
Hughes Hubbard & Reed

Bank of Nova Scotia Wins Settlement from Adelphia

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Hughes Hubbard & Reed obtained a \$16.3 million settlement for the Bank of Nova Scotia (BNS), resolving the bank's "grid interest" claims against the Adelphia Recovery Trust, which handles the litigation arising out of the bankruptcy of Adelphia Communications Corp. The settlement closes a long-running dispute brought by Citibank and BNS as administrative agents on two separate credit facilities. The total settlement amount is \$42.5 million, of which BNS's share is \$16.3 million. The remaining \$26.1 million is to be paid to Citibank.

The banks alleged that Adelphia provided false information about its financial circumstances prior to its 2002 collapse that enabled it to underpay interest on its loans from BNS and Citibank by over \$117 million.

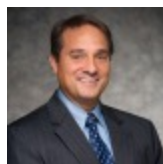
The settlement was reached following mediation. The parties are now awaiting approval of the settlement motion from the U.S. Bankruptcy Court for the Southern District of New York.

George Tsougarakis, Chris Gartman, and Charles Huberty represented BNS.

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