

Hearing Date: December 2, 2004 at 10:00 a.m.  
Objection Deadline: November 19, 2004 at 4:00 p.m.

KASOWITZ, BENSON, TORRES  
& FRIEDMAN LLP  
David S. Rosner (DR 4214)  
Robert M. Novick (RN 4037)  
1633 Broadway  
New York, New York 10019  
Telephone: (212) 506-1700  
Facsimile: (212) 506-1800

SPECIAL CONFLICTS COUNSEL FOR RCN CORPORATION,  
ET AL., DEBTORS AND DEBTORS-IN-POSSESSION

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re:	: Chapter 11
	: :
RCN CORPORATION, <u>et al.</u> ,	: Case No. 04-13638 (RDD)
	: :
Debtors.	: (Jointly Administered)
-----X	

**NOTICE OF DEBTORS' THIRD OMNIBUS OBJECTION TO  
CLAIMS PURSUANT TO 11 U.S.C. § 502(b) AND FED. R. BANKR. P. 3007**

PLEASE TAKE NOTICE that on October 21, 2004, RCN Corporation and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession in the above captioned cases (collectively, the "Debtors"), filed the *Debtors' Third Omnibus Objection To Claims Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007* (the "Objection").

PLEASE TAKE FURTHER NOTICE that on December 2, 2004 at 10:00 a.m., the Bankruptcy Court will hold a hearing to consider granting the relief requested in the Objection (the "Hearing"). Responses to the Objection, if any, must be in writing, must conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District

of New York, and must be filed with the Bankruptcy Court in accordance with General Order M-242 (as amended) – registered users of the Bankruptcy Court's case filing system must file electronically, and all other parties in interest must file on a 3.5 inch disk (preferably in Portable Document Format (PDF)), WordPerfect or any other Windows-based word processing format); submitted in hard-copy form directly to the chambers of the Honorable Robert D. Drain, United States Bankruptcy Judge; and served upon (i) Kasowitz, Benson, Torres & Friedman LLP, special conflicts counsel to RCN Corporation, 1633 Broadway, New York, New York 10019, Attention: Robert M. Novick, Esq.; (ii) Skadden, Arps, Slate, Meagher & Flom LLP, counsel to RCN Corporation, Four Times Square, New York, NY, 10036-6522, Attention: Frederick D. Morris, Esq. and Bennett S. Silverberg, Esq.; (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st floor, New York, NY 10004, Attention: Paul K. Schwartzberg, Esq.; (iv) Milbank, Tweed, Hadley & McCloy LLP, counsel to the Official Committee of Unsecured Creditors, 1 Chase Manhattan Plaza, New York, NY 10005, Attention: Susheel Kirpalani, Esq. and Deirdre Ann Sullivan, Esq.; and (v) Simpson Thacher & Bartlett LLP, counsel to the agent for the prepetition credit facility, 425 Lexington Avenue, New York, NY 10017-3954, Attention: Peter V. Pantaleo, Esq., in each case so as to be received no later than 4:00 p.m. prevailing Eastern time on November 19, 2004 (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that only those responses made in writing and timely filed and received by the Objection Deadline will be considered by the Bankruptcy Court

at the Hearing, and that if no responses to the Objection are timely filed and served in accordance with the procedures set forth herein, the Bankruptcy Court may enter an order granting the Objection without further notice.

Dated: October 21, 2004  
New York, New York

KASOWITZ, BENSON, TORRES  
& FRIEDMAN LLP

/s/ Robert M. Novick  
David S. Rosner (DR 4214)  
Robert M. Novick (RN 4037)  
1633 Broadway  
New York, New York 10019  
Telephone: (212) 506-1700  
Facsimile: (212) 506-1800

Special Conflicts Counsel for Debtors and  
Debtors-in-Possession

Hearing Date: December 2, 2004 at 10:00 a.m.  
Objection Deadline: November 19, 2004 at 4:00 p.m.

KASOWITZ, BENSON, TORRES & FRIEDMAN LLP  
David S. Rosner (DR 4214)  
Robert M. Novick (RN 4037)  
1633 Broadway  
New York, New York 10019  
Telephone: (212) 506-1700  
Facsimile: (212) 506-1800

SPECIAL CONFLICTS COUNSEL FOR  
DEBTORS AND DEBTORS-IN-POSSESSION

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re:	: Chapter 11
	: :
RCN CORPORATION, <u>et al.</u> ,	: Case No. 04-13638 (RDD)
	: :
Debtors.	: (Jointly Administered)
-----X	

