

1
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK

4 -----x

5 In the Matter
6 of

Case No.
04-13638

7 RCN CORPORATION,
8 Debtors.

9 -----x

10 November 16, 2004
11 United States Custom House
12 One Bowling Green
13 New York, New York 10004

14 Motion to Extend the Exclusive Periods to
15 Propose and Solicit and Obtain Acceptances of
16 Debtors' Joint Plan of Reorganization; Debtors'
17 Objection to Proofs of Claim filed by Kemper
18 Insurance Companies and IBM; Debtors' Second
19 Omnibus Objection to Claims; Motion for Order
20 Authorizing and Ratifying Amendment to Exit
21 Financing Commitments; Motion to Approve and Ratify
22 Commitments for Convertible Second Lien Notes and
23 Placement Agent Agreement; Notice of Agenda of
24 Matters Scheduled for Hearing on November 16, 2004.

25 B E F O R E:

HON. ROBERT D. DRAIN,

U.S. Bankruptcy Judge.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S:

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Attorneys for the Debtors
Four Times Square
New York, New York 10036

BY: JAN BAKER, ESQ.,
ERIC M. DAVIS, ESQ.,
THOMAS J. MATZ, ESQ.

MILBANK, TWEED, HADLEY & McCLOY LLP
Attorneys for Creditors' Committee
One Chase Manhattan Plaza
New York, New York 10005

BY: DENNIS F. DUNNE, ESQ.,
SUSHEEL KIRPALANI, ESQ.

DECHERT LLP

Attorneys for Tahas
30 Rockefeller Plaza
New York, New York 10112

BY: DAVID C. McGRAIL, ESQ.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S (Continued):

WILLKIE FARR & GALLAGHER LLP
Attorneys for Laminar Lending 2,
Inc.
787 Seventh Avenue
New York, New York 10019

BY: STEVEN WILAMOWSKY, ESQ.

WHITE & CASE

Attorneys for Deutsche Bank AG,
Cayman Island Branch, and Deutsch
Bank Securities, Inc.
1155 Avenue of the Americas
New York, New York 10036

BY: ANDREW P. DeNATALE, ESQ.

AKIN GUMP STRAUSS HAUER & FELD, LLP

Attorneys for Note Holder Investors
590 Madison Avenue
New York, New York 10022

BY: MICHAEL S. STAMER, ESQ.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S (Continued):

SIMPSON THACHER & BARTLETT LLP
Attorneys for JP Morgan Chase Bank,
as Administrative Agent
425 Lexington Avenue
New York, New York 10017

BY: PETER V. PANTALEO, ESQ.,
ELISHA D. GRAFF, ESQ.

1 RCN CORPORATION

2 P R O C E E D I N G S:

3 THE COURT: RCN.

4 Can we deal with the claim
5 objections first, and that way we can get the
6 people off the phone and deal with the feedback
7 problem, too.

8 MR. BAKER: Yes, your Honor. Jan
9 Baker for the debtors, your Honor.

10 With respect to the claim
11 objections, the debtors filed their second omnibus
12 objection on October 7th. We received four
13 responses to that objection. And as to all of the
14 responses, we have asked that those matters be
15 continued to give us an opportunity to attempt to
16 resolve them. And if we can't resolve them, then
17 ultimately set them for hearing.

18 We would propose that the objection
19 filed on behalf of Mr. Joyce be continued to a date
20 yet to be set. And that the other three objections
21 be continued to the hearing scheduled on November
22 23rd at 10:00 a.m.

23 THE COURT: Okay. And that's
24 acceptable to the creditors parties?

25 MR. BAKER: We believe so, your

1 RCN CORPORATION

2 Honor.

3 THE COURT: Okay.

4 MR. BAKER: We would also ask that
5 the court, with respect to the different categories
6 of objections, that the so-called improper debtor
7 claims be deemed filed in the proper debtor case,
8 i.e., if the creditor put the wrong debtor name on
9 it, that we simply correct the records to match the
10 claims to the debtor; that the so-called securities
11 claims be subordinated, and that the remaining
12 claims be disallowed.

13 THE COURT: Okay. We the exception
14 of the four adjournments.

15 MR. BAKER: With the exception of
16 the four, yes.

17 THE COURT: Okay. Does anyone have
18 anything to say on this omnibus claim objection?

19 Okay. Based on my review of the
20 objection, as well as the absence of any response
21 or objection, other than the four that were noted
22 earlier, I'll approve the omnibus objection and
23 grant the relief sought of the subordination of the
24 claims based on securities transactions and the
25 listing of the claims with the proper debtor.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RCN CORPORATION

So you can submit an order on that at the end of the hearing, or later today if you wish.

MR. BAKER: Thank you, your Honor.

THE COURT: All right. Why don't we then go off the telephone. You can just hang up. Are we dealing with IBM separately?

MR. BAKER: Your Honor, we were going to have to a brief status report. I don't know if we were ever able to reach Ms. Glazer, who I think wanted to file them, and I think there was no one else involved in the IBM matter, so there may not be anyone on the phone.

THE COURT: All right. Well they were on earlier and then disappeared.

Someone wants to be heard.

MR. BAKER: Excuse me?

THE COURT: Someone is standing up behind you.

MR. BAKER: I'm going to introduce Mr. McGrail of the Dechert firm to give the court a brief report on IBM.

THE COURT: All right. Is IBM on the phone?

1 RCN CORPORATION

2 All right, you can go ahead.

3 MR. McGRAIL: Good morning, your
4 Honor. David McGrail from Dechert LLP, special
5 counsel for the debtors.

6 IBM has filed ten proofs of claim
7 against the debtors originating from a patent
8 infringement. The proof of claim against the
9 parents corporation, RCN is 37.6 million dollars.
10 And the claims against the debtors' subsidiaries
11 are liquidated. The debtors have filed an
12 objection to IBM's claims, and IBM has filed a
13 response to that objection.

14 In addition, your Honor, the debtors
15 have filed a motion for estimation of claims, which
16 was schedule to be heard on the 23rd, next week.
17 Your Honor, we've made significant progress,
18 especially in the past couple of days in reaching a
19 global resolution of IBM's claims. There are,
20 however, a couple of outstanding issues that
21 require additional consideration. I believe that
22 both parties wish to resolve this consensually, and
23 we'll work towards reaching that goal in hopes of
24 presenting it to your Honor with a stipulation next
25 week.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RCN CORPORATION

THE COURT: Okay. Do you want the estimation for voting purposes and confirmation purposes or not?

MR. McGRAIL: Yes. The estimation hearing would for voting distribution and feasibility confirmation.

THE COURT: Okay. So we should carry that to some date shortly before the confirmation hearing.

MR. McGRAIL: We would prefer if we could, your Honor, to keep the hearing date on the 23rd, just in case there is a default among the parties.

THE COURT: That's fine. Okay. What is your angle on that?

MR. KIRPALANI: Your Honor, just to be clear, this Susheel Kirpalani from Milbank for the creditors' committee. With respect to IBM, we anticipated that by now the documentation that counsel for the debtors was describing would be completed, and that something was going to be submitted. We understand that last night there was some additional requests for changes to the

1 RCN CORPORATION

2 documentation were made, and that therefore the
3 stipulation is not yet ready. But we just wanted
4 it to be clear that from the committees' point of
5 view, if by the end of this week the documentation
6 is not finished, we will be filing a joinder to the
7 estimation motion, because it's imperative that
8 those claims be estimated for all purposes next
9 week. Thank you.

