

EXHIBIT A

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
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Jay M. Goffman (JG 6722)
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Frederick D. Morris (FM 6564)

Attorneys for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re	:	Chapter 11
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RCN CORPORATION, <u>et al.</u> ,	:	Case No. 04-13638 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**DEBTORS' APPLICATION FOR ORDER UNDER 11 U.S.C. §§ 327(e)
AND 328 AND FED. R. BANKR. P. 2014 AND 2016 AUTHORIZING
THE RETENTION OF WINSTON & STRAWN LLP AS SPECIAL
COUNSEL TO THE BOARD OF DIRECTORS**

RCN Corporation ("RCN") and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby apply for entry of an order under 11 U.S.C. §§ 327(e) and 328 and Fed. R. Bankr. P. 2014 and 2016 authorizing the retention of Winston & Strawn LLP ("Winston & Strawn"), as of June 7, 2004, as special counsel to RCN's Board of Directors. In support of this application, the Debtors rely on the Declaration of

David Neier in Support of Debtors' Application for Order under 11 U.S.C. §§ 327(e) and 328 and Fed. R. Bankr. P. 2014 and 2016 Authorizing the Retention of Winston & Strawn LLP as Special Counsel to the Board of Directors (the "Neier Declaration").¹ In further support of this application, the Debtors respectfully represent as follows:

BACKGROUND

A. The Chapter 11 Filings

1. On May 27, 2004 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for reorganization relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to Bankruptcy Code sections 1107 and 1108.

2. No trustee or examiner has been appointed in these chapter 11 cases. On June 10, 2004, the Committee of Unsecured Creditors (the "Creditors' Committee") was appointed by the United States Trustee for the Southern District of New York (the "United States Trustee"). No other official committees have been appointed or designated in these chapter 11 cases.

¹ The Debtors incorporate by reference the facts set forth in the Neier Declaration. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Neier Declaration.

3. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2).

4. The statutory predicates for the relief requested herein are Bankruptcy Code sections 327(e) and 328 and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

RELIEF REQUESTED

5. By this application, the Debtors seek entry of an order authorizing the Debtors to retain Winston & Strawn, as of June 7, 2004, as special counsel to represent the members of RCN's Board of Directors (the "Board of Directors") and to provide them with legal services and advice in connection with these chapter 11 cases, pursuant to the terms and provisions of this application, the proposed order submitted herewith, the Neier Declaration and their Engagement Letter (the "Engagement Letter") with Winston & Strawn, a copy of which is attached as Exhibit A to the Neier Declaration.

6. Accordingly, the Debtors respectfully request entry of an order under Bankruptcy Code section 327(e) and 328 of the Bankruptcy Code authorizing them to retain Winston & Strawn as special counsel to the Board of Directors to perform services that will be necessary during these cases, as more fully described herein.

BASIS FOR RELIEF

7. Winston & Strawn is an international law firm of nearly 900 attorneys, with considerable experience in practice areas relevant to its role as special counsel to the Board of Directors, including litigation, corporate, tax and securities law. Winston & Strawn also has considerable experience, expertise and knowledge with respect to reorganizations under chapter 11 of the Bankruptcy Code.

8. In connection with its retention pursuant to this application, Winston & Strawn would advise the Board of Directors as their attorneys and provide legal services and advice from time to time in connection with these cases including corporate governance matters, fiduciary duties of the Board of Directors, matters concerning the Securities and Exchange Commission, the Federal Communications Commission or any other federal, state or local regulatory agency, any investigations, and any securities class actions or shareholder derivative actions, and other matters that arise in connection with these cases including, but not limited to, the following:

- a. conduct legal research, collection and review of documents, interviews of relevant current and former officers, directors and employees of the Debtors and other tasks in connection with the Proceedings (as defined in the Neier Declaration);
- b. review developments in these cases and advise the Board of Directors in connection therewith;
- c. provide legal advice to the Board of Directors in support of its ongoing responsibilities with respect to the Debtors' operations, including attendance at meetings of the Board of Directors and its committees;

- d. represent and provide such services as are requested by the Board of Directors in connection with any litigation that may be brought against the Board of Directors;
- e. if necessary, appear before the Bankruptcy Court, any district or appellate courts, and the United States Trustee on behalf of the Board of Directors with respect to the matters referred to above; and
- f. provide the full range of legal services and advice normally associated with the matters referred to above.

9. The Debtors submit that Winston & Strawn is well-qualified to act as special counsel to the Board of Directors and to represent the Debtors' legitimate business interests in the matters for which it is to be employed.

10. The Debtors submit that the retention of Winston & Strawn under the terms described herein is appropriate under sections 327(e) and 328 of the Bankruptcy Code. With the Court's approval, a debtor in possession has the power to employ attorneys as special counsel pursuant to section 327(e) of the Bankruptcy Code, which provides:

The [debtor], with the Court's approval, may employ, for a specified special purpose, other than to represent the [debtor] in conducting the case, an attorney that has represented the [debtor], if in the best interest of the estate, and if such attorney does not represent or hold any interest adverse to the debtors or the estate with respect to the matter on which such attorney is to be employed.

11 U.S.C. § 327(e). See, e.g., DeVlieg-Bullard, Inc. v. Natale, 174 B.R. 497 (N.D.

Ill. 1994); Meespierson Inc. v. Strategic Telecom, Inc., 202 B.R. 845, 847-48 (Bankr. D. Del. 1996); In re Leisure Dynamics, 32 B.R. 753, 754 n.2 (Bankr. D. Minn. 1983), aff'd, 33 B.R. 121 (D. Minn. 1983) (noting that court had approved debtor's retention of corporate counsel under section 327(e)).

11. Simply put, section 327(e) authorizes the retention of an attorney who has represented a debtor, provided that: (a) such retention is for a special purpose; (b) the purpose of the retention is not to conduct the cases; (c) the retention is in the best interests of the estates; and (d) the attorney does not hold any interest adverse to the debtor respecting the subject of its retention. As detailed below, the Debtors' proposed retention of Winston & Strawn as special counsel falls squarely within the scope of and purpose for which Congress enacted Bankruptcy Code section 327(e).

SPECIAL PURPOSE

12. Winston & Strawn's proposed retention pursuant to Bankruptcy Code section 327(e) is for the limited purpose of representing the Board of Directors as counsel and in connection with related contested matters and/or litigation. The Debtors expect that Winston & Strawn will provide the services described herein, and that such services do not constitute matters central to the Debtors' reorganization. In these activities, Winston & Strawn will work closely with the Debtors' general bankruptcy counsel.

CONDUCT OF THE CASES

13. On June 22, 2004, the Court entered final orders authorizing the retention of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden, Arps") as bankruptcy counsel for the Debtors, and Swidler Berlin Shereff Friedman, LLP as special regulatory counsel for the Debtors. Winston & Strawn will not be rendering services typically performed by a debtor's bankruptcy counsel. Winston & Strawn's proposed retention is for the discrete matters referenced above and, by outlining Winston & Strawn's role, the Debtors have ensured that there will be no duplication of the services provided by these other counsel. Winston & Strawn ordinarily will not be involved in interfacing with the Court and will not be primarily responsible for the Debtors' general restructuring efforts; however, Winston & Strawn may on occasion interface with the Court to the extent necessary to assist the Debtors and their bankruptcy counsel. Winston & Strawn has informed the Debtors that it will coordinate with and assist Skadden, Arps in connection with these cases.

BEST INTERESTS OF THE ESTATES

14. The Debtors believe that the retention of Winston & Strawn, on the terms and conditions set forth herein, is in the best interests of the Debtors and their estates and creditors.

15. The Debtors selected Winston & Strawn because, among other things, its attorneys have extensive experience, expertise and knowledge in practice areas,

including chapter 11 reorganizations, relevant to its role as special counsel to the Board of Directors. The Debtors believe that Winston & Strawn is well-suited to serve as special counsel to the Board of Directors, and to ensure that these cases proceed in an efficient and successful manner. As such, Winston & Strawn should be retained as special counsel to the Board of Directors.

ADVERSE INTEREST

16. Winston & Strawn has informed the Debtors that, except as set forth in the Neier Declaration, neither Winston & Strawn nor any of its partners, counsel or associates, has had, or presently has, any connection with the Debtors, their creditors or any other party in interest in these cases, their respective attorneys and investment advisors, the United States Trustee or any person employed in the office thereof.

17. Winston & Strawn has informed the Debtors that, except as set forth in the Neier Declaration, neither Winston & Strawn, nor any of its members, counsel or associates, has any interest adverse to the Debtors or their respective estates, creditors or any other party in interest in these cases, or their respective attorneys or accountants, with respect to the matters for which it is to be retained.

18. Where, as here, there is no conflict concerning the subject matter of the proposed special engagement, an application to employ special counsel should be granted. As recognized in In re Carla Leather, Inc., 44 B.R. 457, 474 (Bankr.

S.D.N.Y. 1984), aff'd, 50 B.R. 764 (S.D.N.Y. 1985), "[section] 327(e) bars engagement of special counsel only in the presence of an actual conflict of interest concerning the subject matter of the engagement." (citations omitted).

19. The Debtors understand that Winston & Strawn will apply to the Court for allowance of compensation for professional services rendered and reimbursement of charges and disbursements incurred in these chapter 11 cases in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of New York, the United States Trustee Fee Guidelines and the orders of this Court. The Debtors understand that such applications will constitute a request for interim payment against the firm's reasonable fees to be determined at the conclusion of the cases. Subject to Court approval, the Debtors understand that compensation will be payable to Winston & Strawn on an hourly basis, plus reimbursement of actual and necessary expenses incurred by Winston & Strawn.

20. The Debtors submit 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, the Debtors request that the requirement of the service and filing of a separate memorandum of law under Local Bankr. R. 9013-1(b) be deemed satisfied.

WHEREFORE, the Debtors respectfully request that the Court enter an order (i) authorizing the Debtors to retain Winston & Strawn as special counsel to the Board of Directors to perform the services described herein, and (ii) granting the Debtors such other and further relief as is just and proper.

Dated: New York, New York
July 8, 2004

RCN Corporation, on behalf of itself
and the Subsidiary Debtors, as Debtors and
Debtors-in-Possession

/s/ Anthony M. Horvat
By: Anthony M. Horvat
Title: Senior Vice President and Chief
Restructuring Officer

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
In re	:	Chapter 11
	:	
RCN CORPORATION, <u>et al.</u> ,	:	Case No. 04-13638 (RDD)
	:	
Debtors.	:	(Jointly Administered)
-----X		

**DECLARATION OF DAVID NEIER IN SUPPORT OF
DEBTORS' APPLICATION FOR ORDER UNDER 11 U.S.C. §§ 327(e)
AND 328 AND FED. R. BANKR. P. 2014 AND 2016 AUTHORIZING
THE RETENTION OF WINSTON & STRAWN AS SPECIAL
COUNSEL TO THE BOARD OF DIRECTORS**

David Neier declares under penalty of perjury, pursuant to 28 U.S.C. §1746, that the following is true and correct:

1. I am a partner at the firm of Winston & Strawn LLP ("Winston & Strawn"), which maintains an office for the practice of law at 200 Park Avenue, New York, New York 10166-4193, among other places. Except as otherwise indicated, I have personal knowledge of the matters set forth herein and if called as a witness, would testify competently thereto.¹

2. I make this Declaration in support of the application (the "Application") of RCN Corporation ("RCN") and certain of RCN's affiliated entities, each a debtor and debtor-in-possession herein (collectively, the "Debtors"), for entry of an order, pursuant to section 327(e) of title 11 of the United States Code, §§ 101-

¹ Certain of the disclosures herein relate to matters within the knowledge of other attorneys at Winston & Strawn and are based on information provided by them.

1330 *et seq.*, as amended (the "Bankruptcy Code") and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing the Debtors to employ and retain Winston & Strawn as special counsel ("Special Counsel") to the Board of Directors (as defined below), effective as of June 7, 2004.

3. Pursuant to an engagement letter (the "Engagement Letter"), substantially in the form attached hereto as Exhibit A, RCN wishes to engage Winston & Strawn to represent the members of RCN's Board of Directors (the "Board of Directors") and to provide to them legal services and advice in connection with the Debtors' chapter 11 cases. Specifically, as part of this representation and as set forth in the Engagement Letter, the Debtors have requested that Winston & Strawn provide advice to the Board of Directors as their attorneys and to provide legal services and advice from time to time in connection with the bankruptcy proceedings of the Debtors, corporate governance and the fiduciary duties of the Board of Directors, any matters concerning the Securities and Exchange Commission, the Federal Communications Commission or any other federal, state or local regulatory agency, any investigations, and any securities class actions or shareholder derivative actions, as well as other specific matters as they arise (collectively, the "Proceedings"), including the following:

- (a) conduct legal research, collection and review of documents, interviews of relevant current and former officers, directors and employees of the Debtors and other tasks in connection with the Proceedings
- (b) review developments in the Debtors' chapter 11 cases and advise the Board of Directors in connection therewith;

- (c) provide legal advice to the Board of Directors in support of its ongoing responsibilities with respect to the Debtors' operations, including attendance at meetings of the Board of Directors and its committees;
- (d) represent and provide such services as are requested by the Board of Directors in connection with any litigation that may be brought against the Board of Directors;
- (e) appear before the Bankruptcy Court, any district or appellate courts, and the United States Trustee on behalf of the Board of Directors with respect to the matters referred to above; and
- (f) provide the full range of legal services and advice normally associated with the matters referred to above.

4. Winston & Strawn, an international law firm of nearly 900 attorneys, has considerable experience in the practice areas of litigation, corporate, tax and securities law that will likely be relevant to its role as Special Counsel to the Board of Directors. In addition, Winston & Strawn has considerable experience, expertise in and knowledge of the field of reorganizations under chapter 11 of the Bankruptcy Code.

5. Winston & Strawn is therefore well qualified to represent the Debtors' legitimate business interests in the matters for which it is to be employed, and to coordinate with and assist the law firm of Skadden Arps, Slate, Meagher & Flom LLP, the Debtors' general bankruptcy counsel (the "General Bankruptcy Counsel"), in connection with the Debtors' chapter 11 cases.

6. In preparing this Declaration, I used a set of procedures developed by Winston & Strawn to ensure full compliance with the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules for the

United States Bankruptcy Court for the Southern District of New York (the "Local Rules") regarding the retention of professionals by a debtor-in-possession under the Bankruptcy Code. Pursuant to these procedures, Winston & Strawn systematically maintains and updates its conflicts check system in the regular course of business. Specifically, I had submitted to Winston & Strawn's computer conflicts-check system a list of the names of persons and entities provided to Winston & Strawn by the Debtors' General Bankruptcy Counsel, a copy of which is attached hereto as Exhibit B. Winston & Strawn then compared each of these potential parties in interest to the names in the computer database to determine any matches.

7. Through diligent inquiry, I have determined that neither Winston & Strawn nor any partner, counsel, or associate thereof, has had or presently has any connection with the Debtors, their creditors, any other party in interest in these cases, their respective attorneys and investment advisors, the United States Trustee, or any person employed in the office of the United States Trustee, except in matters totally unrelated to these chapter 11 cases or the matters for which Winston & Strawn is to be employed as follows:

- (a) Senior Lenders: Allstate Insurance Company; Bank of Montreal; Bank One, N.A.; Bear Stearns & Co. Inc. and other of its affiliates; Black Diamond Capital Management, LLC; affiliates of Chase Securities, Inc.; affiliates of Citigroup Global Asset Management and Citigroup Investments Corporate Loan Fund, Inc.; affiliates of Credit Suisse Asset Management and Credit Suisse First Boston; affiliates of Deutsche Bank AG; Fleet National Bank; affiliates of Goldman Sachs Credit Partners L.P.; affiliates of ING Capital Advisors, Inc.; affiliates of INVESCO; affiliates of JPMorgan Chase Bank; affiliates of Merrill Lynch Capital Corp. and Merrill Lynch Credit Products; affiliates of Morgan Stanley Senior Funding; affiliates of Nuveen Senior Income

Fund; affiliates of PPM America Special Investments; affiliates of Seneca Capital, L.P.; affiliates of UBS AG, Stamford Branch; and Wachovia Bank National Association.

