

Hearing Date: March 3, 2005 at 10:00 a.m.  
Objections Due: February 25, 2005 at 4:00 p.m.

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Attorneys for Debtors and Debtors-in-Possession

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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**FINAL APPLICATION OF SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP SEEKING ALLOWANCE OF FEES FOR  
PROFESSIONAL SERVICES RENDERED AND DISBURSEMENTS  
INCURRED AS COUNSEL FOR THE DEBTORS FOR THE PERIOD  
FROM MAY 27, 2004 THROUGH DECEMBER 21, 2004**

Name of applicant: Skadden, Arps, Slate, Meagher & Flom LLP

Authorized to provide professional services to: RCN Corporation, et al.

Date representation commenced: May 27, 2004

Date of final retention order: June 22, 2004

Period for which compensation  
and reimbursement is sought: May 27, 2004 through December 21, 2004

Amount of compensation sought  
as actual, reasonable and necessary: \$5,981,366.75<sup>1</sup>

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<sup>1</sup> This amount reflects the adjustments to fees discussed in footnote 5.

Amount of expense reimbursement  
sought as actual, reasonable and necessary: \$205,313.81

Amount of compensation paid  
as actual, reasonable and necessary: \$4,830,743.80

Amount of expense reimbursement  
paid as actual, reasonable and necessary: \$205,313.81

Total amount of compensation and expense reimbursement sought: \$6,186,680.56

This is a(n):  interim  final application.

**CUMULATIVE SUMMARY OF ALL MONTHLY STATEMENTS<sup>2</sup>  
 THAT WERE SUBMITTED BY SKADDEN, ARPS FOR COMPENSATION  
 FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES  
 INCURRED DURING THE APPLICATION PERIOD**

SUBMISSION/ FILING DATE	PERIOD COVERED	TOTAL FEES REQUESTED	TOTAL EXPENSES REQUESTED	AMOUNT OF FEES PAID (80%)	EXPENSES PAID (100%)	UNPAID AMOUNT (20% HOLDBACK) <sup>3</sup>
7/20/04	5/27/04 - 6/30/04	\$875,681.00	\$39,720.56	\$700,544.80	\$39,720.56	\$175,136.20
8/20/04	7/01/04 - 7/31/04	325,883.50	11,877.93	260,706.80	11,877.93	65,176.70
9/20/04	8/01/04 - 8/31/04	914,893.50	17,771.21	731,914.80	17,771.21	182,978.70
10/20/04	9/01/04 - 9/30/04	1,008,451.75	44,201.12	806,761.40	44,201.12	201,690.35
11/20/04	10/1/04 - 10/31/04	1,002,273.75	31,149.02	801,819.00	31,149.02	200,454.75
12/20/04	11/01/04 - 11/30/04	943,373.25	35,494.60	754,698.60	35,494.60	188,674.65
1/20/05	12/01/04 - 12/21/04	967,873.00	25,099.37	774,298.40	25,099.37	193,574.60
TOTALS		\$6,038,429.75	\$205,313.81	\$4,830,743.80	\$205,313.81	\$1,207,685.95
ADJUSTMENT <sup>4</sup>		(57,063.00)	-	-	-	(57,063.00)
ADJUSTED TOTALS		\$5,981,366.75	\$205,313.81	\$4,830,743.80	\$205,313.81	\$1,150,622.95

<sup>2</sup> The Monthly Statements (as defined below) for September 2004, October 2004, November 2004, and the period from December 1, 2004 through December 21, 2004, are attached hereto as Exhibits B, C, D and E, respectively. The Monthly Statements for the period from May 27, 2004 through August 31, 2004 are attached as exhibits to the Interim Fee Application (as defined below).

<sup>3</sup> Skadden, Arps has not yet been paid the 20% holdback on its professional fees for any month during the Application Period (as defined below). On December 21, 2004, Skadden, Arps received a deposit from the Debtors in connection with their emergence from bankruptcy. Such deposit included the entire \$1,207,685.95 holdback for the Application Period (before the additional adjustments made in this Final Fee Application), which Skadden, Arps continues to hold in trust pending the Court's final determination with respect to this Final Fee Application.

<sup>4</sup> Voluntary reduction for time billed by partners, counsel, associates and paraprofessionals billing ten hours or less during the entire Application Period.

**CUMULATIVE COMPENSATION SUMMARY  
BY PROJECT CATEGORY FOR THE PERIOD FROM  
MAY 27, 2004 THROUGH DECEMBER 21, 2004**

PROJECT CATEGORY	TOTAL HOURS	TOTAL FEES
General Corporate Advice	233.70	\$144,235.50
Asset Dispositions (General)	120.00	61,364.50
Asset Dispositions (Real Property)	152.60	57,767.00
Automatic Stay (Relief Actions)	209.20	92,397.00
Business Operations/Strategic Planning	29.40	18,382.00
Case Administration	1,794.40	589,821.50
Claims Administration (General)	922.00	423,331.00
Creditor Meetings/Statutory Committees	203.60	107,850.00
Disclosure Statement/Voting Issues	1,352.40	653,700.50
Employee Matters (General)	233.40	113,401.50
ERISA Litigation	83.10	28,267.00
Executory Contracts (Personalty)	222.80	97,050.50
Financing (DIP and Emergence)	2,025.90	858,566.50
Insurance	299.10	140,736.00
Leases (Real Property)	52.10	27,041.00
Litigation (General)	1,383.70	639,407.00
Liquidation/Feasibility	2.00	1,190.00
Non-working Travel Time	175.20	56,479.75
Regulatory and SEC Matters	718.70	259,039.00
Reorganization Plan/Plan Sponsors	1,854.20	966,678.50
Reports and Schedules	111.70	50,002.50
Retention/Fee Matters (Skadden, Arps)	682.90	267,303.00
Retention/Fee Matters/Objections (Others)	354.90	159,231.00
Secured Claims	11.30	1,603.50
Tax Matters	284.60	156,978.50

