



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.

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 (a) participated in the review of the claims, identifying those claims that potentially should be allowed, disallowed, or subordinated and (b) read the Objection and the proposed order with respect to the 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");

(b) the Disputed Claims set forth in Exhibit B should be disallowed and expunged in their entirety as such claims represent proofs of interest

of RCN's common stock and are not valid claims in the Debtors' chapter 11 cases (the "Equity Interests");

(c) the Disputed Claims set forth in Exhibit C to the proposed order should be disallowed and expunged to the extent such claims represent Equity Interests and subordinated pari passu with the interests of holders of RCN's common stock to the extent such claims represent Securities Claims;

(d) the Disputed Claim set forth in Exhibit D to the proposed order is a claim that should be disallowed and expunged in its entirety as such claim does not represent debt actually owed by the Debtors and the claimant asserting such claim has failed to provide sufficient supporting documentation to permit the Debtors to properly evaluate such claim (the "Insufficient Documentation Claim"); and

(e) the Disputed Claims set forth in Exhibit E to the proposed order are claims that should be disallowed and expunged in their entirety as such claims were filed after the applicable bar date (the "Late Filed Claims").

6. **Non-Debtor Claims.** The Non-Debtor Claims set forth on Exhibit A to the proposed order 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 in their entirety and are properly the subject of the Objection.

(a) **828 S. Wabash, LLC ("Claim No. 2071").** Claim No. 2071 asserts a general unsecured priority claim for an unliquidated amount on account of a real property lease in Chicago, Illinois. Claim No. 2071 is asserted in the chapter 11 case of RCN Corporation (Case No. 04-13638 (RDD)). The lease attached to the proof of claim indicates that the lease is between RCN Telecom Services of Illinois, LLC, a non-Debtor subsidiary of RCN Corporation, and 828 S. Wabash, LLC ("Wabash"). Wabash has provided no basis for holding RCN Corporation or any of the Debtors responsible for potential claims against a non-Debtor subsidiary of RCN Corporation. For these reasons, I believe that (a) Claim No. 2071 was improperly filed in the chapter 11 case of RCN Corporation and (b) it is appropriate to disallow and expunge such claim in its entirety on the basis that it is not an obligation of any of the Debtors in these chapter 11 cases.

(b) **CSG Systems, Inc. ("Claim No. 2059" and "Claim No. 2060").** Claim Nos. 2059 and 2060 each assert a general unsecured, non-priority claim in the amount of \$31,304.67. Claim No. 2059 was asserted in the chapter 11 case of RCN Cable TV of Chicago, Inc. (Case No. 04-15120 (RDD)), and Claim No. 2060 was asserted in the chapter 11 case of 21st Century Telecom Services, Inc. (Case No. 04-15507 (RDD)). The Books and Records do not indicate that RCN Cable TV of Chicago, Inc., 21st Century Telecom Services, Inc. or any of the Debtors in the chapter 11 cases conducted business with CSG Systems, Inc. ("CSG"). Furthermore, the invoices underlying the Claim Nos. 2059 and 2060 relate to services rendered by CSG to RCN Telecom Services of Illinois, LLC, a non-

Debtor subsidiary, pursuant to an agreement between CSG and 21<sup>st</sup> Century Cable TV, Inc.<sup>2</sup> CSG has provided no basis in its proofs of claim for holding RCN Corporation or any of the Debtors in these chapter 11 cases responsible for its potential claims against a non-Debtor subsidiary. For these reasons, I believe that (a) Claim Nos. 2059 and 2060 were improperly filed in the chapter 11 cases of the Debtors and (b) it is appropriate to disallow and expunge such claims in their entirety on the basis that they are not obligations of any of the Debtors in these chapter 11 cases.

7. **Equity Interests To Be Disallowed.** The claims listed in Exhibit B to the proposed order are claims that are based solely on a claimant's ownership interest in, or possession of, any of the common stock of RCN. As such, the Equity Interests do not constitute "claims" within the meaning of section 101(5) of the Bankruptcy Code. For this reason, I believe the Equity Interests should be disallowed and expunged in their entirety and are properly the subject of the Objection.

8. **Claims Representing Both Equity Interests To Be Disallowed And Securities Claims To Be Subordinated.** The Claims listed on Exhibit C to the proposed order represent both Equity Interests and Securities Claims. Accordingly, I believe that such Disputed Claims should be disallowed and expunged to the extent such Disputed Claims represent Equity Interests and subordinated pari passu with the interests of holders of RCN's common stock to the extent

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<sup>2</sup> 21<sup>st</sup> Century Cable TV, Inc. is now known as RCN Telecom Services of Illinois, LLC.

such Disputed Claims assert Securities Claims. I further believe that such Disputed Claims are properly the subject of the Objection.

9. **Insufficient Documentation Claim To Be Disallowed.** The Insufficient Documentation Claim listed on Exhibit D to the proposed order is a claim against the Debtors for which the Debtors' Books and Records do not indicate any corresponding liability. Additionally, the Insufficient Documentation Claim does not provide sufficient information for the Debtors to determine the basis for the claimant's claim. Accordingly, I believe that such Disputed Claim should be disallowed and expunged and is properly the subject of the Objection.

10. **Late Filed Claims.** The Late Filed Claims listed on Exhibit E to the proposed order are claims which were filed after the applicable bar date for filing claims in these chapter 11 cases. Accordingly, I believe that such Late Filed Claims should be disallowed and expunged in their entirety and are properly the subject of the Objection.

### **CONCLUSION**

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

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

Executed this 21st day of October 2004.

/s/ Anthony M. Horvat  
ANTHONY M. HORVAT