

**Hearing Date: April 18, 2005 at 10:00 a.m.**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In Re : Chapter 11 Case No.  
: 04-13638 (RDD)  
RCN CORPORATION, *et al.*, :  
: Jointly Administered  
Debtors. :  
:  
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**RESPONSE OF WINSTON & STRAWN LLP, COUNSEL  
TO THE BOARD OF DIRECTORS OF RCN CORPORATION, ET AL.,  
TO THE OBJECTIONS OF THE COMMITTEE AND U.S. TRUSTEE  
TO THE FINAL APPLICATION FOR COMPENSATION  
AND REIMBURSEMENT OF EXPENSES OF WINSTON & STRAWN LLP**

Winston & Strawn LLP (“Winston”), counsel to the Board of Directors (the “Board”) of RCN Corporation (“RCN”) and its affiliated debtors and debtors in possession (collectively, the “Debtors”), hereby submits this response to the objections submitted by the Official Committee of Unsecured Creditors (the “Committee”), dated April 8, 2005, and by the Office of the United States Trustee (the “Trustee”), dated February 16, 2005, to the Final Application of Winston & Strawn LLP, Counsel to the Board of Directors of RCN Corporation, *et al.*, For Compensation and Reimbursement of Expenses, dated February 4, 2005 (the “Final Application”). For the reasons set forth below, the objections of the Committee and the Trustee should be overruled.

**INTRODUCTION**

1. On May 27, 2004, RCN and four of its subsidiaries filed petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). Five other RCN subsidiaries commenced Chapter 11 cases during August 2004.

2. On December 21, 2004—a mere seven months after these cases were first commenced—the Debtors emerged from Chapter 11 bankruptcy protection. During this period, Debtors restructured \$4 billion of debt, resolved more than 90% of their 2,120 claims, and continued to operate their businesses and manage their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

3. In June 2004, Winston was retained to provide advice to the Board and to perform legal services for the Board in connection with these Chapter 11 cases. In its Final Application, Winston seeks an award of \$1,143,388.20, for work its on behalf of the Board from June 7, 2004 through December 16, 2004. This figure includes fees of \$1,111,789.75 and expenses of \$31,598.45.<sup>1</sup>

4. At the interim fee hearing held on November 18, 2004, this Court expressed the view that, as a general matter, the services provided by board counsel in any Chapter 11 case “should be quite limited given the expertise of the debtor’s counsel and the general overlap of the board’s interests with the debtor’s interests.” *See* Transcript of Hearing November 18, 2004 (Docket No. 473) at 14:5-14:7. In that context, the Court expressed concerns about Winston’s fees and the scope of its work.

5. The evidence submitted at the hearing on this Final Application will make clear that the Board in this particular case was faced with a range of unusual and difficult issues which required the Board to obtain extensive assistance from independent counsel. Indeed, conflicts among the Committee, Debtors’ financial advisors, and Debtors’ counsel required the Board, through the Lead Director appointed by the Board on June 30, 2004, to take a very active role in

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<sup>1</sup> Tables detailing the fees and expenses were submitted with the Final Application and are attached hereto as Exhibit A.

this reorganization. Repeated conflicts with the Committee over what direction the reorganization should take, and over the fiduciary duties of the Board, exacerbated the situation. Because of these conflicts, the Board required counsel independent of Debtors' bankruptcy counsel to advise and assist the Board and its Lead Director in moving the reorganization process forward. Those services did not duplicate work done by Debtors' counsel. Rather, in the context of those conflicts, Winston met the unusually extensive needs of the Board, providing valuable and necessary services that were both within the scope of the approved retention and required and directed by the Board.

### **PROCEDURAL BACKGROUND**

6. On July 8, 2004, Debtors filed an application pursuant to Bankruptcy Code Sections 327(e) and 328 and Fed. R. Bankr. P. 2014 and 2016 authorizing the retention of Winston as special counsel to the Board (the "Retention Application").<sup>2</sup> The Retention Application provided that Winston was being retained to "advise the Board of Directors as their attorneys and provide legal services and advice from time to time in connection with these [Chapter 11] cases." Retention Application ¶ 8. Moreover, the Retention Application provided that these services would "includ[e]" the following:

- a. corporate governance matters;
- b. fiduciary duties of the Board of Directors;
- c. matters concerning the Securities and Exchange Commission, the Federal Communications Commission or any other federal, state or local regulatory agency;
- d. any investigations;
- e. any securities class actions or shareholders derivative actions; and

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<sup>2</sup> A copy of the Retention Application is attached hereto as Exhibit B.

- f. other matters that arise in connection with these cases, including but not limited to, the following:
- (1) conducting legal research;
  - (2) collecting and reviewing documents;
  - (3) interviewing relevant current and former officers, directors and employees of the Debtors and other tasks in connection with these proceedings;
  - (4) reviewing developments in these [Chapter 11] cases and advising the Board of Directors in connection therewith;
  - (5) providing 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;
  - (6) representing and providing such services as are requested by the Board of Directors in connection with any litigation that may be brought against the Board of Directors;
  - (7) if necessary, appearing 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
  - (8) providing the full range of legal services and advice normally associated with the matters referred to above.

Retention Application ¶ 8. The Declaration of David Neier, Esq., a Winston partner, and a copy of the engagement letter between Winston and the Board accompanied the Retention Application. Copies are attached as part of the Retention Application at Exhibit B.

7. The Retention Application was approved by this Court in an order dated July 30, 2004 (the "Retention Order").<sup>3</sup> The Retention Order authorized the retention of Winston as

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<sup>3</sup> A copy of the Retention Order is attached hereto as Exhibit C.

special counsel to the Board, effective as of June 7, 2004, to perform those services identified in the Retention Application, engagement letter and Retention Order. Retention Order ¶ 2.

8. In the months that followed, and in accordance with this Court's rules, Winston filed monthly fee statements reflecting the time being spent by Winston attorneys in connection with these matters. Copies of those monthly fee statements were submitted with Winston's Final Application.

9. On October 26, 2004, Winston submitted its First Interim Application for Compensation and Reimbursement of Expenses (the "Interim Application") to the Court. In its Interim Application, Winston sought an order authorizing payment of compensation for fees and expenses in the amount of \$793,897.75, reflecting work performed by Winston during the period June 7, 2004 through and including September 30, 2004.

10. The Committee and Trustee filed objections to Winston's Interim Application. At a hearing on November 18, 2004, the Court expressed concerns with Winston's fees given the relatively limited role of board counsel in other Chapter 11 cases, and the possibility that Winston's work duplicated work done by Debtor's counsel, Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"). As a result, the Court authorized an interim award of only 50% of the total fees sought in Winston's Interim Application. Because Winston had previously received payments in excess of the 50% limit, Winston reimbursed the estate for the difference shortly after the hearing.

11. On February 4, 2005, Winston submitted its Final Application, seeking an order directing payment of \$1,111,789.75 in fees and \$31,598.45 in disbursements, for a total allowance of \$1,143,388.20.

12. The Committee and Trustee filed objections to Winston's Final Application. The Committee contends that some services performed by Winston: (1) exceeded the scope of the Court's Retention Order; and/or (2) duplicated services performed by Skadden.<sup>4</sup> The Committee and Trustee together object because Winston's fees predominantly reflect services rendered by attorneys at the partner level.<sup>5</sup> Specifically, the Trustee took issue with a number of time entries by Winston partners addressing "research" and review of cases.<sup>6</sup> Trustee Objections at 3, n.1.

13. Winston's services consisted primarily of partner time because the services requested and directed by the Board required senior-level guidance and advice. As will be demonstrated, these partner services: (1) were precisely the services the Board requested; (2) were within the scope of the Retention Order; (3) were necessary to Debtors' reorganization in light of events that developed; and (4) did not duplicate the work done by Skadden.

### **STATEMENT OF FACTS**

#### **A. Winston's Retention as Board Counsel**

14. Winston was first contacted concerning the proposed representation in early June 2004, approximately ten days after the petitions were filed. At that time, a telephone interview was conducted by Board Executive Committee member Alfred Fasola (who later became Lead Director) with Winston partners Robert Bostrom, David Neier and Matthew Botica.

