

Interim Hearing: August 26, 2004 at 10:00 a.m.
Objection Deadlines: September 24, 2004 and
October 22, 2004 at 4:00 p.m (as applicable).
Final Hearing Dates: September 29, 2004 at 10:00 a.m.
and October 27, 2004 at 10:00 a.m. (as applicable)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
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RCN CORPORATION, et al., : Case No. 04- 13638 (RDD)
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Debtors. : (Jointly Administered)
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**MOTION FOR ORDER UNDER 11 U.S.C. § 105(a) DIRECTING
THAT CERTAIN ORDERS ENTERED IN THE CHAPTER 11
CASES OF RCN CORPORATION, ET AL., BE DEEMED
APPLICABLE TO THE SUBSEQUENT DEBTORS**

RCN Entertainment, Inc. and certain of its affiliates, debtors and
debtors-in-possession in the above captioned cases (collectively, the "Debtors"),
together with RCN Corporation ("RCN"), TEC Air, Inc., RLH Property Corporation,

RCN Finance, LLC, Hot Spots Productions, Inc. (the "Initial Debtors"), and RCN Cable TV of Chicago, Inc. ("RCN Chicago," and together with the Debtors and the Initial Debtors, the "RCN Debtors"), hereby move for entry of an order under 11 U.S.C. § 105 directing that certain orders entered in the chapter 11 cases of the Initial Debtors be deemed applicable to RCN Chicago and the Debtors (together, the "Subsequent Debtors"). In support of this motion, the RCN Debtors respectfully represent as follows.

BACKGROUND

1. On August 20, 2004 (the "Petition Date"), the Debtors each filed voluntary petitions in this Court for reorganization relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Previously, on May 27, 2004, the Initial Debtors each filed voluntary petitions in this Court for reorganization relief under chapter 11 of the Bankruptcy Code. On August 5, 2004, RCN Chicago, an affiliate of the Debtors and the Initial Debtors, filed a voluntary petition in this Court for reorganization relief under chapter 11 of the Bankruptcy Code. The cases of the Initial Debtors and RCN Chicago are jointly administered under case number 04-13638 (RDD), and the Debtors have requested that the Debtors' cases also be administered under the same case number for procedural purposes only. The RCN Debtors continue to manage and operate their business as debtors-in-possession pursuant to Bankruptcy Code sections 1107 and 1108.

2. No trustee or examiner has been appointed in these cases. An official committee of unsecured creditors was appointed in the cases of the Initial Debtors on June 10, 2004.

3. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2).

4. The statutory predicate for the relief requested herein is section 105(a) of the Bankruptcy Code.

RELIEF REQUESTED

5. By this Motion, the RCN Debtors seek entry of interim and final orders pursuant to section 105(a) of the Bankruptcy Code directing that the previously entered orders (the "Initial Debtors' Orders") listed on Exhibit A and Exhibit B to the attached proposed order be deemed applicable to the Subsequent Debtors, effective as of their respective petition dates.

BASIS FOR RELIEF

6. The relief set forth in the Initial Debtors' Orders is necessary to facilitate the Subsequent Debtors' smooth transition into chapter 11 and to maximize the value of the Subsequent Debtors' estates for the benefit of all parties in interest. All of the Initial Debtors' Orders relate to either the retention of professionals or the orderly administration of the Initial Debtors' cases. Because the Subsequent Debtors

are all affiliates of the Initial Debtors, the relief previously granted to the Initial Debtors is already tailored to the specific needs of the Subsequent Debtors. Additionally, the relief requested in this motion will avoid the need to file duplicative applications and motions that would unnecessarily overburden the Court, creditors and other parties in interest.

APPLICABLE AUTHORITY

7. Section 105(a) of the Bankruptcy Code provides, in pertinent part, that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Pursuant to section 105(a), the Court has expansive equitable powers to achieve fairness and justice in the reorganization process. See, e.g., In re Momentum Mfg. Corp., 25 F.3d 1132, 1136 (2d Cir. 1994) ("[B]ankruptcy courts are courts of equity, empowered to invoke equitable principles to achieve fairness and justice in the reorganization process."); In re Croton River Club, Inc., 52 F.3d 41, 45 (2d Cir. 1994) (noting that bankruptcy courts have broad equity power to manage the affairs of debtors); In re Chinichian, 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code."); In re NWFEX, Inc., 864 F.2d 588, 590 (8th Cir. 1988) ("The overriding consideration in bankruptcy . . . is that equitable principles govern."); In re Cooper Properties Liquidating Trust, Inc., 61 B.R. 531, 537 (Bankr. W.D. Tenn.

1986) ("[T]he Bankruptcy Court is one of equity and as such it has a duty to protect whatever equities a debtor may have in property for the benefit of its creditors as long as that protection is implemented in a manner consistent with the bankruptcy laws.").

8. Entry of an order directing that the Initial Debtors' Orders be made applicable to the Subsequent Debtors will obviate the need for duplicative notices, motions, applications, and proposed orders to be filed in these cases. By seeking the relief requested herein, the Subsequent Debtors expect to save considerable time and expense for the Subsequent Debtors and their estates and to reduce the burden on the Court and parties in interest that would otherwise be incurred were the requested relief not granted. The Subsequent Debtors require the protections and authorizations that are set forth in the Initial Debtors' Orders to transition into chapter 11 in an orderly manner and to maximize the value of the Subsequent Debtors' estates for the benefit of all parties in interest.

9. Had the Subsequent Debtors commenced their chapter 11 cases at the same time as the Initial Debtors, the Subsequent Debtors would have been movants with respect to all of the Initial Debtors' Orders. The RCN Debtors believe the relief requested herein is appropriate to carry out the provisions of the Bankruptcy Code. Similar procedures have been authorized in other complex chapter 11 cases. See, e.g., In re Adelpia Business Solutions, Inc., et al., Case No.

02-11389 (REG) (Bankr. S.D.N.Y. 2002) (Docket No. 481); In re Worldcom, Inc.,
Case No. 02-13533 (Bankr. S.D.N.Y. 2002) (Docket No. 2162); In re Enron Corp., et
al., Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. 2001) (Docket No. 7665).

10. The RCN Debtors submit that no new or novel issue of law is presented with respect to the matters contained herein. Because the relevant authorities in support of the requested relief are cited in this motion, the RCN Debtors request that the requirement of the service and filing of a separate memorandum of law under Local Bankr. R. 9013-1(b) be deemed satisfied.

WHEREFORE, the RCN Debtors respectfully request that the Court enter an order (i) directing that the Initial Debtors' Orders be deemed applicable in the Subsequent Debtors' chapter 11 cases effective as of their respective petition dates and (ii) granting such other and further relief as is just and proper.

Dated: New York, New York
August 23, 2004

SKADDEN, ARPS, SLATE, MEAGHER
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/s/ Frederick D. Morris

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