- (b) Junior Credit Facility (Evergreen) - Lenders and Agent: HSBC Bank USA and other of its affiliates
- (c) 3% Beneficial Owners of Notes: affiliates of Charles Schwab Investment Management; affiliates of Credit Suisse Asset Management, LLC; affiliates of Deutsche Bank Securities and Deutsche Bank Asset Management Americas; affiliates of JP Morgan Chase; affiliates of Loeb Partners; and affiliates of Nomura International PLC
- (d) Indenture Trustee Notes: HSBC Bank USA and other of its affiliates
- (e) RCN Preferred Stock Holders: Wells Fargo & Company and other of its affiliates
- (f) Landlords: affiliate of Board of Trade of the City of Chicago; Town Management Corp. and other of its affiliates; affiliates of Boys and Girls Club of Chicago; The Lurie Company; affiliates of 255 State Street LLC; affiliates of CDC IXIS Financial Guaranty Services, Inc.; an affiliate of Columbia Venture LLC; Comed and other of its affiliates; affiliates of Con Edison; affiliates of Garage Management Corporation; PECO Energy Company; affiliates of PSE&G Co.; an affiliate of Strategic Energy LLC; Waste Management; an affiliate of Siemens Enterprise Networks LLC; and Southern California Edison
- (g) Material Contracts - Software: an affiliate of CAP Gemini America Inc.; affiliates of KPMG Consulting LLC; and Oracle Corporation
- (h) Material Contracts - Pole Attachment Agreements: PECO Energy Company; affiliates of Bell Atlantic-Maryland, Inc.; Consolidated Edison Company of New York, Inc. and other of its affiliates; affiliates of Illinois Bell Telephone Company (a/k/a Ameritech-Illinois); affiliates of New England Telephone and Telegraph Company (d/b/a Bell Atlantic-New England); Pacific Gas and Electric Company and other of its affiliates; affiliates of Time Warner Cable of New York City; affiliates of Bell Atlantic-Pennsylvania, Inc.; Commonwealth Edison Company and other of its affiliates; affiliates of GTE California Incorporated (n/k/a Verizon California); affiliates

of GTE Northwest Incorporated (n/k/a Verizon Northwest); and affiliates of Verizon California Inc.

- (i) Material Contracts - Programming Agreements: affiliates of CNBC, Inc., MSNBC Cable LLC, National Broadcasting Company, Inc. and NBC Cable Networks
- (j) Material Contracts - Peering Agreements: Comdisco and Electric Lightwave Inc.
- (k) Material Contracts - Dark Fiber/IRU Agreements: Genentech, Inc.; Level 3 Communications, LLC; affiliates of Metromedia Fiber Networks Services, Inc., Metromedia Fiber Systems of New York, Inc. and Metromedia Fiber Systems/McCourt, Inc.; an affiliate of QWEST Communications Corporation; and Tufts University
- (l) Material Contracts - Capital and Equipment Agreements: affiliates of Siemens Credit Corporation
- (m) Material Contracts - Benefits/Payroll: Automatic Data Processing and other of its affiliates
- (n) Material Contracts - Wireless CPE, Cable & Misc.: Motorola and other of its affiliates; Tellabs; affiliates of TVC Incorporated; and affiliates of Verizon Wireless
- (o) Insurance Carriers: AON Corp. and affiliates of XL Specialty Ins. Co.
- (p) Material Contracts - Information: affiliates of Dell Corporation; and Microsoft and other of its affiliates
- (q) Material Contracts - Mail: GE Capital and other of its affiliates; and Pitney Bowes Credit Corp.
- (r) Material Contracts - Marketing: affiliates of Clear Channel Communications
- (s) Material Contracts - Network: affiliates of Cisco Systems; and Nortel Networks
- (t) Material Contracts - Network Cost: Ameritech and other of its affiliates; affiliates of Focal; Level 3 Communications; affiliates of TCI; affiliates of Verizon Advanced Data; Verizon Communications

Corp. and other of its affiliates; affiliates of Verizon-Retail; affiliates of Verizon-Wholesale

- (u) Material Contracts - Programming: affiliates of HBO; and affiliates of MSNBC
- (v) Material Contracts - RCN Entertainment: affiliates of Marathon International
- (w) Bankruptcy Professionals & Restructuring Advisors: Milbank, Tweed, Hadley & McCloy LLP
- (x) Non Bankruptcy Professionals: affiliates of Ernst & Young LLP; Fragomen, Del Ray, Bernsen & Loewy; KPMG and other of its affiliates
- (y) Accountants, Investment Bankers & Underwriters During Past 3 Years: affiliates of JP Morgan; and PricewaterhouseCoopers

8. To the best of my knowledge, I have ascertained that neither Winston & Strawn, nor any of its members, counsel or associates, has any interest adverse to the Debtors or the respective estates, creditors, or any other party-in-interest herein, or their respective attorneys or accountants, except as herein set forth, on the matters for which it is to be employed in accordance with section 327(e) of the Bankruptcy Code, the statutory predicate for the relief requested in the Application.

9. Winston & Strawn is a large international law firm, with a diverse client base. No single existing client referenced in this Declaration accounted for 1% or more of Winston & Strawn's total value of time billed during the prior fiscal year in which Winston & Strawn represented such client except as

follows: Bank One, N.A., Verizon Communications Corp. and its affiliates and GE Capital and its affiliates.

10. It is contemplated that Winston & Strawn will seek compensation and/or reimbursement of necessary and reasonable out-of-pocket expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rule, the United States Trustee Guidelines, the Local Rules, this Court's Order in these cases and this Court's Administrative Order Under 11 U.S.C. §§ 105 and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated June 22, 2004.

11. Winston & Strawn will charge its customary hourly rates for services performed in its representation of the RCN Board of Directors. Currently, those hourly rates range from \$325 to \$695 for partners, from \$160 to \$440 for counsel and associates, and from \$105 to \$175 for paraprofessionals, which rates are subject to increases in accordance with Winston & Strawn's usual and customary billing practices.

12. The hourly rates set forth above are Winston & Strawn's current regular hourly rates for work of this nature. These rates are set at a level designed to fairly compensate Winston & Strawn for the work of its attorneys and paraprofessionals and to cover fixed and routine overhead expenses. Such hourly rates do not include charges for non-legal personnel, including word processing, clerical, proofreading and secretarial staff. It is Winston & Strawn's policy to charge its clients for all other services provided and for disbursements and expenses

incurred in relation thereto. These disbursements and expenses include, among other things, charges for telephone and facsimile usage, photocopying, travel, business meals, computerized research, messengers, couriers, postage, witness fees and fees related to trials and hearings. Winston & Strawn will charge for these expenses in a manner and at rates consistent with charges made generally to its other clients.

13. No promises have been received by or made to Winston & Strawn, or any of its members, counsel or associates, as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules. Winston & Strawn has no agreement with any other person (other than customary arrangements among members of the firm of Winston & Strawn) for the sharing of compensation to be received by Winston & Strawn in connection with services rendered in this case.

14. Although I am unaware of any other connections at the present time, Winston & Strawn is a large international firm and may have represented, may currently represent or may represent in the future certain of the Debtors' creditors or equity holders in matters unrelated to these cases. I understand that if any information as stated herein changes or if I learn of any additional connections to creditors or any party or parties in interest at a later date, I have a duty to supplement the Declaration to disclose those facts and/or connections and will do so promptly after discovery of any such information.

15. The foregoing constitutes the statement of Winston & Strawn pursuant to Sections 327, 328 and 504 of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016(b).

16. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

/s/ David Neier

David Neier

EXHIBIT A

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June 25, 2004

Mr. David McCourt
Chairman and Chief Executive Officer

Mr. Alfred Fasola
Chairman of the Audit Committee

RCN Corporation
105 Carnegie Center
Princeton, NJ 08540

Re: Engagement Letter

Dear Mr. McCourt and Mr. Fasola:

We are pleased that, effective as of June 7, 2004, Winston & Strawn LLP has been asked to provide advice to the board of directors (the "Board of Directors") of RCN Corporation ("RCN") in connection with the matter described below. While we have discussed with you the work that is contemplated, we are required by applicable rules to provide you with a written explanation of the scope of legal services to be provided. The purpose of this letter is to confirm our retention and to set forth the terms of our engagement.

Scope of Engagement. For purposes of this engagement, our representation will be of the Board of Directors and not any shareholders, partners, agents, employees, officers, or any individual members of the Board of Directors.

Winston & Strawn has been engaged to provide advice to the Board of Directors as their attorneys and to provide legal services and advice from time to time in connection with the bankruptcy proceedings of RCN, corporate governance and the fiduciary duties of the Board of Directors, any matters concerning the Securities and Exchange Commission, the Federal Communications Commission or any other federal, state or local regulatory agency, any investigations, and any securities class actions or shareholder derivative actions, as well as

WINSTON & STRAWN LLP

Mr. David McCourt
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June 25, 2004
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other specific matters as they arise (collectively, the Proceedings”), including, but not limited to, the following:

- conduct legal research, collection and review of documents, interviews of relevant current and former RCN officers, directors and employees and other tasks in connection with the Proceedings
- review developments in RCN's chapter 11 cases and advise the Board of Directors in connection with RCN's chapter 11 cases;
- provide legal advice to the Board of Directors in support of its ongoing responsibilities with respect to RCN's operations, including attendance at meetings of the Board of Directors and its committees;
- represent and provide such services as are requested by the Board of Directors in connection with any litigation that may be brought against the Board of Directors;
- appear before the Bankruptcy Court, any district or appellate courts, and the United States Trustee on behalf of the Board of Directors with respect to the matters referred to above; and
- provide the full range of legal services and advice normally associated with the matters referred to above.

In the event that litigation is brought against the Board of Directors by RCN shareholders, creditors or others, Winston & Strawn agrees, if requested by the Board of Directors, to represent and provide additional services to the Board of Directors in connection therewith.

Fees. Our fees for professional services in connection with this agreement will generally reflect, and be determined primarily on the basis of, the hours worked by Winston & Strawn attorneys, legal assistants and other support personnel and the hourly rates in effect at the time the services are rendered. Our hourly rates for partners range from \$325 to \$695; for associates, from \$160 to \$440; and, for legal assistants, from \$90 to \$215. Our billing rates are subject to adjustment from time to time, usually in January of each year. The amount of our fee will also take into account all relevant circumstances and factors as set forth in the New York Lawyer's Code of Professional Responsibility (the "Code"), as it applies to us as attorneys, including the nature of the services performed, the amount of time spent, the experience and ability of the lawyers and legal assistants working on this engagement, the novelty and complexity of the specific issues involved, the time limitations imposed by you or

WINSTON & STRAWN LLP

Mr. David McCourt
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the circumstances and the responsibilities undertaken by us. In addition, our retention, fees and expenses shall be subject to approval of the Bankruptcy Court, and shall be billed in compliance with the procedures established in the Administrative Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, entered in the Debtors chapter 11 cases (the "Compensation Procedures Order").

Expenses and Other Charges. During the course of the engagement, RCN will also be responsible for all expenses and service charges relating to our engagement, whether billed to RCN by us or by individuals or entities retained by us, including charges for telephone and telecopy services, photocopying, travel and subsistence, document production, word processing and secretarial services, postage and delivery, computerized research, litigation support, electronic and other data storage and retrieval, filing fees and the like. Unless special arrangements are made, the fees, expenses and charges of others (such as experts, investigators, local counsel, consultants and document service providers) and other large disbursements will not be paid by us, but will be the responsibility of, and billed directly to, RCN. Notwithstanding the foregoing, all fees and expenses shall be billed in compliance with the Compensation Procedures Order.

Representation of Others. As you know, Winston & Strawn has numerous clients, many of whom rely upon us for general representation. Although we hope it never happens, it is possible during the time we are representing the Board of Directors that some of our current or future clients will have disputes, engage in transactions or otherwise develop an adverse relationship with the Board of Directors or RCN. You acknowledge and agree that, consistent with the Code, Winston & Strawn may continue, or in the future undertake, to represent existing or new clients in any matter, even if the interests of such other clients in such other matters are directly adverse to the Board of Directors or RCN, as long as those matters are not substantially related to our representation of the Board of Directors in this matter. You further acknowledge and agree that Winston & Strawn's representation of the Board of Directors in this matter or otherwise shall not preclude Winston & Strawn from representing either existing or future clients that are involved in the same industry, sectors or businesses in which RCN is involved.

Terms of Engagement. Both you and we reserve the right to terminate this engagement at any time for any reason by written notice. In the event of such termination by you, our fees, expenses and service charges, whether billed or unbilled, shall immediately become due and payable. We also may request the Bankruptcy Court to withdraw from this representation in the RCN's chapter 11 cases. Our right to withdraw as counsel shall, of course, be consistent with our obligations under the applicable provisions of the Code.

Governing Law. Our engagement shall be governed by, and construed in accordance with, the laws of the State of New York, exclusive of the law of conflicts of laws. If a dispute develops about our fees, you may have the right to seek arbitration under New

WINSTON & STRAWN LLP

Mr. David McCourt
Mr. Alfred Fasola
June 25, 2004
Page 4

York law.

If the foregoing correctly reflects the terms and conditions of our engagement, please indicate your acceptance by executing the enclosed copy of this letter in the space provided below and return it to our office.

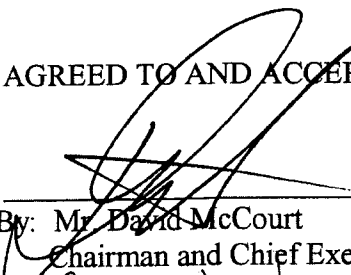
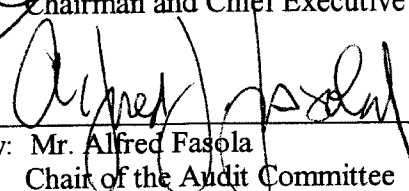
We are delighted that we will have the opportunity to work with you on this matter. If you have any questions about the terms of our engagement, please do not hesitate to give me a call. We are very much looking forward to working with you and your colleagues.

Very truly yours,



Robert E. Bostrom

AGREED TO AND ACCEPTED:


By: Mr. David McCourt
Chairman and Chief Executive Officer
By: Mr. Alfred Fasola
Chair of the Audit Committee

REB:pf

cc: John S. Dubel

EXHIBIT B

**RCN CORPORATION AND SUBSIDIARIES
CONFLICTS LIST**

Senior Lenders

JPMorgan Chase Bank
1888 Fund, Ltd.
AIMCO CDO Series 2000-A
AIMCO CLO Series 2001-A
Allstate Insurance Company
Allstate Life Insurance Company
Amara-1 Finance Ltd.
Amara-2 Finance Ltd.
American Express Asset Management
Archimedes Funding II, Ltd.
Archimedes Funding III, Ltd.
Bain Capital Inc.
Bank of Montreal
Bank One, N.A.
BDC Finance LLC
BDCM Opportunity Fund, LP
Bear Stearns & Co. Inc.
Bingham CDO L.P.
Black Diamond Capital Management, LLC
BNP Paribas
Canpartners Investments IV LLC
Canyon Capital Advisors LLC
Canyon Capital CDO 2001-1
Centurion CDO II, Limited
Ceres Finance, Ltd.
Ceres II Finance, Ltd.
Citigroup Global Asset Management
Citigroup Investments Corporate Loan Fund, Inc.
Credit Opportunities Funding, Inc.
Credit Suisse Asset Management
Credit Suisse First Boston
CypressTree Investment Partners II
CypressTree Investment Partners I
CyprusTree Investment Management Co.
Deephaven Distressed Opportunities
Deutsche Bank AG
Diversified Credit Strategies Fund
Eaton Vance Management (a/k/a Senior Debt Portfolio)
ELT Ltd

Epsilon Global Master Fund LP
Epsilon Global Master Fund II LP
Fleet National Bank
Goldman Sachs Credit Partners L.P.
Great Point CBO 1998-1
Guggenheim Partners
Hamilton CDO Ltd.
HFR DS Strategic Opportunity Master Trust
Highland Capital Management, L.P.
Highland Crusader Offshore Partners
IBM Credit LLC (f/k/a IBM Credit Corporation)
ING Capital Advisors, Inc.
INVESCO
KD Distressed and High Income Master Fund C.V.
KD Distressed and High Income Securities Fund LP
KS Capital Partners, L.P.
KS International
KZH CypressTree-1 LLC
KZH ING-2 LLC
KZH Sterling LLC
Lispensard Street Credit (Master) Ltd.
Longacre Master Fund Ltd
Magma CDO Ltd.
Merrill Lynch Credit Products
Metropolitan Life Insurance Co.
Mizuho Global, Ltd.
ML CLO XIX Sterling (Cayman) Ltd.
Nuveen Senior Income Fund
Oak Hill Advisors
Oak Hill Securities Fund, L.P.
Oak Hill Securities Fund II, L.P.
Oasis Collateral High Income Port.-1
One Group High Yield Bond Fund
PAM Capital Funding LP
Pamco Cayman Ltd.
Paribas Capital Funding LLC
PB Capital Corporation
PPM America Special Investments
Redwood Master Fund, Ltd.
Satellite Asset Management
Satellite Senior Income Fund, LLC

