

**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 (RDD)**  
:   
**Debtors.** : **(Jointly Administered)**  
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**SUPPLEMENTAL DECLARATION OF TIMOTHY R. COLEMAN  
IN SUPPORT OF THE FIRST INTERIM APPLICATION OF THE BLACKSTONE GROUP L.P.,  
AS FINANCIAL ADVISOR TO RCN CORPORATION AND AFFILIATES FOR ALLOWANCE  
OF INTERIM COMPENSATION FOR ACTUAL AND NECESSARY SERVICES RENDERED  
AND REIMBURSEMENT OF ALL ACTUAL AND NECESSARY EXPENSES INCURRED FOR  
THE PERIOD OF MAY 27, 2004 THROUGH SEPTEMBER 30, 2004**

**STATE OF NEW YORK**        )  
  ) **ss.:**  
**COUNTY OF NEW YORK**    )

Timothy R. Coleman, being duly sworn, deposes and says:

1. I am a Senior Managing Director of the firm of The Blackstone Group L.P. (“Blackstone”), which firm maintains offices for providing financial advisory services at 345 Park Avenue, New York, New York 10154. Blackstone is acting as financial advisor for the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) in the captioned case.

**I. Background**

2. On May 27, 2004 (the “Petition Date”), certain Debtors filed voluntary petitions with this Court for reorganization relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”)<sup>(1)</sup>. The Debtors continue to manage and operate their

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<sup>(1)</sup> Certain other debtors filed voluntary petitions with this Court for relief under the Bankruptcy Code on August 5, 2004 and August 20, 2004.

businesses as debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

3. On May 27, 2004, the Debtors applied to this Court for an order authorizing them to employ Blackstone pursuant to an engagement agreement dated March 10, 2004 (the "Engagement Agreement") as their financial advisor, effective as of the Petition Date.

4. On June 3, 2004, this Court entered an interim order pursuant to 11 U.S.C. §§ 327 and 328 and Fed. R. Bankr. P. 2014 and 2016(a) authorizing the employment and retention of Blackstone as financial advisor to the Debtors.

5. On June 22, 2004, this Court entered an order (the "Administrative Order") establishing procedures for interim compensation and reimbursement of expenses of professionals and committee members pursuant to 11 U.S.C. §§ 105(a) and 331.

6. On August 3, 2004, this Court entered a final order (the "Retention Order") pursuant to 11 U.S.C. §§ 327 and 328 and Fed. R. Bankr. P. 2014 and 2016(a) authorizing the employment and retention of Blackstone as financial advisor to the Debtors, effective as of the Petition Date.

7. On October 28, 2004, Blackstone filed its First Interim Application Of The Blackstone Group L.P., As Financial Advisor To RCN Corporation And Affiliates For Allowance Of Interim Compensation For Actual And Necessary Services Rendered And Reimbursement Of All Actual And Necessary Expenses Incurred For The Period Of May 27, 2004 Through September 30, 2004 (the "First Interim Application").

## **II. Supplemental Disclosure**


8. Blackstone does not bill its clients based upon the number of hours expended by its professionals and accordingly does not have hourly rates for its professionals. In

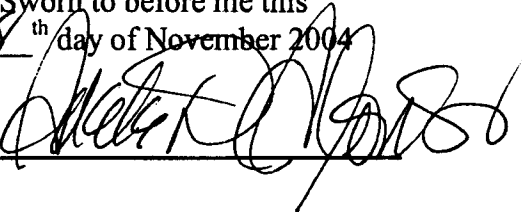
recognition of this and other factors, the Administrative Order and the Retention Order do not require Blackstone and its professionals to maintain detailed hourly time records.

However, as set forth in the Retention Order, Blackstone did agree to provide summary information regarding the advisory services provided by Blackstone's professionals and the aggregate time expended in providing such advisory services.

9. In its First Interim Application, Blackstone inadvertently omitted to include information on the aggregate time expended by Blackstone's professionals in providing the advisory services discussed therein.

10. During the period from May 27, 2004 through September 30, 2004, Blackstone professionals expended in excess of 3,100 hours providing financial advisory services to the Debtors. The general tasks performed by the Blackstone professionals have already been detailed in the First Interim Application.

By:   
Timothy R. Coleman  
Senior Managing Director

Sworn to before me this  
18<sup>th</sup> day of November 2004  


**ADELE D'ALONZO**  
Notary Public - State of New York  
NO. 01AL4965431  
Qualified in Kings County  
My Commission Expires Apr 23, 2006