<b>PROJECT CATEGORY</b>	<b>TOTAL HOURS</b>	<b>TOTAL FEES</b>
U.S. Trustee Matters	7.70	3,805.50
Utilities	0.50	197.50
Vendor Matters	12.20	5,539.50
<b>TOTAL</b>	<b>13,533.30</b>	<b>\$5,981,366.75</b>

**TIME SUMMARY TO FINAL FEE APPLICATION OF SKADDEN,  
ARPS, SLATE, MEAGHER & FLOM LLP FOR THE PERIOD  
FROM MAY 27, 2004 THROUGH DECEMBER 21, 2004<sup>5</sup>**

NAME	YEAR OF ADMISSION	RATE <sup>6</sup>	HOURS <sup>7</sup>	AMOUNT
<b>PARTNERS</b>				
Lauren E. Aguiar	1996	\$545	12.00	\$6,540.00
Peter A. Atkins	1969	760	34.00	25,840.00
D. J. (Jan) Baker	1973	760	603.70	458,812.00
Anthony W. Clark	1979	735	91.60	67,326.00
Eric M. Davis <sup>8</sup>	1992	595	553.35	324,045.00
Howard L. Ellin	1991	735	111.00	81,585.00
Jay M. Goffman	1984	760	143.70	109,212.00
Paul J. Lockwood	1995	545	47.50	25,887.50
John K. Lyons	1989	575	26.00	14,950.00
Maxwell M. Miller	1988	720	77.80	56,016.00
Matthew A. Rosen	1976	760	28.70	21,812.00
J. Gregory St. Clair	1990	595	338.20	201,834.50
Alan G. Straus <sup>8</sup>	1978	720	342.20	246,132.00
<b>TOTAL PARTNERS</b>			<b>2,409.75</b>	<b>\$1,639,992.00</b>
<b>COUNSEL</b>				
Berit R. Freeman	1991	\$495	10.60	\$5,247.00

<sup>5</sup> As an accommodation to the Debtors, Skadden, Arps has voluntarily reduced its fees by \$152,979.60, of which (i) \$95,916.60 represents time for partners, counsel, associates and paraprofessionals billing less than five hours during the period covered by any Monthly Statement, and (ii) \$57,063.00 represents time for partners, counsel, associates and paraprofessionals billing ten or less hours during the Application Period.

<sup>6</sup> The rates below are the guideline hourly professional and paraprofessional fee rates used in the bundled rate structure described under "Professional Services" below.

<sup>7</sup> Billing detail with descriptions of work performed by each attorney and paraprofessional during the Application Period, by project category, is attached to the Monthly Fee Statements.

<sup>8</sup> Includes amounts charged to non-working travel time, which is billed at 50% of the professional's standard rate.

Thomas J. Matz <sup>8</sup>	1976	495	1,092.80	538,881.75
Mark A. McDermott <sup>8</sup>	1991	495	621.20	289,971.00
Juliette W. Pryor	1982	495	50.00	24,750.00
<b>TOTAL COUNSEL</b>			<b>1,774.60</b>	<b>\$858,849.75</b>
<b>ASSOCIATES</b>				
Michael D. Adamski	PENDING	\$250	70.20	\$17,550.00
Kris Agarwal	2003	395	485.60	185,108.00
John E. Alessi	2003	320	221.50	70,680.00
A. Thompson Bayliss	2003	320	66.00	21,120.00
Jeremy S. Bloom	2002	395	400.00	158,000.00
Victor T. Clark	2002	320	17.60	5,632.00
Stephen D. Dargitz	1997	475	35.10	16,672.50
Grenville R. Day <sup>8</sup>	1998	460	610.10	273,689.00
Jenelle J. DeCoteau	PENDING	250	11.50	2,875.00
Mark L. Desgrosseilliers	1999	440	442.65	193,812.00
Aileen A. Dowd	1999	440	23.30	10,252.00
Jarett Epstein	2003	320	62.40	19,968.00
Thomas R. Fawkes	2002	355	91.70	31,160.50
Loren E. Friedman	PENDING	320	41.40	13,248.00
Mordecai L. Geisler	2003	355	179.70	59,457.00
Michael A. Gentry	PENDING	250	270.10	67,525.00
Robert A. Greebel	2002	395	313.80	121,375.00
Jeffrey A. Greenblatt	1997	475	148.40	69,617.00
Brian P. Kelly <sup>8</sup>	2001	420	881.90	359,928.00
Nicholas Mancuso	2002	355	273.00	99,871.00
Evan A. Michael	2003	355	277.30	93,503.00
Frederick D. Morris <sup>8</sup>	1995	490	855.40	412,491.00
Samuel S. Ory	1994	460	127.00	58,742.50
Alberto Rodriguez	PENDING	250	50.30	12,575.00
Joseph Rotter	2002	355	129.90	46,114.50
Rena M. Samole	2000	395	81.80	32,311.00

Manan D. Shah	2002	420	17.30	7,266.00
Bennett S. Silverberg <sup>8</sup>	2001	420	534.40	219,193.00
Venera E. Taouchanova	2003	440	534.80	233,256.00
Stephanie L. Teicher	1997	475	10.50	4,987.50
Sina Toussi <sup>8</sup>	1995	475	860.90	402,765.00
Jennifer Underwood	PENDING	295	91.40	27,138.00
<b>TOTAL ASSOCIATES</b>				
			<b>8,216.95</b>	<b>\$3,347,882.50</b>
<b>TOTAL ALL ATTORNEYS</b>				
			<b>12,401.30</b>	<b>\$5,846,724.25</b>
<b>BLENDED HOURLY RATE</b>				<b>\$471.46</b>
<b>PARAPROFESSIONALS</b>				
Malikah Ashby		\$195	13.50	\$2,632.50
Mary Cunningham <sup>8</sup>		120	74.50	8,670.00
Margaret Dash		120	10.10	1,212.00
Constance A. Kaplan		120	16.20	1,944.00
Douglas A. Krech		135	12.00	1,620.00
Michael L. Kreiner		135	20.60	2,781.00
Minsoo Kwon		120	24.90	2,988.00
Peggy J. Laurel		120	10.30	1,236.00
Rebecca J. Levy		120	20.70	2,484.00
Zachary D. Pfanstiel		120	45.10	5,062.00
Nancy E. Pichardo		55	15.90	874.50
Raymond R. Pizarro		135	14.20	1,917.00
Joseph J. Roman		85	10.30	875.50
William E. Ross		120	14.00	1,680.00
Adriana G. Salazar		120	649.40	71,281.50