Sea Pines Funding LLC
 Seneca Capital, L.P.
 Sequils ING I (HBDGM), Ltd.
 SIL Loan Funding LLC
 Silver Point Capital
 Spiret IV Loan Trust 2003-A
 SPCP Group, LLC
 SPS High Yield Loan Trading
 SRS Strategies (Cayman), L.P.
 Stanfield Capital Partners LLC
 Stanfield CLO, Ltd.
 Stanfield Quattro CLO, Ltd.
 Stanfield/RMF Transatlantic CDO, Ltd.
 Stellar Funding, Ltd.
 Strata Funding Limited
 SunAmerica Senior Floating Rate Fund
 Thermopylae Funding Corp.
 TRS Callisto LLC
 UBS AG, Stamford Branch
 Upper Columbia Capital Company, LLC
 Wachovia Bank National Association
 Windsor Loan Funding Limited
 York Capital Management, L.P.
 Chase Securities, Inc.
 Merrill Lynch Capital Corp.
 Morgan Stanley Senior Funding

Junior Credit Facility (Evergreen) - Lenders and Agent

Evergreen High Yield Bond Fund
 Evergreen Income Advantage Fund Evergreen
 Strategic Income Fund
 Evergreen Utility and Telecommunications Fund
 Evergreen VA High Income Fund
 Evergreen VA Strategic Income Fund
 HSBC Bank USA
 Sentinel Capital Markets Income Fund
 Sentinel High Yield Bond Fund

3% Beneficial Owners of Notes

Bay Harbour Management
 Centennial Bank Trust Department
 Charles Schwab Investment Management

Credit Suisse Asset Management, LLC
 Deutsche Bank Securities
 Deutsche Bank Asset Management Americas
 First Investors Management Company, Inc.
 Fiserv Securities
 Fortis Investment Services
 Greywolf Capital Partners II LP
 HBV Capital Management
 JP Morgan Chase
 Lampe Conway & Company, L.L.C.
 Loeb Partners
 Luxor Capital Partners Offshore Ltd
 Mason Capital Ltd.
 Mason Capital L.P.
 Memorial Capital Corporation
 Milfam LLC
 Nomura International PLC
 Q Investments
 RBC Investment Management
 Romulus Holdings, Inc.
 Silfen Investment Partners
 TCW Asset Management
 Tudor Investment Corporation
 Teachers Ins. & Annuity Association
 Wholesale Realtors Supply
 York Capital Management LP

Indenture Trustee - Notes

The Chase Manhattan Bank

5% Beneficial Owners of Common Stock

HM4 RCN Partners
 Level 3 Delaware Holdings, Inc.
 Walter Scott, Jr.
 Vulcan Ventures Inc.

RCN Preferred Stock Holders

Hicks Muse Fund IV
 Hicks, Muse, Tate & Furst
 Vulcan Ventures Inc.
 Wells Fargo & Company

Officers and Directors

David C. McCourt
Michael B. Yanney
Peter Brodsky
Richard R. Jaros
Thomas P. O'Neill III
Walter E. Scott, Jr.
James Q. Crowe
Alfred Fasola
Eugene Roth
Michael A. Adams
Patrick T. Hogan
Terry Wingfield (W. Terrell Wingfield)
John S. Dubel
Michael J. Angi
Deborah Royster

Landlords

A.M. Glick Realty Trust
Allen Glick
Arlington Center Garage and Service Corporation
Charles Christie
David T. Rubin
EOP-Riverside Project, L.L.C.
Glenridge Realty Trust
HP. Trust
Joe Cunningham Remodeling and Construction, Inc.
R.K. Associates, Inc.
212 Associates, LLC
Belhaven Avenue C. LLC
Broad and Noble Associates, Inc.
Carmen Masci
CBS Corporation
C-Tec Cable Systems, Inc.
Dolores Masci
J. Medlar T/A Uniform Supply Service
John F. Harkins & Patricia A. Harkins
Jon K. Miller
Joseph E. Bakes
Liberty Property Limited Partnership
Mericle Properties
Monarch, Inc.
Robert K. Mericle

Stephen Fogt and Robert Dedert
Van R. Kloiber and GERALYN M. KLOIBER
Wilson Park Ltd.
1401 S. Jefferson, LLC
535 North Michigan Avenue Condominium
Association
Board of Trade of the City of Chicago
G.F.L.P
The Chestnut Place Associates
The Drexel Towers Apartments
The Habitat Company
Town Management Corp.
Waterton Printers' Square, LLC
William Bodnarchuk
2551 North Clark Associates
A&P Management
Boys and Girls Club of Chicago
Burnham Park Plaza Associates
California 225 West Washington, Inc.
Carl Sandburg Village Condominium Association II
Christopher House
Firstar Bank Illinois (f/k/a First Colonial Trust Co.)
James Rynnion
Kass Management
Katz Realty and Investment Corporation
L&L Building Corp. c/o Reebie Stoarge & Moving
Co., Inc.
Moss Investment
Murdoch, Coll & Lillibridge, Inc.
MW-CPAG Holdings, LLC
Rayan Brothers Enterprises, Inc.
Smith Property Holdings Superior Place, LLC
The Lurie Company
Tomo and Adella Matanic
Torstenson Glass Company
100 & 200 Clarendon LLC
200 Berkeley & 197 Clarendon LLC
225 Franklin Street LLC
340 Associates LLC
Abbey Landmark Operating, LLC
Allen Glick
American Venture 594 Corporation
Atlantic-Quincy Realty LLC

Bearnstfed, Inc
 Boylston 425 Limited Partnership
 BP Prucenter Acquisition LLC
 Bronx Park Associated, LP
 Cameron Real Estate, Inc.
 Concord Property Management
 Dennis A. Dyer
 Edward P. Goll
 Financial District Investors Limited Partnership
 George Oulton III and Nancy C. Oulton
 Glenborough Properties, LP
 Glick Realty Trust
 John Hancock Life Insurance Company
 Louise G. Allen
 Louise G. Allen & Paul Allen as Trustees of the
 Louise Allen Insurance Trust
 Paradigm 313 Washington, LLC
 Regency Plaza Bromfield LLC
 The Louise Allen Insurance Trust
 The Marlin Realty Corporation
 William T. Conti
 225 Franklin Street LLC
 255 State Street LLC
 81-83 Boylston Street Realty Trust:
 Arnold Bloom
 Barbara Burley
 Boston Edison Company
 Boston-America Realty Trust
 Boynton Yards Associates LLC
 Church Realty Trust
 EOP-125 Summer Street LLC
 Glynnis Burgdoff
 GTI Properties Inc.
 Irving Lefkovitz
 James C. Dow
 John A. Walsh
 Liberty Mutual Insurance Company
 Moshe Ariel
 MSP Summer Street LLC
 Norfolk Realty Trust
 North Beacon 155 Associates, LLC
 Paradigm 31 Milk LLC
 River Street Realty Trust

Rosemary Office Associates LP
 Sigmond Lefkovitz
 Starwood Paradigm Franklin LLC
 Stephen Danzansky
 Thomas Wold
 WB Tremont LLC
 Alan Rosenfield
 CGMD, LLC
 David Mareira
 Fieldcom Realty Trust
 Philip Rosenfield
 Robert P. Dion
 Robert Rosenfield
 1133 Building Corp.
 79-87 Ave. C., LLC
 80 W.E.T.H. Corp.
 Argonaut Holdings, Inc.
 Broadcast Estates Associates
 Carmel Associates
 CDC IXIS Financial Guaranty Services, Inc.
 Edmund Bernstein
 Grant & Bauman Partnership
 Hudson Telegraph Associates, LP
 Jetblue Airways Corporation
 George Soros
 Joseph Ende
 Julio Villas
 Rockrose Development Corp.
 Traditional Casket Co., Inc.
 Boston Properties Limited Partnership
 Deborah Sperberg
 PS Business Parks, LP
 Robertson Properties, LC
 Sycon Corporation
 West Little Creek, LLC
 Westwood Village, LLC
 Carson Industrial Park Partners
 Clark Metals, Inc.
 Copper and Brass Sales, Inc.
 Cornerstone Suburban Office, LP
 Cornerstone Ventures, Inc.
 F.W. Spencer & Son, Inc.
 HPMC Pacific Plaza LLC

J&R Realty Company
 John W. Clark
 Koll Cornerstone II
 Mitsubishi Electric & Electronics USA., Inc.
 Oscar Douoian
 Steven M. David
 The Cambay Group, Inc
 The Klabin Company
 1920 L Street LLC
 300 4th Street Limited Partnership
 5756 Georgia LLC
 BDC Derekwood LLC
 Columbia Realty Venture
 Consortium Two-2100 M Street, LLC
 Dani's Properties
 East-West LLC
 Fields Road Joint Venture
 First FSK Limited Partnership
 George Winkler
 GTW Properties, LLC
 Lawrence D. Limited Partnership
 MDG Companies
 Michael Arkin
 P&G Partnership
 Southgate at Washington Business Park, Inc.
 Washingtonian Properties Limited Partnership
 340 Associates LLC
 Carnegie Center Associates Princeton 202
 Associates Limited Partnership
 Christopher House
 Margaret Realty Trust
 Mericle Properties
 Robert K. Mericle
 10000 Derekwood Lane, LLC
 340 West LLC
 419 Boylston Street Realty
 AM Glick Realty Trust
 Apparel Center Owners
 BGE
 Boston America Realty Trust
 Central Locating Service Ltd.
 Charles E. Smith Residential Realty
 Ciminello Property Associates

Comed
 Con Edison
 Current Solutions Electric
 Dominion Virginia Power
 Eport 600, LLC
 FW Spencer & Sons Inc.
 Garage Management Corporation
 Glenborough Fund IX LLC
 J&G Cleaning
 JSE Woodside F.L.P
 Lee Buffington
 Mericle 100 Baltimore LLC
 Mesne Properties
 Met Ed
 Milford Management
 PECO Energy Company
 PP&L
 PS Business Parks Inc. Loc #10
 PSE&G Co.
 RDP Management Inc.
 Royal Realty Corp.
 STCC Assistance Corp.
 Strategic Energy LLC
 Waste Management
 Wells Avenue
 Wesley Jessen Corp
 Wakefield Municipal Gas and Light Department
 Siemens Enterprise Networks LLC
 Southern California Edison

Material Contracts - Software Agreement Parties

Active Software, Inc.
 Anacomp, Inc.
 Architel Systems Corporation
 Ceon Corporation
 Clarify Inc.
 Computer Generation Incorporated
 CAP Gemini America Inc.
 Granite Systems, Inc.
 Group 1 Software, Inc.
 Hyperion Solutions Corporation
 IET Intelligent Electronics, Ltd.
 Kennan Systems Corporation

KPMG Consulting LLC
 Oracle Corporation
 PeopleSoft USA, Inc.
 Primus Knowledge Solutions, Inc.
 Quest Software, Inc.
 The Allied Group, Inc.
 Vertex Inc.
 Westmark Harris Advisors, Inc.

Material Contracts – Pole Attachment Agreements

Commonwealth Telephone Company of Pennsylvania
 PECO Energy Company
 The Town of Wakefield, Massachusetts' Municipal
 Gas and Light Department
 Boston Edison Company
 NSTAR Communications, Inc.
 The Board of Selectmen of the Town of Wakefield,
 Massachusetts
 Bell Atlantic–Maryland, Inc.
 Consolidated Edison Company of New York, Inc.
 Illinois Bell Telephone Company (a/k/a Ameritech-
 Illinois)
 Massachusetts Electric Company
 Metropolitan Edison Company
 New England Telephone and Telegraph Company
 (d/b/a Bell Atlantic–New England)
 New York State Electric & Gas Corporation
 New York Telephone Company
 Pacific Gas and Electric Company
 Pennsylvania Power & Light Company
 Potomac Electric Power Company
 Sylvan Lake Telephone Company
 The Bell Telephone Company of Pennsylvania
 Time Warner Cable of New York City
 Virginia Electric and Power Company (d/b/a Virginia
 Power)
 Wakefield Community Access Television
 Bell Atlantic–Pennsylvania, Inc.
 City of Seattle
 Clapp Research Associates, P.C.
 Commonwealth Edison Company
 Department of Water and Power of the City of Los
 Angeles

Global Lightwave
 GTE California Incorporated (n/k/a Verizon
 California)
 GTE Northwest Incorporated (n/k/a Verizon
 Northwest)
 Pacific Bell
 PG&E
 Puget Sound Energy, Inc.
 US West Communications, Inc.
 Verizon California Inc.

Material Contracts – Programming Agreements

A&E Television Networks
 A.D. Vision, Inc.
 Affiliate Sales and Marketing, Inc.
 American Movie Classics Company
 Atom Television Group
 Brief Original Broadcasts, LLC
 CNBC, Inc.
 Colorado Satellite Broadcasting Inc.
 C-TEC Cable System Services, Inc. (n/k/a
 Commonwealth Telephone Enterprises, Inc.)
 Discovery Communications, Inc.
 E! Entertainment Television, Inc.
 Fox Cable Network Services, LLC
 FX Networks, LLC
 HSN LP
 Japan Network Group, Inc.
 Madison Square Garden, LP
 Marantha Broadcasting Company, Inc.
 MSNBC Cable LLC
 National Broadcasting Company, Inc.
 National Cable Television Cooperative:
 NBC Cable Networks
 New England Sports Network Limited Partnership
 Oxygen Cable, LLC
 Romance Classics
 SportsChannel Chicago Associates
 SportsChannel New England Limited Partnership
 SportsChannel Pacifica Associates
 Sundance Channel, LLC
 TechTV, LLC
 Tower Distributions Company

TVB (USA) Inc.
TVN Entertainment Corporation:
Valuevision Media, Inc.
Warner Home Video

Material Contracts – Peering Agreements

Accretive Networks, Inc
AT&T Corp.
Broadwing Communications (f/k/a Cincinnati Bell)
Comdisco
Concert Global Networks Services Ltd.
Data Xchange
DISC/DREN Business Unit of AT&T Corp.
Electric Lightwave Inc.:
Equinox Operating Company, Inc.
Genuity Solutions Inc.
ICG NetAhead Inc.
Japan Telecom America
KDDI Corporation
Primus Telecommunications, Inc.
Swisscom AG

Material Contracts – Dark Fiber/IRU Agreements

21st Century Telecom Services, Inc.
ACSI Network Technologies, Inc.
Allegiance Telecom, Inc.
American University
Broadview Networks, Inc.
Cogent Communications, Inc.
CSX Fiber Networks LLC
First World Communications, Inc.
Genentech, Inc.
Global NAPs Network
GT Group Telecom Services (USA) Corp.
KeySpan Communications Corp.
Level 3 Communications, LLC
Massachusetts' Municipal Gas and Light Department
McLeodUSA Telecommunications:
Metromedia Fiber Networks Services, Inc.
Metromedia Fiber Systems of New York, Inc.
Metromedia Fiber Systems/McCourt, Inc.
Neon Optica, Inc.
NextG Networks, Inc.

Northeastern University
NSTAR Communications, Inc.
Partners HealthCare Systems, Inc.
QWEST Communications Corporation
SAVVIS Communications Corporation
SUNESYS, Inc.
Teleport Communications Boston
The Town of Wakefield
The Trustees of Columbia University in the City of
New York
Tufts University
Yipes Enterprise Services, Inc.
NEES Communications, Inc.

**Material Contracts – Capital and
Equipment Agreements**

Applied Financial, Inc.
Mirapoint, Inc.
Siemens Credit Corporation

Material Contracts - Benefits/Payroll

American Express
Automatic Data Processing
Aetna Middletown
Benefit Concepts Inc.
Ceridian
Cigna
Computershare Limited
First Priority HMO
Humana Health Plan Inc.
Keystone Health Plan Central
Marsh@Worksolutions
Mellon Investor Services
NEC Corp.
Penn St. Geisinger Health Plan
Plan Advisory Services
Snelling Personnel Services
Spectera, Inc.
Talx
Tufts Health Plan
Work & Well, Inc.