**DEBTORS' THIRD OMNIBUS OBJECTION TO CLAIMS  
PURSUANT TO 11 U.S.C. § 502(b) AND FED. R. BANKR. P. 3007**

RCN Corporation ("RCN") and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby object under 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 (the "Third Omnibus Objection") to the claims set forth in Exhibits A through B annexed to the proposed order filed herewith (the "Proposed Order") and incorporated herein by reference (collectively, the "Disputed Claims"). In support of this Third Omnibus Objection, the Debtors rely upon the *Declaration of Anthony M. Horvat in Support of Debtors' Third Omnibus Objection to Claims* (the "Horvat Declaration"). The Debtors also represent as follows:

## **BACKGROUND**

1. On May 27, 2004 (the "Petition Date"), certain of the Debtors filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").<sup>1</sup> RCN Cable TV of Chicago, Inc. ("RCN-Chicago") commenced its chapter 11 case on August 5, 2004. Certain other affiliated Debtors commenced their chapter 11 cases on August 20, 2004.<sup>2</sup> The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to Bankruptcy Code sections 1107 and 1108.

2. No trustee or examiner has been appointed in these chapter 11 cases. On June 10, 2004, the United States Trustee for the Southern District of New York (the "United States Trustee") appointed the Committee of Unsecured Creditors (the "Creditors' Committee"). No other official committees have been appointed or designated in these chapter 11 cases.

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 predicates for the relief requested herein are section 502(b) of the Bankruptcy Code and Fed. R. Bankr. P. 3007.

## **RELIEF REQUESTED**

5. By this Third Omnibus Objection, the Debtors seek entry of an order pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007: (i) disallowing and expunging in their entirety the Disputed Claims set forth in Exhibit A to the Proposed Order on the basis that such claims

---

<sup>1</sup> RCN Corporation, TEC Air, Inc., RLH Property Corporation, RCN Finance, LLC and Hot Spots Productions, Inc. (collectively, the "Initial Debtors") commenced their chapter 11 cases on May 27, 2004.

<sup>2</sup> RCN Telecom Services of Virginia, Inc., RCN Entertainment, Inc., 21<sup>st</sup> Century Telecom Services, Inc. and ON TV, Inc. (collectively, the "Additional Debtors") commenced their chapter 11 cases on August 20, 2004.

were improperly filed in these chapter 11 cases because they represent purported claims against entities that are not Debtors in these chapter 11 cases (the "Non-Debtor Claims"), and (ii) disallowing and expunging, in whole or in part, as applicable, the Disputed Claims set forth in Exhibit B to the Proposed Order as such claims, as filed, do not represent valid liabilities of the Debtors (the "Claims Subject to Litigation and Dispute").

### **BASIS FOR RELIEF**

6. The Debtors and their non-Debtor subsidiaries and affiliates (the "Non-Debtors") maintain books and records (the "Books and Records") in the ordinary course of business that reflect, among other things, the Debtors' and the Non-Debtors liabilities and the amounts thereof.

7. The Debtors and their advisers have reviewed the proofs of claim relating to the Disputed Claims and the Books and Records. For the reasons set forth below, the Debtors have determined that such Disputed Claims are properly the subject of an objection.

#### **A. Non-Debtor Claims.**

The claims identified on Exhibit A to the Proposed Order do not represent liabilities of the Debtors. After reviewing the Books and Records, the Debtors have concluded that it is possible that the Non-Debtor Claims represent potential liabilities of one or more Non-Debtors, but not liabilities of the Debtors. For the reasons more fully set forth in the Horvat Declaration, the Non-Debtor Claims should be disallowed and expunged.

#### **B. Claims Subject to Litigation or Dispute.**

The Claims Subject to Litigation or Dispute identified on Exhibit B, as asserted, do not represent valid liabilities of the Debtors. According to the Books and Records, such claims should be disallowed and expunged. For the reasons set forth in the Horvat Declaration, the Claims Subject to Litigation or Dispute are properly subject to the Objection.

## RESPONSES TO OBJECTIONS

8. The Debtors request that all responses to this Third Omnibus Objection (each, a "Response"), if any, (a) be in writing, (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules, and (c) be filed with the Bankruptcy Court in accordance with the Bankruptcy Court's general order number 182 as modified by orders 193 and 206 adopting electronic filing procedures (with an additional copy to the chambers of the Honorable Robert D. Drain), together with proof of service, and served by personal service, overnight delivery, or first class mail, upon the following:

Counsel for the Debtors:

Skadden, Arps, Slate, Meagher & Flom LLP  
Four Times Square  
New York, New York 10036  
Attention: Frederick D. Morris, Esq.  
Bennett S. Silverberg, Esq.

Special Conflicts Counsel for the Debtors:

Kasowitz, Benson, Torres & Friedman LLP  
1633 Broadway  
New York, New York 10019  
Attention: Robert M. Novick, Esq.

Counsel for the Senior Lenders:

Simpson, Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, NY 10017-3954  
Attention: Peter V. Pantaleo, Esq.  
Elisha Graff, Esq.