10 THE COURT: Okay. So we'll keep
11 that open for the 23rd.

12 MR. KIRPALANI: Thank you.

13 MR. BAKER: Your Honor, we'll go
14 back with one exception, if we could, to the order
15 in the agenda letter. The exception which we would
16 like to deal with last is the motion to authorize
17 commitments relating to the convertible second lien
18 notes. What we would like to do with regard to
19 that, when we get to it, is give the court a brief
20 update. And then ask if your Honor would adjourn
21 that matter until sometime later today to give the
22 parties an opportunity to confer.

23 THE COURT: Okay.

24 MR. BAKER: The first matter, your
25 Honor, is the Debra Craig motion to lift stay. As

RCN CORPORATION

1
2 I think we've reported previously, we have agreed
3 with Ms. Craig that her matter, which had named the
4 debtors as parties, will be amended. They would be
5 dropped, and we are told there her lawyer has sent
6 your Honor a letter asking that the motion be
7 withdrawn.

8 So, if your Honor is has received
9 that letter, we would request that the document be
10 updated to reflect the withdrawal of the Craig
11 motion.

12 THE COURT: Okay. I think I recall
13 seeing that, so that will be done.

14 MR. BAKER: Thank you, your Honor.
15 We've had a lot of brief continuances,
16 adjournments, and postponements on the issue of
17 exclusivity, your Honor. We have now, I am pleased
18 to say, I think reached a final order with both the
19 committee and the secured bank groups and will be
20 submitting a brief order that basically extends the
21 debtors, under certain terms and conditions,
22 extends the debtors' exclusivity through December
23 10th. And to the extent that we seek a further
24 extension of our plan of exclusivity, awards co
25 exclusivity to both the committee and the secured

RCN CORPORATION

1
2 bank group.

3 THE COURT: That's an agreement
4 you've --

5 MR. BAKER: Yes.

6 THE COURT: That's a condition to
7 the extension through the 10th?

8 MR. BAKER: Yes.

9 THE COURT: You will still be
10 seeking an extension after the 10th if for some
11 reason --

12 MR. BAKER: If for some reason we
13 don't confirm on the 8th, we might well come back
14 and seek is an extension.

15 THE COURT: So other parties who
16 aren't a party to the agreement might have a chance
17 to open it up more.

18 MR. BAKER: Exactly.

19 THE COURT: Okay. Anybody want to
20 say anything to that motion?

21 Subject to my review of the
22 stipulation, I'll grant that extension.

23 MR. BAKER: The next mater, your
24 Honor, was the proposed amendment to the exit
25 facility. And to give your Honor just two minutes

RCN CORPORATION

1
2 of background, the debtors are a 50 percent owners
3 and in a joint venture that provides cable TV
4 service to the greater Washington, D.C. area.
5 Under the joint venture agreement, either of the
6 partners has a right to sell its interest with the
7 right of first refusal to the other. This fall we
8 received notice from our joint venture partner that
9 it intended to sell its interest.

10 After considering the matter and as
11 a result consulting with the committee, the debtors
12 determined to exercise their right of first refusal
13 and purchase the interest for the 29 million dollar
14 purchase price that had been negotiated. It's
15 contemplated that that will close after
16 confirmation. And so the debtors are not seeking
17 court approval to directly consummate the
18 transaction. They will, however, need to amend
19 their proposed exit financing to provide an
20 additional 20 million dollars in order to allow
21 them to make the purchase. They have negotiated
22 that with Deutsche Bank, the exit financing lender,
23 and by this motion simply seek authorization of
24 that amendment to the exit facility.

25 We should add that this is supported

1 RCN CORPORATION

2 by the committee and we know of no objections.

3 THE COURT: Okay. The commitment
4 letter has a deadline for entry of the order of
5 yesterday. I'm assuming Deutsche Bank has waived
6 that condition?

7 MR. BAKER: Yes, your Honor.

8 THE COURT: Okay. And this
9 amendment doesn't effect the other matter that was
10 on for today --

11 MR. BAKER: No.

12 THE COURT: -- they are independent?

13 MR. BAKER: Yes.

14 THE COURT: Okay. Does anyone have
15 anything to say on this motion to enlarge the
16 commitment letter for the exit facility?

17 All right, based on the moving
18 papers, including Mr. Coleman's affidavit and no
19 objection, I'll approve it.

20 MR. BAKER: Thank you, your Honor.

21 Your Honor, the only other remaining
22 matter is the objection to the claim of Kemper
23 Insurance. I would like to introduce Eric Davis
24 and ask Mr. Davis to give the court an update on
25 that.

1 RCN CORPORATION

2 THE COURT: Okay.

3 MR. DAVIS: Good morning, your
4 Honor. Eric Davis on behalf of the debtors.

5 Kemper is an insurance company
6 that's in run off presently in Illinois, and they
7 filed contingent unliquidated claims in all the
8 debtors cases. The debtors' objected to claims,
9 believing that Kemper at best had a claim against
10 RCN, and no unsecured claim has been held, I
11 believe 6.7 or 6.8 million dollars in cash and
12 other collateral.

13 After filing an objection, we
14 engaged in negotiations with the counsel for Kemper
15 and we have agreed to a settlement. We are working
16 on the fine details upon a term sheet, we are very
17 close to getting that done. And I was authorized
18 by Kemper, and I don't believe anybody here
19 represents them, to read the major terms of the
20 agreement. We had been communicating with the
21 committee on this. We were are just getting down
22 to fine details of how to make the payment that
23 I'll describe.

24 THE COURT: Okay.

25 MR. DAVIS: First of all, Kemper has

1 RCN CORPORATION

2 agreed that it will have no claims against the
3 subsidiaries and only have a non recourse claims
4 against RCN. The recourse for Kemper's claims will
5 instead come from a 4.9 million dollar escrow or
6 other such type of trust fund, which represents 175
7 percent of the total amount currently estimated to
8 be owed under the insurance programs that Kemper
9 provided to the company.

10 THE COURT: Okay.

11 MR. DAVIS: This will allow the
12 company to get back cash and other types of
13 collateral in the amount of 1.7 million dollars.
14 There will be releases that will be consistent in
15 the terms of agreement. Again, there the matter
16 will be non recourse except as to the fund, and at
17 the end of two years from the exclusivity
18 agreement, the parties to meet in an attempt buy
19 out, and thus end all liability under the program.

20 THE COURT: Okay. And if there
21 isn't as much liability as the fund, the fund gets
22 released back to the debtor?

23 MR. DAVIS: The fund will come back
24 to the debtor. Well, what would happen is that
25 there would be a buyout -- I'm just throwing

RCN CORPORATION

1
2 numbers out, but say there's 2.5 million left in
3 the fund at the end of two years, and we agreed on
4 a million dollar buyout so the other 1.5 will come
5 back to the company, so there's another additional
6 up side. The best part is that in the two years we
7 meet and if it's 2.5 million dollars, there's no
8 recourse beyond that 2.5.