Material Contracts - Call Center

Affinitas Corporation
Aspect Communications
Blue Pumpkin Software
Call Center Resources, Inc
Corporate Collection Services
Decision One Corporation
North Shore Agency, Inc.
Online Interpreters, Inc
Voicelog
Witness Systems

Material Contracts - Wireless CPE, Cable & Misc.

Acterna
Boise Cascade Office Products
CH Robinson Worldwide Inc.
Commscope
Contec Corporation
Corning Gilbert Inc.
Eagle Comtronics Inc.
Harmonic Inc.
Linksys.
Motorola
NDS America, Inc.
Nextel Communications
Passive Devices, Inc. (PDI)
Power & Telephone Supply
Scientific Atlanta
Tellabs
Times Fiber Communications, Inc.
Tollgrade Communications Inc.
Toshiba America Information Systems Inc.
TVC Incorporated
UEC Technologies
Verizon Wireless
Webb Mason
Wright Express

Insurance Carriers

Aegis Insurance Services Inc.
American Venture Corp.
AON Corp.
Cananwill Inc.

Connecticut General Life Insurance Company
FBO Liberty Mutual Insurance
Lumbermens Mutual Insurance Company (a/k/a
Kemper Insurance)
Reliance Standard Life
Saul Metcho
Seabury and Smith
Saint Paul Fire and Marine
XL Specialty Ins. Co.

Material Contracts - Information Technology

(I) Structure
Alltel/CTSI
AMDOCS
Aptis
CEON Corp.
Convergys IMG
Crystal Information Technology
Dell Corporation
DST Innovis Inc
IBM
Intec
Microsoft
Neustar
Republic Bank
RJS Associates Inc.
RJS Software Systems Inc.
RTP Technology Corporation
Software Spectrum
Synergy Networks Inc.
Systems 170
Trident USA
Veritas Software Corporation
Vision Information Technology

Material Contracts - Mail

Federal Express
GE Capital
Pitney Bowes Credit Corp.
US Post Service
US Postmaster

Material Contracts - Marketing

Adams Outdoor Advertising LP
Advanced Magazine Publishers
Affinitas Corporation
Bernard Hodes Group
Chowder
Clear Channel Communications
Comtec Telservices Inc.
Epsilon, A Relizon Company
Evergreen Sales & Marketing Inc
Hatteras Press
HN Media & Marketing
Infini Solutions
Midlantic Color Graphics
Protocol Marketing Group
Rocky & Rockwell Advertising
Suburban Mailing Services
The Morning Call
The Telemarketing Company

Material Contracts - Network

Alltel Information Services
Arris
Bigband Networks Inc.
Ciena Communications Incorporated
Cisco Systems
Core Communications, Inc.
Extreme Networks Inc.
Fujitsu Telecom Solutions
General Bandwidth
Global Data
Lucent Technologies Incorporated
Marconi Corporation PLC
Nortel Networks
Openwave Systems
Phase 3 Communications Inc.
Seachange International
SS8 Networks, Inc.
Switch and Data
Uunet Technologies Inc.
Zhone Technologies, Inc.

Material Contracts - Network Cost

Williams Communications LLC
Ameritech
Amtrak
Bellsouth
Cable & Wireless USA Inc.
Commonwealth Telephone Company
Covad Communications
CTSI
Focal
Global Crossing
Illuminet
Level 3 Communications
MCI
MFS Telecom Inc.
Nees Communications
New York Access Billing LLC
SCE
SNET
Sprint
Sprint United
TCI
Teleglobe USA Inc.
Verizon Advanced Data
Verizon Communications Corp.
Verizon-Retail
Verizon-Wholesale
Worldcom
XO Communications

Material Contracts - Programming

Accuweather Channel (WFMZ)
Arts & Entertainment Network
Black Entertainment Television
Cable Guide
Cinemax
Classic Sports Network
Comcast Sportsnet
Country Music Television
Discovery Digital Networks
Discovery Channel/ABC Cable Networks
Disney Channel
ESPN

ESPN 2
 ESPN Affiliates
 Fox Movie Channel
 Fox News Network LLC
 Fox Sports Digital Nets Inc.
 Fox Sports Chicago
 Fox Sports New England
 Fox Sports World Espanol
 Fox Sports World LLC
 Galavision
 HBO
 International Channel
 Lifetime Entertainment Services
 Lifetime Television
 Manhattan Neighborhood Network
 MTV Networks
 Music Choice
 MSNBC
 New Video Channel America (BBC America)
 NGC Networks US LLC
 Oxygen Cable LLC Affiliate
 Pennsylvania Cable Network
 Playboy Entertainment Group Inc.
 Showtime Networks Inc.
 Sportschannel Pacific
 Starz Encore Group
 The Erotic Networks
 The Health Network
 The History Channel
 The National Network
 TV Guide
 TV Guide Networks, Inc.
 USA Network
 WGN
 Womens Entertainment
 Yankees Entertainment and Sports

Material Contracts - RCN Entertainment

BTL Production Services, Inc.
 Cast & Crew Talent Services, Inc.
 Cast and Crew production Payroll, Inc.
 Crew Production Services, Inc.
 Outward Bound, Inc.

Discovery Communications, Inc.
 TPS Jeunesse
 Great Plains National Instructional Television
 Library
 Decode Entertainment, Inc.
 Loris Lunsford
 Loris Kramer
 Sungate Partners, Inc.
 Marathon International
 The United Nations
 Games Productions, Inc.
 Walter Dean Myers
 Overbrook Films, LLC
 Ellen Wittlinger
 Mr. Knife Productions, Inc.
 Gail Carson Levine
 Curtis Brown, Ltd.
 International Family Entertainment, Inc. (d/b/a ABC
 Family and Fox Kids International Programming
 A.V.V.)
 Showtime Networks, Inc.
 International Family Entertainment, Inc.
 Zack Productions, Inc.
 Manhattan Transfer/Edit, Inc.
 Jim Arnosky
 Walden Media LLC
 SeaStar Books (a Division of North South Books)
 Great Plains Network
 WNED-TV
 Nebraskans For Public Television on Behalf of
 Great Plains National
 Bantam Doubleday Dell Books
 Community Television of Southern California
 The Strategy Licensing Company, Inc.
 Citysearch.com
 Writers Guild of America, East, Inc.
 Writers Guild of America, West, Inc.
 TVN Entertainment Corporation
 Arthur Yorinks
 ASIS Productions, Inc.
 Community Television of Southern California
 Goldhill Home Media International, Inc.
 Lois Lowry

Material Contracts - Joint Venture

NSTAR Communications
Pepco Communications, Inc.

Bankruptcy Professionals & Restructuring Advisors

AlixPartners
AP Services, LLC
Balfour Associates
Bankruptcy Services LLC
The Blackstone Group
Capstone Corporate Recovery
Chanin Capital Partners, LLC
Communication Technology Advisors LLC
Innisfree M&A Incorporated
Jay Alix & Associates
Milbank, Tweed, Hadley & McCloy LLP
Simpson, Thacher & Bartlett LLP
Skadden, Arps, Slate, Meagher & Flom LLP
Swidler Berlin Shereff Friedman, LLP

Non-Bankruptcy Professionals

Acosta & Skawski, P.C.
AlternaDev LLC
Anna Waldherr
Andrew Katsock, III Esq.
Arshack & Hajek, P.C.
Arturi, D'Argenio & Guagliardi, LLP
Bartlett & Leader-Picone LLP
Boornazian, Jensen & Garthe
Cahill Gordon & Reindel
Cohen, Dax & Koenig, PC
Cohn Bracaglia & Gropper PC
Cole, Schotz, Meisel, Forman & Leonard, PA
Collier, Jacob & Mills
Connors & Connors, P.C.
Dechert LLP
Epstein Becker & Green, PC
Ernst & Young LLP
Experian Information Solutions Inc.
Fagel Haber, LLC
Fragomen, Del Ray, Bernsen & Loewy
Hanify & King

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Ingber Aronson
J.A. Trevino y Abogados Asociados
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John Gerard Devlin & Associates
John Zachara
Kane Reece Associates
Killarney & Rava
KPMG
Klein, Dub & Holleb, Ltd
Kramer, Levin, Naftalis & Frankel, LLP
Law Office of Steven J. Tegrar
Law Offices of John Gunheim
Law Offices of Robert R. Poindexter
Lewis, Johs, Avallone, Aviles & Kaufman LLP
Margolis Edelstein
Morgan Lewis & Bockius
Pepper, Hamilton LLP
Phoenix Executive Group
Piper Rudnick LLP
Pryor Cashman Sherman & Flynn LLP
Reed Smith LLP
Richard S. Becker & Associates
Ropers, Majeski, Kohn & Brentley
Rubin Winston Diercks & Cooke, LLP
Schiff Hardin & Waite
Schiffman & Jacobs
Shaw Pittman
Sonnenschein, Nath & Rosenthal
Stevens & Lee, PC
Verde, Steinberg & Pontell, LLC
Wagenfeld, Levine

Accountants, Investment Bankers & Underwriters during past 3 years

Allen & Co.
Communications Equity Associates
Greenbridge Partners (a/k/a Greenbridge Group)
Greenhill & Co.
JP Morgan
Paragon Capital Partners

PricewaterhouseCoopers

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Deidre A. Martini
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Kathleen Schmitt
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Michael B. Mukasey
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Peter K. Leisure
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Robert P. Patterson Jr.
Robert W. Sweet
Ronald L. Ellis
Shira A. Schiendlin
Shirley Wohl Kram
Sidney H. Stein
Stephen C. Robinson
Theodore H. Katz
Thomas P. Griesa
Victor Marrero
Whitman Knapp
William C. Conner
William H. Pauley III

SDNY Bankruptcy Court Judges

Adlai S. Hardin Jr.
Allen L. Gropper
Arthur J. Gonzalez
Burton R. Lifland
Cornelius Blackshear
Prudence Carter Beatty
Richard L. Bohanon
Robert D. Drain

Robert E. Gerber
Stuart M. Bernstein
Cecelia G. Morris

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:
In re	: Chapter 11
	:
RCN CORPORATION, <u>et al.</u> ,	: Case No. 04-13638 (RDD)
	:
Debtors.	: (Jointly Administered)
	:
-----	x

**ORDER UNDER 11 U.S.C. §§ 327(e) AND 328 AND FED. R. BANKR. P. 2014
AND 2016 AUTHORIZING RETENTION OF WINSTON & STRAWN LLP
AS SPECIAL COUNSEL TO THE BOARD OF DIRECTORS**

Upon the application (the "Application")¹ of the Debtors for entry of an order under 11 U.S.C. §§ 327(e) and 328 and Fed. R. Bankr. P. 2014 and 2016 authorizing the retention of Winston & Strawn LLP ("Winston & Strawn") as special counsel to RCN's Board of Directors, as of June 7, 2004; and the Court having reviewed the Application and the Neier Declaration, and the Court being satisfied with the representations made therein that Winston & Strawn represents no interest adverse to the Debtors' estates, that it is a "disinterested person" as that term is defined in Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b), and that its retention is necessary and in the best interests of the Debtors, their estates, creditors, and parties in interest; and it appearing that notice of the Applica-

¹ Unless otherwise defined herein, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Application.

tion was good and sufficient under the particular circumstances and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED.
2. Pursuant to Bankruptcy Code sections 327(e) and 328(a), the Debtors, as debtors-in possession, are hereby authorized to retain Winston & Strawn as special counsel to the Board of Directors, effective as of June 7, 2004, in accordance with the Engagement Letter, the Application and this order, and Winston & Strawn is authorized to perform the services described therein.
3. Winston & Strawn shall be compensated in accordance with the Engagement Letter and the Application, subject to Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of New York, guidelines established by this Court, the United States Trustee Fee Guidelines, and the orders of this Court governing professional compensation in these cases.

4. The requirement of Local Bankr. R. 9013-1(b) that any motion filed shall be accompanied by a separate memorandum of law is satisfied by the Application.

Dated: New York, New York
_____, 2004

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re : Chapter 11
RCN CORPORATION, et al., : Case No. 04-13638 (RDD)
Debtors. : (Jointly Administered)
-----X

**ORDER UNDER 11 U.S.C. §§ 327(e) AND 328 AND FED. R. BANKR. P. 2014 AND 2016
AUTHORIZING RETENTION OF WINSTON & STRAWN LLP AS SPECIAL
COUNSEL TO THE BOARD OF DIRECTORS**

Upon the application (the “Application”)¹ of the Debtors for entry of an order under 11 U.S.C. §§ 327(e) and 328 and Fed. R. Bankr. P. 2014 and 2016 authorizing the retention of Winston & Strawn LLP (“Winston & Strawn”) as special counsel to RCN’s Board of Directors, as of June 7, 2004; and the Court having reviewed the Application and the Neier Declaration, and the Court being satisfied with the representations made therein that Winston & Strawn represents no interest adverse to the Debtors’ estates, that it is a “disinterested person” as that term is defined in Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b), and that its retention is necessary and in the best interests of the Debtors, their estates, creditors, and parties in interest; and it appearing that notice of the Application was good and sufficient under the particular circumstances and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED as provided herein.

¹ Unless otherwise defined herein, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Application.

2. Pursuant to Bankruptcy Code sections 327(e) and 328(a), the Debtors, as debtors-in-possession, are hereby authorized to retain Winston & Strawn as special counsel to the Board of Directors, effective as of June 7, 2004, in accordance with the Engagement Letter, the Application and this order, and Winston & Strawn is authorized to perform the services described therein.

3. Winston & Strawn shall be compensated in accordance with the Engagement Letter and the Application, subject to Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of New York, guidelines established by this Court, the United States Trustee Fee Guidelines, the Administrative Order Under 11 U.S.C. §§ 105 and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, entered on June 22, 2004, and any other orders of this Court governing professional compensation in these cases.

4. Winston & Strawn shall not duplicate services provided by other counsel on behalf of the Debtors.

5. The Official Committee of Unsecured Creditors (the "Committee") reserves its rights to subsequently object to Winston & Strawn's continued retention if, in the Committee's opinion, circumstances have developed after the date of the entry of this Order that would render Winston & Strawn's continued retention in contravention of section 327(e) or other applicable sections of the Bankruptcy Code, and promptly upon discovery and verification of the facts of such circumstance, the Committee seeks appropriate relief in this Court, including without limitation the termination of the retention from and after the date of such circumstance. The Debtors and Winston & Strawn reserve their rights to contest any request by the Committee for such relief.

6. The requirement of Local Bankr. R. 9013-1(b) that any motion filed shall be accompanied by a separate memorandum of law is satisfied by the Application.

Dated: New York, New York
July 30, 2004

/s/ ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT C

Hearing Date: November 16, 2004 at 10:00 a.m.
Objections Due: November 12, 2004 at 4:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In Re	x	Chapter 11 Case No.
	:	04-13638 (RDD)
	:	
RCN CORPORATION, <i>et al.</i> ,	:	
	:	
Debtors.	x	Jointly Administered

**NOTICE OF FIRST INTERIM APPLICATION OF WINSTON & STRAWN LLP,
COUNSEL TO THE BOARD DIRECTORS OF RCN CORPORATION, ET AL., FOR
INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES**

PLEASE TAKE NOTICE that on October 26, 2004, Winston & Strawn LLP filed the First Interim Application of Winston & Strawn LLP Seeking Allowance of Fees for Professional Services Rendered and Disbursements Incurred as Counsel for the Board of Directors of RCN Corporation, et al. for the Period from June 7, 2004 through September 31, 2004 (the "First Interim Application").