Counsel for the Creditors' Committee:

Milbank, Tweed, Hadley & McCloy LLP  
One Chase Manhattan Plaza  
New York, NY 10005  
Attention: Susheel Kirpalani, Esq.  
Deirdre Ann Sullivan, Esq.

United States Trustee:

The Office of the United States Trustee  
Southern District of New York  
33 Whitehall Street  
21st Floor  
New York, New York 10004  
Attention: Paul K. Schwartzberg, Esq.

United States Bankruptcy Court:

Chambers of The Honorable Robert D. Drain  
United States Bankruptcy Court for the  
Southern District of New York  
Alexander Hamilton Custom House  
One Bowling Green  
New York, New York 10004

9. Contents Of Response. The Debtors request that at a minimum each Response must contain the following:

- (a) caption setting forth the name of the Bankruptcy Court, the name of the case, the case number, and the title of the Third Omnibus Objection;
- (b) the name of the creditor and description of the basis for the amount of the asserted claim;
- (c) a concise statement setting forth the reasons why the relief requested by the Third Omnibus Objection with respect to the Disputed Claims should not be granted by the Bankruptcy Court, including, but not limited to, the specific factual and legal bases upon which



the creditor will rely in opposing the Third Omnibus Objection;

(d) all documentation or other evidence of the claim, to the extent not included with the claim previously filed with the Bankruptcy Court, upon which the creditor will rely in opposing the Third Omnibus Objection at the hearing;

(e) the address(es) to which a reply, if any, to the Response should be sent, if different from that presented in the proof of claim; and

(f) the name, address, and telephone number of the person (which may be the creditor or his/her/its legal representative) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of the creditor.

10. If a Response is properly filed and served in accordance with the above procedures, the Debtors will endeavor to reach a consensual resolution. If no consensual resolution is reached, the Debtors request that the Bankruptcy Court conduct a hearing with respect to the Third Omnibus Objection and the Response. The Debtors have notified all parties in interest of the date for such hearing on the Third Omnibus Objection and the date by which Responses to the Third Omnibus Objection must be filed and served.

11. If a creditor whose claim is subject to this Third Omnibus Objection and who is served with the Third Omnibus Objection fails to file and serve a timely Response, the Debtors will present to the Bankruptcy Court an appropriate order with respect to the claim or interest without further notice to the creditor.

12. If a Response contains an address for the creditor different from that stated on the objected to proof of claim, the address in the Response shall control and shall constitute the service address for other future service of papers upon that creditor.

13. The Debtors expressly reserve the right to amend, modify, or supplement this Third Omnibus Objection, and to file additional objections to the claims included herein or any other claims which may be asserted against the Debtors.

#### **FURTHER INFORMATION**

14. Questions about the Third Omnibus Objection or claims, or requests for additional information about the proposed disposition of claims hereunder should be directed to the Debtors' counsel in writing at the address listed below (Attn: Robert M. Novick or by telephone at (212) 506-1700). PARTIES SHOULD NOT CONTACT THE CLERK OF THE BANKRUPTCY COURT TO DISCUSS THE MERITS OF THEIR CLAIMS.

#### **NOTICE AND WAIVER OF MEMORANDUM REQUIREMENT**

15. Notice of this Third Omnibus Objection has been given to the United States Trustee, the affected claimants, and those persons who filed a notice of appearance in this case. The Debtors respectfully submit that such notice is sufficient under the circumstances and requests that the Bankruptcy Court find that no further notice of the relief requested herein is required.

16. The Debtors submit that no new or novel issue of law is presented with respect to the matters contained herein, and respectfully requests that because the relevant statutory authorities are already cited in this Third Omnibus Objection, the requirement of a separate memorandum of law under Local Bankruptcy Rule 9013-1(b) be waived.

WHEREFORE, the Debtors respectfully request that the Bankruptcy Court enter an order (i) disallowing and expunging in their entirety the Non-Debtor Claims, (ii) disallowing and expunging, in whole or in part, as applicable, the Claims Subject to Litigation and Dispute, and (iii) granting such additional relief in favor of the Debtors as the Bankruptcy Court may deem appropriate.

Dated: October 21, 2004  
New York, New York

KASOWITZ, BENSON, TORRES  
& FRIEDMAN LLP

/s/ Robert M. Novick  
David S. Rosner (DR 4214)  
Robert M. Novick (RN 4037)  
1633 Broadway  
New York, New York 10019  
Telephone: (212) 506-1700  
Facsimile: (212) 506-1800

Special Conflicts Counsel for Debtors and  
Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X		
In re:	:	Chapter 11
	:	
RCN CORPORATION, <u>et al.</u> ,	:	Case No. 04-13638 (RDD)
	:	
Debtors.	:	(Jointly Administered)
-----X		

**DECLARATION OF ANTHONY M. HORVAT IN SUPPORT  
OF DEBTORS' THIRD OMNIBUS OBJECTION TO CLAIMS**

I, Anthony M. Horvat, hereby declare that the following is true to the best of my knowledge, information and belief:

1. I am the individual designated by the Debtors with the responsibility of reconciling the proofs of claim filed in the chapter 11 cases (the "Chapter 11 Cases") of RCN Corporation and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, "RCN" or the "Debtors").