9 THE COURT: Okay. And you say
10 you've been keeping the committee informed of that?

11 MR. DUNNE: That's right.

12 MR. DAVIS: Yes. We've been
13 circulating the term sheets. But we've just been
14 having a little trouble with the finalizing papers.

15 THE COURT: Okay. So why don't we
16 adjourn this also to the 23rd, and open hopefully
17 you can submit something then.

18 MR. DAVIS: Thank you, your Honor.

19 THE COURT: Okay.

20 MR. BAKER: Your Honor, on the final
21 matter, just to first tell your Honor where we are,
22 and then where we might be able to go. As I think
23 your Honor will remember, the debtors conducted
24 extensive due diligence throughout the period prior
25 to the Chapter 11 filing and immediately thereafter

RCN CORPORATION

1
2 with respect to exit financing. And after
3 considering a variety of proposals for major
4 institutions, the debtors ultimately selected the
5 proposal of Deutsche Bank to provide both the so
6 called APs or senior financing, and the VPs or
7 junior financing, and we are frankly very satisfied
8 with those terms.

9 In what I can only call a high class
10 problem, at the end of the summer, the debtors
11 received an unsolicited proposal from a third party
12 financing source, D.E. Shaw or Laminar, to
13 basically replace the entire VPs and substitute in
14 instead convertible second lien notes having a much
15 more attractive interest rate. After extensive
16 decisions with Deutsche Bank, which is still
17 critically important in terms of providing the
18 senior financing, as well as our creditors'
19 committee, the company ended up concluding that the
20 Laminar proposal was in fact more attractive and
21 proceeded at the beginning of this month to file
22 the papers that we are here today on seeking
23 approval to implement and substitute the Laminar
24 proposal for the Deutsche Bank proposal.

25 In what I can only call an even more

RCN CORPORATION

1
2 high class problem, we received last night, again,
3 an unsolicited proposal from yet another
4 independent financing source to make a competing
5 offer on terms very similar, if not identical to
6 the terms proposed between the debtors and Laminar.
7 The debtors frankly, as well as the committee,
8 don't feel like they've have a full opportunity --

9 THE COURT: Well, I've seen that
10 letter.

11 MR. BAKER: -- have had a full
12 opportunity to evaluate and compare the proposals.
13 They are both clearly serious, credible proposals;
14 either one of which on their face would appear to
15 provide the financing that the debtors need.

16 We had some concern that in the
17 event the debtors, for whatever reason, ended up
18 preferring the proposal submitted last night on
19 behalf of Tahas Securities, that we would be back
20 at the starting point in terms of the documentation
21 which we've spent very significant amount of time
22 negotiating with counsel for Laminar. We were
23 advised that this morning by Tahas' counsel,
24 however, that they were prepared to accept the
25 documentation that had been negotiated with

RCN CORPORATION

1
2 whatever conforming changes were required. So at
3 this point, your Honor, I can't honestly tell the
4 court; and frankly I don't think it would be fair
5 either to the debtors, the estate or Laminar or
6 Tahas for us to attempt to tell you that we have a
7 firm conclusion as to what makes the most sense.

8 So if the court would allow us a
9 brief adjournment until sometime say early this
10 afternoon, we would like to meet with Laminar, we
11 would like to meet with Tahas, we would like to
12 meet with the committee, we would like to consult
13 with Deutsche Bank, our provider of senior
14 financing, and then come back to the court this
15 afternoon with a report and recommendation. There
16 may be a clear choice as to take this one or that
17 one, there may be something that provides an
18 opportunity for both parties to participate. It's
19 just not clear to us what makes the most sense at
20 this point in the estate.

21 THE COURT: Okay. What time did you
22 have in mind?

23 MR. BAKER: Your Honor, we would
24 suggest, if it were convenient for the court, 2
25 o'clock.

1 RCN CORPORATION

2 THE COURT: Okay. That's fine with
3 me.

4 MR. STAMER: Your Honor, if I may
5 just address the record very briefly. For the
6 record my name is Michael Stamer. I represent the
7 Tahas and the note holder investors. My hope is,
8 your Honor, has received our objection --

9 THE COURT: I've read it.

10 MR. STAMER: Okay. Then I don't
11 need to supplement in great detail of what Mr.
12 Baker said. Suffice it to say, we received the
13 underlying documents yesterday at approximately 4
14 o'clock -- not me, my corporate colleague, spend a
15 good part of the night reviewing those documents
16 and we're happy to report and they are well
17 negotiated and in very good shape.

18 It's not fair to say that we have
19 accepted the documents. There are some blanks in
20 the documents, there are some potentially very
21 minor changes. But as Mr. Baker said, we are not
22 wholesale renegotiating these documents. Our hope
23 is that we are talking about finalizing the
24 documents in a matter of hours as opposed to a
25 matter of days or weeks. I just wanted to make

RCN CORPORATION

1
2 sure that the record is clear on that.

3 THE COURT: Okay. It struck me that
4 probably the Laminar group is probably in that vote
5 also; they may be more familiar with them, but the
6 documents aren't finalized as to them either.

7 MR. STAMER: I believe that's
8 correct, your Honor.

9 MR. BAKER: And, your Honor, that
10 was exactly our understanding and we are
11 comfortable with that.

12 I think from the viewpoint of the
13 debtors, your Honor, the critical thing in order to
14 keep this process on track is that we will be able
15 to come back here this afternoon and not leave
16 court until some party has been selected and
17 approved to provide the VP's financing.

18 THE COURT: Okay.

19 MR. BAKER: That would be our goal.

20 THE COURT: Okay.

21 MR. DUNNE: Your Honor, Dennis Dunn
22 from Milbank Tweed on behalf of the committee.

23 I have one comment, and I want to
24 request for a clarification from Mr. Baker.

25 Obviously our goal, within one large parameter, is

RCN CORPORATION

1
2 to get the cheapest financing as possible, and
3 clearly Tahas has a lower rate right now than the
4 Laminar group, but we have to look at the all of
5 the other provisions as well. We do applaud the
6 efforts of Tahas and counsel who received the no
7 purchase agreement and creditor agreement, et
8 cetera yesterday afternoon at 4, for them to get as
9 far as have by this morning, but I share Mr.
10 Baker's concerns that we try to wrap it up as much
11 a possible by today, because our one large
12 condition is we do not want to jeopardize at all
13 the time table we are on for confirmation. The
14 cost for moving that time table one day probably
15 offsets any of the benefits we are talking about
16 right now. So we would strongly urge, subject to
17 your calendar, that we talk and come back this
18 afternoon.

19 The clarification that I just want
20 to be clear on is that the fees that are payable to
21 Deutsche Bank are the same whether the estate
22 selects the Laminar group or the Tahas group to
23 front the VPs. I believe, based on discussions
24 with the company that that's correct, I just want
25 to --

1 RCN CORPORATION

2 MR. BAKER: That's correct, your
3 Honor.

4 THE COURT: That's not how I read
5 the Tahas objection.

6 MR. BAKER: No. Your Honor at the
7 time the debtors' pleadings were filed, the debtors
8 believed that they would be subject to pay Deutsche
9 Bank a placement fee with respect to the VPs.
10 During the intervening two weeks, and without
11 Tahas, without Tahas' awareness of it, that fee was
12 successfully negotiated out of the deal, so that is
13 not a number due.