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<sup>4</sup> See Objection Of Official Committee Of Unsecured Creditors Of RCN Corporation, *et al.* To Application Of Winston & Strawn LLP, Counsel To Board Of Directors Of RCN Corporation *et al.*, For Final Allowance Of Compensation And Reimbursement Of Expenses, dated April 8, 2005 ("Committee Objections").

<sup>5</sup> See Objection Of The United States Trustee To Final Application For Compensation And Reimbursement Of Expenses, dated February 14, 2005 ("Trustee Objections").

<sup>6</sup> The Trustee also objects because the Final Application fails to reflect a \$40,000 reduction to which Winston had previously agreed that was intended to address this objection. Winston acknowledges that this agreement was made with the Trustee; the failure to give effect to it in the Final Application was an oversight, and the Final Application should be reduced to that extent.

15. During the interview with Mr. Fasola, Winston was advised that it would be replacing previous Board counsel, Cahill Gordon & Reindel LLP (“Cahill”), because a conflict of interest had arisen between Cahill and the Board. Cahill’s long-standing client, Deutsche Bank, had agreed to provide exit financing to the Debtors, and Cahill wished to represent Deutsche Bank in that regard. Winston learned that Deutsche Bank’s commitment expired at year-end, on December 31, 2004, and that the Board believed this was critical to the success of the proposed restructuring plan.

16. During the interview, Mr. Fasola further advised Winston that it was being retained to provide services to the Board in connection with matters both related and unrelated to the Debtors’ bankruptcy cases.

17. With respect to matters unrelated to the Debtors’ bankruptcy cases, Winston was advised that it would be providing general advice to the Board concerning corporate governance, the Board’s fiduciary duties, related obligations and potential liabilities, preparing for and attending Board meetings, and generally advising the Board with respect to matters requiring its attention.

18. With respect to bankruptcy-related tasks, Winston was advised that it would be responsible for reviewing developments in the Chapter 11 cases and keeping the Board informed of such matters. In addition, Winston understood that it might be called upon to represent the Board in connection with matters including, but not limited to, insurance, plan indemnity and releases and any litigation that might ensue.

19. In the weeks that followed, Winston learned that a fundamental disagreement concerning the form and scope of the Debtors’ reorganization had developed that seriously endangered the pre-arranged bankruptcy plan that the Board had previously approved, and that,

as the disagreement persisted, it required the Board to take an unusually active, hands-on role in the reorganization process. Specifically, Winston learned that:

- a. the major constituencies—the Debtors, the senior secured lenders (the “Bank Group”) and the Committee—were fundamentally at odds with each other over the business operations of the Debtors;
- b. as a result, and contrary to the Board’s understanding, no lock-up agreement, plan support agreement or plan had been agreed to by the Committee, Bank Group and Debtors, and no negotiations were taking place to resolve these issues;
- c. because no such agreement was in place, no consensus had been reached concerning the terms of any directors and officers liability insurance coverage or the releases and indemnification that would be provided to the Board upon Debtors’ emergence from Chapter 11; and
- d. certain of the Debtors’ professional advisors—Skadden and AP Services, LLC (“Alix Partners”)—disagreed with each other with respect to the Debtors’ business operations, and the strategy and plan of reorganization that should be pursued.

20. As events transpired in late June 2004, Winston learned from Mr. Fasola that he and his fellow Board members were very unhappy with this state of affairs and had lost confidence in the Debtors’ professional advisors. The Board was extremely concerned that the disagreements between the Committee and the Bank Group, on the one hand, and between Skadden and Alix Partners, on the other, would prolong the proceedings and jeopardize the Debtors’ exit financing and confirmation. As a result, Winston was advised by Mr. Fasola that the Board needed assistance from independent counsel to resolve these conflicts and put the case back on track toward resolution by year-end. The situation, the Board concluded, required the Board and Mr. Fasola, as Lead Director, to take a very active role in the reorganization process, and he, in turn, relied heavily on Winston as the Board’s counsel.



21. Moreover, the Board wanted Winston's work to be carried out confidentially. As the Board advised Winston, it was concerned that any disclosure of these issues would be highly prejudicial to the Debtors and their reorganization efforts.

22. Although the amount of time Winston was directed by the Board and its Lead Director to spend on these matters thus came to be substantially greater than Winston had initially anticipated, the character of the work performed over the next several months at Mr. Fasola's direction fell squarely within the scope authorized in the Retention Order.

23. Because most of the Committee's objections are directly related to the services provided by Winston to the Board in connection with the resolution of these multiple conflicts, the salient facts are set out in more detail below.

**B. The Committee's Demands and the Substantive Consolidation Debate**

24. At the outset, to ensure the proper flow of information to the Board concerning developments in the Chapter 11 cases, the Board asked Winston to examine various governance mechanisms and provide a recommendation to the Board. These efforts ultimately led to Mr. Fasola's appointment as Lead Director. The Board also asked Winston to identify a process and procedure by which it could assess the demands of the Committee and Bank Group. The Board wanted an understanding of the scope of its fiduciary duties in this context, not only duties to the shareholders, but duties to the creditors as well. Winston performed the requested tasks.

25. As part of this process, Mr. Fasola also asked Winston to meet with each of the Debtors' lead professionals—Skadden, Alix Partners and The Blackstone Group, L.P., (“Blackstone”)—to gain an understanding of the situation and report back to him. Mr. Fasola instructed Winston to begin performing an analysis of the issues confronting the Board with respect to various constituencies. Mr. Fasola stressed, however, that the very first priority was to

get all of the Debtors' advisors—Skadden, Alix Partners and Blackstone—working together with the Board. The next matter of business, Mr. Fasola advised, was to meet with the Committee and Bank Group to gain an understanding of the disagreements between them and the concerns each of them had with the Debtors.

26. During the meetings that followed, Winston learned that the Committee, consisting solely of RCN's bondholders, wanted the Board to pursue an overall structural reorganization of RCN that would involve filing bankruptcy petitions for all of RCN's subsidiaries. In addition, the Committee wanted the Board to agree to seek an order directing substantive consolidation of all of these entities. The Committee believed that substantial cost savings could be achieved in these circumstances at the subsidiary level and the companies' consolidated assets could be distributed in a manner that would increase the creditors' recovery.

27. Winston also learned that Skadden disagreed with this strategy. Skadden recommended a financial restructuring of RCN, the parent holding company, as quick, safe and cost-effective. Skadden also advised that it had completed a substantive consolidation analysis and determined there was no basis for substantive consolidation here. Moreover, as lawyers at Skadden explained, if such a strategy were pursued, it could expose the Board to potential liability on a number of fronts.

28. Winston also learned, on the other hand, that Alix Partners believed placing the remainder of the subsidiary companies in Chapter 11 would provide greater cost savings, primarily because of Bankruptcy Code provisions permitting the rejection of leases.<sup>7</sup> Alix Partners also stated, however, that it had examined the company's books and records and business operations and concluded that substantive consolidation was not warranted.

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<sup>7</sup> Only four of the non-operating subsidiaries had been included in the initial filing.

29. The dispute about reorganization strategy came to a head in late June 2004, when the Board discovered that steps were being taken, without the Board's knowledge or consent, to prepare Chapter 11 petitions for the remaining RCN subsidiaries. The Board called an emergency meeting for June 30, 2004 that Winston was asked to attend. At that meeting, the Board adopted Winston's recommendation to appoint a lead director to oversee the Chapter 11 process and elected Mr. Fasola to that post. The Board also requested a thorough analysis of the Committee's demands and any other options that might be available to address the Committee's concerns. The Board asked Winston to participate in this process, independently examine the issue of substantive consolidation, and review and report all developments to the Board.

30. The Board, at this stage, turned to Winston for high-level advice from experienced and independent corporate and bankruptcy counsel to assist it in assessing the Committee's demands and in resolving the conflicts. This required an extensive amount of time and attention on the part of the Board and, consequently, extensive time and attention from Winston at the Board's request. The Board made it clear that independence was a critical factor.

31. In the weeks that followed, Winston reviewed background materials and conducted research concerning, among other things, the fiduciary duties of the Board and its Lead Director to its shareholders and creditors. Winston also participated in numerous meetings and conference calls with Skadden, Alix Partners and Blackstone, and reviewed their respective analyses of the issues. Winston also conferred extensively with RCN Chairman and Chief Executive Officer David McCourt and Lead Director Mr. Fasola.