2. I submit this declaration (the "Declaration") in support of *Debtors' Third Omnibus Objection Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007* (the "Third Omnibus Objection")<sup>1</sup> with respect to the claims identified in Exhibits A and B (the "Disputed Claims") annexed to the proposed order. I make this Declaration on the basis of my review of the Debtors' books and records (the "Books and Records") and the Proofs of Claim (as defined below) relating to the Disputed Claims, together with any supporting or related documentation.

3. To date, holders of claims (the "Claimants") have filed approximately 2,075 proofs of claim (the "Proofs of Claim") in these chapter 11 cases.

---

<sup>1</sup> Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Objection.

4. I have been personally involved in the review of each of the Proofs of Claim and the Debtors' extensive efforts in reconciling the claims asserted by Claimants with the Books and Records. In this regard, I participated in the review of the claims, identifying those claims that should potentially be allowed, disallowed, or subordinated, and reviewed the Third Omnibus Objection and the proposed order with respect to the Third Omnibus Objection. Accordingly, I am familiar with the information contained therein. During the claims reconciliation process, in the event there was uncertainty as to the legal validity of a claim, I consulted with and followed the advice of counsel.

5. Based on these efforts, the Debtors and I have determined, that:

(a) The Disputed Claims set forth in Exhibit A should be disallowed and expunged in their entirety as such claims represent claims which were filed in these chapter 11 cases but represent potential claims against entities which are not Debtors in these chapter 11 cases (the "Non-Debtor Claims"); and

(b) The Disputed Claims set forth in Exhibit B to the proposed order should be disallowed and expunged in whole or in part, as applicable, because such claims, as filed, do not represent valid liabilities of the Debtors (the "Claims Subject to Litigation and Dispute").<sup>2</sup>

6. **Non-Debtor Claims.** The Non-Debtor Claims set forth on Exhibit A do not represent liabilities of the Debtors. Rather, after a review of the Books and Records, the Debtors have concluded that it is possible that the Non-Debtor Claims may represent potential liabilities of non-Debtor subsidiaries of RCN Corporation. For the reasons set forth herein, I believe that the Non-Debtor Claims should be disallowed and expunged and are properly the subject of the Third Omnibus Objection.

---

<sup>2</sup> Certain Claim Subject to Litigation and Dispute are also Non-Debtor Claims.

(a) **American Home Assurance Company (“Claim No. 744”).** Claim No. 744 asserts a general unsecured claim in the amount of \$111,269.59 in connection with litigation styled *American Home Assurance Company a/s/o Columbus Construction Company (Paul Galetta) v. Peter Rondinone, Blue Bayu Construction Corp. and RCN Cable* (Index No. 121731/03) pending in the Supreme Court of the State of New York, County of New York. Claim No. 744 was asserted in the chapter 11 case of RCN Corporation (Case No. 04-13638 (RDD)). RCN’s review of the litigation has determined that an RCN entity is named as a defendant in the litigation<sup>3</sup> because Mr. Galetta was allegedly injured on premises under RCN’s control. The location in question, however, was operated by RCN Telecom Services, Inc., a non-Debtor subsidiary of RCN Corporation. Claim No. 744 offers no basis for holding RCN Corporation liable for the alleged liability of one of its non-debtor subsidiaries. For these reasons, I believe that (a) Claim No. 744 was improperly filed in the chapter 11 case of RCN Corporation and (b) it is appropriate to disallow and expunge such claim on the basis that it is not an obligation of any of the Debtors in these chapter 11 cases.

(b) **Bernard Hodes Group, Inc. (“Claim No. 13”).** Claim No. 13 asserts a general unsecured claim in the amount of \$3,878.98 on account of “help wanted” advertisements placed in newspapers in Pennsylvania and California. Claim No. 13 is asserted in the chapter 11 case of RCN Corporation (Case No. 04-13638 (RDD)). The Books and Records indicate that such placements were made at the request of RCN Telecom Services, Inc., a non-Debtor subsidiary of RCN Corporation. Additionally, the Books and Records indicate that the balance of Claim No. 13, due as of the Petition Date, has been paid in full by RCN Telecom Services, Inc. For these reasons, I believe that (a) Claim No. 13 was improperly filed in the chapter 11

---

<sup>3</sup> “RCN Cable” is not a valid corporate name for any debtor or non-Debtor subsidiary of RCN Corporation.

case of RCN Corporation and (b) it is appropriate to disallow and expunge such claim on the basis that it (i) is not an obligation of any of the Debtors in these chapter 11 cases and (ii) has been paid in full.

