

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
RCN CORPORATION, et al., : Case No. 04-13638
Debtors. : (Jointly Administered)
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**INTERIM ORDER UNDER 11 U.S.C. §§ 327(e), 328, AND 1107 AND
FED. R. BANKR. P. 2014 AND 2016 (A) AUTHORIZING RETENTION OF
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP AS SPECIAL
REGULATORY COUNSEL TO THE DEBTORS AND (B)
SCHEDULING FINAL HEARING THEREON**

Upon the application (the "Application")¹ of the Debtors for entry of an order under 11 U.S.C. §§ 327(e), 328(a), and 1107(a) and Fed. R. Bankr. P. 2014 and 2016, authorizing the retention of Swidler Berlin Shereff Friedman, LLP ("SBSF") as special regulatory counsel to the Debtors, as of the Petition Date, and scheduling a final hearing thereon; and the Court having reviewed the Application and the Kiddoo Affidavit, and the Court being satisfied with the representations made therein that SBSF represents no interest adverse to the Debtors' estates, that it is a "disinterested person" as that term is defined in Bankruptcy Code section 101(14), as modified by Bankruptcy Code section

¹Unless otherwise defined herein, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Application.

1107(b), and that its retention is necessary and in the best interests of the Debtors, their estates, creditors, and parties in interest; and it appearing that notice of the Application was good and sufficient under the particular circumstances and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED and DECREED that:

1. The Application is GRANTED on an interim basis.
2. Pursuant to Bankruptcy Code sections 327(e) and 328(a), the Debtors, as debtors-in-possession, are authorized to retain SBSF as special regulatory counsel, effective as of the Petition Date, in accordance with the Application and this interim order, and SBSF is authorized to perform the services described therein.
3. SBSF shall be compensated in accordance with the Application, subject to Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of New York, guidelines established by this Court, the United States Trustee Fee Guidelines, and the orders of this Court governing professional compensation in these cases.
4. This interim order shall remain in full force and effect until such time as the Court approves a final order.

5. The Debtors shall serve a notice of the entry of this interim order substantially in the form attached hereto as Exhibit A (the "Notice") on (a) the Office of the United States Trustee for the Southern District of New York; (b) any committee appointed under Bankruptcy Code section 1102; (c) counsel for the Debtors' secured lenders (or agents in respect thereof, as the case may be); (d) holders of the 17 general unsecured claims against the Debtors' estates; (e) the indenture trustees or transfer agents for any class or series of RCN common or preferred stock or any bonds or debentures of the Debtors; and (f) counsel to the unofficial committee of noteholders. Notice served pursuant to the preceding sentence shall be via first class mail, postage prepaid. No further notice of entry of this interim order need be served by the Debtors.

6. Objections, if any, to approval of the Application on a final basis must be in writing and timely filed in accordance with the requirements set forth in the Notice. If timely written objections are received there shall be a hearing held on June 22, 2004 at 10:00 a.m. to determine whether to approve, on a final basis, the retention of SBSF on the terms described in the Application.

7. If no written objections to SBSF's retention are timely filed, served and received in accordance with the Notice and this interim order, a final order will be submitted which will provide that the Application shall be granted in its entirety.

8. The requirement of Local Rule 9013-10(b) that any motion filed shall be accompanied by a separate memorandum of law is satisfied by the Application.

Dated: New York, New York
June 3, 2004

/s/ ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A