Stephanie Skelly		170	149.70	25,701.50
Jennifer M. Wilson		55	30.60	1,683.00
	<b>TOTAL PARAPROFESSIONALS</b>		<b>1,132.00</b>	<b>\$134,642.50</b>
	<b>TOTAL ALL PROFESSIONALS</b>		<b>13,533.30</b>	<b>\$5,981,366.75</b>

**DISBURSEMENT SUMMARY TO FINAL FEE APPLICATION OF  
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP FOR THE PERIOD  
FROM MAY 27, 2004 THROUGH DECEMBER 21, 2004<sup>9</sup>**

Computer Research	\$69,694.32
Telephone	2,477.61
Reproduction - In-House (@ \$.10 per page)	23,173.54
Reproduction - Color (@ \$1.00 per page)	222.50
Reproduction - Outside	18,655.30
Outside Research	3,049.80
UCC Search Costs	27,980.00
Filing/Court Fees	5,209.00
Court Reporting	4,437.99
Local Travel	4,271.27
Out-of-Town Travel	28,276.07
Business Meals <sup>10</sup>	9,640.15
Courier & Express Carriers (e.g., Federal Express) <sup>11</sup>	4,712.88
Postage	483.86
Electronic Data Management	1,500.08
Professional Fees	676.69
Other	<u>852.75</u>
<b>CLIENT TOTAL</b>	<b><u><u>\$205,313.81</u></u></b>

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<sup>9</sup> Skadden, Arps bills clients for reasonable charges and disbursements incurred in connection with an engagement. Clients are billed for external charges at the actual cost billed by vendors or, in the case of telephone calls, at the approximate tariff rate. The disbursements and charges reflected on this Final Fee Application are only those that have been booked at the end of the Application Period. Due to normal bookkeeping procedures, many charges and disbursements are not recorded until later periods. Skadden, Arps reserves the right to amend the amounts listed herein to include such previously unbilled disbursements.

<sup>10</sup> Business meals are charged to a client if an attorney is meeting with a client during breakfast, lunch or dinner.

<sup>11</sup> Express carriers are used only when first class mail is impracticable and the exigencies of time require this form of delivery. Couriers are used only when time is of the essence.

## **INTRODUCTION**

Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden, Arps" or the "Firm"), counsel for RCN Corporation ("RCN") and certain of its direct and indirect subsidiaries, the former debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submits this final fee application (the "Final Fee Application") seeking allowance of compensation and reimbursement of expenses under 11 U.S.C. § 330 and Fed. R. Bankr. P. 2016 for the period from May 27, 2004 through December 21, 2004 (the "Application Period"). In support of this Final Fee Application, Skadden, Arps represents as follows:

### **OVERVIEW**

1. RCN was one of the largest chapter 11 cases filed and confirmed in 2004. Under the plan of reorganization confirmed by this Court, and as a result of out-of-court work-outs of various non-debtor affiliate obligations, RCN restructured approximately \$4 billion of debt. This amount was comprised of approximately \$500 million in secured debt obligations; \$1.2 billion in unsecured note obligations; \$1.6 billion in preferred stock obligations; and \$700 million in franchise build-out obligations.

2. Because of the significant efforts resolving claims, RCN also was able to distribute 88% of the plan consideration prior to year end 2004. Specifically, a total of 2,120 claims were filed in these cases. As discussed under "Claims Administration and Objections" below, Skadden, Arps successfully resolved more than 1,960 of such claims so that substantially all of the common stock of the reorganized enterprise could be distributed to creditors within days after the company went effective under its

plan. There now remain only a very small handful of claims that need to be resolved before the case can be closed.

3. As restructuring and bankruptcy counsel to RCN and its debtor and non-debtor affiliates, Skadden, Arps was intimately involved in almost every aspect of RCN's successful restructuring. In this Final Fee Application, Skadden, Arps seeks total fees and expenses of \$6,186,680.56 related to the Firm's work on behalf of RCN and the other debtor entities. This amount is approximately 1.5% of the face amount of all debt restructured in this matter, and less than 2% of the debt of those entities that filed chapter 11. For the reasons stated below, Skadden, Arps believes that it added significant value to the restructuring and that its requested fees and expenses are reasonable, that they are in the best interests of RCN and its stakeholders, and that they should be approved.

#### **BACKGROUND**

4. On May 27, 2004 (the "Petition Date"), RCN and certain other Debtors (collectively, the "Initial Debtors") filed voluntary petitions in this Court for reorganization relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").<sup>12</sup> RCN Cable TV of Chicago, Inc., an affiliate of RCN, commenced its chapter 11 case on August 5, 2004. Certain additional Debtors commenced their chapter 11 cases on August 20, 2004.<sup>13</sup> On December 8, 2004, this Court confirmed the Debtors' joint plan of reorganization (the "Plan") and entered the Findings of Fact and

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<sup>12</sup> In addition to RCN, TEC Air, Inc., RLH Property Corporation, RCN Finance, LLC and Hot Spots Productions, Inc., all affiliates of RCN, commenced their chapter 11 cases on the Petition Date.

<sup>13</sup> RCN Telecom Services of Virginia, Inc., RCN Entertainment, Inc., 21st Century Telecom Services, Inc. and ON TV, Inc., all affiliates of RCN, commenced their chapter 11 cases on August 20, 2004.

Conclusions of Law Relating to and Order Under 11 U.S.C. § 1129(a) and (b) and Fed. R. Bankr. P. 3020 Confirming the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries. The Debtors consummated the Plan and emerged from bankruptcy on December 21, 2004 (the "Effective Date").

5. No trustee or examiner was 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 were appointed or designated in these chapter 11 cases.

6. The Court has jurisdiction over this Final Fee Application under 28 U.S.C. §§ 157 and 1334. Venue of the Debtors' chapter 11 cases and this Final Fee Application are proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2).