(c) **Broadcast Music, Inc. (“Claim No. 393”).** Claim No. 393 asserts a claim in the amount of \$21,290.86 on account of music license fees alleged to be due through the Petition Date. Claim No. 393 is asserted in the chapter 11 case of RCN Corporation (Case No. 04-13638 (RDD)). The Books and Records do not indicate that RCN Corporation or any Debtor conducted business with Broadcast Music, Inc. (“BMI”). RCN Telecom Services, Inc., a non-Debtor, is the sole licensee under the Cable System Local Origination Music License Agreement annexed to the proof of claim. Claim No. 393 does not provide any basis for holding RCN Corporation, which is not a party to the agreement, responsible for the alleged liabilities of a non-Debtor subsidiary. For these reasons, I believe that (a) Claim No. 393 was improperly filed in the chapter 11 case of RCN Corporation and (b) it is appropriate to disallow and expunge such claim on the basis that it is not an obligation of any of the Debtors in these chapter 11 cases.

(d) **Commonwealth Edison Company (“Claim No. 123”).** Claim No. 123 asserts a general unsecured claim in the amount of \$569,213.18 in connection with litigation entitled *Commonwealth Edison Company v. RCN Cable Company and 21<sup>st</sup> Century Telecom Group, Inc.* (Case No. 03 L 015946) pending before the Circuit Court of Cook County, Illinois. The complaint alleges property damages resulting from the defendants’ alleged negligence while conducting repairs and construction work in Cook County, Illinois. Claim No. 123 is asserted in the chapter 11 case of RCN Corporation (Case No. 04-13638 (RDD)). The named defendants are not Debtors nor the current names of any non-Debtor subsidiary of RCN Corporation.<sup>4</sup> In

---

<sup>4</sup> 21<sup>st</sup> Century Telecom Group, Inc. is now known as RCN Telecom Services of Illinois, LLC, a non-Debtor subsidiary of RCN Corporation.

any event, none of the Debtors performed the repairs or construction which allegedly caused the damages alleged by the Commonwealth Edison Company. For this reason, I believe that (a) Claim No. 123 was improperly filed in the chapter 11 case of RCN Corporation and (b) it is appropriate to disallow and expunge such claim on the basis that it is not an obligation of any of the Debtors in these chapter 11 cases.

(e) **Iron Mountain Off-Site Data Protection (“Claim No. 1546”).** Claim No. 1546 asserts a general unsecured claim in the amount of \$1,033.22 on account of data backup services. Claim No. 1546 is asserted in the chapter 11 case of RCN Corporation (Case No. 04-13638 (RDD)). The invoices attached to the proof of claim for Claim No. 1546 relate to data backup services for RCN’s purported operations in New York. However, RCN Corporation does not conduct any operations in New York, nor does it have any business relationship with Iron Mountain Off-Site Data Protection (“Iron Mountain”). The Books and Records indicate that RCN Telecom Services, Inc., a non-debtor subsidiary of RCN Corporation, conducted business with Iron Mountain. For these reasons, I believe that (a) Claim No. 1546 was improperly filed in the chapter 11 case of RCN Corporation and (b) it is appropriate to disallow and expunge such claim on the basis that it is not an obligation of any of the Debtors in these chapter 11 cases.

(f) **Nortel Networks, Inc. (“Claim No. 696”).** Claim No. 696 asserts a claim in the amount of \$43,552.56 on account of invoices for telecommunications services. Claim No. 696 is asserted in the chapter 11 case of RCN Corporation (Case No. 04-13638 (RDD)). The Books and Records do not indicate that RCN Corporation or any other Debtor conducted business with Nortel Networks, Inc. (“Nortel”). To the best of my knowledge, information and belief, the invoices underlying Claim No. 1035 relate to services rendered by Nortel to RCN Telecom Services, Inc., a non-debtor subsidiary of RCN Corporation. For these reasons, I



believe that (a) Claim No. 696 was improperly filed in the chapter 11 case of RCN Corporation and (b) it is appropriate to disallow and expunge such claim on the basis that it is not an obligation of any of the Debtors in these chapter 11 cases.

(g) **SBC Ameritech (“Claim No. 1035”).** Claim No. 1035 asserts a general unsecured claim in the amount of \$47,785.67 on account of telecommunications services. Claim No. 1035 is asserted in the chapter 11 case of RCN Corporation (Case No. 04-13638 (RDD)). The Books and Records do not indicate that RCN Corporation or any other Debtor conducted business with SBC Ameritech. To the best of my knowledge, information and belief, the invoices underlying Claim No. 1035 relate to services rendered by SBC Ameritech to non-Debtor subsidiaries of RCN Corporation. For these reasons, I believe that (a) Claim No. 1035 was improperly filed in the chapter 11 case of RCN Corporation and (b) it is appropriate to disallow and expunge such claim on the basis that it is not an obligation of any of the Debtors in these chapter 11 cases.

