debtors possess substantial claims against other Debtors that received such transfers or otherwise benefited from or caused such transfers, which claims are not currently reflected in the May 2005 Schedules.

The Arahova Noteholders Committee believes that there are substantial procedural and substantive defects relating to the May 2005 Schedules. On June 16, 2005, the Arahova Noteholders Committee brought a motion in the Bankruptcy Court seeking to strike the May 2005 Schedules (the "Motion to Strike"). On August 4, 2005, the Bankruptcy Court denied such motion. The Arahova Noteholders Committee has appealed the order of the Bankruptcy Court denying the Motion to Strike, which appeal remains pending. If the Arahova Noteholders Committee's appeal is successful, the Arahova Noteholders Committee believes that the Debtors must file proofs of claim in the Cases (attaching all supporting documentation) with respect to the alleged intercompany claims. The Arahova Noteholders Committee further believes that the Debtors will not be able to file proofs of claim that support the majority of the intercompany claims presently asserted against the Arahova Debtors in the May 2005 Schedules. The Arahova

Noteholders Committee has requested disclosure of certain additional information that it believes is material to its position and the chapter 11 cases at large; however, the Debtors have refused to publish such information. The Arahova Noteholders Committee has informed the Debtors that it intends to seek appropriate relief from the Court absent a subsequent consensual resolution of this disclosure issue.

Consolidation Structure

Without in any way limiting the issues raised by the Arahova Noteholders Committee in its Preliminary Issues Statement, the Arahova Noteholders Committee believes that the substantive consolidation according to the “silo structure” proposed by the Debtors in the Plan or any other substantive consolidation structure that results in the Arahova Noteholders receiving less than payment in full is not supportable by the facts under applicable legal standards and therefore not permissible absent an affirmative vote in favor of the Plan by the Arahova Noteholders or unless the Plan provides for payment in full to the creditors of the Arahova Debtors without contingency.

Asset Ownership and Potential Fraudulent Conveyance Claims

Without in any way limiting the issues raised by the Arahova Noteholders Committee in its Preliminary Issues Statement, the Arahova Noteholders Committee believes the dividend of Arahova Holdings, LLC, CCC-II, Inc., CT Investment Corp. and Century Cablevision Holdings, LLC by Arahova to ACC Operations, Inc. on or about September 28, 2001 should be avoided as a fraudulent transfer pursuant to sections 544, 548, 550 and 551 of the Bankruptcy Code and applicable law and that such avoidance will result in the return of approximately \$2 billion in value to the Arahova Debtors. Upon information and belief, there exist certain other substantial fraudulent conveyance claims that can be asserted by the Arahova Debtors. The Arahova Noteholders Committee believes that, after resolution of the intercompany claims and fraudulent conveyances, “silos” other than those identified by the Debtors may not have sufficient value to pay their creditors in full.

Allocation of Consideration from the Sale Transaction

Without in any way limiting the issues raised by the Arahova Noteholders Committee in its Preliminary Issues Statement, the Arahova Noteholders Committee believes the consideration to be paid under the proposed sale of the Debtors’ assets to Time Warner and Comcast (the “TWC Sale”) should be allocated fairly among each Debtor based upon the evidence presented on the record. Furthermore, regardless of the valuation methodology utilized, most of the, if not the entire, “premium” to be derived from the TWC Sale is specifically attributable to the opportunity for Time Warner and Comcast to acquire the assets of the Arahova Debtors. As such, absent payment in full to the creditors of the Arahova Debtors without contingency, the allocation of consideration must reflect such fact. The Arahova Noteholders Committee believes that, after resolution of allocation issues, “silos” other than those identified by the Debtors may not have sufficient value to pay their creditors in full.

