

THE PHANTOM MENACE

Reclusive investor threatens Time Warner growth plans

Business EXCLUSIVE

By HILARY KRAMER

You may not have heard of Bill Huff, the most hated man in the cable-TV business. But you can bet Time Warner has.

This week, Time Warner CEO Richard Parsons announced that his company was interested in acquiring bankrupt cable operator Adelphia.

But first, Parsons has to get past Huff, a battle that could make Michael Eisner's bouts with Comcast's Brian Roberts look like an undercard event.

Huff is the intensely private founder of W.R. Huff Asset Management, the New Jersey-based investment boutique that specializes in buying pieces of bankrupt companies.

Huff has used his holdings

as well as the creditors committee, which is chaired by Huff.

The other large bondholders, New York-based Blackstone Group, opposes the plan and instead backs a sale that could fetch as much as \$20 billion.

The problem for Time Warner and other potential buyers is that Huff will blockade any auction. That's because if the reorganization plan succeeds, Huff and his allies become majority owners of Adelphia.

Critics say Huff, whose clients include prominent pension funds from the state of Louisiana to the New York City police, usually gets his way.

"Huff ... threatens buyers, sellers, management, bankers, creditors and investors," said the investment banking managing director.

Huff has done this before, becoming the leading shareholder of two of Britain's largest cable companies: NTL and Telewest.

When Telewest's reorganization failed, Huff

sends out these mindless drones with attack orders. The last thing he wants them to do is to think — the job of the drones is to report back to him and then he makes all decisions," said a former executive at one of Huff's investments.

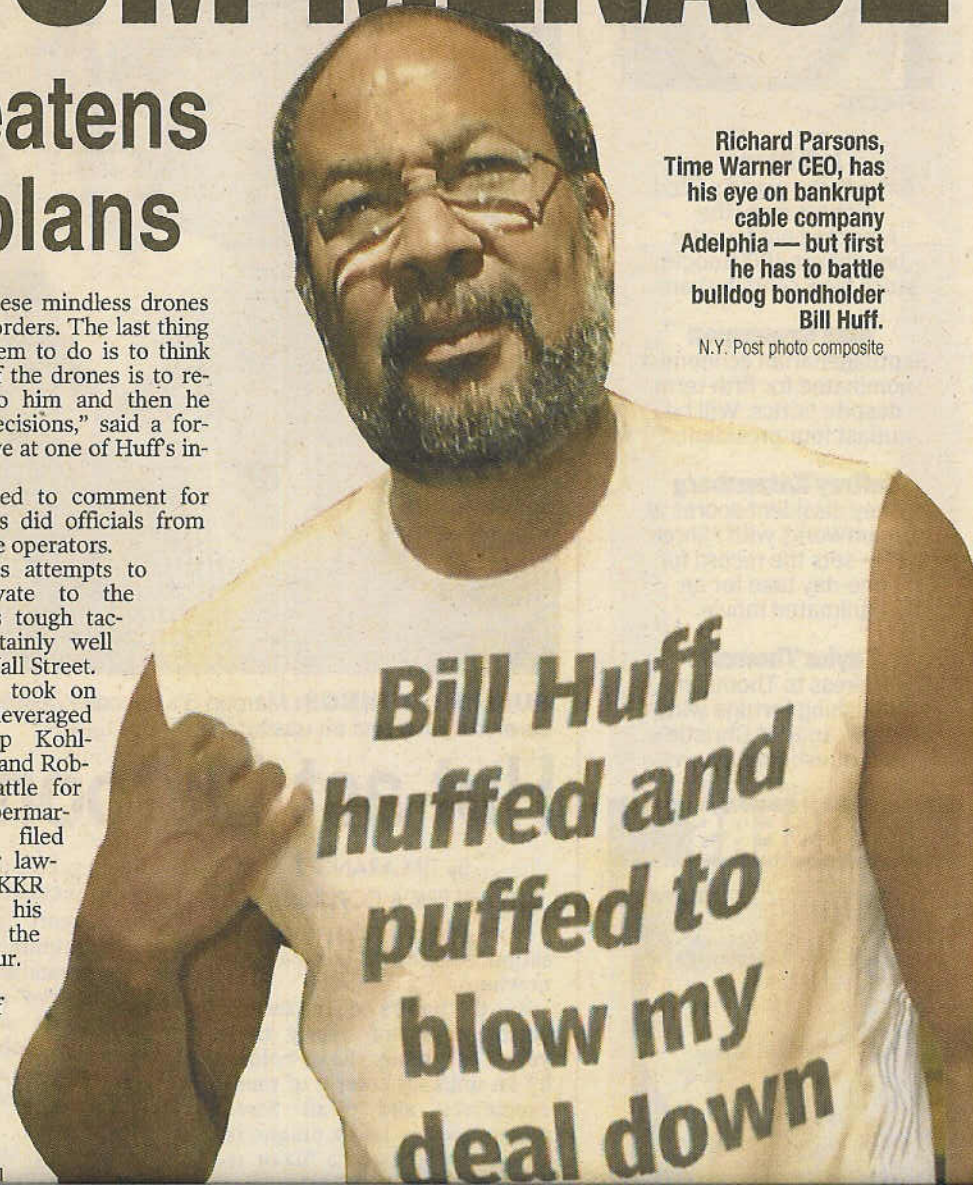
Huff refused to comment for this story, as did officials from the two cable operators.

Despite his attempts to remain private to the press, Huff's tough tactics are certainly well known on Wall Street.

Huff even took on noted leveraged buyout shop Kohlberg, Kravis and Roberts in a battle for Bruno's supermarkets. Huff filed lawsuit after lawsuit against KKR to recoup his money from the deal gone sour.

Bankers found Huff to be so unreasonable during this transaction that a senior banker on the deal

Richard Parsons, Time Warner CEO, has his eye on bankrupt cable company Adelphia — but first he has to battle bulldog bondholder Bill Huff. N.Y. Post photo composite



Huff ... No one ever sees him — he sends out these mindless drones with attack orders.

A former executive of one of Bill Huff's