(h) **SBC Communications (“Claim No. 5”).** Claim No. 5 asserts a general unsecured claim in the amount of \$51,341.61 on account of telecommunications services. Claim No. 5 is asserted in the chapter 11 case of RCN Corporation (Case No. 04-13638 (RDD)). The Books and Records do not indicate that RCN Corporation or any Debtor conducted business with SBC Communications. To the best of my knowledge, information and belief, the invoices underlying Claim No. 5 relate to services rendered by SBC Communications to non-Debtor subsidiaries of RCN Corporation. Moreover, according to the Books and Records, all of the invoices on account of Claim No. 5 have been paid by the appropriate non-debtor subsidiary. For these reasons, I believe that (a) Claim No. 5 was improperly filed in the chapter 11 case of

RCN Corporation and (b) it is appropriate to disallow and expunge such claim on the basis that it is not an obligation of any of the Debtors I these chapter 11 cases and that it has been paid in full.

(i) **Operating Telephone Company Subsidiaries of Verizon (Claim Nos. 1271, 2055, 2056, 2057 and 2058; collectively the “Verizon Claims”).** The Verizon Claims assert general unsecured claims in the aggregate amount of \$30,431,342.12 for “Accounts from the Wholesale Organization of the Operating Telephone Company Subsidiaries of Verizon Communications Inc. [the “Verizon Subs”]” against five Debtors, as separately set forth on Exhibit A. The Verizon Subs concede in four of the proofs of claim relating to the Verizon Claims that ambiguities in their books and records do not permit the Verizon Subs to determine which RCN entity may be liable for the alleged claim. The Books and Records do not indicate that any Debtor is liable for any of the Verizon Claims. To the best of my knowledge, information and belief, the invoices underlying Claim Nos. 2055, 2056, 2057 and 2058 relate to services rendered by the Verizon Subs to non-Debtor subsidiaries of RCN Corporation. With respect to Claim No. 1271, asserted in the amount of \$114,177.72, the proof of claim purporting to evidence such claim fails to provide a sufficient description of the basis for said claim for the Debtors to identify any corresponding services that may have been rendered to any entity. However, to the extent such services may have been rendered, I believe they would have been rendered to non-Debtor subsidiaries of RCN on the basis of (i) the historical business relationships with the Verizon Subs and (ii) that the Books and Records do not indicate that any of the Debtors are liable to the Verizon Subs for Claim No. 1271, or any of the Verizon Claims. Accordingly, I believe that the Verizon Claims should be disallowed and expunged in their entirety.

7. **Claims Subject to Litigation or Dispute.** The Claims Subject to Litigation or Dispute, as asserted, do not represent valid liabilities of the Debtors. By the Third Omnibus Objection, such claims should be disallowed and expunged. For the reasons set forth herein, the Claims Subject to Litigation or Dispute are properly subject to the Third Omnibus Objection.

(a) **Dell, Inc. (“Claim No. 1”).** Claim No. 1 asserts an unsecured claim in the amount of \$3,566.92 on account of goods sold to the Debtor prior to the Petition Date. The Books and Records indicate that Dell sent duplicative invoices to the Debtors (invoice # 590801982 and invoice # 607524643) for a single purchase (purchase order number # 96390). All goods delivered pursuant to the duplicative invoice were returned to Dell, Inc. The remaining balance of \$3,128.02 relates to invoice #755804615 and was paid in full by check #194759, which was honored on June 21, 2004. For these reasons, Claim No. 1 should be disallowed and expunged.

(b) **Bernard Hodes Group, Inc. (“Claim No. 13”).** Claim No. 13 asserts a general unsecured claim in the amount of \$3,878.98 on account of “help wanted” advertisements placed in newspapers in Pennsylvania and California. As set forth in paragraph 6(b) above, in addition to being a non-Debtor Claim, the Books and Records indicate that the balance of Claim No. 13 due as of the Petition Date was paid in full by RCN Telecom Services, Inc.

(c) **Operating Telephone Company Subsidiaries of Verizon (“Claim No. 1271”).** Claim No. 1271 asserts a general unsecured claim in the amount of \$114,177.72 “services rendered.” As set forth in paragraph 6(i) above, the Books and Records indicate that the Verizon Claims are non-Debtor Claims. Additionally, with respect to Claim No. 1271, the proof of claim purporting to evidence Claim No. 1271 contains insufficient information about Claim 1271 for the Debtors to understand whether there exists a valid basis for such claim or to

determine whether the alleged claim is reflected in the Books and Records. Because the Debtors have been unable to determine from the proof of claim that it evidences any liability reflected in the Books and Records, I believe that Claim No. 1271 should be disallowed and expunged. However, as set forth above, in the event Claim No. 1271 does represent a potential liability, it should nonetheless be expunged and disallowed as a Non-Debtor Claim.