Allocation of the Benefits and Burdens of the Government Settlement, Tax Liability Attributable to the Sale Transaction and Economic Cost of the Plan Reserves

Without in any way limiting the issues raised by the Arahova Noteholders Committee in its Preliminary Issues Statement, the Arahova Noteholders Committee believes that any postpetition costs allocated to any Arahova Debtor, including without limitation (i) the tax costs arising from the TWC Sale and other tax costs upon individual Debtors; (ii) the obligations resulting from the post-petition debtor in possession financing in the Cases; and (iii) the post-petition administrative expenses of the Debtors and the plan reserves, should be allocated fairly among each Debtor based upon the evidence presented on the record and the actual benefits conferred upon such Debtors. With respect to the Government Settlement, the Arahova Noteholders Committee believes that no costs should be allocated to any Debtor other than ACC absent a demonstration by ACC that it was not driven principally by its own pecuniary interests in determining to enter into the Government Settlement and, to such extent, there is a clear identifiable and quantifiable benefit to such other Debtor pursuant to section 503(b) of the Bankruptcy Code. Furthermore, the Arahova Noteholders Committee believes that actions of ACC caused direct harm to the Arahova Debtors and their creditors and that the Arahova Debtors possess substantial claims against ACC resulting from such harm. The Arahova Noteholders Committee believes that the amount of these claims far exceed any benefit conferred by the Government Settlement.

The Arahova Noteholders Committee objects to any Plan that does not provide expressly for the payment in full to the Arahova Noteholders. To the extent that a Plan is confirmed over the objection of the Arahova Noteholders, the Plan must provide for the establishment of sufficient reserves to permit for the payment in full to Arahova Noteholders after final resolution of all outstanding issues, including the accrual of interest during the resolution process.

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

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

**AD HOC COMMITTEE OF ARAHOVA
NOTEHOLDERS' PRELIMINARY ISSUES STATEMENT**

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

The Ad Hoc Committee of Arahova Noteholders (the "Arahova Noteholders Committee"), as holders (or indenture trustee on behalf of, or investment advisors to, holders) of over \$550 million in senior notes (the "Arahova Notes") issued by debtor Arahova Communications, Inc. ("Arahova"), hereby submits this "Preliminary Issues Statement" in accordance with paragraph 3 of the Court's Order in Aid of Confirmation, Pursuant to Sections 105(a) and 105(d) of the Bankruptcy Code, Establishing Pre-Confirmation Process to Resolve Certain Inter-Creditor Issues dated August 4, 2005 (the "Intercompany Procedures Order")

entered in the above captioned jointly administered chapter 11 cases (the “Cases”) of Adelpia Communications Corporation (“ACC”) and its affiliated debtors (collectively with ACC, the “Debtors”), and in support thereof respectfully states:

RESERVATION OF RIGHTS

1. On August 5, 2005, the Arahova Noteholders Committee appealed the Intercompany Procedures Order to the United States District Court for the Southern District of New York (the “Appeal”). The Appeal remains pending, and the Arahova Noteholders Committee has requested expedited consideration of the Appeal by the District Court. The Arahova Noteholders Committee reserves all its rights with respect to the Appeal and the matters and issues raised therein.

2. In accordance with paragraph 3 of the Intercompany Procedures Order, the Arahova Noteholders Committee reserves all of its rights to freely amend this Preliminary Issues Statement for any reason until sixty (60) days prior to the First Hearing Date (as defined in the Intercompany Procedures Order) or thereafter for good cause shown. Based upon, among other things, the lack of discovery in these Cases and the limited information made available to date by the Debtors including, without limitation, the lack of documents contained in the Data Room (as defined in the Intercompany Procedures Order), this Preliminary Issues Statement is necessarily incomplete and preliminary in nature. The Arahova Noteholders Committee fully intends to amend this Preliminary Issues Statement as appropriate.

3. Notwithstanding anything contained herein to the contrary, (i) nothing herein shall constitute an admission of any fact, claim, cause of action or interest on behalf of the Arahova Noteholders Committee, its members, Arahova or its Debtor subsidiaries (collectively,

the “Arahova Debtors”), and (ii) all rights and remedies of the Arahova Noteholders Committee, its members and the Arahova Debtors are hereby reserved.