14 THE COURT: Right. There's still
15 the break up fee.

16 MR. BAKER: Yes, exactly.

17 THE COURT: But that applies to
18 either --

19 MR. BAKER: -- but the fees payable
20 to Deutsche Bank will be the same no matter who is
21 providing VP's financing, that's correct.

22 THE COURT: All right.

23 MR. WILAMOWSKY: Your Honor, Steven
24 Wilamowsky of Wilkie Farr LLP on behalf of Laminar
25 Lending 2.

1 RCN CORPORATION

2 Obviously it's the debtors' motion,
3 so we are not in a position to compel the debtors
4 to go forward with their motion. We would only
5 note that we think that there really aren't that
6 much at all in the way of -- we think there are
7 very, very few open issues, so as far as we are
8 concerned the documentation, from our perspective,
9 are really done.

10 Also I would note that, just again,
11 I can't force them to go forward, but by the terms
12 of the Tahas proposal by the very terms that was
13 attached to the objection, they are requiring court
14 approval of their deal by tomorrow. I'm not sure
15 -- I mean, we are in a procedural posture to get
16 our deal approved. I'm not sure how that works
17 from their perspective in terms in getting a deal
18 approved tomorrow in terms of noticing and whatever
19 changes there might be.

20 THE COURT: Well, I would
21 contemplate approving the modification of the exit
22 financing today, and it's just a question of what's
23 the best version of that.

24 The version that I will approve will
25 clearly be better than what's currently on the

RCN CORPORATION

1
2 table. So I don't think there's a notice issue, as
3 far as that's concerned. And those who are
4 interested in this matter obviously got notice of
5 it. And I view this as a combination of 363(b) as
6 well as 364. So I think just like you would
7 approve the highest and best proposals in a sale,
8 you would need to have additional notice for
9 approval of whatever version gets put in front of
10 me today.

11 MR. WILAMOWSKY: That's fine, your
12 Honor. And there's no point in me belaboring the
13 issue, because it's the debtors' motion. I would
14 just say for the record that we believe the
15 identity of the parties involved is relevant,
16 considering that my client has literally the
17 ability to write the checks today for the entire
18 commitment, and you've got the Tahas entity that's
19 worth literally almost nothing. And, your Honor,
20 I'm sure the debtors will take that into
21 consideration.

22 THE COURT: I'm sure they will.

23 Let me just make two observations.
24 First, I am assuming that when the committee is
25 involved in these deliberations, it's a subset of

RCN CORPORATION

1
2 the committee that is not interested in
3 participating in the deal per se, since I guess the
4 three who are identified potentially would be
5 investing at a higher rate. They can obviously
6 participate in the discussions, but I think they
7 have to be on one side of the table wearing their
8 non committee hats if they are actually negotiating
9 as a potential lender/investor.

10 The second observation is that I
11 would strongly urge the parties to, if they are
12 considering making alternative proposals, to make
13 their best proposals before we get back to court.
14 I think that's a rule that I'm happy to have the
15 debtors impose, particularly given the timing
16 constraints that both they and the committee have
17 mentioned. So I urge you all to follow that
18 approach, and my strong inclination is not to open
19 the door for further bidding, if you will, once we
20 get back here. So that, I think, gives you all
21 enough guidance so that you can use the next few
22 hours productively.

23 So I'll be back here at 2, if you
24 want, if for some reason you want it to be at 2:30,
25 that's fine, but I'll be ready at 2.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RCN CORPORATION

MR. BAKER: All right. The only question, your Honor, we didn't know what other matters were on your Honor's calendar.

THE COURT: There's nothing else on the calendar.

MR. BAKER: Whether it would be possible for the parties to stay here or go someplace else.

THE COURT: Well, you can stay here. I have a couple of other matters on, but they are fairly brief. If you want to use this conference room hear, you can use that and my clerks can show you back there. So if you just want to sit through the rest of the calendar, it probably won't be very long.

MR. BAKER: Thank you, your Honor. I just want say to make the point, and again, this is -- the debtors want to do the right thing here for the estate and all of the parties. They are enormously appreciative to Laminar making clearly what is an attractive bid. On the other hand, they recognize that the Tahas people starting late have worked very hard also to field a very competitive bid, and they are going to try and take into

RCN CORPORATION

1
2 account all of the relevant factors.

3 I don't think -- my guess is, and
4 I'm not the decision maker here, but I don't think
5 this is going to come down to, you know, which
6 offer is five basis points lower than the others.
7 The debtors are going to try to look at certainty
8 of closing, documentation and impact on the senior
9 financing, and then we will come back to your Honor
10 with our best judgment.

11 THE COURT: Okay, very well.

12 MR. BAKER: Thank you.

13 THE COURT: So, as I said, I think
14 I, unless the Pomeroy's or Mr. Dirdak has arrived,
15 I just have the one other matter on which is V.I.P.
16 Offset.

17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

STATE OF NEW YORK }
 } ss.:
COUNTY OF WESTCHESTER }

I, Denise Nowak, a Shorthand
Reporter and Notary Public within and for
the State of New York, do hereby certify:

That I reported the proceedings in
the within entitled matter, and that the
within transcript is a true record of such
proceedings.

I further certify that I am not
related, by blood or marriage, to any of
the parties in this matter and that I am
in no way interested in the outcome of
this matter.

IN WITNESS WHEREOF, I have
hereunto set my hand this _____ day of
_____, 2004.