7. The statutory predicates for the relief requested are section 330 of the Bankruptcy Code and Rule 2016(a) of the Federal Rules of Bankruptcy Procedure.

8. This Final Fee Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, adopted by the Court on April 19, 1995 (the "Local Guidelines") and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 dated January 30, 1996 (the "UST Guidelines"). Pursuant to the Local Guidelines, a certification regarding compliance with the Local Guidelines and the UST Guidelines is attached hereto as Exhibit A.

9. Annexed to the front of this Final Fee Application is:
  - a. a schedule setting forth all Skadden, Arps professionals and paraprofessionals who have performed services in these chapter 11 cases during the Application Period; the capacities in which each such individual is employed by Skadden, Arps; the hourly billing rate charged by Skadden, Arps for services performed by such individual; the aggregate number of hours expended during the engagement and fees billed therefor; and the year in which each professional was first licensed to practice law;
  - b. a schedule specifying the categories of expenses for which Skadden, Arps is seeking reimbursement and the total amount for each such expense category; and
  - c. a summary of Skadden, Arps' time records billed during the Application Period, including the utilization of project categories as hereinafter described.

10. Skadden, Arps seeks allowance for professional services rendered to the Debtors during the Application Period in the aggregate amount of \$5,981,366.75 and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$205,313.81.

#### **RETENTION OF SKADDEN, ARPS**

11. Skadden, Arps has represented the Debtors on various matters since 1997. Beginning in October 2003, Skadden, Arps was retained to assist the Debtors in their present restructuring efforts by, among other things, advising the Debtors regarding restructuring matters in general and preparing for the potential commencement and prosecution of chapter 11 cases for the Debtors. On the Petition Date, the Initial Debtors filed an application with this Court (the "Retention Application") to retain Skadden, Arps as their primary bankruptcy counsel pursuant to section 327(a) of the Bankruptcy Code, to perform the following duties:

- a. advise the Debtors with respect to corporate transactions and corporate governance;
- b. advise the Debtors with respect to their powers and duties as debtors-in-possession in the continued management and operation of their businesses and properties;
- c. negotiate and review appropriate documents, and prepare any agreements with creditors, equity holders and investors;
- d. review and prepare pleadings, make court appearances and take such other actions as are deemed necessary and desirable;
- e. advise and consult on the conduct of the chapter 11 cases, including all of the legal and administrative requirements of operating in chapter 11;
- f. initiate, prosecute and/or defend litigation that may arise during the course of the cases as to which there is no disqualifying conflict;
- g. negotiate and prepare on the Debtors' behalf a plan of reorganization, disclosure statement and all related agreements and/or documents and take any necessary action on behalf of the Debtors to obtain confirmation and consummation of such plan; and
- h. perform all other necessary legal services and provide all other necessary legal advice to the Debtors in connection with the chapter 11 cases.

On June 3, 2004, this Court entered an interim order authorizing the Initial Debtors' retention of Skadden, Arps as their bankruptcy counsel. By order dated June 22, 2004, this Court authorized, on a final basis, the Initial Debtors' retention of Skadden, Arps as their bankruptcy counsel under Bankruptcy Code section 327(a). By order dated September 29, 2004, this Court authorized, on a final basis, Skadden, Arps' retention by all of the other Debtors as their bankruptcy counsel under Bankruptcy Code section 327(a).

## **FEE PROCEDURE**

12. On June 22, 2004, this Court entered the Administrative Order Under 11 U.S.C. §§ 105 and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the "Interim Compensation Order"), which provides that professionals could file and serve monthly fee statements by the 20th day, or the following business day if such date fell on a weekend or holiday, following the month for which compensation and reimbursement of expenses was sought. If no objections to a monthly fee statement were filed, the Interim Compensation Order provided that the Debtors were authorized to pay 80% of the fees and 100% of the reimbursable disbursements set forth in such monthly fee statement. Skadden, Arps provided such monthly statements (each, a "Monthly Statement," and, collectively, the "Monthly Statements") to the Debtors and the parties specified in the Interim Compensation Order, for each monthly period during the Application Period. Skadden, Arps received no objections to the fees and expenses requested in the Monthly Statements.

13. On October 24, 2004, Skadden, Arps filed the First Interim Fee Application of Skadden, Arps, Slate, Meagher & Flom LLP Seeking Allowance of Fees for Professional Services Rendered and Disbursements Incurred as Counsel for the Debtors for the Period from May 27, 2004 through August 31, 2004 (the "Interim Fee Application"). On November 1, 2004, the United States Trustee filed a limited objection to the interim fee applications filed by the various professionals retained in these cases, including Skadden, Arps, whereby the United States Trustee requested that the 20% holdback amounts for each such professional not be paid until final resolution



of these cases.<sup>14</sup> On November 15, 2004, the Creditors' Committee filed a response to the Interim Fee Application, whereby it (i) requested that Skadden, Arps provide certain billing information for RCN's non-Debtor affiliates, which information Skadden, Arps subsequently provided, and (ii) preserved its right to object to the Interim Fee Application.

14. On November 24, 2004 this Court entered an order (the "Interim Fee Order") whereby it granted, inter alia, the relief requested by Skadden, Arps in the Interim Fee Application. To date, Skadden, Arps has been paid \$5,036,057.61<sup>15</sup> by the Debtors for fees and expenses relating to these chapter 11 cases.

#### **RELIEF REQUESTED**

15. Skadden, Arps submits this Final Fee Application for (a) allowance of reasonable compensation for professional services rendered by Skadden, Arps to the Debtors during the Application Period in the amount of \$5,981,366.75, which amount is derived solely from the applicable billing rates of the Firm's personnel who rendered such services, and (b) reimbursement of actual and necessary charges and disbursements incurred by Skadden, Arps in the rendition of required professional services on behalf of the Debtors during the Application Period in the amount of \$205,313.81.

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<sup>14</sup> Prior to this objection, Skadden, Arps' Monthly Statements reflected a 20% holdback, and they continued to do so throughout these chapter 11 cases.