32. Throughout July and August 2004, weekly meetings were held among all interested parties in an effort to understand and assess the different options. Winston participated in these meetings at the Board's request, along with Mr. McCourt and/or the Mr.

Fasola. Because the conflicts between the Committee, Skadden and Alix Partners regularly resurfaced at the weekly group planning meetings, Mr. McCourt and Mr. Fasola wanted Winston partners present to advise and assist them in managing the conflict, and be fully informed of the numerous issues on which these parties differed. At the Board's request, Winston partner Robert Bostrom fulfilled many of these client duties as and when needed.

33. By mid-July, the differences among the distinct factions had turned sour. Negotiations between the Committee and Skadden came to a virtual standstill, as a Committee and bondholder representative, Gary Singer, demanded that the Board, as a matter of its fiduciary duty, put all subsidiaries in Chapter 11 and pursue substantive consolidation. Skadden, however, counseled against it and stated unequivocally that it would not take such actions.

34. The Board was keenly aware of its obligations to the companies' shareholders and creditors to examine the Committee's demands before making a decision as to how best to proceed. Moreover, the Committee's unwillingness to cooperate with Skadden made it imperative that the Board have independent counsel that was not embroiled in and part of their dispute.

35. As time progressed, and the prospect of a significant delay in the proceedings became more real, a series of compromises was reached in an effort to keep the process moving forward. The Board was responsible for assessing and approving these steps, and it sought and obtained the assistance of Winston in carrying out these responsibilities.

36. First, the Board agreed to retain the Committee's lead restructuring consultant, Peter Aquino of PDA Group, LLC. This, it was believed, would enable the Committee to satisfy itself that costs were under control and the value of the creditors' interests in RCN was being maintained. The decision, however, was very controversial because the Bank Group and

Skadden strenuously objected to Mr. Aquino's retention for this purpose. Indeed, Skadden believed that Mr. Aquino's retention by Debtors would lead to a motion for the appointment of a trustee. At the Board's request, Winston assisted the Board in resolving this conflict and ensuring that Mr. Aquino's retention would pose no potential issues for the Board.

37. Second, the Debtors and Skadden agreed to replace Jay Goffman as lead bankruptcy counsel for the Debtors, bringing in D. Jan Baker, another partner at Skadden. Mr. Baker assumed responsibility for this matter in late August 2004.

38. Third, the Board and the Debtors agreed to pursue an aggressive cost-reduction program to enhance the value of the ultimate distribution to the creditors. At the Board's request, Winston monitored this program to keep the Board informed of significant developments, particularly as they related to major issues involving the companies' franchises, leases and other real estate matters, as well as claims asserted by Merrill Lynch, the City of Chicago, Kemper, and IBM. In addition, as was true throughout the pendency of these cases, significant disagreements arose concerning these specific matters that necessitated the Board's involvement.

39. Fourth, all parties agreed, after thorough analysis of the substantive consolidation issue, to proceed with a modified version of the more limited financial restructuring that had been initially proposed. The terms of this arrangement, of course, were subject to extensive negotiation throughout the late summer and fall, as the terms of the Disclosure Statement and Plan of Reorganization were put into place. Winston was asked to review these draft documents and to provide comments on behalf of the Board to Skadden because the terms of this compromise had significant impact on the Board's potential liability.

**C. Other Work Performed By Winston**

40. Apart from the work Winston performed in connection with the substantive consolidation debate, Winston was specifically asked by the Board to advise it concerning a number of other matters relating the Chapter 11 cases that impacted the Board's potential liability. Those tasks included, for example, the following:

- a. advising the Board members concerning the Chapter 11 bankruptcy process, as it related to the business going forward and business and/or bankruptcy strategy;
- b. reviewing the proposed and final joint plans of reorganization and researching and analyzing the scope of the release and indemnification provisions therein;
- c. reviewing and analyzing the exit-financing commitment from Deutsche Bank and an alternative proposal from D.E. Shaw;
- d. reviewing and analyzing sale of Debtors' interest in a joint venture with Megacable;
- e. reviewing and analyzing the Debtors' proposed purchase of the interest of joint venture partner, Pepco, in Starpower and related litigation with Corvis;
- f. reviewing and analyzing SEC disclosure issues arising in connection with 8-K, 10-K and other filings;
- g. reviewing and analyzing professional retention applications, including those of executive search consultant, Spencer Stuart;
- h. reviewing and analyzing key employee retention plan (KERP) issues;
- i. exploring the disposition of RCN Entertainment; and
- j. reviewing and analyzing fresh start accounting requirements and interviewing accounting firms.

41. In addition to issues relating to the Chapter 11 proceedings, Winston provided other services to the Board. Early on, the Board, and its Audit Committee in particular, requested advice in connection with its corporate governance procedures and internal controls to

guide the Debtors through the restructuring process. The Board asked Winston to review the companies' by-laws, existing policies and procedures and provide it with recommendations as to how to proceed.

42. As Board counsel, Winston took the lead at Board meetings, preparing agenda, presentations and compiling the Board minutes. Winston also provided written and oral advice to the Board concerning the scope of its fiduciary duties generally and to its members in their various capacities as lead director, independent directors, and members of the Board Audit Committee. As part of this work, Winston prepared reports and memoranda to the Board, Mr. McCourt and Mr. Fasola.

43. At the Board's request, Winston also handled a number of issues relating to the directors and officers liability insurance program. Significantly, Winston was instrumental in obtaining an extended reporting period for the existing directors and officers' insurance policy and negotiating a renewal of the policy on favorable terms. As part of this work, Winston engaged in discussions with the insurance brokers on the Board's behalf and reviewed and analyzed the terms of the relevant insurance contracts.

44. In addition, during October and November 2004, Winston also represented the Board, at its request, in several litigation matters that had been commenced against certain Board members by RCN shareholders and employees. As part of this work, Winston researched and analyzed the merits of the claims asserted and the potential defenses that might be available to the Board members. Winston also researched and analyzed issues relating to the availability of insurance coverage for these claims and the coverage defenses that had been asserted by the insurance carriers.

## **ARGUMENT**

45. The appropriate amount of compensation payable to professionals retained in connection with a Chapter 11 case is determined based on a review of relevant factors applied on a case-by-case basis. *See generally* 3 Collier on Bankruptcy ¶330.01 (15th ed. rev. 2005). Pursuant to Bankruptcy Code § 330(a), a court presented with an application for compensation is to consider “the nature, the extent and the value of such services, taking into account all relevant factors.” *See* 11 U.S.C. § 330(a)(3)(A). Among the factors to be considered is “whether the services were necessary to the administration of, or beneficial at the time the service was rendered toward the completion of, a case under this title.” 11 U.S.C. § 330(a)(3)(c). Here, the services performed by Winston were not only beneficial, but also necessary to the timely completion of this case and Winston’s charges for these services are appropriate in light of the other factors listed in Bankruptcy Code § 330(a)(3).<sup>8</sup>

**A. Winston’s Services On Behalf Of The Board Fell Squarely Within The Scope Of This Court’s Mandate**

46. The Committee contends that the Retention Order limited the scope of Winston’s services to very “discrete ‘board-specific’ issues” such as indemnification and fiduciary duties. Committee Objections ¶ 1. This simply is not correct.

47. Winston was retained as special counsel to the Board. Although the work Winston was directed to carry out was more extensive than Winston initially anticipated, it is quite clear that the *nature* of that work fell within the scope of the Retention Application and Order. The Retention Order is not narrow and limited; to the contrary, it authorizes a wide range

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<sup>8</sup> Those factors are: (1) the time spent on such services; (2) the rates charged for such services; (3) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue or task addressed; and (4) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title. 11 U.S.C. § 330(a)(3).



of services to meet the needs of the Board. Retention Application ¶ 8. Contrary to the Committee's assertion, moreover, the Retention Order authorizes Winston to perform work of a bankruptcy-related nature. It expressly provides that Winston shall review and advise the Board concerning developments in the Chapter 11 cases and provide other advice to the Board in connection with its ongoing responsibilities concerning the Debtors' operations. *Id.*

48. Most of the Winston work to which the Committee objects relates to Winston's assessment and resolution of demands made *by the Committee* to the Board, demands that Committee representatives insisted the Board should pursue as a matter of its fiduciary duty. Although the extent of the work required here might have been unusual because of the conflicts that were so consistently rekindled, work of this nature is clearly covered by the Retention Order.