DENISE NOWAK

A	ability 26:17 able 7:11 17:22 22:14 absence 6:20 accept 19:24 acceptable 5:24 Acceptances 1:14 accepted 21:19 account 29:2 add 13:25 addition 8:14 additional 8:21 9:25 13:20 17:5 26:8 address 21:5 adjourn 10:20 17:16 adjournment 20:9 adjournments 6:14 11:16 Administrative 4:6 advised 19:23 affidavit 14:18 afternoon 20:10,15 22:15 23:8,18 AG 3:12 agenda 1:18 10:15 Agent 1:18 4:6 agreed 11:2 15:15 16:2 17:3 agreement 1:18 12:3 12:16 13:5 15:20 16:15,18 23:7,7 ahead 8:2 AKIN 3:18 allow 13:20 16:11 20:8 alternative 27:12 amend 13:18 amended 11:4 amendment 1:17 12:24 13:24 14:9 Americas 3:14 amount 16:7,13 19:21 ANDREW 3:15	angle 9:17 anticipated 9:21 anybody 12:19 15:18 appear 19:14 applaud 23:5 applies 24:17 appreciative 28:21 approach 27:18 approval 13:17 18:23 25:14 26:9 approve 1:17 6:22 14:19 25:24 26:7 approved 22:17 25:16,18 approving 25:21 approximately 21:13 APs 18:6 area 13:4 ARPS 2:5 arrived 29:14 asked 5:14 asking 11:6 assuming 14:5 26:24 attached 25:13 attempt 5:15 16:18 20:6 Attorneys 2:6,13,19 3:6,12,19 4:6 attractive 18:15,20 28:22 authorization 13:23 authorize 10:16 authorized 15:17 Authorizing 1:17 Avenue 3:7,14,20 4:7 awards 11:24 awareness 24:11 a.m 5:22	19:19 20:14 22:15 23:17 27:13,20,23 28:14 29:9 background 13:2 Baker 2:8 5:8,9,25 6:4,15 7:5,9,18,21 10:13,24 11:14 12:5,8,12,18,23 14:7,11,13,20 17:20 19:11 20:23 21:12,21 22:9,19 22:24 24:2,6,16,19 28:2,7,17 29:12 Baker's 23:10 bank 3:12,13 4:6 11:19 12:2 13:22 14:5 18:5,16,24 20:13 23:21 24:9 24:20 Bankruptcy 1:2,23 BARTLETT 4:5 based 6:19,24 14:17 23:23 basically 11:20 18:13 basis 29:6 beginning 18:21 behalf 5:19 15:4 19:19 22:22 24:24 belaboring 26:12 believe 5:25 8:21 15:11,18 23:23 26:14 believed 24:8 believing 15:9 belive 22:7 benefits 23:15 best 15:9 17:6 25:23 26:7 27:13 29:10 better 25:25 beyond 17:8 bid 28:22,25 bidding 27:19 blanks 21:19 blood 30:13 Bowling 1:11	Branch 3:13 break 24:15 brief 7:10,23 10:19 11:15,20 20:9 28:12 briefly 21:5 buy 16:18 buyout 16:25 17:4
	B		C	
	B 1:21 back 10:14 12:13 16:12,22,23 17:5	C 2:2,21 3:2 4:2 5:2 30:2,2 cable 13:3 calendar 23:17 28:4 28:6,15 call 18:9,25 called 18:6 carry 9:10 case 1:6 3:11 6:7 9:14 cases 15:8 cash 15:11 16:12 categories 6:5 Cayman 3:13 certain 11:21 certainty 29:7 certify 30:7,12 cetera 23:8 chance 12:16 changes 9:25 20:2 21:21 25:19 Chapter 17:25 Chase 2:13 4:6 cheapest 23:2 checks 26:17 choice 20:16 circulating 17:13 claim 1:15 5:4,10 6:18 8:6,8 14:22 15:9,10 claims 1:16 6:7,10 6:11,12,24,25 8:10 8:12,15,19 10:8 15:7,8 16:2,3,4 clarification 22:24 23:19		

<p>class 18:9 19:2 clear 9:19 10:4 20:16,19 22:2 23:20 clearly 19:13 23:3 25:25 28:21 clerks 28:13 client 26:16 close 13:15 15:17 closing 29:8 Coleman's 14:18 collateral 15:12 16:13 colleague 21:14 combination 26:5 come 12:13 16:5,23 17:4 20:14 22:15 23:17 29:5,9 comfortable 22:11 comment 22:23 commitment 14:3 14:16 26:18 commitments 1:17 1:18 10:17 committee 2:13 9:20 11:19,25 13:11 14:2 15:21 17:10 18:19 19:7 20:12 22:22 26:24 27:2,8 27:16 committees 10:4 communicating 15:20 Companies 1:16 company 15:5 16:9 16:12 17:5 18:19 23:24 compare 19:12 compel 25:3 competing 19:4 competitive 28:24 completed 9:23 concern 19:16 concerned 25:8 26:3 concerns 23:10 concluding 18:19</p>	<p>conclusion 20:7 condition 12:6 14:6 23:12 conditions 11:21 conducted 17:23 confer 10:22 conference 28:12 confirm 12:13 confirmation 9:3,8 9:11 13:16 23:13 conforming 20:2 consensually 8:22 consideration 8:21 26:21 considering 13:10 18:3 26:16 27:12 consistent 16:14 constraints 27:16 consult 20:12 consulting 13:11 consummate 13:17 contemplate 25:21 contemplated 13:15 contingent 15:7 continuances 11:15 continued 3:2 4:2 5:15,19,21 convenient 20:24 convertible 1:18 10:17 18:14 corporate 21:14 corporation 1:7 5:1 6:1 7:1 8:1,9 9:1 10:1 11:1 12:1 13:1 14:1 15:1 16:1 17:1 18:1 19:1 20:1 21:1 22:1 23:1 24:1 25:1 26:1 27:1 28:1 29:1 correct 6:9 22:8 23:24 24:2,21 cost 23:14 counsel 8:5 9:22 15:14 19:22,23 23:6</p>	<p>COUNTY 30:4 couple 8:18,20 28:11 court 1:2 5:3,23 6:3 6:5,13,17 7:6,15 7:19,22,24 9:2,9 9:16 10:10,19,23 11:12 12:3,6,9,15 12:19 13:17 14:3,8 14:12,14,24 15:2 15:24 16:10,20 17:9,15,19 19:9 20:4,8,14,21,24 21:2,9 22:3,16,18 22:20 24:4,14,17 24:22 25:13,20 26:22 27:13 28:5 28:10 29:11,13 Craig 10:25 11:3,10 credible 19:13 creditor 6:8 23:7 creditors 2:13 5:24 9:20 18:18 critical 22:13 critically 18:17 currently 16:7 25:25 Custom 1:11</p> <hr/> <p style="text-align: center;">D</p> <hr/> <p>D 1:22 4:9 5:2 date 5:19 9:10,13 David 2:21 8:4 Davis 2:8 14:23,24 15:3,4,25 16:11,23 17:12,18 day 23:14 30:18 days 8:18 21:25 deadline 14:4 deal 5:4,6 10:16 24:12 25:14,16,17 27:3 dealing 7:8 Debra 10:25 debtor 6:6,7,8,10,25 16:22,24 debtors 1:8,15,15,16 2:6 5:9,11 8:5,7,10</p>	<p>8:11,14 9:22 11:4 11:21,22 13:2,11 13:16 15:4,8,8 17:23 18:4,10 19:6 19:7,15,17 20:5 22:13 24:7,7 25:2 25:3 26:13,20 27:15 28:19 29:7 December 11:22 Dechert 2:18 7:22 8:4 decision 29:4 decisions 18:16 deemed 6:7 default 9:14 deliberations 26:25 DeNATALE 3:15 Denise 30:5,21 Dennis 2:15 22:21 describe 15:23 describing 9:22 detail 21:11 details 15:16,22 determined 13:12 Deutsch 3:13 Deutsche 3:12 13:22 14:5 18:5,16,24 20:13 23:21 24:8 24:20 different 6:5 diligence 17:24 Dirdak 29:14 directly 13:17 disallowed 6:12 disappeared 7:16 discussions 23:23 27:6 distribution 9:7 DISTRICT 1:3 document 11:9 documentation 9:21 10:2,5 19:20,25 25:8 29:8 documents 21:13,15 21:19,20,22,24 22:6</p>
--	--	---	--