<sup>15</sup> This represents payment for 80% of the fees for services rendered (net of the 20% holdback amount held back by the Debtors) and 100% of the disbursements incurred between May 27, 2004 and December 21, 2004. On December 21, 2004, Skadden, Arps received a deposit from the Debtors in connection with their emergence from bankruptcy. Such deposit included the entire \$1,207,685.95 holdback for the Application Period (before the additional adjustments made in this Final Fee Application), which Skadden, Arps continues to hold in trust pending the Court's final determination with respect to this Final Fee Application.

16. During the Application Period, professionals of Skadden, Arps devoted a total of 13,533.30 hours to the representation of the Debtors in their chapter 11 cases. Of the aggregate time expended, 2,409.75 hours were spent by partners, 1,774.60 hours were spent by counsel, 8,216.95 hours were spent by associates, and 1,132.00 hours were spent by paraprofessionals. As summarized by a chart at the beginning of this Final Fee Application, these professionals billed their services in these cases to numerous matters covering discrete activities. The Monthly Statements contain detailed descriptions of the services rendered by Skadden, Arps professionals during the Application Period and are incorporated herein by reference.

17. Skadden, Arps has received \$4,830,743.80 to date in compensation for services rendered. The Interim Fee Order provides that Skadden, Arps is entitled, in connection with its final fee application, to seek payment from the Debtors for the 20% holdback on its professional fees for the entire Application Period. There is no agreement or understanding between Skadden, Arps and any other person other than members of the Firm for the sharing of compensation to be received for services rendered in these cases.

#### **STANDING AT THE BAR AND EXPERIENCE**

18. Skadden, Arps believes it assembled a highly qualified team of professionals to provide services to the Debtors throughout the course of their reorganization. As discussed in the Interim Fee Application, Jay Goffman initially had primary responsibility for this engagement but transitioned such responsibility to D.J. (Jan) Baker in August 2004. Messrs. Goffman and Baker are partners in the Firm's restructuring Group. J. Gregory St. Clair, also a partner in the Firm's restructuring group, became involved shortly after the Petition Date to oversee certain aspects of the

Debtors' cases. The qualifications and experience of Messrs. Goffman, Baker and St. Clair are set forth in the Interim Fee Application.

19. Collectively, Messrs. Goffman, Baker and St. Clair supervised and coordinated the daily activities of the Skadden, Arps professionals working on these cases, while also providing crucial advice and support to the Debtors on the matters for which the Firm was retained.

#### **SUMMARY OF SERVICES PROVIDED**

20. It is not possible within the confines of this Final Fee Application to describe in detail the many issues, conferences, telephone conversations, negotiations and other matters in these cases that occupied the time of Skadden, Arps professionals during the Application Period. The following description of the services provided by Skadden, Arps is, therefore, merely a summary of the matters that occupied the most substantial amounts of professional time during the Application Period. Additional matters on which Skadden, Arps professionals worked are described in the daily time details of each professional, copies of which are attached to the Monthly Statements.

21. **Petitions and First Day Motions.** Skadden, Arps professionals devoted significant time to preparing and filing the chapter 11 petitions and various first-day motions such as the joint administration motion, the case management motion, the cash management motion, and the cash collateral motion. Most of the work performed by Skadden, Arps professionals with respect to the Initial Debtors' petitions and first-day motions was performed prior to the Petition Date. Skadden, Arps attorneys also prepared for, and attended, the first-day hearings.

22. **Retention Matters and Other Pleadings.** Skadden, Arps professionals devoted significant time to preparing and filing retention applications

required by the Bankruptcy Code, not only for themselves but also for the various other professionals retained by the Debtors, including Bankruptcy Services, LLC; Innisfree M&A Incorporated; Financial Balloting Group LLC; Swidler Berlin Shereff Friedman, LLP; PricewaterhouseCoopers LLP; The Blackstone Group L.P.; AP Services, LLC; Winston & Strawn LLP; Spencer Stuart; PDA Group, LLC; Dechert LLP; and Kasowitz, Benson, Torres & Friedman LLP. Skadden, Arps attorneys spent time preparing the Interim Fee Application and the omnibus order to approve the interim fee applications filed by the other professionals retained by the Debtors in these cases.

23. Skadden, Arps prepared and filed disclosure updates to the affidavit in support of the Retention Application, as required by the Bankruptcy Court, the Bankruptcy Code, and the Federal Rules of Bankruptcy Procedure. Skadden, Arps attorneys also spent time responding to the United States Trustee's objection to the retention of Skadden, Arps as the Debtors' primary bankruptcy counsel.

24. In addition, Skadden, Arps professionals devoted significant time to preparing and filing substantially all of the other pleadings filed by the Debtors in these chapter 11 cases, including the motion to authorize the continuation of the Debtor's employee retention and severance program; the motion to impose trading restrictions on the Debtors' equity securities; motions to authorize, and then increase the amount of, the Debtors' exit financing facility; the Debtors' reply to the sole objection to the motion to authorize the Debtors' exit financing facility; and the motion to authorize the purchase of director and officer liability insurance. Skadden, Arps attorneys also spent a significant amount of time preparing for and attending the hearings on these matters.

25. **The Plan.** During the Application Period, Skadden, Arps attorneys spent considerable time assisting the Debtors in their efforts to formulate and draft the Plan. Skadden, Arps advised the Debtors with respect to the legal requirements of a reorganization plan under the Bankruptcy Code, as well as the legal and administrative ramifications of various proposed revisions to the Plan. Skadden, Arps also assisted the Debtors in securing this Court's approval of several extensions of the exclusive periods during which the Debtors could file, and solicit acceptances for, their reorganization plan.

26. In their efforts to assist the Debtors with the formulation and drafting of the Plan, Skadden, Arps attorneys spent a substantial amount of time in discussions and negotiations regarding legal, procedural and financial issues with the Debtors' management and various interested parties, including AP Services, LLC ("AP Services"), as the Debtors' crisis managers; The Blackstone Group L.P. ("Blackstone"), as the Debtors' financial advisors; Winston & Strawn LLP, as counsel to RCN's board of directors; Milbank, Tweed, Hadley & McCloy, LLP, as counsel to the Creditors' Committee; Simpson Thacher & Bartlett LLP, as counsel to the agent under the Debtors' prepetition senior credit facility; White & Case LLP, as counsel to the agent under the Exit Facility (as defined in the Plan); and Paul, Hastings, Janofsky & Walker LLP, as counsel to the lenders under the credit facility with Evergreen Investment Management Company, LLC and certain affiliates.