49. For example, the Committee therein objects to Winston's work advising the Board with respect to "[the] Chapter 11 bankruptcy process as it relates to business going forward and business/bankruptcy strategy." Committee Objections at 10. The Retention Order, however, gives Winston the express authority to review and advise the Board concerning developments in the bankruptcy cases and to advise the Board "in support of its ongoing responsibilities with respect to the Debtors' operations." Retention Application ¶8(b), (c). Because of the conflicts, the Board required advice from its own counsel in these cases and, because of the conflicts, the Board requested and received extensive assistance from Winston.

50. The Committee also objects to Winston's work in connection with the preparation of "agenda, various presentations and attend[ance at] all Board meetings" to the extent that the Board meetings "were convened to examine issues" and make "decisions with respect to the chapter 11 cases" such as "plan consideration and whether to sell certain assets." Committee Objections at 10. Board meetings are rarely so narrow in focus in any event, but there is nothing

in the Retention Order that limits Winston's advice to the Board and participation in Board meetings to the narrow topics the Committee suggests. To the contrary, the Retention Order expressly authorized Winston to do this work if the Board needed it, which it did in this case.

51. The same holds true for the Committee's objections to work performed by Winston in connection with "legal research on various topics" and its review of "various legal documents and agreements relating to StarPower . . . Pepco, Corvis and D.E. Shaw." Committee Objections at 10. The Retention Order authorizes Winston to conduct legal research and review documents in connection with its service to the Board. This work was undertaken at the direction of the Lead Director as part of the Board's diligence in carrying out the restructuring plan and to advise the Board concerning its fiduciary duties with respect to these transactions.<sup>9</sup>

52. Finally in this regard, the Committee objects to time spent by Winston "to discuss case strategy" and its participation in "plan negotiations," and review of "plan strategy, negotiations, financial outlook presentations and steering committee issues." The Retention Order permits Winston to review developments and perform other tasks in connection with these Chapter 11 cases. Moreover, because most of this work also related to Winston's assessment of the demands made by the Committee to the Board, it also falls squarely within Winston's authority to handle matters relating to the Board's fiduciary duties, an area in which the Lead Director frequently needed independent advice and assistance.

53. The Committee had the opportunity, as the Retention Order provides, to seek to modify the Order *at any time* during the course of these proceedings.<sup>10</sup> The Committee made

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<sup>9</sup> The specific nature of these services is described in paragraphs 58 and 59, below.

<sup>10</sup> At the Committee's request, the Order also provided that Winston's services should not duplicate services provided by other counsel on behalf of the Debtors. Retention Order at ¶4. In the event circumstances developed that, in the Committee's opinion, would have rendered Winston's retention in contravention of Bankruptcy Code Section 327(e) or any other provision thereof, the Retention Order permitted the Committee to seek appropriate

no such motion. It should not be permitted to re-write the Retention Order long after the nature and extent of Winston's services were well known to it.

**B.     The Work Performed By Winston  
Did Not Duplicate That of Skadden**

54.     The Committee also objects to Winston's Final Application because it believes Winston performed services that duplicated services provided to the Debtors by Skadden. For example, the Committee criticizes Winston for work that the Committee describes as "negotiating and documenting the plan, formulating bankruptcy case strategy, examining financial reports prepared by retained advisors, examining whether to file operating companies and other subsidiaries and examining substantive consolidation." Committee Objections ¶ 3. This work, the Committee argues, is improper "[c]onsidering the identical interests" shared by the Debtors and the Board. *Id.*

55.     As the Committee is well aware and the testimony will amply demonstrate, the work performed by Winston and the work performed by Skadden were *not* duplicative. Given (1) the conflicting advice and demands that were being presented to the Board by its professional advisors, (2) the Committee's refusal to work with Debtors' counsel at Skadden for a period of time, and (3) the Committee's insistence that the Board adopt the Committee's plan as a matter of its fiduciary duty, it is evident that the Board needed independent advice from counsel other than Skadden. Indeed, under the circumstances, this was a role that Skadden could not fulfill.

56.     The Committee's objections on this score are listed in charts appearing on page 12 and in Exhibit G of its Objections. There, the Committee lists those Winston tasks it contends "were not appropriate" for Winston's consideration and overlapped those that "should have been

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relief, including the termination of Winston's retention, "promptly and upon discovery and verification of the facts of such circumstances." *Id.* at ¶ 5.

handled” or were “capably handled” by Skadden.<sup>11</sup> The majority of these objections relates to work performed by Winston on behalf of the Board to respond to the Committee’s demands and resolve the many conflicts that they generated. Each of these objections is addressed in turn:

- a. Bankruptcy alternatives and filings (44.35 hours): The Committee contends that the decision whether to file subsidiary operating companies was not appropriate for Winston’s consideration. To the contrary, the decision whether to place these companies in Chapter 11 was a decision to be made by the Board and Winston properly spent time addressing it. This work, as Winston’s time records reflect, was devoted entirely to Winston’s review and evaluation of the Committee’s demands during July and August 2004. *See* Exhibit D attached. Moreover, as explained above, the Board needed the independent advice of Winston to assist it with this decision because of conflicting advice it had received from Skadden and Alix Partners and the substantive consolidation demands of the Committee.
- b. Bankruptcy/case strategy (67.10 hours): The Committee objects because, it claims, “crafting a business plan and outlining a path toward emergence” were tasks “entrusted” to Skadden. As the attached table shows, the work to which the Committee objects consists of meetings and other discussions among the Board, Debtors advisors and the Committee to address the Committee’s demands. *See* Exhibit E attached. Moreover, Winston did not as the Committee suggests “craft” the business plan or “outline” the path toward emergence, but reviewed these items on behalf of the Board.
- c. Blackstone financial presentations (30.95 hours): The same is true here. As the Committee well knows, the Blackstone presentations were used by the Board to assist it in responding to the Committee’s demands and examining various options. A review of Winston’s time records relating to Blackstone plainly demonstrates that Winston’s services were directly related to the Board’s analysis of these issues. *See* Exhibit F attached.
- d. Operating companies/subsidiaries (20.86 hours): The majority of references in Winston’s time records to the operating companies and subsidiaries also relate to the Committee’s demand that these entities be placed in Chapter 11 and substantive consolidation be pursued. *See* Exhibit G attached. For reasons stated previously, Winston appropriately examined these issues in the context of its work for the Board. The few

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<sup>11</sup> We note here that merely asserting that a task “should have” been handled by Skadden does not evidence that Winston *duplicated* Skadden’s work. Nonetheless, in the circumstances it was proper for the Board to ask Winston to perform the work in question.

entries to which the Committee objects that relate to RCN Entertainment (reflecting 4.3 hours, and a total of \$2,322) were incurred to as part of Winston's reporting obligations to the Board.

- e. “Plan” General (Negotiation, Review And Documentation) (245.80 hours): Winston's work here primarily involved reviewing Plan drafts and discussing them internally and with members of the Board and Skadden. The time entries clearly show that Winston reviewed the Plan and its drafts on behalf of the Board in connection with its analysis of and attempts to address the Committee's demands. In addition, some of the time entries show that Winston reviewed the Plan for purposes for which the Committee claims it does not object—such as the analysis of the release and indemnification provisions and the ERISA litigation. *See* Exhibit H; Committee Objections ¶¶ 1, 13. It is also evident from the time entries upon which the Committee's objection is based that Winston did not, as the Committee suggests, “draft,” “document” or take the lead in plan negotiations.
- f. Substantive Consolidation (20.86 hours): Winston's work here was directly related to its analysis, on behalf of the Board, of the Committee's demands. *See* Exhibit I attached.

57. The Committee also objects to several tasks performed by Winston that it claims involved matters of “business judgment” “capably handled” by Skadden or were “‘pure chapter 11’ matter[s] falling squarely within the realm of ‘conducting the case.’” Committee Objections at 12. The Committee's objections here are also misplaced. Because resolution of the Committee's demands involved the implementation of a drastic, cost-reduction plan and close attention to several major claims, Winston spent time reviewing these matters and advising the Board with respect to major developments. The objections, thus, to the work performed by Winston in connection with the Merrill/Kemper claims (42.30 hours) (*see* Exhibit J), and the franchise, real estate and lease issues (10.30) (*see* Exhibit K), should be overruled. Indeed, Lead Director, Mr. Fasola played a major role in negotiating key franchise agreements so as to satisfy the Committee's demands.