### **CONCLUSION**

8. I believe that each of the Disputed Claims are appropriately the subject of an objection by the Debtors. Accordingly, I believe that the Debtors should be granted the relief requested in the Third Omnibus Objection with respect to the Disputed Claims.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 21<sup>st</sup> day of October 2004.

/s/ Anthony M. Horvat  
ANTHONY M. HORVAT

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

	-----X	
	:	
In re	:	Chapter 11
	:	
RCN CORPORATION, <u>et al.</u> ,	:	Case No. 04-13638 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
	-----X	

**ORDER WITH RESPECT TO DEBTORS' THIRD  
OMNIBUS OBJECTION TO CLAIMS PURSUANT TO 11 U.S.C. § 502(b)  
AND FED. R. BANKR. P. 3007**

Upon the Debtors' *Third Omnibus Objection to Claims Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007* (the "Third Omnibus Objection"),<sup>1</sup> dated October 21, 2004, and filed by RCN Corporation and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the "Debtors"); and after due deliberation thereon; and based upon the record in this case; and proper and adequate notice of the Third Omnibus Objection having been given; and no other or further notice being necessary; and the Court having considered the Third Omnibus Objection, the claims listed on Exhibits A and B attached hereto, and the responses, if any, to the Third Omnibus Objection; and the responses, if any, to the Third Omnibus Objection in respect of the claims addressed herein having been resolved or overruled; and after due deliberation thereon; and good cause appearing therefore; it is hereby

---

<sup>1</sup> Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Third Omnibus Objection.

FOUND THAT:

- A. Each holder of a Disputed Claim was properly and timely served with a copy of the Third Omnibus Objection and accompanying exhibits, and the notice of the response deadline thereto; and
- B. The Third Omnibus Objection is a core proceeding under 28 U.S.C. § 157(b)(2); and
- C. The Disputed Claims set forth in Exhibit A represent claims which were filed in these chapter 11 cases but represent potential claims against entities which are not Debtors in these chapter 11 cases (the "Non-Debtor Claims"); and
- D. The Disputed Claims set forth in Exhibit B represent claims that are not valid liabilities of the Debtors (the "Claims Subject to Litigation and Dispute"); and
- E. The relief requested in the Third Omnibus Objection is in the best interests of the Debtors, Debtors' estate, and its creditors.

NOW, THEREFORE, IT IS ORDERED, DECREED, AND ADJUDGED THAT:

- 1. Each of the Non-Debtor Claims listed on Exhibit A attached hereto are disallowed and expunged in their entirety.
- 2. Each of the Claims subject to Litigation and Dispute listed on Exhibit B attached hereto are disallowed and expunged in whole or in part, as appropriate.
- 3. The Bankruptcy Court shall retain jurisdiction over the Debtors and the holders of claims subject to the Third Omnibus Objection with respect to any matters relating to or arising from the Third Omnibus Objection or the implementation of this Order.
- 4. Each claim and the objections by the Debtors to each claim as addressed in the Third Omnibus Objection constitutes a separate contested matter as contemplated by Fed. R.

Bankr. P. 9014. This Order shall be deemed a separate Order with respect to each claim. Any stay of this Order shall apply only to the contested matter which involves such creditor and shall not act to stay the applicability or finality of this Order with respect to any other contested matter covered hereby.

5. The requirement of Local Bankr. R. 9013-1(b) that any motion filed shall be accompanied by a separate memorandum of law is satisfied by the Third Omnibus Objection.

Dated: New York, New York  
December \_\_\_\_, 2004

---

UNITED STATES BANKRUPTCY JUDGE

# EXHIBIT A



**RCN CORPORATION, ET AL.,**

Case No. 04-13637(RDD)- 04-13641(RDD), 04-15505(RDD),  
04-15506(RDD), 04-15508(RDD)