PRELIMINARY ISSUES STATEMENT¹

4. The Court should make the following legal determinations:²

I. **Avoidance Actions – Intercompany Claims**

- A. Each and every claim asserted against any Arahova Debtor by Adelphia Cablevision, LLC (“Bank of Adelphia”) or any other Debtor (other than the Arahova Debtors), as set forth in the Debtors’ May 2005 Amendments to Schedules of Liabilities (the “Amended Schedules”) or otherwise, should be avoided as a constructive or intentional fraudulent transfer pursuant to sections 544, 548, 550 and 551 of title 11 of the United States Code (the “Bankruptcy Code”) and applicable state law.
- B. Each and every claim asserted by Bank of Adelphia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor should be recharacterized as an equity investment in such Arahova Debtor and limited to the amount of value actually transferred to (and retained by) such Arahova Debtor.
- C. Each and every claim asserted by Bank of Adelphia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor should be equitably subordinated to all other allowed claims against such Arahova Debtor pursuant to section 510(c) of the Bankruptcy Code.

¹ The headings in this Preliminary Issues Statement are for the convenience of the reader only and do not form a substantive part of this Preliminary Issues Statement or in any way affect the meaning or interpretation thereof. The headings approximate the categories and sequencing of issues set forth in paragraph 6 of the Intercompany Procedures Order.

² The legal determinations set forth herein include legal determinations for relief sought in the alternative.

- D. Each and every transfer from any Arahova Debtors to or for the benefit of any other Debtor (or insider of such Debtor), whether or not such Debtor was the initial, immediate or mediate transferee, within one year prior to June 24, 2002 (the "Petition Date") on account of alleged intercompany claims or otherwise should be avoided as preferential transfers pursuant to sections 547, 550 and 551 of the Bankruptcy Code.
- E. Each adjustment made to the Debtors' books and records that resulted in the elimination of a claim by any Arahova Debtor against any other Debtor and the provision to such Arahova Debtor of a claim solely against Bank of Adelpia should be avoided as an unauthorized post-petition transfer outside of the ordinary course of business pursuant to sections 549, 550 and 551 of the Bankruptcy Code.
- F. Each adjustment made to the Debtors' books and records that resulted in the elimination of a claim against any Arahova Debtor by any other Debtor and the provision to Bank of Adelpia of such claim against such Arahova Debtor should be avoided as an unauthorized post-petition transfer outside of the ordinary course of business pursuant to sections 549, 550 and 551 of the Bankruptcy Code.
- G. Any Debtor in the possession, custody or control of property of any of the Arahova Debtors' estates should be directed to account for, and turnover, such property to such Arahova Debtor pursuant to sections 542, 550 and 551 of the Bankruptcy Code.
- H. Any claim asserted by Bank of Adelpia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor arising out of or in connection with the acquisition of the Prestige North Carolina cable systems held by Adelpia Prestige Cablevision, LLC should be avoided as a fraudulent transfer pursuant to sections 544, 548, 550 and 551 of the Bankruptcy Code and applicable law; or in the alternative,

should be recharacterized as equity under applicable law, or should be equitably subordinated to all other allowed claims against such Arahova Debtor pursuant to section 510(c) of the Bankruptcy Code.

- I. Any claim asserted by Bank of Adelphia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor arising out of or in connection with the acquisition of the Cleveland cable systems held by Adelphia Cleveland, LLC should be avoided as a fraudulent transfer pursuant to sections 544, 548, 550 and 551 of the Bankruptcy Code and applicable law; or in the alternative, should be recharacterized as equity under applicable law, or should be equitably subordinated to all other allowed claims against such Arahova Debtor pursuant to section 510(c) of the Bankruptcy Code.

II. Allowance of Intercompany Claims

- A. No presumption regarding amount, validity, enforceability or allowability should be accorded to any claim asserted by any Debtor against any Arahova Debtor under Rule 3003(b)(1) of the Federal Rules of Bankruptcy Procedure or otherwise.
- B. Each and every claim asserted by Bank of Adelphia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor should be disregarded or otherwise disallowed as unenforceable against such Arahova Debtor or its property under applicable law pursuant to section 502(b)(1) of the Bankruptcy Code.
- C. Each and every claim asserted by Bank of Adelphia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a

transferee of a transfer avoidable under such sections should be disallowed pursuant to section 502(d) of the Bankruptcy Code.