58. In addition, other matters to which the Committee objects were undertaken as part of Winston's responsibility to review and report developments to the Board so that it could

properly exercise its fiduciary duties in assessing these major financing or transactional matters.

That work, as reflected in the detailed time records (*see* Exhibit L), consisted of the following:

- a. Deutsche Bank Financing/D.E. Shaw (9.20 hours): This work involved reviewing and advising the Board concerning developments with the exit-financing commitment and alternative options.
- b. StarPower/Pepco (57.60 hours): This involved reviewing and analyzing the Debtors' proposed purchase of the interest of joint venture partner, Pepco, in Starpower, and related litigation with Corvis, and reporting major developments to the Board.
- c. Megacable (7.00 hours): This involved reviewing and analyzing the transaction with this joint venture partner and reporting on developments to the Board.
- d. KERP (10.60 hours): This involved reviewing and analyzing key employee retention plan (KERP) issues and advising the Board with respect to same.
- e. Accounting Issues/Fresh Start Accounting (4.35 hours): This involved reviewing and analyzing fresh start accounting requirements and interviewing accounting firms on behalf of the Board.

59. Contrary to the Committee's objection, the work Winston performed in connection with these issues did not *duplicate* work performed by Skadden. Winston did not draft the Disclosure Statement or the Plan of Reorganization; rather, it reviewed the drafts prepared by Skadden and offered comments and advice on those aspects pertaining to issues confronting the Board. Winston did not take the lead in identifying and assessing all of the legal and business aspects of the options being considered; rather, this was work performed by Skadden that Winston reviewed and discussed with the Board, to enable the Board to fulfill its fiduciary duties and make a well-informed and appropriate decision as to how best to proceed.

60. Finally, a review of the actual time entries to which the Committee objects, and the descriptions of the work performed by Winston attorneys, belies any notion that Winston was

duplicating Skadden's effort. *See* Exhibits D-L attached. To the contrary, these tables show that Winston's work was devoted primarily to matters involving advice to and communications with the Board, and a resolution of the Committee's demands and the many conflicts those demands generated. A review of the time records submitted by Skadden and summarized in its Final Application, in contrast, shows that Skadden devoted its time and effort to conducting the Chapter 11 cases, not on matters relating to the Board or corporate governance.<sup>12</sup> The Committee's sweeping objections on the ground of duplication thus, should not be sustained.

**C. All Tasks Performed By Winston Were Reasonable and Necessary and Warrant Full Compensation**

61. The Committee, joined by the Trustee, together object to Winston's Final Application on the grounds that it reflects an "inordinate amount of services" performed by Winston partners instead of associates. Committee Objections ¶12; Trustee Objections ¶2. Given the nature of the assistance that the Board required in this case, however, it is not at all surprising that partners performed the overwhelming majority of the work.<sup>13</sup>

62. As previously discussed, Winston partners, and in particular Robert Bostrom, were retained by the Board because the Board—which consisted of present and former CEOs and senior officers of a number of Fortune 500 companies—wanted high-level, experienced and independent advice to assist it in resolving a number of sensitive and highly crucial issues that

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<sup>12</sup> *See* Final Application of Skadden, Arps, Slate, Meagher & Flom LLP Seeking Allowance Of Fees For Professional Services Rendered And Disbursements Incurred As Counsel For The Debtors For The Period From May 27, 2004 Through December 21, 2004, at 4-5, attached hereto as Exhibit M.

<sup>13</sup> The Committee's attempt to show that Winston's fees are out of line with compensation awarded to Board counsel in other Chapter 11 cases fails to consider the unique circumstances presented here. Neither of the cases upon which the Committee relies, *In re K-Mart Corp.*, No. 02-2474 (N.D. Ill.) or *In re Warnaco*, No. 01-41643 (Bankr. S.D.N.Y.), involved the complicated set of issues that the Board addressed in this case. Moreover, fees awarded to special counsel retained in other Chapter 11 cases involving telecommunications companies far exceed those being sought by Winston in this case. *See, e.g., In re Adelphia Communications Corp., et al.*, No. 02-41729 (Bankr. S.D.N.Y.) (awarding compensation to special counsel to the board in an amount that exceeds \$7.5 million to date).

required their careful attention. Winston was retained at a time when these issues were already pressing, and it was imperative that Winston get up to speed very quickly. The Board demanded—and received—almost daily updates from Mr. Bostrom, and several members, particularly the Chairman, Mr. McCourt and the Lead Director, Mr. Fasola, often consulted with him multiple times each day. The Board made it clear that it wanted senior-level advice, and this was the purpose for Winston’s retention.

63. Winston’s time records bear this out. More than half of the time spent by Mr. Bostrom in this matter involved meetings and consultations between him and various members of the Board. This is not work that could have, should have or typically would have been relegated to associates.

64. As a related matter, the Trustee points out that on occasion Winston partners did work categorized as “research.” Given the circumstances, it was not at all surprising that Winston partners performed some research during the course of this case. What the Board wanted was the advice and participation of experienced, senior practitioners. Winston partners, and Mr. Bostrom in particular, needed to be well-informed on a full range of issues facing the Board and prepared to give them first-hand judgment and advice on demand. Review of articles, relevant statutes and cases by partners in this context was entirely appropriate.

65. For the entire case, the total amount of time billed by partners for research tasks of any kind was less than \$90,000. If associates had done that work, the associates would have had to be briefed on the work needed and the partner would then have had to review and assimilate the associates’ work. It is unlikely that this would have resulted in any cost savings, and it might have delayed the delivery of advice when needed. Under these circumstances, the fees caused by partners performing this work themselves were neither unusual nor excessive, and



the \$40,000 reduction previously agreed upon with the U.S. Trustee is more than ample to cover any objection on these grounds.

**CONCLUSION**

**WHEREFORE**, Winston & Strawn LLP respectfully requests that the Court enter an Order approving the Final Application and directing payment by the Debtors in the amounts set forth therein for fees and expenses, and granting such other and further relief as the Court deems just and proper.

Dated: April 14, 2005

WINSTON & STRAWN LLP

/s/ David Neier

\_\_\_\_\_  
David Neier (DN 5391)

200 Park Avenue

New York, NY 10166

212-294-4700

*Counsel for the Board of Directors of RCN  
Corporation, et al.*

## **EXHIBIT A**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In Re  
RCN CORPORATION, *et al.*,  
Debtors.

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

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

Name of Applicant: Winston & Strawn LLP

Authorized to Provide  
Professional Services to: Board of Directors of RCN Corporation, et al.

Date of Retention: *Nunc pro tunc* to June 7, 2004

Period for which  
Compensation and  
Reimbursement is sought: June 7, 2004 through  
December 16, 2004

Amount of Compensation  
sought as actual,  
reasonable and necessary: \$ 1,111,789.75

80% of Amount of Compensation  
sought and paid as actual,  
reasonable and necessary through 10/31/04 \$ 774,847.80

50% of Amount of Compensation  
sought and paid as actual,  
reasonable and necessary from 11/1/04-12/16/04 \$ 71,615.00

Amount of Expense Reimbursement  
sought as actual, reasonable, and  
necessary: \$ 31,598.45

Amount of Expense Reimbursement  
sought and paid as actual, reasonable, and  
necessary: \$ 31,598.45

Total Amount of Compensation  
(20% and 50% holdback) sought:

\$ 265,326.95

This is an:

   interim

  X   final application

Prior Interim Fee Applications: One

**Cumulative Summary of Monthly Fee Statements<sup>1</sup> Submitted  
by Winston & Strawn LLP for Services Rendered and  
Reimbursement of Expenses as Counsel to the Board  
of Directors of RCN Corporation, et al.:**