PLEASE TAKE FURTHER NOTICE that responses to the Application, if any, shall be filed in writing with the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004 (the "Bankruptcy Court"), and served upon (i) Winston & Strawn LLP, 200 Park Avenue, New York, New York 10166 (Attention: Robert Bostrom, Esq.); (ii) Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036 (Attention: D.J. Baker, Esq. and Frederick D. Morris, Esq.); (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attention: Paul K. Schwartzberg, Esq.); (iv) Milbank, Tweed, Hadley & McCloy, counsel to the unofficial committee of noteholders, 1 Chase Manhattan Plaza, New York, New York 10005 (Attention:

Dennis Dunne, Esq.); (v) counsel to any other statutory committees appointed in these cases; (vi) Simpson Thacher & Bartlett, counsel to the agent for the Debtors' prepetition credit facility, 425 Lexington Avenue, New York, New York 10017-3954 (Attention: Peter V. Panteleo, Esq.); (vii) HSBC Bank USA, the indenture trustee for the Debtors' outstanding debt securities, 452 Fifth Avenue, New York, New York 10001 (Attention: Issuer Services), is to be received **no later than 4:00 p.m. Eastern time on November 12, 2004** (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that if no responses to the First Interim Application are timely filed and served in accordance with the procedures set forth herein, the Bankruptcy Court may enter an Order granting the Application without further notice. If a response is properly filed and served in accordance with the procedures set forth herein, a hearing with respect to the Application will be held on **November 16, 2004 at 10:00 a.m.** Eastern time at the Bankruptcy Court before the Honorable Robert D. Drain, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004. Only those responses made in writing and timely filed and received will be considered by the Bankruptcy Court at such hearing.

Dated: New York, New York
October 26, 2004

Winston & Strawn LLP

/s/ David Neier

David Neier (DN5391)

(A Member of the Firm)

Robert Bostrom (RB3118)

200 Park Avenue

New York, New York 10166

(212) 294-6700

Attorneys for Board of Directors of RCN
Corporation et al.

x Jointly Administered

Debtors.

Prior Interim Fee Applications: None

**Cumulative Summary of Monthly Fee Statements¹ Submitted
by Winston & Strawn LLP for Services Rendered and
Reimbursement of Expenses as Counsel to the Board
of Directors of RCN Corporation, et al.:**

<u>Date of Submission</u>	<u>Period Covered</u>	<u>Total Fees Sought</u>	<u>Total Expenses Sought</u>	<u>Fees Paid (80%)</u>	<u>Expenses Paid (100%)</u>	<u>Holdback Sought</u>
8/20/04	6/7/04- 7/31/04	\$398,099.50	\$1,037.89	\$318,479.60	\$1,037.89	\$79,619.90
9/20/04	8/1/04- 8/31/04	\$235,257.75	\$8,556.38	\$188,206.20	\$8,556.38	\$47,051.55
10/11/04	9/1/00- 09/30/00	\$160,540.50	\$6,781.66	\$128,432.40	\$6,781.66	\$32,108.10
Totals		\$793,897.75	\$16,375.93	\$635,118.20	\$16,375.93	\$158,779.55

¹ The monthly fee statements filed by Winston & Strawn LLP for each of the periods from June 7, 2004 through September 30, 2004 (each, a "Monthly Fee Statement" and collectively, the "Monthly Fee Statements") are attached hereto as Exhibits "A", "B", and "C", respectively. The Monthly Fee Statements will not be filed on the Court's ECF system. Service of the Monthly Fee Statements will be on all parties listed on the Notice of Motion. Other parties that wish to receive copies of the Monthly Fee Statements may request them in writing.

In re: RCN Corporation, et al.
Cumulative Compensation Summary by Project
Category for the Period from June 7, 2004 through September 30, 2004

<u>PROJECT CATEGORY</u>	<u>HOURS</u>	<u>FEES</u>
B110 - Case Administration	307.5	\$168,893.00
B120 - Asset Analysis & Recovery	23.1	\$12,683.00
B150 - Meetings of & Communications with Creditors	3.0	\$900.00
B160 - Fee/Employment Applications	128.0	\$47,270.00
B190 - Other Contested Matters (excluding Assumption/Rejection Motions)	10.4	\$6,000.00
B195 - Non-Working Travel	5.3	\$1,431.00
B210 - Business Operations	653.9	\$385,499.50
B220 - Employee Benefits/ Pensions	2.7	\$1,578.00
B250 - Real Estate	2.0	\$1,140.00
B320 - Plan and Disclosure Statement	308.0	\$168,503.25
Totals:	1,436.6	\$793,897.75

**TIME SUMMARY TO INTERIM FEE APPLICATION OF WINSTON & STRAWN LLP
FOR PERIOD FROM JUNE 7, 2004 THROUGH SEPTEMBER 30, 2004**

Name of Professional	Year of Admission	Hourly Billing Rate²	Total Hours Billed³	Total Compensation
<u>Partners</u>				
Robert Bostrom	1980	\$620.00	855.7	\$530,534.00
Matthew Botica	1975	550.00	106.20	58,410.00
Robert Fischler	1986	570.00	22.3	12,711.00
Jeffrey Elkin	1971	545.00	2.4	1,308.00
David Neier	1986	540.00 270.00	258.2 5.3	139,428.00 1,431.00
Neil Underberg	1952	520.00	1.0	520.00
Morris Simkin	1974	495.00	14.1	6,979.50
David Wirt	1991	495.00	12.2	6,063.75
Loran Thompson	1977	495.00	9.0	4,455.00
	Subtotal Partner		1,286.4	\$761,840.25

² The rates below are the guideline hourly professional and paraprofessional fee rates used in the bundled rate structure described under "Professional Services" below.

³ Time summaries of the charges attributable to each professional and paraprofessional for each matter during the First Interim Period are included with the Monthly Fee Statements.

Name of Professional	Year of Admission	Hourly Billing Rate²	Total Hours Billed³	Total Compensation
<u>Associates</u>				
Naima Walker	2002	395.00	6.5	\$2,567.50
Timothy Dart	1996	300.00	3.00	900.00
Kerrick Seay	2002	295.00	4.6	1,357.00
Michael Jones	2001	285.00	39.9	11,371.50
	Subtotal Associate		54.0	\$16,196.00
<u>Paraprofessionals</u>				
Daphne Morduchowitz	Paralegal	215.00	15.5	\$3,332.50
Denise Cunsolo	Paralegal	160.00	17.9	\$2,864.00
Nell Hanlon	Paralegal	145.00	13.0	1,885.00
Alan Walz	Paralegal	140.00	.2	28.00
Robert Corallo	Paralegal	140.00	1.5	210.00
Marc Saget	Paralegal	105.00	2.8	294.00
	Subtotal Paraprofessional		96.2	\$15,861.50
	Total		1,436.6	\$793,897.75

RCN Corporation, et al.

DISBURSEMENT SUMMARY OF EXPENSES

(June 7, 2004 through September 30, 2004)⁴

Air Fare	\$ 4,027.86
Business Meals ⁵	\$ 3,698.25
Local Travel Expense	\$ 990.05
Lodging Expense	\$ 2,139.77
Telephone/Telecom Service	\$ 255.12
Messenger Service	\$ 62.17
Printing/Reproduction (\$.10 per page)	\$ 499.40
Facsimile (\$1.00 per page) ⁶	\$ 68.25
Secretarial Overtime	\$ 477.00
Overtime Word Processing	\$ 159.00
Air Courier ⁷	\$ 350.86
Attorney Dining Room Expense	\$ 60.00
Other Travel Expenses	\$ 42.00
Overtime Meals	\$ 34.78
Overtime Transportation	\$ 2,967.01
Computerized Legal Research	\$ 544.41
<u>Grand Total:</u>	<u>\$ 16,375.93</u>

⁴ Winston & Strawn LLP 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 statement are only those that have been booked at the end of the billing period. Due to normal bookkeeping procedures, many charges and disbursements are not billed until later periods. Winston & Strawn LLP reserves the right to amend the amounts listed herein to include previously unbilled disbursements.

⁵ Business meals are charged to a client if an attorney is meeting with a client during breakfast, lunch or dinner.

⁶ Winston & Strawn LLP seeks reimbursement for outgoing facsimile transmissions only.

⁷ Air couriers are used only when first class mail, facsimile or email are impracticable and the exigencies of time require this form of delivery. Couriers are used only then time is of the essence.

WINSTON & STRAWN LLP
Attorneys for Board of Directors of RCN Corp.
200 Park Avenue
New York, New York 10166
(212) 294-6700
David Neier, Esq. (DN 5391)
Robert Bostrom, Esq. (RB 3118)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In Re	x	Chapter 11 Case No.
	:	04-13638 (RDD)
	:	
RCN CORPORATION, <i>et al.</i> ,	:	
	:	
	:	Jointly Administered
Debtors.	:	
	:	
	:	
	x	

**FIRST INTERIM APPLICATION OF WINSTON & STRAWN LLP, COUNSEL TO THE
BOARD OF DIRECTORS OF RCN CORPORATION, ET AL., FOR INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

TO THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE:

Pursuant to 11 U.S.C. §§ 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and this Court's June 22, 2004 Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the "Administrative Order"), the law firm of Winston & Strawn LLP ("W&S") hereby submits this first interim application ("First Interim Application") for an Order allowing and awarding it interim compensation for legal services rendered as counsel to the Board of Directors (the "Board") of RCN Corporation, et al. (the "Debtors"), in an amount of \$793,897.75 together with reimbursement of W&S's actual and necessary expenses incurred in the amount of

\$16,375.93 for the period commencing June 7, 2004 through and including September 30, 2004 (the "Period") and directing payment of such fees and expenses.

Annexed to the front of this First Interim Application is:

(a) a schedule setting forth all W&S professionals and paraprofessionals who have performed services in these chapter 11 cases during the First Interim Period, the capacities in which each individual is employed, the hourly billing rate charged by W&S for services performed by each individual, the aggregate number of hours expended during the First Interim Period and the fees billed, and the year in which each professional was first licensed to practice law;

(b) a schedule specifying the categories of expenses for which W&S is seeking reimbursement and the total amount for each expense category; and

(c) a summary of W&S' time records billed during the First Interim Period, including utilization of project categories as hereinafter described.

In support of this First Interim Application, W&S respectfully represents:

Jurisdiction

1. The Court has jurisdiction to consider the application pursuant to 28 U.S.C. §§ 157 and 1334. This First Interim Application constitutes a core proceeding under 28 U.S.C. §157(b)(2)(A) and (B). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On May 26, 2004 (the "Petition Date"), the Debtors filed their respective voluntary petitions with this Court for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

3. From the Petition Date through the date of this First Interim Application, the Debtors have continued to operate their businesses and manage their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

4. On June 14, 2004, the Office of the United States Trustee appointed an official committee of unsecured creditors (the "Committee") pursuant to Section 1102 of the Bankruptcy Code.

5. On July 9, 2004 the Debtors and Committee filed and served the Application To Retain Winston & Strawn LLP As Counsel To Board of Directors of RCN Corporation, et al. (the "Retention Application") seeking authorization to employ W&S as counsel *nunc pro tunc* to June 7, 2004. On July 30, 2004 this Court entered an Order approving the Retention Application. A copy of the order is not attached hereto as it was filed under seal for reasons of confidentiality.

Relief Requested

6. Through this First Interim Application, W&S seeks allowance of \$793,897.75 fees for services rendered during the Period and reimbursement of \$16,375.93 for reasonable and necessary expenses incurred during the Period. Thus, W&S seeks allowance and payment in the total amount of \$810,273.68.

7. W&S has received neither payment nor promises of payment from any source for services rendered during the Period in connection with these cases, other than the amount indicated on the coversheet to this First Interim Application. There is no agreement or understanding between W&S and any other person for the sharing of any compensation to be received for services rendered by W&S in these cases.

8. All services for which compensation is requested by W&S pursuant to this First Interim Application were performed for or on behalf of the Board in these cases.

Summary of Services Rendered

9. The professionals at W&S who have provided services to or for the Board in this case and their standard hourly rates during the Period are as follows:

Name of Professional	Position with the Appointment, Number of Years in that Position and Area of Expertise	Hourly Billing Rate
<u>Partners</u> Robert Bostrom	Joined firm as Corporate Partner in 1996. New York Bar member 1980.	\$620.00
Matthew Botica	Joined firm as Bankruptcy Partner in 1999. Illinois Bar member 1975.	550.00
Robert Fischler	Litigation partner since 1989. Joined firm as associate 1988. New York bar member 1986.	570.00
Jeffrey Elkin	Partner since 1980. Joined firm as associate in 1971. New York bar member 1971; District of Columbia 1972.	545.00
David Neier	Joined firm as Bankruptcy Partner in 2000. New York Bar member 1986.	540.00 270.00
Neil Underberg	Joined firm as real estate partner in 2001. New York bar member 1952.	520.00
Morris Simkin	Joined firm as Counsel in 1997 became partner in 1999. Pennsylvania Bar member 1966; New York 1974.	495.00

Name of Professional	Position with the Appointment, Number of Years in that Position and Area of Expertise	Hourly Billing Rate
David Wirt	Partner, joined firm as associate in 1999. Illinois bar member 1991.	495.00
Loran Thompson	Joined firm as partner in 2000. New York bar member 1977.	495.00
<u>Associates</u>		
Naima Walker	Joined firm as an associate in 1996. Illinois bar member 1996, New York 2002.	395.00
Timothy Dart	Joined firm as an associate in 1999. Illinois bar member 1996.	300.00
Kerrick Seay	Joined firm as an associate in 2001. New York Bar member 2002.	295.00
Michael Jones	Joined firm as an associate 2002. Missouri bar member 1999, Illinois 2001.	285.00
<u>Paraprofessionals</u>		
Daphne Morduchowitz	Paralegal	215.00
Denise Cunsolo	Paralegal	160.00
Nell Hanlon	Paralegal	145.00
Alan Walz	Paralegal	140.00
Robert Corallo	Paralegal	140.00

Name of Professional	Position with the Appointment, Number of Years in that Position and Area of Expertise	Hourly Billing Rate
Marc Saget	Paralegal	105.00

10. W&S maintains detailed records of the time spent in the rendition of professional services for the Board during the Period. Attached hereto as Exhibit "A", "B" and "C" and incorporated herein by reference are true and correct copies of the monthly fee statements prepared for the services rendered in this case by W&S during the Period (collectively the "Monthly Fee Statements"). The Monthly Fee Statements are in the same form regularly used by W&S to bill its clients for services rendered and includes the date that the services were rendered, a detailed, contemporaneous narrative description of the services, the amount of time spent for each service and the designation of the professional who performed the service.

11. As set forth on the schedules attached to the Application, W&S rendered 1,436.60 hours of professional services during the Period, resulting in legal fees totaling \$793,897.75 and associated reasonable and necessary expenses totaling \$16,375.93.

(a) Additionally, as set forth on the schedules attached to the Application are the costs for the expenses incurred by W&S during the Period for which reimbursement is requested pursuant to this First Interim Application.

12. A schedule summarizing by category the expenses incurred by W&S during the First Interim Period for which reimbursement is requested. Further supporting documentation is available upon request.

14. The general areas in which W&S has rendered professional services to the Board during the Period may be broadly characterized as follows:

- ? daily contact with Board involving informing and consulting members re: fiduciary duties under the Bankruptcy Code, Chapter 11 bankruptcy process as it relates to business going forward and business/bankruptcy strategy;
- ? supervised appropriate service of pleadings and notices
- ? performed general document review and maintained project list, case calendar, and case docket of documents filed with the Court;
- ? prepared agendas, various presentations and attended all Board Meetings either telephonically or personally;
- ? conducted numerous internal team meetings to discuss case strategy and possible causes of action;
- ? reviewed and analyzed all retention applications of professionals, attention to preparation of all Monthly Fee Statements;
- ? performed legal research on various topics, including D&O insurance, audit committee issues, as well as contract rights as they relate to StarPower deal;
- ? attended to other miscellaneous matters;
- ? participated in all plan negotiations, reviewed and commented on several rounds of plan of reorganization drafts, attended numerous meetings and teleconferences regarding plan strategy, negotiations, financial outlook presentations and steering committee issues;
- ? attended and participated in meetings and teleconferences with Aon Corp. regarding D&O insurance issues, prepared and filed motion relating to same;
- ? reviewed various legal documents and agreements relating to StarPower Operating Agreement, Pepco, Corvis and D. E. Shaw.

15. The generality of the foregoing descriptions are amplified on a day-to-day basis by the Monthly Fee Statements attached as Exhibit "A", "B", and "C".

16. On June 22, 2004, the Court entered the Administrative Order, which set forth a procedure for compensating professionals (on an interim basis) for 80% of fees and 100% of expenses incurred. The Administrative Order specifically provides that all fees and expenses received remain subject to the Court's final allowance. Thus, in this First Interim Application, W&S seeks allowance of \$793,897.75 in fees and \$16,375.93 in expenses for a total allowance of \$810,273.68.