- D. Each and every claim asserted by Bank of Adelfia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor should be recharacterized as equity under applicable law.
- E. Each and every claim asserted by Bank of Adelfia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor that reflects directly or indirectly improper transactions attributable to Rigas management should be disallowed under applicable law.
- F. Each and every claim asserted by Bank of Adelfia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor should be disregarded or otherwise disallowed as unenforceable against such Arahova Debtor or its property pursuant to section 502(b)(4) of the Bankruptcy Code.
- G. Each and every claim of a Rigas Managed Entity (“RME”) against any Arahova Debtor should be disallowed under applicable law.
- H. Each and every claim against any Arahova Debtor arising directly or indirectly from a claim asserted by an RME should be disallowed under applicable law.
- I. Each and every claim asserted by an RME against any Arahova Debtor should be disregarded or otherwise disallowed as unenforceable against such Arahova Debtor or its property pursuant to section 502(b)(4) of the Bankruptcy Code.
- J. Each and every claim asserted by Bank of Adelfia against any Arahova Debtor pursuant to the Debtors’ adoption of the “Bank of Adelfia paradigm” should be disallowed under applicable law.

- K. Each and every claim asserted by Bank of Adelpia or any other Debtor (other than the Arahova Debtors) against any Arahova Debtor that has the effect of enhancing, directly or indirectly, the recoveries to the holders of ACC notes to the detriment of the holders of Arahova Notes should be disallowed based upon reliance, estoppel and other equitable grounds.
- L. The Arahova Debtors have claims or other rights of recovery against ACC and/or other Debtors, as applicable, arising from the Rigases' re-investment of funds directly or indirectly obtained from the Arahova Debtors with respect to the purchase of securities from ACC and for any other transactions which resulted in benefits to ACC or other Debtors.

III. Asset Ownership and Potential Fraudulent Conveyance Claims

- A. The dividend of Arahova Holdings, LLC, CCC-II, Inc., CT Investment Corp. and Century Cablevision Holdings, LLC by Arahova to ACC Operations, Inc. on or about September 28, 2001 should be avoided as a fraudulent transfer pursuant to sections 544, 548, 550 and 551 of the Bankruptcy Code and applicable law.
- B. Any dividend by Arahova to any other Debtor constitutes a fraudulent transfer and/or illegal distribution and should be avoided or otherwise results in a claim against such Debtor pursuant to sections 544, 548, 550 and 551 of the Bankruptcy Code and applicable law.

IV. Allocation Issues

- A. The consideration to be paid under the proposed sale of the Debtors' assets to Time Warner and Comcast (the "TWC Sale") should be allocated fairly among each Debtor based upon the evidence presented on the record.

- B. Any postpetition costs allocated to any Arahova Debtor, including without limitation
- (i) tax costs arising from the TWC Sale and other tax costs upon individual Debtors;
 - (ii) the obligations resulting from the post-petition debtor in possession financing in the Cases; and
 - (iii) the post-petition administrative expenses of the Debtors and the plan reserves, should be allocated fairly among each Debtor based upon the evidence presented on the record.

V. Substantive Consolidation

- A. The substantive consolidation according to the “silo structure” as proposed by the Debtors in their chapter 11 plan (the “Plan”) is impermissible under applicable law.
- B. Any substantive consolidation structure that results in the Arahova creditors receiving less than payment in full is impermissible under applicable law.

VI. Other Dispute Issues

- A. To the extent Arahova’s creditors are not being paid in full under the Plan, the consideration to be paid by Time Warner and Comcast for the assets of the Arahova Debtors must be subject to a market test, including, without limitation, consideration

of alternative bids and proposals pursuant to a Court-approved auction process in the
Cases.

Dated: Miami, Florida
August 16, 2005

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