<p>dollar 13:13 16:5 17:4</p> <p>dollars 8:9 13:20 15:11 16:13 17:7</p> <p>door 27:19</p> <p>DRAIN 1:22</p> <p>dropped 11:5</p> <p>due 17:24 24:13</p> <p>Dunn 22:21</p> <p>DUNNE 2:15 17:11 22:21</p> <p>D.C 13:4</p> <p>D.E 18:12</p> <hr/> <p style="text-align: center;">E</p> <hr/> <p>E 1:21,21 2:2,2 3:2,2 4:2,2 5:2,2 30:2,2</p> <p>earlier 6:22 7:16</p> <p>early 20:9</p> <p>effect 14:9</p> <p>efforts 23:6</p> <p>either 13:5 19:14 20:5 22:6 24:18</p> <p>ELISHA 4:9</p> <p>ended 18:19 19:17</p> <p>engaged 15:14</p> <p>enlarge 14:15</p> <p>enormously 28:21</p> <p>entire 18:13 26:17</p> <p>entitled 30:9</p> <p>entity 26:18</p> <p>entry 14:4</p> <p>Eric 2:8 14:23 15:4</p> <p>escrow 16:5</p> <p>especially 8:18</p> <p>ESQ 2:8,8,9,15,15 2:21 3:8,15,21 4:8 4:9</p> <p>estate 20:5,20 23:21 28:20</p> <p>estimated 10:8 16:7</p> <p>estimation 8:15 9:3 9:6 10:7</p> <p>et 23:7</p> <p>evaluate 19:12</p> <p>event 19:17</p>	<p>exactly 12:18 22:10 24:16</p> <p>exception 6:13,15 10:14,15</p> <p>Exclusive 1:14</p> <p>exclusivity 11:17,22 11:24,25 16:17</p> <p>Excuse 7:18</p> <p>exercise 13:12</p> <p>exit 1:17 12:24 13:19,22,24 14:16 18:2 25:21</p> <p>Extend 1:14</p> <p>extends 11:20,22</p> <p>extension 11:24 12:7 12:10,14,22</p> <p>extensive 17:24 18:15</p> <p>extent 11:23</p> <hr/> <p style="text-align: center;">F</p> <hr/> <p>F 1:21 2:15 30:2</p> <p>face 19:14</p> <p>facility 12:25 13:24 14:16</p> <p>fact 18:20</p> <p>factors 29:2</p> <p>fair 20:4 21:18</p> <p>fairly 28:12</p> <p>fall 13:7</p> <p>familiar 22:5</p> <p>far 23:9 25:7 26:3</p> <p>Farr 3:5 24:24</p> <p>feasibility 9:8</p> <p>fee 24:9,11,15</p> <p>feedback 5:6</p> <p>feel 19:8</p> <p>fees 23:20 24:19</p> <p>FELD 3:18</p> <p>field 28:24</p> <p>file 7:12 18:21</p> <p>filed 1:15 5:11,19 6:7 8:6,11,12,15 15:7 24:7</p> <p>filing 10:6 15:13 17:25</p>	<p>final 11:18 17:20</p> <p>finalized 22:6</p> <p>finalizing 17:14 21:23</p> <p>financing 1:17 13:19 13:22 18:2,6,7,12 18:18 19:4,15 20:14 22:17 23:2 24:21 25:22 29:9</p> <p>fine 9:16 15:16,22 21:2 26:11 27:25</p> <p>finished 10:6</p> <p>firm 7:22 20:7</p> <p>first 5:5 10:24 13:7 13:12 15:25 17:21 26:24</p> <p>five 29:6</p> <p>FLOM 2:5</p> <p>follow 27:17</p> <p>force 25:11</p> <p>forward 25:4,11</p> <p>four 2:6 5:12 6:14 6:16,21</p> <p>frankly 18:7 19:7 20:4</p> <p>front 23:23 26:9</p> <p>full 19:8,11</p> <p>fund 16:6,16,21,21 16:23 17:3</p> <p>further 11:23 27:19 30:12</p> <hr/> <p style="text-align: center;">G</p> <hr/> <p>G 5:2</p> <p>GALLAGHER 3:5</p> <p>getting 15:17,21 25:17</p> <p>give 5:15 7:22 10:19 10:21 12:25 14:24</p> <p>given 27:15</p> <p>gives 27:20</p> <p>Glazer 7:11</p> <p>global 8:19</p> <p>go 7:7 8:2 10:13 17:22 25:4,11 28:8</p> <p>goal 8:23 22:19,25</p>	<p>going 7:10,21 9:23 28:25 29:5,7</p> <p>good 8:3 15:3 21:15 21:17</p> <p>GRAFF 4:9</p> <p>grant 6:23 12:22</p> <p>great 21:11</p> <p>greater 13:4</p> <p>Green 1:11</p> <p>group 12:2 22:4 23:4,22,22</p> <p>groups 11:19</p> <p>guess 27:3 29:3</p> <p>guidance 27:21</p> <p>GUMP 3:18</p> <hr/> <p style="text-align: center;">H</p> <hr/> <p>HADLEY 2:12</p> <p>hand 28:22 30:18</p> <p>hang 7:7</p> <p>happen 16:24</p> <p>happy 21:16 27:14</p> <p>hard 28:24</p> <p>hats 27:8</p> <p>HAUER 3:18</p> <p>hear 28:13</p> <p>heard 7:17 8:16</p> <p>hearing 1:19 5:17,21 7:3 9:7,11,13</p> <p>held 15:10</p> <p>hereunto 30:18</p> <p>high 18:9 19:2</p> <p>higher 27:5</p> <p>highest 26:7</p> <p>holder 3:19 21:7</p> <p>HON 1:22</p> <p>honestly 20:3</p> <p>Honor 5:8,9 6:2 7:5 7:9 8:4,14,17,24 9:13,18 10:13,20 10:25 11:6,8,14,17 12:24,25 14:7,20 14:21 15:4 17:18 17:20,21,23 20:3 20:23 21:4,8 22:8 22:9,13,21 24:3,6</p>
---	---	---	--