27. To facilitate this process, Skadden, Arps routinely and frequently circulated drafts of the proposed Plan and revisions thereto to various parties in interest for consideration, discussion and comment. By keeping the various parties in interest apprised of proposed changes to the Plan, and soliciting comments from such parties in

a timely manner, Skadden, Arps was able to successfully resolve, in advance, many issues that might otherwise have caused disputes at the December 8, 2004 hearing with respect to confirmation of the Plan (the "Confirmation Hearing"). These efforts were key to achieving the consensual reorganization of the Debtors in a relatively short period of time.

28. **The Disclosure Statement.** During the Application Period, Skadden, Arps attorneys spent considerable time assisting the Debtors in their efforts to formulate and draft the Disclosure Statement with Respect to the Joint Plan of Reorganization (the "Disclosure Statement"). Skadden, Arps devoted substantial amounts of time to revising and editing the Disclosure Statement to ensure that it reflected the changing circumstances of these chapter 11 cases, complied strictly with Bankruptcy Code requirements, and accurately described relevant and material events, developments, background information, agreements, and documents.

29. In preparing, revising and finalizing the Disclosure Statement, Skadden, Arps attorneys engaged in numerous discussions and negotiations with the Debtors' management, their professional representatives, and counsel to all parties in interest. Skadden, Arps attorneys also engaged in numerous conferences with Blackstone regarding the liquidation analysis that was included in the Disclosure Statement.

30. As part of the process of negotiating, drafting and revising the Disclosure Statement, Skadden, Arps devoted substantial amounts of time and resources to researching, preparing and reviewing adequate disclosure of various matters including, without limitation: (i) the Debtors' corporate structure, employment agreements and business operations, (ii) the indemnification of officers and directors; (iii)

outstanding prepetition litigation; (iv) the Chicago Litigation (as defined below); (v) executory contracts; (vi) tax issues and the tax ramification of the Plan; (vii) securities law issues; (viii) classification issues and the treatment of claims; and (ix) notice and solicitation matters.

31. Initial drafts of the Plan and Disclosure Statement were filed on August 20, 2004. Revised drafts of the Plan and Disclosure Statement were filed on August 31, 2004 and again on October 12, 2004. Skadden, Arps attorneys prepared for and attended the hearing on approval of the Disclosure Statement on October 12, 2004. Such preparations included addressing various inquiries from time to time regarding possible amendments to the Disclosure Statement as well as the sole objection that was filed with respect to the Disclosure Statement. The Disclosure Statement was approved by an order of this Court, dated October 13, 2004.

32. **Plan Solicitation.** Skadden, Arps performed substantial work on matters relating to the solicitation of votes with respect to the Plan. Skadden, Arps developed the procedural foundation for soliciting acceptances and rejections of the Plan, in concert with Bankruptcy Services, LLC, the Debtors' claims and noticing agent (the "Noticing Agent"), and Financial Balloting Group LLC, the Debtors' solicitation agent (the "Solicitation Agent"). On September 2, 2004 the Debtors prepared and filed a motion to, among other things, schedule the Confirmation Hearing and approve the solicitation procedures for the Plan.

33. During the Application Period, Skadden, Arps finalized and supervised the printing of all solicitation materials, including the Plan, Disclosure Statement, voting ballots and various notices, and worked closely with the Noticing Agent and the Solicitation Agent to ensure that appropriate solicitation materials were

timely delivered to all creditors and equity security holders. Skadden, Arps assisted the Debtors, the Creditors' Committee and the Solicitation Agent in marshaling Plan ballots.

34. **Plan Confirmation.** Skadden, Arps attorneys spent a significant amount of time preparing for the Confirmation Hearing. As part of this preparation, Skadden, Arps professionals drafted notices for distribution and publication with respect to the Confirmation Hearing and assisted with the drafting and filing of: (i) the Declaration of John S. Dubel in Support of Confirmation of the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries, filed on December 6, 2004; (ii) the Declaration of Timothy Coleman in Support of Confirmation of the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries, filed on December 6, 2004; and (iii) the Declaration of Jane Sullivan Certifying (A) Voting on and Tabulation of Ballots Accepting and Rejecting the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries and (B) Election by Holders of Class 5 RCN General Unsecured Claims, filed on December 3, 2004. Skadden, Arps professionals also researched, drafted and filed the Memorandum of Law in Support of Confirmation of the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries, filed on December 6, 2004.

35. As part of the Confirmation Hearing process, Skadden, Arps also negotiated resolutions of all objections that were filed with respect to the Plan, including those filed by Debra K. Craig; Edward T. Joyce; E! Entertainment Television, Inc.; Scripps Networks, Inc.; and National Cable Television Cooperative. As a consequence of these objections being successfully resolved, the Debtors and Skadden, Arps were able to request confirmation of the Plan at an uncontested hearing, and the Court



entered the Findings of Fact and Conclusions of Law Relating to and Order Confirming the Joint Plan of Reorganization of RCN Corporation and Certain Subsidiaries on the same day as the Confirmation Hearing.

36. **Emergence.** Skadden, Arps professionals spent a significant amount of time and effort helping the Debtors to satisfy the various conditions precedent to consummation of the Plan, including the execution and delivery of all documents necessary to implement the exit financing as described in the Plan. Such efforts involved Skadden, Arps' devoting considerable time and resources to negotiating, preparing and finalizing the various documents underlying the first-lien and second-lien credit facilities that comprise the \$480 million Exit Facility, and a third-lien credit agreement with Evergreen Investment Management Company, LLC and certain of its affiliates. Skadden, Arps professionals also orchestrated the complex closings of all three credit facilities, which resulted in the Debtors' emergence from chapter 11 on December 21, 2004, the Effective Date of the Plan.