Statements of Winston & Strawn LLP

17. No agreement or understanding prohibited by section 504 of the Bankruptcy Code exists between W&S and any other person for a sharing of compensation received or to be received for services rendered in or in connection with these chapter 11 cases, nor shall W&S share or agree to share the compensation paid or allowed from the Debtors' estates for such services with any other person in contravention of section 504 of the Bankruptcy Code. No agreement or understanding prohibited by 18 U.S.C. § 155 has been made by W&S.

18. Pursuant to Bankruptcy Rule 2016, W&S states that no payments have heretofore been made or promised to W&S for services rendered or to be rendered in any capacity in connection with these chapter 11 cases except as previously stated herein.

Waiver of Memorandum of Law

19. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented by this Application, W&S respectfully requests that the Court waive the requirement that W&S file a memorandum of law in support of this Application.

Notice

20. Copies of this Application have been provided to the notice parties listed in paragraph 2(a) of the Administrative Order. Pursuant to paragraph 6 of the Administrative Order, a notice of hearing, to consider this and other professionals' applications for interim compensation has been served and filed on the notice parties. W&S submits that this is good and sufficient notice and no other or further notice is necessary.

Allowance of Compensation

21. W&S has represented the Board in the most expeditious and economical manner possible. Further, the professionals at W&S have coordinated their activities with co-counsel to avoid duplication of effort on behalf of the Board whenever possible.

WHEREFORE, Winston & Strawn respectfully requests that the Court enter an Order approving this First Interim Application and directing payment by the Debtors in the amounts set forth herein for fees and expenses substantially in the form attached hereto as Exhibit "D", and granting such other and further relief as the Court deems just and proper.

Dated: October 26, 2004

WINSTON & STRAWN
Counsel for the Board of Directors of RCN
Corporation, et al.

/s/ David Neier

David Neier (DN 5391)
Robert E. Bostrom (RB 3118)
(Members of the Firm)
200 Park Avenue
New York, NY 10166
212-294-4700

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In Re

RCN CORPORATION, *et al.*,

Debtors.

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

**CERTIFICATION PURSUANT TO GUIDELINES FOR FEES
AND DISBURSEMENTS FOR PROFESSIONALS IN RESPECT
TO FIRST INTERIM APPLICATION OF WINSTON & STRAWN LLP
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, Robert Bostrom, hereby certify that:

1. I am a partner at Winston & Strawn LLP ("W&S") and the professional designated by the applicant W&S with responsibility for the Board of Directors of RCN Corporation, et al. ("RCN" or "Debtor") in respect to compliance 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, adopted on January 30, 1996 (the "UST Guidelines").

2. This certification is made with respect to W&S' first interim application, dated October 25, 2004 (the "Application") including the exhibits annexed thereto, for interim compensation and reimbursement of expenses for the period commencing June 7, 2004 through September 30, 2004 in accordance with the Local Guidelines.

3. With respect to Section B.1 of the Local Guidelines, I certify that:

(a) I have read the Application;

(b) to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Local Guidelines;

(c) the fees and disbursements sought are charged in accordance with practices customarily employed by W&S and generally accepted by W&S clients; and

(d) in providing a reimbursable service, W&S does not make a profit on that service, whether the service is performed by W&S in-house or through a third party.

4. With respect to section B.2 of the Local Guidelines, I certify that:

(a) The United States Trustee for the Southern District of New York (the "US Trustee"), the Debtors, counsel for the Debtors, counsel for the Committee and counsel for the agent of the Debtors' pre-petition credit facility have each been provided on a monthly basis with a statement of W&S' fees and disbursements accrued during the previous month in accordance with the Court's Administrative Order Under 11 U.S.C. §§ 105 and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated June 22, 2004 (the "Administrative Order"); and

(b) the statement contained lists of professionals providing services, the aggregate hours spent by each professional, a general description of the services rendered, a reasonably detailed breakdown of the disbursements incurred, and an explanation of billing practices.

5. With respect to section b.3 of the Local Guidelines, I certify that the US Trustee, the Debtors, counsel for the Debtors, counsel for the Committee and counsel to the agent for the Debtors' pre-petition credit facility are each being provided with a copy of this Application in accordance with the Administrative Order.

6. By this certification, W&S does not waive or release any rights or entitlements it has under the order of this Court dated July 3, 2004, approving W&S' retention as counsel to the Board of Directors of Debtors, effective as of June 7, 2004.

Dated: New York, New York
October 26, 2004

/s/ David Neier

David Neier

EXHIBIT A

[Intentionally Omitted]

EXHIBIT B

[Intentionally Omitted]

EXHIBIT C

[Intentionally Omitted]

EXHIBIT D

[To Be Filed]

EXHIBIT D

MILBANK, TWEED, HADLEY & McCLOY LLP
1 Chase Manhattan Plaza
New York, New York 10005-1413
Dennis F. Dunne (DD 7543)
Susheel Kirpalani (SK 8926)
(212) 530-5000

Hearing Date: Nov. 18, 2004 at 10:00 a.m.

Counsel for Official Committee of
Unsecured Creditors of RCN Corp., et al.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re: : Chapter 11
: Case No. 04-13638 (RDD)
RCN CORPORATION, et al., : Jointly Administered
:
:
Debtors. :
-----X

**OBJECTION OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF RCN CORPORATION, ET AL. TO FIRST INTERIM
APPLICATION OF WINSTON & STRAWN LLP FOR INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

TO THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:

The Official Committee of Unsecured Creditors (the "Committee") of RCN Corporation ("RCN Corp." or the "Company") and its affiliated debtors and debtors-in-possession in the above-captioned cases (together with RCN Corp., "RCN" or the "Debtors"), hereby submits this objection (the "Objection") to the First Interim Application Of Winston & Strawn LLP ("W&S"), Counsel To The Board Directors Of RCN Corporation, et al., For Interim Compensation And Reimbursement Of Expenses, dated October 26, 2004 (Docket No. 324) (the "Fee Application") and in support thereof, respectfully represents as follows:

I. FACTUAL BACKGROUND

1. **Commencement Of Cases.** On May 27, 2004, RCN Corporation; TEC Air, Inc.; RLH Property Corporation; RCN Finance LLC; and Hot Spot Productions filed for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended, the "Bankruptcy Code"). Certain affiliates of the RCN Debtors, specifically (a) RCN Cable TV of Chicago and (b) RCN Telecom Services of Virginia, Inc.; RCN Entertainment, Inc.; 21st Century Telecom Services, Inc.; and ON TV, Inc. commenced their chapter 11 cases on (x) August 5, 2004 and (y) August 20, 2004, respectively. The United States Trustee appointed the Creditors' Committee on June 14, 2004. (See Docket No. 48).

2. **Interim Compensation Order.** On June 22, 2004, the Court entered the Administrative Order Under 11 U.S.C. §§ 105 And 331 Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals (Docket No. 72) (the "Interim Compensation Order"). Pursuant to the Interim Compensation Order, any Chapter 11 Professional (as defined in the Interim Compensation Order and including W&S) is entitled to receive 80% of its requested compensation and 100% of its expenses on a monthly basis.

3. **W&S Retention.** On July 30, 2004, W&S was retained as special counsel to RCN's Board of Directors (the "Board"), as of June 7, 2004, pursuant to Order Under 11 U.S.C. §§ 327(e) And 328 And Fed. R. Bankr. P. 2014 And 2016 Authorizing Retention Of Winston & Strawn LLP As Special Counsel To The Board Of Directors, dated July 30, 2004 (Docket No. 138) (the "W&S Retention Order"). The W&S Retention Order provides that "Winston & Strawn shall not duplicate services provided by other counsel on behalf of the Debtors." W&S Retention Order, at ¶ 4.

4. **Fee Application.** The Fee Application originally sought \$793,897.75 in fees and \$16,375.93 in expenses for the period from June 7, 2004 through September 31, 2004 ("First Fee Period"). After negotiations with the US Trustee, W&S reduced their request by \$40,000.00.

See Objection Of The United States Trustee To First Interim Applications For Compensation And Reimbursement Of Expenses (the "US Trustee Objection"), at ¶ 3 (Docket No. 344). Significantly, \$530,534.00¹ of the W&S fees results from 855.7 hours billed by just one partner. W&S Retention Order, at 6. This partner's hours charged to the RCN estates during the W&S First Fee Period annualize to about 2500 hours a year. In addition, W&S used the services of two bankruptcy specialists, at a cost of approximately \$200,000.00, even though the services of bankruptcy counsel to the Debtors were presumably adequate.

5. **Status of Reorganization Plan.** The Disclosure Statement was approved by order dated October 13, 2004 and the confirmation hearing for the Debtors' plan of reorganization is scheduled for December 8, 2004.

II. OBJECTION

A. Fee Application Fails To Demonstrate Lack Of Duplication

6. Although the W&S Retention Order requires that W&S must not duplicate services provided by counsel retained by the Debtors, the Fee Application contains *no* information regarding procedures undertaken to avoid duplication, nor does it substantively demonstrate the lack of duplication. The Committee, through its counsel, requested supplemental information from W&S which would demonstrate a lack of duplication, and while the Committee has received some supplemental information, such information was not sufficient to carry W&S' burden. The burden of proof is on W&S. See F.H. Krear & Co. v. Nineteen Named Trustees, 810 F.2d 1250, 1265 (2d Cir. 1987) ("The burden is on counsel to keep and present records from which the court may determine the nature of the work done [and] the need for it . . ."); In re Keene Corporation, 205 B.R. 690, 695 (Bankr. S.D.N.Y. 1997) ("The applicant bears the burden of proof on its claim for compensation"). As such, the Committee objects to the Fee Application.

¹ This amount does not take into account W&S' \$40,000.00 voluntary fee reduction as reflected in the US Trustee Objection.

B. Fee Application/Further Compensation Should Be Denied On Interim Basis

7. Until W&S amends the Fee Application to demonstrate a lack of duplication, and thus an entitlement to be compensated pursuant to the W&S Retention Order, the Committee objects to the Fee Application and requests that no further compensation be paid to W&S pursuant to any monthly fee statements, including pursuant to the Interim Compensation Order.

8. The Committee further reserves the right to object to any future interim or final application of W&S for compensation in these cases, including any incremental relief to that sought therein.

III. CONCLUSION

WHEREFORE, the Committee respectfully requests that the Court enter an order (i) requiring W&S to demonstrate that their services were not duplicative of services provided by other counsel on behalf of the Debtors, (ii) prohibiting any future interim compensation (including on a monthly basis pursuant to the Interim Compensation Order) to be paid to W&S pending further order of the Court, (iii) preserving the Committee's rights, and (iv) granting such other relief as it deems just and proper.

Dated: New York, New York
November 17, 2004

MILBANK, TWEED, HADLEY & M^CCLOY LLP

By: /s/ Susheel Kirpalani
Dennis F. Dunne (DD 7543)
Susheel Kirpalani (SK 8926)

1 Chase Manhattan Plaza
New York, New York 10005-1413
Telephone: (212) 530-5000
Telecopier: (212) 530-5219

Counsel for Official Committee of Unsecured
Creditors of RCN Corporation, et al.

EXHIBIT E

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In the Matter

of Case No. 04-13638-rdd

RCN CORPORATION CHAPTER: 11,
Debtors.

-----X

November 18, 2004
United States Custom House
One Bowling Green
New York, New York 10004

RE: Doc #316; First Interim Application
of Skadden, Arps, Slate, Meagher & Flom
LLP Seeking Allowance for Compensation And
Disbursements For The Period From May 27,
2004 Through August 31, 2004

RE: Doc #334; Notice of Hearing To
Consider Interim Applications Seeking

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Allowance Of Fees For Professional
Services Rendered And Disbursements
Incurred

RE: Doc #335: First Application Of
Milbank, Tweed, Hadley & McCloy LLP,
Counsel To Official Committee Of Unsecured
Creditors, For Interim Allowance Of
Compensation For Services Rendered And For
Reimbursement Of Expenses During Period
From June 10,2004 Th

RE: Doc #383; Response Of Official
Committee Of Unsecured Creditors Of RCN
Corporation, et al. To First Interim
Application Of Skadden, Arps, Slate,
Meagher & Flom LLP

B E F O R E:

HON. ROBERT D. DRAIN
Bankruptcy Judge.

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

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
LLP

Four Times Square
New York, New York 10036-6522

BY: D.J. BAKER, ESQ.

THOMAS J. MATZ, ESQ.

MILBANK, TWEED, HADLEY & McCLOY LLP

1 Chase Manhattan Plaza
New York, New York 10005-1413

BY: JAMES H. MACINNIS, JR., ESQ.

LAW OFFICE SHELDON S. TOLL PLLC

2000 Town Center, Suite 2550
Southfield, MI 48075

BY: SHELDON S. TOLL, ESQ.

WINSTON AND STRAWN

200 Park Avenue
New York, New York 10166

BY: DAVID NYER, ESQ.

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THE COURT: RCN.

MR. BAKER: Good morning, your Honor. D.J. Baker and Thomas Matz on behalf of the debtors. Judge, let me tell you where I think we are in response to the various fee applications that were filed and pending before the Court today. There were three separate pleadings filed, one by the United States Trustee and two by the committee. The one by the trustee WAS a denominated objection and two by the committee were denominated respectfully an objection to Winston and Strawn and it was bonded by Skadden and Arps.

With respect to the objection filed by the United States Trustee, we've been advised that all of the parties have resolved their outstanding issues with the United States trustee while they may want to state on the record the nature of their agreement and how those were

1
2 resolved, I believe they've been
3 RECEIVED.

4 THE COURT: Okay.

5 MR. BAKER: As to the response
6 with respect to Skadden, Arps, the
7 committee basically said that it
8 would like to be -- it wanted to be
9 sure it had information as to the
10 charges made to the nondebtor, the
11 subsidiaries which were not reflected
12 in the file fee application. And they
13 wanted to reserve their rights until
14 the final fee application to contest
15 any of those. We have provided them
16 with one exception all of the
17 information they requested. They have
18 now asked for the actual time records.
19 We told them that subject to reviewing
20 those for any privilege issues, we're
21 happy to give them those as well. I
22 suspect that will be done next week.
23 We've also agreed that they can
24 reserve any objections or issues that
25 they have until final fee application.

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2 So I believe I'm correct in saying
3 that as to that issue is likewise
4 resolved.

5 Finally, as to the objection
6 filed by the committee with respect to
7 the Winston and Strawn. It basically
8 alleges that there was duplications
9 between Winston and Skadden. We on
10 behalf of the debtors attempted
11 unsuccessfully to resolve this
12 basically on the grounds that it
13 seemed to us a matter more appropriate
14 for the final fee application in the
15 interim. We were not successful in
16 doing that. Although, I think Winston
17 was prepared to agree to that. The
18 committee was not. So I believe that
19 of all of the issues have to be heard
20 today either on the merits by your
21 Honor or else determined to be
22 something that appropriately should be
23 heard at the final fee hearing.

24 THE COURT: Well, why don't we
25 deal with the U.S. Trustee objection

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2 first and how that's been resolved? I
3 think except for Blackstone wasn't it
4 just a question of the 20 percent
5 holdback, or were there other matters as
6 well?

7 MR. BAKER: I believe that's it,
8 your Honor.

9 MS. DAVIS: That is correct,
10 your Honor. Your Honor, it's my
11 understanding the issue that was
12 outstanding was the resolution of time
13 as well as the textual summary itself,
14 the terms provided. I understand that
15 Blackstone is going to provide a
16 supplement that they're going to file.
17 And when they file the supplement
18 there, you will find further supplements
19 that will be filed on the textual
20 issue. And as to the time records of
21 the liquidation time, the hourly, I
22 think it will be half-hour increments
23 in the future and that's what's been
24 agreed to. And with those
25 representations from Blackstone, the

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U.S. Trustee is willing to I guess say
that our objection has been resolved.

THE COURT: So you're reserving
your right to the final application
subject to seeing those disclosures.

MS. DAVIS: That's correct. We
have no objection to the professionals
being paid at the time according to I
believe the 20 percent.

THE COURT: And the
professionals have agreed to that?

MR. BAKER: Yes, your Honor.

MS. DAVIS: Thank you.

THE COURT: Well, I think
that's a good resolution as to
Blackstone. My review of the, which I
did in light of the committee's
objection, certain of the time records
indicate that Blackstone really has
been working on this case, and so I
think that -- well, obviously, everyone
has their right to object to the final
fee application and is comfortable
with the payment of the holdback here.