<p>24:23 26:12,19 28:3,17 29:9 Honor's 28:4 hope 21:7,22 hopefully 17:16 hopes 8:23 hours 21:24 27:22 House 1:11</p> <hr/> <p style="text-align: center;">I</p> <hr/> <p>IBM 1:16 7:8,13,23 7:24 8:6,12 9:20 IBM's 8:12,19 identical 19:5 identified 27:4 identity 26:15 Illinois 15:6 immediately 17:25 impact 29:8 imperative 10:7 implement 18:23 important 18:17 impose 27:15 improper 6:6 inclination 27:18 including 14:18 independent 14:12 19:4 informed 17:10 infringement 8:8 institutions 18:4 insurance 1:16 14:23 15:5 16:8 intended 13:9 interest 13:6,9,13 18:15 interested 26:4 27:2 30:15 intervening 24:10 introduce 7:21 14:23 investing 27:5 investors 3:19 21:7 involved 7:13 26:15 26:25 Island 3:13</p>	<p>issue 11:16 26:2,13 issues 8:20 25:7 i.e 6:8</p> <hr/> <p style="text-align: center;">J</p> <hr/> <p>J 2:9 Jan 2:8 5:8 jeopardize 23:12 joinder 10:6 joint 1:15 13:3,5,8 Joyce 5:19 JP 4:6 Judge 1:23 judgment 29:10 junior 18:7</p> <hr/> <p style="text-align: center;">K</p> <hr/> <p>keep 9:13 10:10 22:14 keeping 17:10 Kemper 1:15 14:22 15:5,9,14,18,25 16:8 Kemper's 16:4 Kirpalani 2:15 9:18 9:19 10:12 know 7:11 14:2 28:3 29:5</p> <hr/> <p style="text-align: center;">L</p> <hr/> <p>Laminar 3:6 18:12 18:20,23 19:6,22 20:5,10 22:4 23:4 23:22 24:24 28:21 large 22:25 23:11 late 28:23 lawyer 11:5 leave 22:15 left 17:2 lender 13:22 lender/investor 27:9 Lending 3:6 24:25 letter 10:15 11:6,9 14:4,16 19:10 Lexington 4:7 liability 16:19,21</p>	<p>lien 1:18 10:17 18:14 lift 10:25 liquidated 8:11 listing 6:25 literally 26:16,19 little 17:14 LLP 2:5,12,18 3:5 3:18 4:5 8:4 24:24 long 28:16 look 23:4 29:7 lot 11:15 lower 23:3 29:6</p> <hr/> <p style="text-align: center;">M</p> <hr/> <p>M 2:8 Madison 3:20 major 15:19 18:3 maker 29:4 making 27:12 28:21 Manhattan 2:13 marriage 30:13 match 6:9 mater 12:23 matter 1:5 7:13 10:21,24 11:3 13:10 14:9,22 16:15 17:21 21:24 21:25 24:20 26:4 29:15 30:9,14,16 matters 1:19 5:14 28:4,11 MATZ 2:9 McCLOY 2:12 McGRAIL 2:21 7:22 8:3,4 9:6,12 MEAGHER 2:5 mean 25:15 meet 16:18 17:7 20:10,11,12 mentioned 27:17 Michael 3:21 21:6 Milbank 2:12 9:19 22:22 million 8:9 13:13,20 15:11 16:5,13 17:2</p>	<p>17:4,7 mind 20:22 minor 21:21 minutes 12:25 modification 25:21 month 18:21 Morgan 4:6 morning 8:3 15:3 19:23 23:9 motion 1:14,16,17 8:15 10:7,16,25 11:6,11 12:20 13:23 14:15 25:2,4 26:13 moving 14:17 23:14</p> <hr/> <p style="text-align: center;">N</p> <hr/> <p>N 2:2 3:2 4:2 5:2 name 6:8 21:6 named 11:3 need 13:18 19:15 21:11 26:8 negotiated 13:14,21 19:25 21:17 24:12 negotiating 19:22 27:8 negotiations 15:14 New 1:3,12,12 2:7,7 2:14,14,20,20 3:7 3:7,14,14,20,20 4:7,7 30:3,7 night 9:24 19:2,18 21:15 non 16:3,16 27:8 Notary 30:6 note 3:19 21:7 25:5 25:10 noted 6:21 notes 1:18 10:18 18:14 notice 1:18 13:8 26:2,4,8 noticing 25:18 November 1:10,19 5:21 Nowak 30:5,21</p>
--	---	---	---

number 24:13 numbers 17:2	owners 13:2 o'clock 20:25 21:14	position 25:3 possible 23:2,11 28:8	providing 18:17 24:21 provisions 23:5 Public 30:6
O	P	postponements 11:16 posture 25:15 potential 27:9 potentially 21:20 27:4	purchase 13:13,14 13:21 23:7 purposes 9:3,4 10:8 put 6:8 26:9
O 1:21 5:2 objected 15:8 objection 1:15,16 5:12,13,18 6:18,20 6:21,22 8:12,13 14:19,22 15:13 21:8 24:5 25:13 objections 5:5,11,20 6:6 14:2 observation 27:10 observations 26:23 Obtain 1:14 obviously 22:25 25:2 26:4 27:5 October 5:12 offer 19:5 29:6 Offset 29:16 offsets 23:15 Okay 5:23 6:3,13,17 6:19 9:2,9,16 10:10,23 11:12 12:19 14:3,8,14 15:2,24 16:10,20 17:9,15,19 20:21 21:2,10 22:3,18,20 29:11 omnibus 1:16 5:11 6:18,22 once 27:19 open 10:11 12:17 17:16 25:7 27:18 opportunity 5:15 10:22 19:8,12 20:18 opposed 21:24 order 1:16 7:2 10:14 11:18,20 13:20 14:4 22:13 originating 8:7 outcome 30:15 outstanding 8:20 owed 16:8	P 2:2,2 3:2,2,15 4:2 4:2 5:2 PANTALEO 4:8 papers 14:18 17:14 18:22 parameter 22:25 parents 8:9 part 17:6 21:15 participate 20:18 27:6 participating 27:3 particularly 27:15 parties 5:24 8:22 9:15 10:22 11:4 12:15 16:18 20:18 26:15 27:11 28:8 28:20 30:14 partner 13:8 partners 13:6 party 12:16 18:11 22:16 patent 8:7 pay 24:8 payable 23:20 24:19 payment 15:22 people 5:6 28:23 percent 13:2 16:7 period 17:24 Periods 1:14 perspective 25:8,17 PETER 4:8 phone 5:6 7:14,25 placement 1:18 24:9 plan 1:15 11:24 Plaza 2:13,20 pleadings 24:7 pleased 11:17 point 10:4 19:20 20:3,20 26:12 28:18 points 29:6 Pomeroy's 29:14	prefer 9:12 preferring 19:18 prepared 19:24 presenting 8:24 presently 15:6 previously 11:2 price 13:14 prior 17:24 probably 22:4,4 23:14 28:15 problem 5:7 18:10 19:2 procedural 25:15 proceeded 18:21 proceedings 30:8,11 process 22:14 productively 27:22 program 16:19 programs 16:8 progress 8:17 proof 8:8 proofs 1:15 8:6 proper 6:7,25 proposal 18:5,11,20 18:24,24 19:3,18 25:12 proposals 18:3 19:12,13 26:7 27:12,13 propose 1:14 5:18 proposed 12:24 13:19 19:6 provide 13:19 18:5 19:15 22:17 provided 16:9 provider 20:13 provides 13:3 20:17	Q
			question 25:22 28:3
			R
			R 1:21 2:2 3:2 4:2 5:2 30:2 rate 18:15 23:3 27:5 Ratify 1:17 Ratifying 1:17 RCN 1:7 5:1,3 6:1 7:1 8:1,9 9:1 10:1 11:1 12:1 13:1 14:1 15:1,10 16:1 16:4 17:1 18:1 19:1 20:1 21:1 22:1 23:1 24:1 25:1 26:1 27:1 28:1 29:1 reach 7:11 reached 11:18 reaching 8:18,23 read 15:19 21:9 24:4 ready 10:3 27:25 really 25:5,9 reason 12:11,12 19:17 27:24 recall 11:12 received 5:12 11:8 13:8 18:11 19:2 21:8,12 23:6 recognize 28:23 recommendation 20:15 record 21:5,6 22:2 26:14 30:10 records 6:9 recourse 16:3,4,16

