

STATE OF TEXAS                    )  
  ) ss:  
CITY AND COUNTY OF DALLAS)

I, Mike Henley, being duly sworn, depose and say that I am the Advertising Clerk of the Publisher of THE WALL STREET JOURNAL , a daily national newspaper published and of general circulation in the City and County of New York, New York, City of Naperville, DuPage County, Illinois, and in the city and County of Dallas, Texas and that the attached Notice has been regularly published in THE WALL STREET JOURNAL for national distribution for one insertion(s) on the following date(s): 8/4/04 advertiser: RCN Corporation and that the foregoing statements are true and correct to the best of my knowledge, information, and belief.



Mike Henley

Sworn to before me this  
4<sup>th</sup> day of August 2004  
Mitchell E. Cheatham  
Notary Public

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

RCN CORPORATION, et al.,  
Debtors.

Chapter 11  
Case No. 04-13638 (RDD)  
(Jointly Administered)

**NOTICE OF FINAL ORDER UNDER 11 U.S.C. §§ 105, 362 AND 541 ESTABLISHING  
NOTICE AND HEARING PROCEDURES FOR TRADING IN EQUITY INTERESTS**

TO ALL PERSONS OR ENTITIES WITH EQUITY INTERESTS IN RCN CORPORATION:

PLEASE TAKE NOTICE that on May 27, 2004 ("Petition Date"), RCN Corporation ("RCN") and certain of its direct and indirect subsidiaries (collectively, the "Debtors"), commenced cases under chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code"). Subject to certain exceptions, Bankruptcy Code section 362 operates as a stay of any act to obtain possession of property of the Debtors' estates or of property from the Debtors' estates or to exercise control over property of the Debtors' estates.

PLEASE TAKE FURTHER NOTICE that on July 30, 2004, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), entered a final order approving the procedures set forth below in order to preserve the Debtors' net operating losses ("NOLs") and certain built-in losses ("Built-In Losses") (such NOL's and Built-In Losses being collectively, "Losses") pursuant to Bankruptcy Code sections 105, 362 and 541 (the "Final Order"). Any purchase, sale, conversion, abandonment, trade or other transfer of equity interests in the Debtors in violation of the procedures set forth below shall be null and void *ab initio* as an act in violation of the automatic stay under Bankruptcy Code section 362.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, the following procedures shall apply to holding and trading in EQUITY INTERESTS OF RCN:

(a) Any person (as defined in Bankruptcy Code section 101(41)) or entity who currently is or becomes a Substantial Equityholder (as defined in paragraph (e) below), and who has not previously filed such a notice of status pursuant to the Interim Order, shall file with this Court, and serve upon the Debtors and counsel to the Debtors, a notice of such status in the form attached to the Final Order as Exhibit 1A ("Notice of Status as a Substantial Equityholder") on or before the later of (A) July 12, 2004 or (B) ten days after becoming a Substantial Equityholder.

(b) Prior to effectuating any transfer, conversion or abandonment of any equity interest (including any option to acquire any equity interest, as defined in paragraph (e) below) which would result in either (x) an increase in the amount of equity interests of RCN beneficially owned (as defined in paragraph (e) below) by a Substantial Equityholder or (y) a person or entity becoming a Substantial Equityholder, such Substantial Equityholder, person or entity shall file with this Court, and serve on the Debtors and counsel to the Debtors, advance written notice, in the form attached to the Final Order as Exhibit 1B (a "Notice of Intent to Purchase, Acquire or Otherwise Accumulate"), of the intended transfer, conversion or abandonment of equity interests.

(c) Prior to effectuating any transfer, conversion or abandonment of any equity interest (including any option to acquire equity interest, as defined in paragraph (e) below) which would result in either (x) a decrease in the amount of equity interests of RCN beneficially owned by a Substantial Equityholder or (y) a person or entity ceasing to be a Substantial Equityholder, such Substantial Equityholder, person or entity shall file with this Court, and serve on the Debtors and counsel to the Debtors, advance written notice, in the form attached to the Final Order as Exhibit 1C (a "Notice of Intent to Sell, Trade, Convert, Abandon or Otherwise Transfer" and, together with a Notice of Intent to Purchase, Acquire or Otherwise Accumulate, a "Notice of Proposed Transfer"), of the intended transfer, conversion or abandonment of any equity interest.

(d) The Debtors shall have 15 calendar days after receipt of a Notice of Proposed Transfer to file with the Court and serve on such Substantial Equityholder an objection to any proposed transfer, conversion or abandonment of any equity interest described in the Notice of Proposed Transfer on the grounds that such transfer, conversion or abandonment may adversely affect the Debtors' ability to utilize the Losses. If the Debtors file such an objection, such transaction shall not be effective unless approved by a final and nonappealable order of this Court. If the Debtors do not object within such 15-day period, such transaction may proceed solely as specifically set forth in the Notice of Proposed Transfer. Further transactions of a type specified herein beyond the scope of the Notice of Proposed Transfer must be the subjects of additional notices as set forth herein, with additional 15-day waiting periods.

(e) For purposes of this Notice: (A) "Substantial Equityholder" is any person or entity that has beneficial ownership of (i) at least 5 million shares of the common stock of RCN, (ii) at least 15,900 shares of Series A Preferred Stock of RCN, or (iii) at least 66,300 shares of Series B Preferred Stock of RCN; (B) "beneficial ownership" of equity interests includes (i) direct and indirect ownership (e.g., a holding company would be considered to beneficially own or acquire all equity interests owned or acquired by its subsidiaries), (ii) ownership by any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of an equity interest, (iii) ownership by such holder's family members and (iv) ownership of an equity interest which such holder has an option to acquire; and (C) an "option" to acquire an equity interest includes any contingent purchase, warrant, convertible debt or equity, put, equity interest subject to risk of forfeiture, contract to acquire an equity interest or similar interest, in each case, regardless of whether such interest or right is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE that copies of the Final Order as well as each of the required notices described above are available free of charge on the internet at [www.bsllc.com](http://www.bsllc.com).

**FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS NOTICE WILL CONSTITUTE A VIOLATION OF THE AUTOMATIC STAY PRESCRIBED BY BANKRUPTCY CODE SECTION 362.**

**ANY PROHIBITED PURCHASE, SALE, TRADE, CONVERSION, ABANDONMENT OR OTHER TRANSFER OF EQUITY INTERESTS IN THE DEBTORS IN VIOLATION OF THE FINAL ORDER WILL BE NULL AND VOID *AB INITIO* AND MAY BE PUNISHED BY CONTEMPT OR OTHER SANCTIONS IMPOSED BY THE BANKRUPTCY COURT.**

PLEASE TAKE FURTHER NOTICE that the requirements set forth in this Notice are in addition to the requirements of Rule 3001(e) of the Federal Rules of Bankruptcy Procedure and applicable securities, corporate and other laws, and do not excuse compliance therewith.

Dated: New York, New York.  
August 2, 2004

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