**Non-Debtor Claims  
Exhibit A - 3rd Omnibus Objection**

Name and Address of Claimant	Claim Number	Case Number	Date Claim Filed	Total Claim Amount*	Claim Priority Status	Basis for Objection
AMERICAN HOME ASSURANCE COMPANY (PAUL GALLETTA) O'BRIEN & HENNESSY 535 FIFTH AVENUE, SUITE 911 NEW YORK, NY 10017	744	04-13638(RDD)	8/5/2004	\$111,269.59	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
BERNARD HODES GROUP INC. 220 E 42ND ST NEW YORK, NY 10017	13	04-13638(RDD)	7/7/2004	\$3,875.98	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
BROADCAST MUSIC, INC JUDITH M. SAFFER, ESQ. 320 WEST 57TH STREET NEW YORK, NY 10019-3790	393	04-13638(RDD)	7/28/2004	\$21,290.86	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
COMMONWEALTH EDISON COMPANY QUERRY & HOLLOW, LTD. 175 WEST JACKSON BLVD. CHICAGO, IL 60604	123	04-13638(RDD)	7/22/2004	\$569,213.18	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
IRON MOUNTAIN OFF-SITE DATA PROTECTION C/O D&B RMS BANKRUPTCY RECOVERY SERVICES P.O. BOX 5126 TIMONIUM, MD 21094	1546	04-13638(RDD)	8/13/2004	\$1,033.22	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
NORTEL NETWORKS INC. ERIC STATMAN LOVELLS 900 THIRD AVENUE, 16TH FL. NEW YORK, NY 10022	696	04-13638(RDD)	7/28/2004	\$43,552.56	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
OPERATING TELEPHONE COMPANY SUBSIDIARIES OF VERIZON COMMUNICATIONS, INC. DARRYL S. LADDIN/FRANK N. WHITE, ESQS. 2800 1 ATLANTIC CTR., 1201 W. PEACHTREE ATLANTA, GA 30309	1271	04-13638(RDD)	8/10/2004	\$114,177.72	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
OPERATING TELEPHONE COMPANY SUBSIDIARIES OF VERIZON COMMUNICATIONS, INC. DARRYL S. LADDIN/FRANK N. WHITE, ESQS. 171 17TH STREET NW, SUITE 2100 ATLANTA, GA 30363-1031	2055	04-15506(RDD)	9/29/2004	\$7,579,291.10	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
OPERATING TELEPHONE COMPANY SUBSIDIARIES OF VERIZON COMMUNICATIONS, INC. DARRYL S. LADDIN/FRANK N. WHITE, ESQS. 171 17TH STREET NW, SUITE 2100 ATLANTA, GA 30363-1031	2056	04-15507(RDD)	9/29/2004	\$7,579,291.10	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases

RCN CORPORATION, ET AL.,

Case No. 04-13637(RDD) - 04-13641(RDD), 04-15505(RDD),  
04-15506(RDD), 04-15508(RDD)

Non-Debtor Claims  
Exhibit A - 3rd Omnibus Objection

Name and Address of Claimant	Claim Number	Case Number	Date Claim Filed	Total Claim Amount*	Claim Priority Status	Basis for Objection
OPERATING TELEPHONE COMPANY SUBSIDIARIES OF VERIZON COMMUNICATIONS, INC. DARRYL S. LADDIN/FRANK N. WHITE, ESQS. 171 17TH STREET NW, SUITE 2100 ATLANTA, GA 30363-1031	2057	04-15505(RDD)	9/29/2004	\$7,579,291.10	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
OPERATING TELEPHONE COMPANY SUBSIDIARIES OF VERIZON COMMUNICATIONS, INC. DARRYL S. LADDIN/FRANK N. WHITE, ESQS. 171 17TH STREET NW, SUITE 2100 ATLANTA, GA 30363-1031	2058	04-15508(RDD)	9/29/2004	\$7,613,895.08	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
SBC AMERITECH SBC MIDWEST BANKRUPTCY GROUP PO BOX 981268 WEST SACRAMENTO, CA 95798	1035	04-13638(RDD)	8/9/2004	\$47,785.67	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
SBC COMMUNICATIONS SOUTHWESTERN BELL PO BOX 981268 WEST SACRAMENTO, CA 95798	5	04-13638(RDD)	6/24/2004	\$51,341.61	U	Refers To An Entry That Is Not A Debtor In These Chapter 11 Cases
<b>TOTALS:</b>	<b>13</b>			<b>\$31,315,308.77</b>		

- END OF EXHIBIT -

## EXHIBIT B

Claims Subject to Litigation or Dispute  
Exhibit B - 3rd Omnibus Objection

Name and Address of Claimant	Claim Number	Case Number	Date Claim Filed	Total Claim Amount*	Remaining Claim Amount	Basis for Objection
BERNARD HODES GROUP INC. 220 E 42ND ST NEW YORK, NY 10017	13	04-13638(RDD)	7/7/2004	\$3,875.98	\$0.00	U Claim Subject to Litigation or Dispute
DELL, INC. ATTN: MICHAEL KELLER ONE DELL WAY BLDG. 1, MS 8052 ROUND ROCK, TX 78682	1	04-13638(RDD)	6/8/2004	\$3,566.92	\$0.00	U Claim Subject to Litigation or Dispute
OPERATING TELEPHONE COMPANY SUBSIDIARIES OF VERIZON COMMUNICATIONS, INC. DARRYL S. LADDIN/FRANK N. WHITE, ESQS. 2800 1 ATLANTIC CTR., 1201 W. PEACHTREE ATLANTA, GA 30309	1271	04-15638(RDD)	8/10/2004	\$114,177.72	\$0.00	U Claim Subject to Litigation or Dispute
<b>TOTALS:</b>	<b>3</b>			<b>\$121,620.62</b>		

- END OF EXHIBIT -