1
2 As far as the other professionals whose
3 fees have not been objected to, again,
4 I think that 20 percent holdback is
5 what they agreed to is fine. And
6 considering that we have confirmation
7 coming up, I don't think it will be too
8 hard to hold out on these issues.

9 If you need to say anything with
10 respect to the Skadden issues with the
11 committee, or is that an accurate
12 summary?

13 MR. MACINNIS: Actually, your
14 Honor, if I could be heard on that
15 very briefly. James MacInnis of
16 Milbank, Tweed on behalf of the
17 creditors committee. Speaking only to
18 the Skadden Arps, I'll address Winston
19 now if your Honor would like me to.

20 THE COURT: Let's deal with
21 Skadden Arps first.

22 MR. MACINNIS: I just want to
23 clarify some of Mr. Baker's
24 remarks. As the court is aware, the
25 Skadden issue retention application,

1 they advised that they'll be
2 representing a nondebtor entity as
3 well as a debtor entity. And what the
4 creditors committee is seeking is some
5 form of the disclosure as to Skadden's
6 activities with respect to those
7 nondebtor entities. And Mr. Baker and
8 Skadden have agreed to provide us with
9 some of the backup documentation with
10 respect to fees that have been
11 incurred, and we would appreciate their
12 cooperation on that point.
13

14 One point of clarification that
15 I would like to make is that another
16 thing the committee is asking is that
17 at some point in the future in future
18 applications filed by Skadden, Arps
19 with respect to that particular time
20 period if they do provide services on
21 behalf of nondebtor entities, that in
22 those future applications they
23 disclose that with perhaps a general
24 narrative or summary and a breakout of
25 the amount of fees relating to

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nondebtor entity and that with respect to work that has been done, perhaps in the final fee application that they disclosed as well their work for the nondebtor entity. Again, we're not asking for a shoehorn of those services in matter codes or anything that complicated, but some type of general summary description and narrative and a corresponding dollar amount for a nondebtor work provided on a go forth basis.

THE COURT: Is that something that you've taken up with Skadden?

MR. BAKER: Your Honor, we already agreed to that.

THE COURT: Fine. So let's deal with STRAWN then. Is someone here for them?

Mr. Toll, you're here but your client didn't have a fee application, but I'm comfortable with that.

MR. TOLL: Thank you, your Honor.

MR. NYER: Good morning, your

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Honor. David Nyer, Winston and Strawn
on behalf of the special counsel for
the debtor. It's not my objection, it's
the committee's objection so I don't
know if you want to hear from me first
or hear from them.

THE COURT: Well, I reviewed the
objection and I actually spent a lot
more time on the fee application and
the fee details than I normally do for
interim application. I could tell you
that I think the fee application
raises some serious issues in two
respects. First, I think it goes well
beyond what I certainly anticipated in
terms of the services rendered. And
secondly, I am concerned about both
duplication and the time itself put
in, even in respect of services that I
would have anticipated.

I actually have been giving some
thought to these types of retention
recently, in part because I see them
now cropping up in much smaller cases.

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2 And while I did see a basis under the
3 code for retaining separate counsel to
4 a board, I think that the services
5 that are to be provided pursuant to
6 that type of retention really should
7 be quite limited given the expertise
8 of the debtor's counsel and the general
9 overlap of the board's interests with
10 the debtor's interests. So, I confess
11 that I reviewed this application from
12 that perspective, but even if I looked
13 at it as I used to look at these
14 applications, I have to say that I was
15 surprised by it.

16 I can tell you that I had a
17 substantial case recently that was
18 confirmed after years' worth of very
19 active negotiations, litigations,
20 issues about releases, injunctions and
21 the like, with another firm
22 comparable to Winston and Strawn.
23 The debtor's law firm billed
24 approximately six and a half million
25 dollars that was allowed. The

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2 director's counsel billed and it was
3 allowed \$290,000 for a year's worth of
4 work. At the time I thought that that
5 was a little high, but three months'
6 work to bill what's been billed really
7 strikes me as excessive. And I can go
8 through with you if you want in more
9 detail, but it strikes me that on an
10 interim application rather than the 20
11 percent holdback there should at least
12 a 50 percent holdback here, and I
13 can't give you any assurance that
14 that's going to be enough in
15 connection with the filing
16 application. So, recognizing there's
17 an interim application if you wanted
18 to persuade me otherwise unless you're
19 satisfied with the 50 percent, but I
20 realize where you're coming from
21 before you get started.

22 MR. NYER: Well, first of all,
23 your Honor, we recognize it's our
24 burden to prove that we rendered
25 valuable services and nonduplicative

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2 services to the debtor. So if your
3 Honor wishes to impose the 50 percent
4 holdback at this point and so forth,
5 that's something that certainly is
6 within your discretion. I think we
7 should be allowed the opportunity to
8 come before you and justify what we
9 have done.

10 THE COURT: Absolutely.

11 MR. NYER: I will tell you that
12 I think the services that we rendered
13 on behalf of the debtors were well
14 beyond what we anticipated. We
15 anticipated this to be a rather
16 limited engagement when we were first
17 contacted by the board, and it turned
18 into something much more than that and
19 much far beyond what we expected the
20 issues that would normally be
21 considered in a bankruptcy case of
22 this nature. Recognizing the fact
23 that, you know, Skadden provides these
24 kind of services in major cases to
25 debtors all the time, and I think we

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2 should be able to come before you and
3 demonstrate why this became what it
4 became.

5 THE COURT: Okay.

6 MR. NYER: We would like to do
7 that at the time of the final
8 application. If we do it now or if we
9 were to do it on an interim basis, I
10 think we would really be duplicating
11 efforts, to use the phrase, because we
12 would then have to do it again at the
13 final fee application.

14 THE COURT: That's fine.

15 MR. NYER: I think there's going
16 to being a need for testimony, and I
17 think that testimony is going to go into
18 some extremely sensitive affairs with
19 respect to both the board, the debtors
20 and particularly the committee and we
21 will be seeking depositions from the
22 committee on this issue if they go
23 forward on their objection. And it
24 sounds to me like your Honor has some
25 questions, so I think we're going to go

1 forward in any event and take
2 depositions of the committee members
3 and their actions in this case and
4 some of the problems that we
5 encountered. And so we'd like an
6 opportunity to do that and since
7 confirmation is just around the corner,
8 I think that we can. We wouldn't be
9 able to get that done before the final
10 fee application, so I think we should
11 roll this into the final fee
12 application and have everything
13 justified at once so your Honor can
14 impose a holdback fee or the increase
15 holdback, if you will, and then we can
16 deal with the issue as how we present
17 that testimony.

18 I would think that we would be
19 very much interested in a closed door
20 hearing with respect to that
21 testimony. It's really just an issue
22 that should concern the parties that
23 have filed an objection which is just
24 the committee and of course the U.S.
25

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2 Trustee and debtors should be there.
3 And so if that's acceptable to you,
4 that's the way I think we should
5 proceed.

6 THE COURT: Okay. Let's hear
7 from the committee.

8 MR. MACINNIS: I'll be brief,
9 your Honor, and I appreciate your
10 comments with respect to our
11 objection. One of the things that we
12 had proposed in the form of relief
13 given our objection, obviously before
14 your Honor's 50 percent holdback
15 suggestion, was the filing amended
16 in our interim application by Winston
17 and Strawn that goes through greater
18 length to demonstrate the lack of
19 duplication between Skadden and
20 Winston.

21 What we're really looking for
22 specifically on a go-forward basis as
23 well as future applications I guess at
24 this point, is some kind of an apples
25 and apples comparison between what

1 Winston and Strawn does and what
2 Skadden, Arps does. I don't know if
3 that means matching their billing
4 codes or trying as hard as possible to
5 do so. But Mr. Baker has indicated
6 that our objection is one to
7 duplication, and that's only partly
8 accurate. I would submit to your Honor
9 that we can't make a determination on
10 duplication based on what's been
11 presented to us in the interim
12 application, because it's difficult
13 for us, and perhaps not what we didn't
14 break is to state what resources to
15 have to compare to Skadden's time
16 detail and Winston's as well. So on a
17 go-forward basis, I guess at this point
18 I would ask that at least Winston and
19 Strawn on a go-forward basis match or
20 go through greater length its
21 application to demonstrate the lack of
22 duplication of the services on behalf
23 of the Court's direction.
24

25 THE COURT: Okay. Well, that's

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2 up to Winston and Strawn I think they
3 do have the burden on this and if they
4 want to show for some reason they can
5 bond in a number of tasks the role of
6 counsel for the debtor. I think they
7 will be well advised to somehow make
8 that clear, but I think it's really up
9 to them.

10 Again, my comment and my
11 concerns don't go just to duplication,
12 although, there are -- I mean I did do
13 some cross-checking and there do seem
14 to be instances where that occurred.
15 Maybe they're explainable. For
16 example, the time spent which was
17 considerable on the Sirkino attention,
18 for example. Not just in terms of
19 corporate governance issues which I
20 would expect, but actual, you know,
21 over and over again going over the
22 retention basis. But it goes beyond
23 the duplication again. Unless the
24 issue is simply a switching of
25 responsibility from debtor's counsel to

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board counsel which I guess may have occurred. It's really why the work is being done at all in the first place given the limited nature of the engagement which was counsel to the board and advising the board as to the duty, so it's really up to Winston and Strawn to carry its on own water on that point.

So I will approve the application with a 50 percent holdback. I obviously don't like for obvious reasons to have further disgorged what they already received, but that is in the nature of this process, that risk. And I want to show that whereas the 20 percent holdback is more a matter of tradition and also a matter of recognizing that the Court doesn't have time to review all of these applications to catch whatever a normal client might catch in a monthly bill or quarterly bill, and that I wouldn't until the final fee

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application in light of who's
objecting and the like.

I did review the Winston and
Strawn one and I think the tasks that
Winston and Strawn faces, which
they're absolutely entitled to justify
the application, the final fee
application. Nevertheless, that task I
think is going to be heavy here.

MR. MACINNIS: Your Honor, just
one final point. I note that counsel
for Mr. Strawn indicated that they may
seek discovery on the committee.

THE COURT: No, I hope it
doesn't become an issue and frankly
when I looked at the time records,
maybe I'm missing something, but the
committee doesn't pop up that much, so
I hope that there's no sort of
punitive aspect of this.

MR. MACINNIS: I just wanted to
reserve our rights in the future.
Thank you.

THE COURT: And of course,

1 again, counsel to the board is still
2 subject to Section 330 which says that
3 you're to be compensated for
4 reasonable fees for necessary work for
5 the estate. And if the dispute is over
6 something that really doesn't go to
7 the estate, then individual interest. I
8 think there are other ways for board
9 members to be compensated for those
10 things. I don't know what it is
11 they've alleged here or will be
12 Alleged, but I hope it remains focused
13 and not punitive.

14
15 MR. MACINNIS: If your Honor has
16 nothing further for me, I'm done.

17 THE COURT: Okay.

18 MR. NYER: Your Honor, I just
19 want to say that there is nothing
20 punitive in what we would seek to do
21 and simply be paid on justifying our
22 fees. I would note that you brought up
23 Mr. Sirkino. Mr. Sirkino, of course, was
24 a retained professional of the
25 committee but the committee insisted

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become the head of RCN that caused all sorts of different issues in the case, very complex issues. And I think the only way to address that properly is to have discovery from parties who will not testify voluntarily as to what was going on. And it's not in the nature of punitive, but it's really a question of justifying to your Honor what we thought were intent issues that we had driven to keep out of the forefront.

THE COURT: Okay. I didn't address that point. I'm certainly amenable to some form of in camera hearing on these issues. But when you have someone like Peter Atkins addressing the board, I don't know how much is overkill beyond that and I hope we don't get into overkill on the objections.

MR. NYER: And I hope so as well, your Honor, but as I said we took on a role that became foreign and in excess

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2 of what we thought it would be. And
3 your Honor has indicated that it has
4 questions. We ought to have an
5 opportunity to address those
6 questions.

7 THE COURT: Okay. Very well.
8 Are there any other matters on for
9 today?

10 Do you have an order? You can
11 submit an order later today.

12 MR. BAKER: Your Honor, we don't
13 have an order that accurately reflects
14 this morning's results, but we'll
15 submit one.

16 THE COURT: I don't know if the
17 committee is going to submit a
18 separate one, you can do it all
19 together.

20 MR. BAKER: Fine. We'll
21 coordinate with Milbank, Tweed, your
22 Honor.

23 THE COURT: Very well.
24
25

C E R T I F I C A T E

I, SHERRY SPALLIERO, a Notary
Public in and for the State of New
York, do hereby certify:

THAT the witness(es) whose
testimony is herein before set forth,
was duly sworn by me; and

THAT the within transcript is a
true and accurate record of the
testimony given by said witness(es).

I further certify that I am not
related either by blood or marriage,
to any of the parties to this action;
and

THAT I am in no way interested
in the outcome of this matter.

IN WITNESS WHEREOF, I have
hereunto set my hand this 18th day of
November 2004.

-----Sherry Spalliero-----

SHERRY SPALLIERO

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EXHIBIT F

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:
In re	:
	:
RCN CORPORATION, <u>et al.</u> ,	:
	:
	:
Debtors.	:
	:
-----X	

**ORDER GRANTING INTERIM APPLICATIONS
FOR ALLOWANCE OF FEES FOR PROFESSIONAL SERVICES
RENDERED AND DISBURSEMENTS INCURRED**

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

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

ORDERED, ADJUDGED AND DECREED THAT:

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

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

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

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

Dated: New York, New York
November 19, 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE A

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

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

EXHIBIT G

<u>ISSUE/ TOPIC/ PHRASE</u>	<u>DATE</u>	<u>TIME</u>		<u>ATTORNEY</u>
<u>Accounting issues/ fresh start accounting</u>	9/9/2004	1.50		R. Bostrom
	9/22/2004	1.25	(split)	R. Bostrom
	9/22/2004	0.50		R. Bostrom
	10/4/2004	0.50		R. Bostrom
	10/7/2004	0.60		D. Kroenlein
Sub-Total		4.35		
<u>Acquino</u>	8/4/2004	1.60		R. Bostrom
	8/5/2004	0.80	(split)	R. Bostrom
	8/5/2004	2.60		D. Neier
	8/6/2004	0.50	(split)	R. Bostrom
	8/6/2004	0.60		M. Botica
	8/6/2004	0.20		D. Neier
	8/7/2004	2.50		R. Bostrom
	8/7/2004	1.50		D. Neier
	8/8/2004	1.60		R. Bostrom
	8/9/2004	5.60		R. Bostrom
	8/9/2004	0.60		D. Neier
	8/10/2004	4.60		R. Bostrom
	8/10/2004	1.60		D. Neier
	8/11/2004	3.10		R. Bostrom
	8/13/2004	3.50		R. Bostrom
	8/13/2004	0.70		D. Neier
	8/14/2004	1.00		R. Bostrom
	8/16/2004	1.00		R. Bostrom
	8/17/2004	2.25	(split)	R. Bostrom
	8/17/2004	1.10		D. Neier
	8/18/2004	1.20		D. Neier
	8/19/2004	1.10	(split)	R. Bostrom
	8/20/2004	0.40		R. Bostrom
	9/14/2004	1.50		R. Bostrom
	9/14/2004	2.10		D. Neier
	9/15/2004	0.30		D. Neier
	9/22/2004	0.80		D. Neier
Sub-Total		44.35		
<u>Bankruptcy alternatives and filings</u>	7/4/2004	5.50		R. Bostrom
	7/8/2004	1.60	(split)	R. Bostrom
	7/10/2004	2.00		R. Bostrom
	7/12/2004	0.90		M. Botica