<b><u>Date of Filing</u></b>	<b><u>Period Covered</u></b>	<b><u>Total Fees Sought</u></b>	<b><u>Total Expenses Sought</u></b>	<b><u>Fees Paid (80%)</u></b>	<b><u>Fees Paid (50%)</u></b>	<b><u>Expenses Paid (100%)</u></b>	<b><u>Holdback Sought</u></b>
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	9/1/04-09/30/04	\$160,540.50	\$6,781.66	\$128,432.40		\$6,781.66	\$32,108.10
11/16/04	10/1/04-10/31/04	\$174,662.00	\$8,347.97	\$139,729.60		\$8,347.97	\$34,932.40
12/16/04	11/1/04-11/30/04	\$138,506.00	\$5,932.56		\$69,253.00	\$5,932.56	\$69,253.00
12/27/04	12/1/04-12/16/04	\$4,724.00	\$941.99		\$2,362.00	\$941.99	\$ 2,362.00
<b>Totals</b>		\$1,111,789.75	\$31,598.45	\$774,847.80	\$71,615.00	\$31,598.45	\$265,326.95

<sup>1</sup> The monthly fee statements filed by Winston & Strawn LLP for each of the periods from June 7, 2004 through December 16, 2004 (each, a "Monthly Fee Statement" and collectively, the "Monthly Fee Statements") are attached hereto as Exhibits "A", "B", "C", "D", "E" and "F", 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	319.2	\$170,765.00
B120 - Asset Analysis & Recovery	27.4	\$15,005.00
B140 - Relief From Stay	12.9	\$3,289.50
B150 - Meetings of & Communications with Creditors	3.0	\$900.00
B160 - Fee/Employment Applications	176.0	\$54,950.00
B170 - Fee/Employment Objections	12.0	\$6,480.00
B190 - Other Contested Matters (excluding Assumption/Rejection Motions)	363.3	\$188,152.50
B195 - Non-Working Travel	5.3	\$1,431.00
B210 - Business Operations	785.5	\$465,704.00
B220 - Employee Benefits/ Pensions	3.2	\$1,825.50
B250 - Real Estate	2.5	\$1,450.00
B320 - Plan and Disclosure Statement	367.3	\$201,837.25
<b>Totals:</b>	<b>2,070.3</b>	<b>\$1,111,789.75</b>

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

<b>Name of Professional</b>	<b>Year of Admission</b>	<b>Hourly Billing Rate<sup>2</sup></b>	<b>Total Hours Billed<sup>3</sup></b>	<b>Total Compensation</b>
<b><u>Partners</u></b>				
Robert Bostrom	1980	\$620.00	1,088.7	\$674,994.00
Matthew Botica	1975	550.00	106.20	58,410.00
David Kroenlein		570.00	4.7	2,679.00
Robert Fischler	1986	570.00	63.6	36,252.00
Jeffrey Elkin	1971	545.00	4.3	2,343.50
David Neier	1986	540.00 270.00	329.6 5.3	177,984.00 1,431.00
Lori Van Auken	1986	520.00	115.9	60,268.00
Neil Underberg	1952	520.00	1.0	520.00
Morris Simkin	1974	495.00	23.5	11,632.50
David Wirt	1991	495.00	12.2	6,063.75
Loran Thompson	1977	495.00	44.4	21,978.00
Michael Melberger	1983	495.00	.5	247.50
	<b>Subtotal Partner</b>		<b>1,799.9</b>	<b>\$1,054,803.25</b>

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

<sup>3</sup> Time summaries of the charges attributable to each professional and paraprofessional for each matter during the Final Period are included with the Monthly Fee Statements.

<b>Name of Professional</b>	<b>Year of Admission</b>	<b>Hourly Billing Rate<sup>2</sup></b>	<b>Total Hours Billed<sup>3</sup></b>	<b>Total Compensation</b>
<b><u>Associates</u></b>				
Naima Walker	2002	395.00	6.5	\$2,567.50
Kimberly Chapman	1999	350.00	5.4	1,890.00
Mayer Naiman	1993	350.00	3.6	1,260.00
Alexis Lury	2001	325.00	4.5	1,462.00
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
Heather Fong	2003	255.00	14.4	3,672.00



<b>Name of Professional</b>	<b>Year of Admission</b>	<b>Hourly Billing Rate<sup>2</sup></b>	<b>Total Hours Billed<sup>3</sup></b>	<b>Total Compensation</b>
Sarah Trum	2002	255.00	19.9	5,074.50
	<b>Subtotal Associate</b>		<b>101.8</b>	<b>\$29,555.00</b>
<b><u>Paraprofessionals</u></b>				
Daphne Morduchowitz	Paralegal	215.00	15.5	\$3,332.50
Leon Busteed	Paralegal	165.00	.4	66.00
Sandy Lee	Paralegal	160.00	.5	80.00
Denise Cunsolo	Paralegal	160.00	88.6	\$14,176.00
Nell Hanlon	Paralegal	145.00	13.0	1,885.00
Alan Walz	Paralegal	140.00	1.0	140.00
Robert Corallo	Paralegal	140.00	1.5	210.00
Marc Saget	Paralegal	105.00	2.8	294.00
	<b>Subtotal Paraprofessional</b>		<b>168.6</b>	<b>\$27,431.50</b>
	<b>Total</b>		<b>2,070.3</b>	<b>\$1,111,789.75</b>

**RCN Corporation, et al.**

**DISBURSEMENT SUMMARY OF EXPENSES**

(June 7, 2004 through December 16, 2004)<sup>4</sup>

Air Fare	\$ 4,027.86
Business Meals <sup>5</sup>	\$ 5,938.87
Local Travel Expense	\$ 1,032.05
Lodging Expense	\$ 2,139.77
Telephone/Telecom Service	\$ 713.48
Messenger Service	\$ 89.47
Printing/Reproduction (\$.10 per page)	\$ 2,442.80
Facsimile (\$1.00 per page) <sup>6</sup>	\$ 121.10
Secretarial Overtime	\$ 715.50
Overtime Word Processing	\$ 159.00
Air Courier <sup>7</sup>	\$ 725.20
Attorney Dining Room Expense	\$ 60.00
Other Travel Expenses	\$ 42.00
Overtime Meals	\$ 113.36
Overtime Transportation	\$ 5,371.05
Computerized Legal Research	\$ 7,845.02
Transcript Fees	\$ 80.62
<b><u>Grand Total:</u></b>	<b><u>\$ 31,598.45</u></b>

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<sup>4</sup> 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.

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

<sup>6</sup> Winston & Strawn LLP seeks reimbursement for outgoing facsimile transmissions only.

<sup>7</sup> 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.

## **EXHIBIT B**

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
Four Times Square  
New York, New York 10036-6522  
(212) 735-3000  
Jay M. Goffman (JG 6722)  
J. Gregory St. Clair (GS 8344)  
Frederick D. Morris (FM 6564)

Attorneys for Debtors and Debtors-in-Possession

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	

**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").<sup>1</sup> 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.

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<sup>1</sup> 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.<sup>1</sup>

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-

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<sup>1</sup> 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**



# WINSTON & STRAWN LLP

35 WEST WACKER DRIVE  
CHICAGO, ILLINOIS 60601-9703

43 RUE DU RHONE  
1204 GENEVA, SWITZERLAND

CITY POINT  
1 ROPEMAKER STREET  
LONDON, EC2Y 9HT

200 PARK AVENUE  
NEW YORK, NEW YORK 10166-4193

(212) 294-6700

FACSIMILE (212) 294-4700

[www.winston.com](http://www.winston.com)

333 SOUTH GRAND AVENUE  
LOS ANGELES, CALIFORNIA 90071-1543

21 AVENUE VICTOR HUGO  
75116 PARIS, FRANCE

101 CALIFORNIA STREET  
SAN FRANCISCO, CALIFORNIA 94111-5894

1400 L STREET, N.W.  
WASHINGTON, D.C. 20005-3502

ROBERT E. BOSTROM  
(212) 294-4651  
[rbostrom@winston.com](mailto:rbostrom@winston.com)

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  
Mr. Alfred Fasola  
June 25, 2004  
Page 2

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  
Mr. Alfred Fasola  
June 25, 2004  
Page 3

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

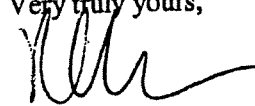
Mr. David McCourt  
Mr. Alfred Fasola  
June 25, 2004  
Page 4

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.