37. **Case Administration and General Bankruptcy Matters.** During the Application Period, Skadden, Arps professionals spent a significant amount of time on matters relating to case administration, and worked extensively with the Debtors' other professionals on various matters including, among other things, the preparation of the Debtors' schedules and statements and monthly operating reports, as well as various regulatory, claims reconciliation, and noticing matters.

38. Skadden, Arps attorneys also conferred with the Debtors' management on an almost daily basis during the Application Period to formulate strategy for resolving issues as they arose in connection with operating as chapter 11 debtors-in-possession, such as the treatment of executory contracts and unexpired leases

of nonresidential real property, the removal of actions against the Debtors, and the preparation and filing of a motion to extend the removal period under 28 U.S.C. §1452.

39. Skadden, Arps spent time responding to the motions that were filed to request relief from the automatic stay, including those filed on behalf of Jennifer Shuman, Barbara Redmond, Debra Craig and Marie DeWees. With respect to these lift stay motions, Skadden, Arps professionals negotiated, prepared and filed: (i) an order granting Ms. Shuman limited relief from the stay to collect a settlement from RCN's insurer and (ii) a stipulation and order granting Ms. DeWees limited relief from the stay to proceed with her lawsuit against RCN in the Superior Court of New Jersey – Appellate Division. The lift stay motions that were filed on behalf of Ms. Redmond and Ms. Craig were ultimately withdrawn.

40. Skadden, Arps attorneys conferred extensively with the Debtors and prepared and filed a motion requesting authorization for the Debtors to renew certain insurance policies and to assume certain executory contracts relating to their insurance policies and their television production business. In connection with this motion, Skadden, Arps spent a considerable amount of time addressing issues raised by Travelers/St. Paul, Royal & SunAlliance, American International Group, Inc. ("AIG"), and Liberty Mutual Insurance Company, and ultimately negotiated, prepared and filed stipulations between the Debtors and each of AIG and Liberty Mutual Insurance Company.

41. Skadden, Arps was also responsible for reviewing and, as necessary, filing responsive pleadings to objections and other pleadings filed by parties in interest, including the Creditors' Committee's motion to establish certain procedures with respect to RCN's non-debtor affiliates, and requests by certain stockholders and the

United States Trustee to form an equity committee. Skadden, Arps professionals also spent a significant amount of time responding to various inquiries by stockholders, bondholders and other parties in interest.

42. **Claims Administration and Objections.** During the Application Period, Skadden, Arps spent a significant amount of time assisting the Debtors and AP Services in reviewing and analyzing the various proofs of claim that were filed in these cases. In that regard, Skadden, Arps performed a crucial role in the preparation and filing of (i) the Debtors' Objection Under 11 U.S.C. §§ 105(a), 502(b), 503 and 507, Fed. R. Bankr. P. 3007 and the Bar Date Order to Proofs of Claim Filed by Kemper Insurance Companies (the "Kemper Objection"); (ii) the Debtors' First Omnibus Objection Pursuant to 11 U.S.C. §§ 502(b) and 510(b), and Fed. R. Bankr. P. 3007, to (I) Equity Interests, (II) Securities Claims, (III) Redundant Public Debt Claims, and (IV) Insufficient Documentation Claims (the "First Omnibus Claims Objection"); (iii) the Debtors' Second Omnibus Objection Pursuant to 11 U.S.C. §§ 502(b) and 510(b) and Fed. R. Bankr. P. 3003 and 3007 to Claims (the "Second Omnibus Claims Objection"); and (iv) the Debtors' Fourth Omnibus Objection Pursuant to 11 U.S.C. §§ 502(b) and 510(b) and Fed. R. Bankr. P. 3003 and 3007 to Claims (the "Fourth Omnibus Claims Objection").<sup>16</sup>

43. In the First Omnibus Objection, the Debtors objected to 1,888 proofs of claim that were filed against the Debtors, all of which were resolved in the

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<sup>16</sup> The Debtors' Third Omnibus Objection to Claims Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 was prepared and filed by Kasowitz, Benson, Torres & Friedman LLP, as conflicts counsel to the Debtors. The Debtors' Fifth Omnibus Objection to Claims Pursuant to 11 U.S.C. §§ 105(a) and 502 and Fed. R. Bankr. P. 3001 and 3007 was prepared and filed by Dechert LLP, as conflicts counsel to the Debtors.

manner requested: 1,395 were disallowed and expunged and 493 were subordinated as securities claims.

44. In the Second Omnibus Objection, the Debtors objected to 57 proofs of claim. Three of these claims were subordinated as securities claims, five were reclassified as claims against a Debtor other than the Debtor with respect to which the proofs of claim were filed, and 45 claims were disallowed and expunged. Only four of these claims remain unresolved as of the date hereof.

45. In the Fourth Omnibus Objection, the Debtors objected to 19 proofs of claim, all of which were resolved. Fifteen of these claims were disallowed and expunged, with the remaining four claims disallowed and expunged to the extent they represented equity interests and subordinated to the extent they represented securities claims.

46. The Kemper Insurance Companies ("Kemper") filed a response to the Kemper Objection and Skadden, Arps attorneys spent a significant amount of time resolving Kemper's claim, ultimately negotiating the terms of a resolution between the Debtors and Kemper. Favorable resolutions of the Kemper matter and the claims resolved pursuant to the First, Second and Fourth Omnibus Claim Objections were essential to the Debtors' achieving a rapid confirmation of the Plan.

47. **Financing Matters.** During the Application Period, Skadden, Arps devoted a significant amount of time and resources to advising the Debtors with respect to financing matters. Such efforts included Skadden, Arps attorneys' negotiating and drafting the documents relating to the Debtors' use of cash collateral, and preparing for and attending hearings on these matters.

48. In addition, as discussed above, Skadden, Arps professionals negotiated and drafted the documents relating to the first-lien and second-lien credit facilities that comprise the Exit Facility, and a third-lien credit agreement with Evergreen. Skadden, Arps attorneys also drafted and filed motions relating to the Exit Facility, including (i) the motion to authorize the Debtors' entering into commitments with D.E. Shaw and certain members of the Creditors' Committee regarding the Convertible Second-Lien Notes (as defined in the Plan); (ii) the motion to authorize the Debtors' payment of certain diligence costs incurred by Tejas Securities, Inc. in connection with the Convertible Second-Lien Notes; and (iii) the motion to amend the commitments relating to the Exit Facility to provide an additional \$25 million to finance the acquisition of Pepco Communications LLC's 50% joint venture interest in Starpower Communications, LLC. Skadden, Arps attorneys also spent a significant amount of time preparing for and attending the hearings on these matters.