<u>ISSUE/ TOPIC/ PHRASE</u>	<u>DATE</u>	<u>TIME</u>		<u>ATTORNEY</u>
	7/12/2004	0.80	(split)	R. Bostrom
	7/12/2004	1.10		R. Bostrom
	7/12/2004	0.80		D. Neier
	7/14/2004	0.60		R. Bostrom
	7/15/2004	0.80		R. Bostrom
	7/19/2004	2.50		R. Bostrom
	7/22/2004	0.60	(split)	R. Bostrom
	7/27/2004	3.90		R. Bostrom
	8/1/2004	1.60		R. Bostrom
	8/2/2004	4.00		R. Bostrom
	8/2/2004	0.40		D. Neier
	8/3/2004	1.30		R. Bostrom
	9/22/2004	<u>0.50</u>	(split)	R. Bostrom
Sub-Total		28.90		
<u>Bankruptcy/ case strategy</u>	6/9/2004	0.60		D. Neier
	6/10/2004	0.80		D. Neier
	6/10/2004	0.10		D. Neier
	6/18/2004	0.80		D. Neier
	6/18/2004	1.30		D. Neier
	6/18/2004	0.30		D. Neier
	6/22/2004	0.60		D. Neier
	6/23/2004	0.40		D. Neier
	6/29/2004	4.60		D. Neier
	7/7/2004	7.90		D. Neier
	7/12/2004	4.90		D. Neier
	7/14/2004	6.60		D. Neier
	7/15/2004	6.80		D. Neier
	7/16/2004	2.40		D. Neier
	7/21/2004	5.50		D. Neier
	7/22/2004	0.40		D. Neier
	7/23/2004	0.60		D. Neier
	7/26/2004	2.20		D. Neier
	7/27/2004	0.80		D. Neier
	8/2/2004	1.10		D. Neier
	8/10/2004	6.20		D. Neier
	8/11/2004	4.80		M. Botica
	8/12/2004	5.70		D. Neier
	11/3/2004	<u>1.70</u>		L. Van Auken
Sub-Total		67.10		

<u>ISSUE/ TOPIC/ PHRASE</u>	<u>DATE</u>	<u>TIME</u>		<u>ATTORNEY</u>
<u>Blackstone Financial Presentations</u>	7/9/2004	5.80		D. Neier
	7/13/2004	1.65	(split)	R. Bostrom
	7/14/2004	0.80		R. Bostrom
	7/15/2004	3.00		R. Bostrom
	7/16/2004	1.20		R. Bostrom
	7/16/2004	1.80		R. Bostrom
	7/20/2004	2.70		R. Bostrom
	7/21/2004	3.20		R. Bostrom
	7/21/2004	1.70		M. Botica
	8/3/2004	2.30		R. Bostrom
	8/2/2004	0.50		D. Neier
	8/26/2004	1.50		R. Bostrom
	9/7/2004	4.50		R. Bostrom
	9/20/2004	0.30		R. Bostrom
Sub-Total		30.95		
<u>Creditors' Committee</u>	6/7/2004	0.80		R. Bostrom
	6/22/2004	1.10		D. Neier
	6/30/2004	1.67	(split)	D. Neier
	6/30/2004	1.20		R. Bostrom
	7/2/2004	0.76	(split)	R. Bostrom
	7/3/2004	1.00		R. Bostrom
	7/6/2004	1.50		R. Bostrom
	7/7/2004	3.20		R. Bostrom
	7/8/2004	1.80		R. Bostrom
	7/11/2004	1.80		R. Bostrom
	7/13/2004	1.65	(split)	R. Bostrom
	7/22/2004	0.60	(split)	R. Bostrom
	7/23/2004	3.20		R. Bostrom
	7/23/2004	0.50		M. Botica
	7/26/2004	1.80		R. Bostrom
	7/31/2004	1.60		R. Bostrom
	8/1/2004	0.60		R. Bostrom
	8/3/2004	0.60		D. Neier
	8/5/2004	1.70		D. Neier
	8/12/2004	3.20	(split)	R. Bostrom
	8/20/2004	2.70		M. Botica
	8/25/2004	0.30		R. Bostrom
	8/31/2004	1.20		R. Bostrom
	8/31/2004	0.50		R. Bostrom
	9/1/2004	1.30		D. Neier
	9/7/2004	4.80		D. Neier
	9/8/2004	5.50		R. Bostrom
	9/10/2004	3.80		D. Neier
	9/13/2004	1.30		D. Neier

<u>ISSUE/ TOPIC/ PHRASE</u>	<u>DATE</u>	<u>TIME</u>		<u>ATTORNEY</u>
	9/23/2004	0.80		R. Bostrom
	9/27/2004	2.50		R. Bostrom
	9/28/2004	5.00		R. Bostrom
	9/29/2004	5.00		R. Bostrom
	10/1/2004	3.20		D. Neier
	10/5/2004	4.50		R. Bostrom
	10/5/2004	1.00		R. Bostrom
	10/6/2004	2.50		R. Bostrom
	10/7/2004	2.80		D. Neier
	10/8/2004	2.00		R. Bostrom
	11/2/2004	0.10	(split)	D. Neier
	11/3/2004	1.00		R. Bostrom
	11/11/2004	0.50		D. Cunsolo
	11/16/2004	0.60		D. Neier
	11/17/2004	0.40		D. Neier
	11/19/2004	0.40		D. Neier
Sub-Total		83.98		
<u>DB Financing; D.E. Shaw; senior bank debt refinancing</u>				
	7/8/2004	1.00		R. Bostrom
	9/15/2004	2.70		R. Bostrom
	9/21/2004	1.90	(split)	R. Bostrom
	10/27/2004	3.00		R. Bostrom
	10/28/2004	0.50		R. Bostrom
	11/2/2004	0.10	(split)	D. Neier
Sub-Total		9.20		
<u>Franchise and real estate; ground leases</u>				
	7/9/2004	1.50		R. Bostrom
	8/10/2004	0.80		R. Bostrom
	8/19/2004	1.00		N. Underberg
	8/19/2004	1.00		R. Bostrom
	9/13/2004	0.50		R. Bostrom
	9/20/2004	1.50		R. Bostrom
	9/21/2004	1.90	(split)	R. Bostrom
	9/23/2004	0.60	(split)	R. Bostrom
	9/24/2004	1.50		R. Bostrom
Sub-Total		10.30		

<u>ISSUE/ TOPIC/ PHRASE</u>	<u>DATE</u>	<u>TIME</u>		<u>ATTORNEY</u>
<u>KERP</u>	6/9/2004	4.20		L. Thompson
	6/10/2004	1.50		D. Neier
	6/10/2004	0.40		L. Thompson
	6/11/2004	1.30		L. Thompson
	6/11/2004	0.90		D. Neier
	6/14/2004	0.10		L. Thompson
	7/21/2004	1.70		L. Thompson
	11/16/2004	<u>0.50</u>		L. Thompson
Sub-Total		10.60		
<u>Megacable</u>	9/22/2004	1.00		R. Bostrom
	9/24/2004	5.50		R. Bostrom
	10/15/2004	0.25	(split)	R. Bostrom
	10/22/2004	<u>0.25</u>	(split)	R. Bostrom
Sub-Total		7.00		
<u>Merrill/Kemper</u>	8/18/2004	1.30		D. Neier
	9/7/2004	0.25	(split)	R. Bostrom
	9/13/2004	4.00		R. Bostrom
	9/23/2004	0.80	(split)	R. Bostrom
	10/5/2004	1.00		R. Bostrom
	10/6/2004	1.00		R. Bostrom
	10/8/2004	1.00	(split)	R. Bostrom
	10/8/2004	2.20	(split)	R. Bostrom
	10/12/2004	2.50		R. Bostrom
	10/13/2004	2.50		R. Bostrom
	10/15/2004	2.00		R. Bostrom
	10/15/2004	0.25		R. Bostrom
	10/19/2004	2.50		R. Bostrom
	10/20/2004	1.00		R. Bostrom
	10/20/2004	1.25	(split)	R. Bostrom
	10/20/2004	4.50	(split)	R. Bostrom
	10/21/2004	2.00	(split)	R. Bostrom
	10/22/2004	0.75	(split)	R. Bostrom
	10/25/2004	1.00		R. Bostrom
	10/26/2004	1.00		R. Bostrom
	10/27/2004	1.50		R. Bostrom
	10/28/2004	2.00		R. Bostrom
	10/29/2004	3.00		R. Bostrom
	11/1/2004	1.50		R. Bostrom
	11/2/2004	<u>1.50</u>		R. Bostrom

<u>ISSUE/ TOPIC/ PHRASE</u>	<u>DATE</u>	<u>TIME</u>		<u>ATTORNEY</u>
Sub-Total		42.30		
<u>Operating companies/ subsidiaries</u>	6/24/2004	1.80	(split)	D. Neier
	6/29/2004	3.30		M. Botica
	7/2/2004	0.76	(split)	R. Bostrom
	7/9/2004	1.25	(split)	R. Bostrom
	8/2/2004	0.80		R. Bostrom
	8/5/2004	0.80	(split)	R. Bostrom
	8/6/2004	2.60	(split)	R. Bostrom
	8/10/2004	2.80		R. Bostrom
	8/11/2004	4.80		R. Bostrom
	8/11/2004	4.50		D. Neier
	8/12/2004	1.50	(split)	R. Bostrom
	10/8/2004	1.30		D. Neier
	10/10/2004	2.60		D. Neier
	10/12/2004	<u>0.40</u>		D. Neier
Sub-Total		29.21		
<u>"Plan" negotiation and documentation</u>	6/17/2004	1.80		R. Bostrom
	6/25/2004	1.00		M. Botica
	6/30/2004	8.35		D. Neier
	7/1/2004	3.80		D. Neier
	7/1/2004	1.70		D. Neier
	7/2/2004	4.30		D. Neier
	7/5/2004	4.50		D. Neier
	7/6/2004	0.20		D. Neier
	7/23/2004	1.20		R. Bostrom
	7/23/2004	1.00		R. Fischler
	7/26/2004	3.00		R. Bostrom
	7/29/2004	4.10		R. Bostrom
	7/29/2004	2.75		M. Botica
	7/30/2004	7.60		R. Bostrom
	7/30/2004	7.20		D. Neier
	8/2/2004	3.10		D. Neier
	8/2/2004	3.90		M. Botica
	8/3/2004	2.20		R. Bostrom
	8/3/2004	3.30		M. Botica
	8/4/2004	5.20		D. Neier
	8/4/2004	9.00		M. Botica
	8/5/2004	1.40		D. Neier
	8/6/2004	3.60		D. Neier

<u>ISSUE/ TOPIC/ PHRASE</u>	<u>DATE</u>	<u>TIME</u>		<u>ATTORNEY</u>
	8/9/2004	1.30		D. Neier
	8/10/2004	6.20		D. Neier
	8/11/2004	2.20		M. Botica
	8/12/2004	2.70		M. Botica
	8/12/2004	1.50	(split)	R. Bostrom
	8/13/2004	1.00		R. Bostrom
	8/15/2004	2.00		R. Bostrom
	8/16/2004	2.30		D. Neier
	8/16/2004	3.10		R. Bostrom
	8/16/2004	3.20		R. Fischler
	8/16/2004	4.80		M. Botica
	8/16/2004	0.80		D. Neier
	8/17/2004	0.75	(split)	R. Bostrom
	8/17/2004	3.00		M. Botica
	8/17/2004	2.40		D. Neier
	8/18/2004	4.70		M. Botica
	8/18/2004	8.00		R. Bostrom
	8/18/2004	5.50		D. Neier
	8/19/2004	7.90		M. Botica
	8/19/2004	3.60		R. Bostrom
	8/19/2004	2.30		D. Neier
	8/20/2004	1.50		R. Bostrom
	8/20/2004	2.00	(split)	R. Bostrom
	8/20/2004	3.80		M. Botica
	8/20/2004	6.75		D. Wirt
	8/20/2004	2.70		D. Neier
	8/23/2004	1.75		D. Wirt
	8/26/2004	1.00		R. Bostrom
	8/30/2004	2.00		R. Bostrom
	9/2/2004	5.00		R. Bostrom
	9/8/2004	3.40	(split)	D. Neier
	9/9/2004	1.25	(split)	D. Neier
	9/13/2004	1.30	(split)	D. Neier
	9/14/2004	4.80		D. Neier
	9/16/2004	1.50		D. Neier
	9/21/2004	6.80		D. Neier
	9/22/2004	3.50		R. Bostrom
	9/23/2004	1.00		R. Bostrom
	9/24/2004	3.70		D. Neier
	9/24/2004	3.50		D. Neier
	9/28/2004	5.50		N. Hanlon
	9/29/2004	3.50		N. Hanlon
	10/5/2004	2.30		D. Neier
	10/5/2004	3.50		R. Bostrom
	10/5/2004	3.80		D. Neier
	10/6/2004	1.60		D. Neier
	10/6/2004	0.80		D. Neier
	10/7/2004	2.50		R. Bostrom

<u>ISSUE/ TOPIC/ PHRASE</u>	<u>DATE</u>	<u>TIME</u>		<u>ATTORNEY</u>
	10/12/2004	4.00		R. Bostrom
	10/13/2004	1.30		D. Neier
	10/13/2004	1.00		R. Bostrom
	10/14/2004	1.20		D. Neier
	11/5/2004	1.60		D. Cunsolo
	11/9/2004	<u>2.50</u>		L. Van Auken
Sub-Total		245.80		
<u>Plan director-specific</u>	7/1/2004	1.70		D. Neier
	7/28/2004	1.00		R. Fischler
	8/2/2004	3.60		M. Botica
	8/12/2004	1.50	(split)	R. Bostrom
	8/18/2004	3.00		M. Botica
	8/20/2004	4.40		R. Bostrom
	8/21/2004	3.00		R. Bostrom
	8/26/2004	1.00		R. Bostrom
	9/1/2004	4.50	(split)	R. Bostrom
	9/23/2004	1.80		D. Neier
	9/24/2004	2.50		R. Bostrom
	10/4/2004	2.50		R. Bostrom
	10/6/2004	0.40		D. Neier
	10/6/2004	2.60		D. Neier
	10/7/2004	0.80		D. Neier
	10/8/2004	0.50		D. Neier
	10/10/2004	1.20		D. Neier
	10/10/2004	3.10		D. Neier
	10/11/2004	3.00		R. Bostrom
	10/28/2004	8.60		L. Van Auken
	10/28/2004	0.10		A. Lury
	10/29/2004	2.50		R. Bostrom
	10/29/2004	8.70		L. Van Auken
	11/9/2004	2.50		L. Van Auken
	11/9/2004	0.40		D. Neier
	11/10/2004	0.30		D. Neier
	11/12/2004	1.60		L. Van Auken
	11/15/2004	1.00		L. Van Auken
	11/15/2004	0.80		R. Fischler
	11/18/2004	0.20		L. Thompson
	11/22/2004	<u>0.40</u>		D. Neier
Sub-Total		69.20		

<u>ISSUE/ TOPIC/ PHRASE</u>	<u>DATE</u>	<u>TIME</u>		<u>ATTORNEY</u>
<u>StarPower/Pepco</u>	9/7/2004	1.50		R. Bostrom
	9/7/2004	0.25		R. Bostrom
	9/10/2004	0.70	(split)	R. Bostrom
	9/10/2004	7.20		R. Bostrom
	9/10/2004	1.50		R. Bostrom
	9/10/2004	4.60		K. Seay
	9/10/2004	2.20		R. Bostrom
	9/13/2004	5.00		R. Bostrom
	9/14/2004	3.00		R. Bostrom
	9/15/2004	1.80		D. Neier
	9/16/2004	7.00		R. Bostrom
	9/17/2004	2.50		R. Bostrom
	9/20/2004	1.00		R. Bostrom
	9/20/2004	3.50		R. Bostrom
	9/21/2004	2.50		R. Bostrom
	9/21/2004	1.10		R. Bostrom
	9/22/2004	1.25	(split)	R. Bostrom
	9/23/2004	1.00	(split)	R. Bostrom
	10/1/2004	2.50		R. Bostrom
	10/4/2004	1.00		R. Bostrom
	10/6/2004	1.00		R. Bostrom
	10/8/2004	2.00		R. Bostrom
	10/8/2004	1.50	(split)	R. Bostrom
	10/13/2004	1.50		R. Bostrom
	11/5/2004	0.50		S. Lee
Sub-Total		57.60		
<u>Substantive consolidation</u>	6/24/2004	1.80		D. Neier
	6/28/2004	5.20	(split)	R. Bostrom
	7/1/2004	3.20		R. Bostrom
	7/2/2004	0.76	(split)	R. Bostrom
	7/3/2004	0.75	(split)	R. Bostrom
	7/7/2004	1.80		R. Bostrom
	7/8/2004	1.60	(split)	R. Bostrom
	7/9/2004	1.25	(split)	R. Bostrom
	7/10/2004	2.40	(split)	R. Bostrom
	7/12/2004	0.80		R. Bostrom
	7/13/2004	0.50	(split)	M. Botica
	11/17/2004	0.10		L. Thompson
Sub-Total		20.86		