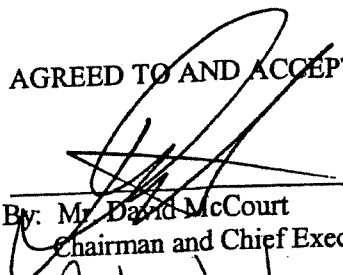
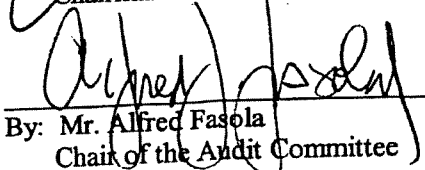
We are delighted that we will have the opportunity to work with you on this matter. If you have any questions about the terms of our engagement, please do not hesitate to give me a call. We are very much looking forward to working with you and your colleagues.

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  
Firststar Bank Illinois (f/k/a First Colonial Trust Co.)  
James Runnion  
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 Lefkowitz  
 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 Lefkowitz  
 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 4<sup>th</sup> 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**

21<sup>st</sup> 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  
Alltell/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  
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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

**Harrington & Lombardi**

Henry S. Perkin PC  
Howard Jump, Esq.  
Ingber Aronson  
J.A. Trevino y Abogados Asociados  
Janice G. Roven, Esq.  
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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Terese A. Cavanagh

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Andrew J. Peck  
Barbara S. Jones  
Charles L. Brieant  
Charles S. Haight Jr.  
Colleen McMahon  
Constance Baker Motley  
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Prudence Carter Beatty  
Richard L. Bohanon  
Robert D. Drain

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

## **EXHIBIT C**

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")<sup>1</sup> 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-

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<sup>1</sup> 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 as provided herein.
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  
July 30, 2004

/s/Robert D. Drain  
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT D

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

BANKRUPTCY ALTERNATIVES AND FILINGS

Date	Attorney	Billed Amount	Billed Hours	Description
7/4/2004	Bostrom, Robert E.	\$3,410.00	5.5	Review and draft recommendation to Board for review and analytical process to analyze all bankruptcy plan filing options consistent with Board fiduciary dates (4.0); tel. conf. w/ McCourt, Chairman and CEO and Lead Director, Al Fasola re same (1.5)
7/8/2004	Bostrom, Robert E.	\$992.00	1.6	Prepare for and attend conf. at Skadden Arps w/ Blackstone, RCN, Fasola, Skadden re financial analysis of substantive consolidation and other alternative bankruptcy filings at direction of Board of Directors
7/10/2004	Bostrom, Robert E.	\$3,100.00	5	Review and comment Skadden memo to Board of Directors re bankruptcy options (3.0); review Blackstone financial analysis for Board meeting re bankruptcy options (2.0) [Committee show 2.0 hours]
7/12/2004	Botica, Matthew J.	\$495.00	0.9	Review revised financial materials re Plan and filing alternatives
7/12/2004	Bostrom, Robert E.	\$1,178.00	1.9	Numerous conf. calls with Barak Bar-Cohen, David McCourt, Chairman and CEO and Al Fasola, Lead Director, re Alix Partners, Board duties, substantive consolidation, bankruptcy filing alternative's (8); tel. confs with Blackstone and Alix Partners re same; review and revise Skadden memo and Blackstone financial analysis of bankruptcy filing options; review and analyze violation of various bankruptcy plan filing scenarios (1.1)
7/12/2004	Neier, David	\$432.00	0.8	Draft revise letter for Bar-Cohen re possible alternative scenario
7/14/2004	Bostrom, Robert E.	\$372.00	0.6	Confs w/ Al Fasola, Lead Director; confs w/ McCourt, Chairman and CEO and Bar-Cohen re presentation to Board of filing alternatives, Creditor Committee position and analytical process going forward (6)
7/15/2004	Bostrom, Robert E.	\$496.00	0.8	Prepare for and attend conf. At Blackstone re Blackstone Financial presentation of bankruptcy filing alternatives
7/19/2004	Bostrom, Robert E.	\$1,550.00	2.5	Review and analyze Blackstone and Skadden Board presentations re bankruptcy filing alternatives (2.5)
7/22/2004	Bostrom, Robert E.	\$372.00	0.6	Review and tel. confs w/ Al Fasola Lead Director re bankruptcy filing scenarios, Creditor Committee position and Board recommendation
7/27/2004	Bostrom, Robert E.	\$2,356.00	3.8	Review plan options and lead director Fasola issues and tel. Conf. w/ Gene Roth, Chair of Nominating Committee re status (8); review Skadden & Blackstone draft board presentations re plan options (3.0) [Committee shows 3.90 hours]

EXHIBIT D

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

BANKRUPTCY ALTERNATIVES AND FILINGS

Date	Attorney	Billed Amount	Billed Hours	Description
8/1/2004	Bostrom, Robert E.	\$372.00	0.6	Tel. confs w/ Lead Director Fasola re strategies and options going forward in response to Creditor Committee position (.6) [Committee shows 1.60 hours]
8/2/2004	Bostrom, Robert E.	\$2,480.00	4	Review analysis and T. confs with A. Fasola, Lead Director, Jay Goffman, David McCourt, Chairman and CEO and Barak Bar-Cohen re Board Meeting and plan filing alternative scenarios and timing (2.2); conf. w/ th Bar-Cohen re timing and plan alternatives (1.8)
8/2/2004	Neir, David	\$216.00	0.4	Convs. w/ Morris & Bostrom re resolutions to file additional non-operating subs.
8/3/2004	Bostrom, Robert E.	\$806.00	1.3	Review, analysis and t. confs w/ Al Fasola, Lead Director, Jay Goffman, David McCourt, Chairman and CEO, and Barak Bar-Cohen re advice to Board plan filing alternative scenarios and timing re Board issues (1.3)
9/22/2004	Bostrom, Robert E.	\$310.00	0.5	Tel. Confs w/ McCourt & Bar-Cohen re timing, filing and Plan issues
<b>Totals</b>		<b>\$18,937.00</b>	<b>30.8</b>	

EXHIBIT E

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

BANKRUPTCY/CASE STRATEGY

Date	Attorney	Billed Amount	Billed Hours	Description
6/9/2004	Neier, David	\$324.00	0.6	Communications with D. Sullivan re: Winston & Strawn retention on behalf of the Board, bankruptcy strategy, access to information (.6)
6/10/2004	Neier, David	\$432.00	0.8	Meeting with Dubel and Bostrom re: McCourt, board issues and bankruptcy strategy
6/10/2004	Neier, David	\$54.00	0.1	Meeting with Dubel and Bostrom re: McCourt, board issues and bankruptcy strategy
6/18/2004	Neier, David	\$1,296.00	2.4	Meeting with Bostrom on RCN to discuss bankruptcy strategy (.8); meeting with Skadden attorneys re: bankruptcy strategy and board issues (1.3); communications with Dubel re: bankruptcy strategy (.3)
6/22/2004	Neier, David	\$324.00	0.6	Communications with Dubel and Bostrom re: bankruptcy strategy and D&O issues (.6)
6/23/2004	Neier, David	\$216.00	0.4	Communications with Bostrom re: bankruptcy strategy (.4)
6/29/2004	Neier, David	\$2,484.00	4.6	Meetings with RCN board members and officers and Dubel re: bankruptcy strategy and board issues
7/7/2004	Neier, David	\$4,266.00	7.9	Meeting with Alic Partners, Blackstone, Skadden, Debtors representatives at Skadden re: bankruptcy strategy
7/12/2004	Neier, David	\$2,646.00	4.9	Meeting with counsel for bondholders re: bankruptcy plan and strategy (3.5); meetings with Fasola, Bostrom and Bar-Cohen re: plan and bankruptcy strategy (1.4)
7/14/2004	Neier, David	\$3,564.00	6.6	Communications with Goffman and Morris re: plan and bankruptcy strategy (2.3); communications with Dubel re: plan and bankruptcy strategy (2.6); communications with Fasola and Bostrom re: plan and bankruptcy strategy and meeting with Chase (1.7)
7/15/2004	Neier, David	\$3,672.00	6.8	Communications with Bostrom, Debtors, Blackstone, Skadden, Alic Partners, Milbank re: bankruptcy strategy
7/16/2004	Neier, David	\$1,296.00	2.4	Communications with Bostrom, Fasola, Bar-Cohen, Morris, Goffman, Haggerty re: bankruptcy strategy
7/21/2004	Neier, David	\$2,970.00	5.5	Meeting with RCN, Skadden, Blackstone, HSBC, Alic Partners, Milbank, Committee re: bankruptcy strategy (5.5)



