

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)
: (Jointly Administered)
Debtors. :
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**ORDER GRANTING INTERIM APPLICATIONS
FOR ALLOWANCE OF FEES FOR PROFESSIONAL SERVICES
RENDERED AND DISBURSEMENTS INCURRED**

Upon consideration of the first interim applications of: (i) Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden, Arps"), as counsel to RCN Corporation ("RCN") and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession of the above-captioned cases (collectively, the "Debtors"), filed October 25, 2004 and (ii) AP Services, LLC ("AP Services"), as crisis managers to the Debtors, filed October 28, 2004, seeking interim allowance of fees for professional services rendered and disbursements incurred in the above-captioned chapter 11 cases for the first interim period ending August 31, 2004, and the applications of (iii) Winston & Strawn LLP ("Winston & Strawn"), as special counsel to RCN's board of directors, filed October 26, 2004, (iv) Swidler Berlin Shereff Friedman, LLP ("Swidler Berlin"), as special regulatory counsel to the Debtors, filed October 27, 2004 and (v) The Blackstone Group L.P. ("Blackstone"), as financial

advisors to the Debtors, filed October 28, 2004, seeking interim allowance of fees for professional services rendered and disbursements incurred in the above-captioned chapter 11 cases for the first interim period ending September 30, 2004 (collectively, the "Applications," and each professional that submitted one of the foregoing Applications, an "Applicant"), and the Objection of the United States Trustee to First Interim Applications for Compensation and Reimbursement of Expenses, filed November 1, 2004 (the "U.S. Trustee Objection"), and the Objection of the Official Committee of Unsecured Creditors to the Application of Winston & Strawn, filed November 17, 2004 (the "Committee Objection"), and the Response of the Official Committee of Unsecured Creditors to the Application of Skadden, Arps, filed November 15, 2004 (the "Committee Response" and with the U.S. Trustee Objection and the Committee Objection, the "Responses"); and a hearing having been held on November 18, 2004 before this Court to consider the Applications and the Responses (the "Hearing"); and the Court having jurisdiction to consider the Applications and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that notice of the Applications was good and sufficient under the particular circumstances and that no other or further notice need be given; and for the reasons set forth more fully on the record of the Hearing; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Applications are granted under 11 U.S.C. §331 in the amounts specified on Schedule A attached hereto. This order is without prejudice to any Applicant's right to seek its respective "holdback amount" specified on Schedule A, upon proper application to this Court, and to the rights of all parties in interest to object to any fees and expenses, including those authorized herein on an interim basis, in connection with each Applicant's final request for allowance of fees and expenses.

2. The Debtors are hereby authorized and directed to pay to each Applicant, to the extent not previously paid, the fees and expenses allowed by this order, within 10 calendar days of the date of this order.

3. The relief granted in this order is without prejudice to the rights of each Applicant to seek further allowance and payment of additional compensation and reimbursement of expenses upon application to this Court.

4. The requirement under Local Bankr. R. 9013-1(b) of the service and filing of a separate memorandum of law is satisfied by the Applications.

Dated: New York, New York
November 19, 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE A

| <u>Applicant/Nature of Representation</u> | <u>Compensation</u> | |
|---|----------------------------|---------------------------|
| Skadden, Arps, Slate, Meagher & Flom LLP Counsel to the Debtors | Fees Requested: | \$2,116,458.00 |
| | Holdback: | 423,291.60 |
| | Allowed Fees: | 1,693,166.40 |
| | Allowed Expenses: | <u>69,369.70</u> |
| | Total Amt. Allowed: | 1,762,536.10 |
| | | |
| AP Services, LLC Crisis Managers to the Debtors | Fees Requested: | \$2,106,973.50 |
| | Allowed Fees: | 2,106,973.50 |
| | Allowed Expenses: | <u>31,438.00</u> |
| | Total Amt. Allowed: | 2,138,411.50 |
| | | |
| Winston & Strawn LLP Special Counsel to RCN's Board of Directors | Fees Requested: | \$ 793,897.75 |
| | Holdback: | 396,948.87 |
| | Voluntary Reduction: | 40,000.00 |
| | Allowed Fees: | 356,948.88 ^{FN1} |
| | Allowed Expenses: | <u>16,375.93</u> |
| | Total Amt. Allowed: | 373,324.81 |
| | | |
| Swidler Berlin Shereff Friedman, LLP Special Regulatory Counsel to the Debtors | Fees Requested: | \$ 83,335.75 |
| | Holdback: | 16,667.15 |
| | Allowed Fees: | 66,668.60 |
| | Allowed Expenses: | <u>1,694.31</u> |
| | Total Amt. Allowed: | 68,362.91 |
| | | |
| The Blackstone Group L.P. Financial Advisors to the Debtors | Fees Requested: | \$ 832,258.06 |
| | Holdback: | 166,451.61 |
| | Allowed Fees: | 665,806.45 |
| | Allowed Expenses: | <u>27,327.84</u> |
| | Total Amt. Allowed: | 693,134.29 |

1 This requires Winston & Strawn to refund to the Debtors any amounts previously paid in excess of \$356,948.88 for the period from June 7, 2004 through September 30, 2004 under the Court's Administrative Order Under 11 U.S.C. §§ 105 and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated June 22, 2004 (Docket Number 72).