49. **Litigation.** During the Application Period, Skadden, Arps' professionals devoted significant time to representing the Debtors in connection with corporate litigation matters, including an adversary proceeding commenced by RCN Cable TV of Chicago, Inc. ("RCN-Chicago") against the City of Chicago with respect to complex disputes regarding certain franchise agreements between RCN-Chicago and the City of Chicago (the "Chicago Litigation"). Skadden, Arps' attorneys devoted considerable time and resources to assisting the Debtors with various matters relating to the Chicago Litigation, such as conducting discovery, responding to interrogatories, and developing a litigation strategy. The Chicago Litigation was eventually settled and Skadden, Arps attorneys spent a significant amount of time negotiating and drafting documents relating to such settlement. During the Application Period, Skadden, Arps

frequently was called upon in its capacity as counsel for the Debtors in these cases when issues arose regarding document requests, discovery and other proceedings.

50. **Employee Matters.** During the Application Period, Skadden, Arps' professionals devoted significant time to researching, analyzing, responding to inquiries regarding, and advising the Debtors' representatives concerning various employee matters associated with filing for relief under chapter 11 of the Bankruptcy Code. Skadden, Arps attorneys also advised the Debtors with respect to issues related to the continuation of their preexisting employee retention and severance program and, as mentioned above, preparing the pleadings whereby the Debtors amended and restated such program.

51. **General Corporate Matters.** Skadden, Arps was the Debtors' general corporate counsel during the Application Period. Skadden, Arps' professionals attended board meetings and meetings of senior management and advised the Debtors on day-to-day general corporate matters. Skadden, Arps also assisted the Debtors with their public disclosure obligations under applicable securities laws.

52. **Tax Matters.** Skadden, Arps attorneys advised the Debtors with respect to various tax matters in connection with the proposed restrictions on trading in the Debtors' debt and equity securities. Skadden, Arps attorneys also advised the Debtors with respect to the tax implications of the Plan and drafted appropriate tax disclosure for inclusion in the Disclosure Statement.

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### **PROFESSIONAL SERVICES**

53. For professional services, Skadden, Arps' fees are based in part on its guideline hourly rates, which are periodically adjusted in the normal course of the Firm's business, often due to the increased experience of a particular professional.

Skadden, Arps and the Debtors have agreed, as indicated in the Retention Application, that Skadden, Arps' bundled rate structure will apply to these cases and so Skadden, Arps has not sought separate compensation for certain staff, clerical and resource expenses for which it normally charges. The bundled rate structure is described in Skadden, Arps' Policy Statement Concerning Charges and Disbursements Under Standard Bundled Rate Structure (the "Bundled Rate Policy"), a copy of which is attached to RCN's engagement agreement with Skadden, Arps, dated as of October 7, 2003 (the "Engagement Letter"), previously submitted with the revised affidavit of Jay M. Goffman, filed on June 4, 2004, in support of the Retention Application.

#### **DISBURSEMENTS**

54. Consistent with its agreement with the Debtors, and firm policy with respect to its other bankruptcy clients, Skadden, Arps charged the Debtors for all other services provided, and for other charges, expenses and disbursements incurred, in the rendition of professional services. These charges, expenses and disbursements include, among other things, costs for telephone charges, photocopying, travel, business meals, computerized research, messengers, couriers, postage, witness fees and other fees related to trials and hearings.<sup>17</sup>

#### **THE REQUESTED COMPENSATION SHOULD BE ALLOWED**

55. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered . . . [and] reimbursement for

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<sup>17</sup> Charges and disbursements are invoiced in accordance with the Bundled Rate Policy.

actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including —

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (E) whether the compensation is reasonable, based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

56. In the instant case, Skadden, Arps respectfully submits that the services for which it seeks compensation in this Final Fee Application were, at the time rendered, necessary for, and beneficial to, the Debtors' rehabilitation and reorganization efforts. Such services and expenditures were necessary to and in the best interests of the Debtors' estates. Skadden, Arps further submits that the compensation requested herein is reasonable in light of the nature, extent and value of such services to the Debtors, their estates and all parties in interest.

57. The services rendered by Skadden, Arps were consistently performed in a timely manner commensurate with the complexity, importance and



nature of the issues involved. Therefore, the Court's approval of the compensation sought herein is warranted.

58. Skadden, Arps submits that no new or novel issue of law is presented with respect to the matters contained herein. Because the relevant authorities in support of the requested relief are cited in this application, Skadden, Arps requests that the requirement of the service and filing of a separate memorandum of law under Local Bankr. R. 9013-1(b) be deemed satisfied.

59. Notice of this Final Fee Application has been provided to the Master Service List, as defined in, and in accordance with, the Order Under 11 U.S.C. §§ 102 and 105 and Fed. R. Bankr. P. 2002, 9006 and 9007 Establishing Certain Notice, Case Management and Administrative Procedures, entered by this Court on June 2, 2004. Skadden, Arps submits that no other or further notice need be provided.

## CONCLUSION

WHEREFORE, Skadden, Arps respectfully requests that the Court enter an order (i) allowing compensation for the professional services rendered during the Application Period in the amount of \$5,981,366.75 and reimbursement for actual and necessary expenses of Skadden, Arps incurred during the Application Period in the amount of \$205,313.81; (ii) allowing such compensation for professional services rendered and reimbursement of actual and necessary expenses incurred without prejudice to Skadden, Arps' right to seek additional compensation for services performed and expenses incurred during the Application Period, which were not processed at the time of this Final Fee Application; and (iii) granting such other and further relief as is just and proper.

Dated: New York, New York  
February 5, 2005

SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP

/s/ D. J. Baker

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# **EXHIBIT A**