<p>17:8 reflect 11:10 refusal 13:7,12 regard 10:18 related 30:13 relating 10:17 released 16:22 releases 16:14 relevant 26:15 29:2 relief 6:23 remaining 6:11 14:21 remember 17:23 renegotiating 21:22 Reorganization 1:15 replace 18:13 report 7:10,23 20:15 21:16 reported 11:2 30:8 Reporter 30:6 represent 21:6 represents 15:19 16:6 request 11:9 22:24 requests 9:25 require 8:21 required 20:2 requiring 25:13 resolution 8:19 resolve 5:16,16 8:22 respect 5:10 6:5 9:20 18:2 24:9 response 6:20 8:13 responses 5:13,14 rest 28:15 result 13:11 review 6:19 12:21 reviewing 21:15 right 7:6,15,24 8:2 13:6,7,12 14:17 17:11 23:3,16 24:14,22 28:2,19 ROBERT 1:22 Rockefeller 2:20 room 28:13 rule 27:14</p>	<p>run 15:6</p> <hr/> <p style="text-align: center;">S</p> <hr/> <p>S 2:2 3:2,21 4:2 5:2 sale 26:7 satisfied 18:7 schedule 8:16 scheduled 1:19 5:21 se 27:3 second 1:16,18 5:11 10:17 18:14 27:10 secured 11:19,25 securities 3:13 6:10 6:24 19:19 seeing 11:13 seek 11:23 12:14 13:23 seeking 12:10 13:16 18:22 seen 19:9 selected 18:4 22:16 selects 23:22 sell 13:6,9 senior 18:6,18 20:13 29:8 sense 20:7,19 sent 11:5 separately 7:8 serious 19:13 service 13:4 set 5:17,20 30:18 settlement 15:15 Seventh 3:7 shape 21:17 share 23:9 Shaw 18:12 sheet 15:16 sheets 17:13 Shorthand 30:5 shortly 9:10 show 28:13 side 17:6 27:7 significant 8:17 19:21 similar 19:5 simply 6:9 13:23</p>	<p>SIMPSON 4:5 sit 28:14 SKADDEN 2:5 SLATE 2:5 Solicit 1:14 someplace 28:9 sought 6:23 source 18:12 19:4 SOUTHERN 1:3 so-called 6:6,10 special 8:4 spend 21:14 spent 19:21 Square 2:6 ss 30:3 Stamer 3:21 21:4,6 21:10 22:7 standing 7:19 starting 19:20 28:23 State 30:3,7 States 1:2,11 status 7:10 stay 10:25 28:8,10 Steven 3:8 24:23 stipulation 8:24 10:3 12:22 STRAUSS 3:18 strong 27:18 strongly 23:16 27:11 struck 22:3 subject 12:21 23:16 24:8 submit 7:2 17:17 submitted 9:24 19:18 submitting 11:20 subordinated 6:11 subordination 6:23 subset 26:25 subsidiaries 8:10 16:3 substitute 18:13,23 successfully 24:12 Suffice 21:12 suggest 20:24 summer 18:10</p>	<p>supplement 21:11 supported 13:25 sure 22:2 25:14,16 26:20,22 Susheel 2:15 9:19</p> <hr/> <p style="text-align: center;">T</p> <hr/> <p>T 30:2,2 table 23:13,14 26:2 27:7 Tahas 2:19 19:19,23 20:6,11 21:7 23:3 23:6,22 24:5,11,11 25:12 26:18 28:23 take 20:16 26:20 28:25 talk 23:17 talking 21:23 23:15 telephone 7:7 tell 17:21 20:3,6 ten 8:6 term 15:16 17:13 terms 11:21 15:19 16:15 18:8,17 19:5 19:6,20 25:11,12 25:17,18 THACHER 4:5 Thank 7:5 10:9,12 11:14 14:20 17:18 28:17 29:12 thing 22:13 28:19 think 7:12,12 11:2 11:12,18 17:22 20:4 22:12 25:5,6 26:2,6 27:6,14,20 29:3,4,13 third 18:11 THOMAS 2:9 three 5:20 27:4 throwing 16:25 time 19:21 20:21 23:13,14 24:7 Times 2:6 timing 27:15 today 7:3 10:21 14:10 18:22 23:11</p>
---	--	---	--

<p>25:22 26:10,17 told 11:5 tomorrow 25:14,18 total 16:7 track 22:14 transaction 13:18 transactions 6:24 transcript 30:10 trouble 17:14 true 30:10 trust 16:6 try 23:10 28:25 29:7 TV 13:3 Tweed 2:12 22:22 two 12:25 16:17 17:3,6 24:10 26:23 type 16:6 types 16:12</p> <hr/> <p style="text-align: center;">U</p> <p>ultimately 5:17 18:4 underlying 21:13 understand 9:24 understanding 22:10 United 1:2,11 unliquidated 15:7 unsecured 15:10 unsolicited 18:11 19:3 update 10:20 14:24 updated 11:10 urge 23:16 27:11,17 use 27:21 28:12,13 U.S 1:23</p> <hr/> <p style="text-align: center;">V</p> <p>V 4:8 variety 18:3 venture 13:3,5,8 version 25:23,24 26:9 view 10:5 26:5 viewpoint 22:12 vote 22:4 voting 9:3,7</p>	<p>VPs 18:6,13 23:23 24:9 VP's 22:17 24:21 V.I.P 29:15</p> <hr/> <p style="text-align: center;">W</p> <p>waived 14:5 want 9:2 12:19 22:23 23:12,19,24 27:24,24 28:12,14 28:18,19 wanted 7:12 10:3 21:25 wants 7:17 Washington 13:4 way 5:5 25:6 30:15 wearing 27:7 week 8:16,25 10:5,9 weeks 21:25 24:10 WESTCHESTER 30:4 we'll 8:23 10:10,13 we're 21:16 we've 8:17 11:2,15 17:12,13 19:21 WHEREOF 30:17 WHITE 3:11 wholesale 21:22 Wilamowsky 3:8 24:23,24 26:11 Wilkie 24:24 WILLKIE 3:5 wish 7:4 8:22 withdrawal 11:10 withdrawn 11:7 WITNESS 30:17 work 8:23 worked 28:24 working 15:15 works 25:16 worth 26:19 wrap 23:10 write 26:17 wrong 6:8</p> <hr/> <p style="text-align: center;">X</p>	<p>x 1:4,9</p> <hr/> <p style="text-align: center;">Y</p> <p>years 16:17 17:3,6 yesterday 14:5 21:13 23:8 York 1:3,12,12 2:7,7 2:14,14,20,20 3:7 3:7,14,14,20,20 4:7,7 30:3,7</p> <hr/> <p style="text-align: center;">0</p> <p>04-13638 1:6</p> <hr/> <p style="text-align: center;">1</p> <p>1.5 17:4 1.7 16:13 10th 11:23 12:7,10 10:00 5:22 10004 1:12 10005 2:14 10017 4:7 10019 3:7 10022 3:20 10036 2:7 3:14 10112 2:20 11 17:25 1155 3:14 16 1:10,19 175 16:6</p> <hr/> <p style="text-align: center;">2</p> <p>2 3:6 20:24 24:25 27:23,25 2.5 17:2,7,8 2:30 27:24 20 13:20 2004 1:10,19 30:19 23rd 5:22 8:16 9:14 10:11 17:16 29 13:13</p> <hr/> <p style="text-align: center;">3</p> <p>30 2:20 363(b) 26:5 364 26:6 37.6 8:9</p>	<hr/> <p style="text-align: center;">4</p> <p>4 21:13 23:8 4.9 16:5 425 4:7</p> <hr/> <p style="text-align: center;">5</p> <p>50 13:2 590 3:20</p> <hr/> <p style="text-align: center;">6</p> <p>6.7 15:11 6.8 15:11</p> <hr/> <p style="text-align: center;">7</p> <p>7th 5:12 787 3:7</p> <hr/> <p style="text-align: center;">8</p> <p>8th 12:13</p>
--	--	--	---