EXHIBIT E

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

BANKRUPTCY/CASE STRATEGY

Date	Attorney	Billed Amount	Billed Hours	Description
7/22/2004	Neier, David	\$216.00	0.4	Communications with Bostrom and Fasola re: Bankruptcy strategy (.4)
7/23/2004	Neier, David	\$324.00	0.6	Communications with Bostrom, Fasola, Bar-Cohen re: bankruptcy strategy and plan
7/26/2004	Neier, David	\$1,188.00	2.2	Communications with Bostrom, Fischler, Goffman, Morris, Blackstone, Dubel re: lockup, bankruptcy strategy
7/27/2004	Neier, David	\$432.00	0.8	Communications with Bostrom re: bankruptcy strategy issues
8/2/2004	Neier, David	\$594.00	1.1	Communications with Bostrom, Fasola and Bar-Cohen re: board meeting regarding bankruptcy strategy, plan and disclosure statement (1.1)
8/10/2004	Neier, David	\$3,348.00	6.2	Prep and meet with Fasola, Bostrom, Bar-Cohen re: plan and disclosure statement revisions and bankruptcy strategy
8/11/2004	Bolica, Matthew J.	\$2,640.00	4.8	Attend meeting re Chicago subsidiary and strategy going forward (4.80)
8/12/2004	Neier, David	\$3,078.00	5.7	Meeting with Skadden, Alix Partners, Blackstone re: plan and disclosure statement revisions, bankruptcy strategy
11/3/2004	Van Auker, Lori	\$884.00	1.7	Conferred w/ B. Bostrom & R. Fischler re litigation and bankruptcy strategy
<b>Totals</b>		<b>\$36,248.00</b>	<b>67.1</b>	

## EXHIBIT F

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

BLACKSTONE FINANCIAL PRESENTATIONS

Date	Attorney	Billed Amt	Billed Hours	Description
7/9/2004	Neier, David	\$3,132.00	5.8	Meeting with Debtors, Skadden, Axi and Blackstone re plan strategy.
7/13/2004	Bostrom, Robert E.	\$1,023.00	1.65	Attend conf. with Skadden, Coleman of Blackstone, Dubel of Alix Partners, Fasola and Bar-Cohen re Skadden Board Presentation, Blackstone presentation and creditor committee requests and issues.
7/14/2004	Bostrom, Robert E.	\$496.00	0.8	T.conf.s w/ Blackstone re financial presentation (.8)
7/15/2004	Bostrom, Robert E.	\$1,860.00	3.00	Conf. w/ Blackstone, Fasola, Lead Director, McCourt, Chairman and CEO, Bar-Cohen re: financial analysis of bankruptcy filing alternatives; tel. confs. w/ B. Turner and Blackstone; prepare for and attend conf. At Blackstone re Blackstone Financial presentation of bankruptcy filing alternatives
7/16/2004	Bostrom, Robert E.	\$1,860.00	3.00	Review Blackstone financial presentation to Board (1.8); conf. with Blackstone re materials (1.2)
7/20/2004	Bostrom, Robert E.	\$1,674.00	2.70	Confs w/ Dubel and Blackstone re Blackstone financial analysis to bankruptcy alternatives and Bd presentation (2.7)
7/21/2004	Botica, Matthew J.	\$935.00	1.7	Review additional analysis re filing options prepared by Blackstone
7/21/2004	Bostrom, Robert E.	\$1,984.00	3.20	Review materials, prepare for and attend conf w/ Creditors Committee, counsel to Creditors Committee, Skadden, Alix Partners, D. McCourt, Chairman and CEO, A. Fasola, Lead Director, Blackstone, Chairman and CTA re financial presentation (3.2); review materials, prep. and attend conf. w/ Skadden, JPMorgan and their coordinator, Alex Partner and Blackstone; attend conf. w/ Skadden, Deutsche Bank and Blackstone; conf. w/ Fasola and McCourt re: content of discussion of meeting; conf. w/ Fasola and Skadden re: same presentation of financial and legal analysis for other parties to review and consider
8/2/2004	Neier, David	\$270.00	0.5	Communications w/ Blackstone personnel re: revisions to Board presentation
8/3/2004	Bostrom, Robert E.	\$1,426.00	2.3	Review and revise Board meeting packet review Blackstone financial analysis (2.3)
8/26/2004	Bostrom, Robert E.	\$930.00	1.5	Meeting with Blackstone and Al Fasola and John Dubel (1.5)

EXHIBIT F

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

BLACKSTONE FINANCIAL PRESENTATIONS

9/7/2004	Bostrom, Robert E.	\$2,790.00	4.50	Prepare for and attend conf. at Blackstone re revised financial presentation with Skadden, Blackstone, McCourt Bar-Cohen and Fasola (4.5)
9/20/2004	Bostrom, Robert E.	\$186.00	0.3	Tel. confs. w/ Blackstone re revised presentation (.3)
Totals		\$18,566.00	30.95	

EXHIBIT G

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

OPERATING COMPANIES-SUBSIDIARIES

Date	Attorney	Billed Amount	Billed Hours	Description
6/24/2004	Neier, David	\$972.00	1.8	Meeting with Royster, Coleman and Dubel re: McCourt, filing of opcos and substantive consolidation (1.8)
6/29/2004	Botica, Matthew J.	\$1,815.00	3.3	Preparation for Board meeting on 6/30 re operating company filing issues (3.30)
7/2/2004	Bostrom, Robert E.	\$471.20	0.76	Conf. with D. McCourt, Chairman and CEO re analysis of sub con and subsidiary filing issues and position of Creditor Committee
7/9/2004	Bostrom, Robert E.	\$775.00	1.25	Prepare for conf. w/ Creditor Committee counsel re additional filing of operating companies and substantive consolidation (1.25)
8/2/2004	Bostrom, Robert E.	\$372.00	0.6	Meeting and communications with Bostrom, Morris, Dubel, Goffman re: plan negotiations with Committee and preparation of Board meeting [Committee shows 0.8 hours]
8/5/2004	Bostrom, Robert E.	\$310.00	0.5	Review analyze and development of action plan to implement decisions at 8/4 Board Meeting [Committee shows 0.8 hours]
8/6/2004	Bostrom, Robert E.	\$1,612.00	2.6	Tel. conf. w/ Chairman and CEO David McCourt, Lead Director, Al Fasola, and Barak Bar-Cohen, VP RCN re follow-up of action plan re actions of Board at 8/4 m
8/10/2004	Bostrom, Robert E.	\$1,736.00	2.8	Press Release issues
8/11/2004	Neier, David	\$2,430.00	4.5	Meeting with Skadden, Swidler, RCN, Winston, Ungart, Fasola in Chicago re: filing of Chicago subsidiaries and litigation with respect to Chicago franchise agreement
8/11/2004	Bostrom, Robert E.	\$2,976.00	4.8	Prepare for and attend conf. in Chicago to advise Board in connection with re Chicago franchise situation with Lead Direct Al Fasola, Deborah Royster (General Counsel), Jean Kiddo (Swidler Berlin) Pat Thompson and Jay Carey (Ungaretti & Harris), Gov. J.
8/12/2004	Bostrom, Robert E.	\$930.00	1.5	Review, prepare for and attend conference w/ Skadden, Blackstone and Alix Partners, Deborah Royster, GC and Lead Director Al Fasola to review and discuss Plan of Reorganization and Creditor Committee proposal discuss Board issues related to Plan of Reorg
10/8/2004	Neier, David	\$702.00	1.3	Communications with Bar-Cohen, Wiseman re: RCN Entertainment

EXHIBIT G

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

OPERATING COMPANIES-SUBSIDIARIES

Date	Attorney	Billed Amount	Billed Hours	Description
10/10/2004	Neier, David	\$1,404.00	2.6	Communications with Wiseman, Bar-Cohen re: RCN Entertainment
10/12/2004	Neier, David	\$216.00	0.4	Communications with Wiseman and Bar-Cohen re: RCN Entertainment
Totals		\$16,721.20	28.71	

## EXHIBIT H

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

PLAN OF REORGANIZATION

Date	Attorney	Billed Amt	Billed Hours	Description
6/17/2004	Bostrom, Robert E.	\$1,116.00	1.8	Tel. confs with Al Fasola, Lead Director, re Skadden meeting to discuss status of case, Plan of Reorganization and strategy (1.8)
6/25/2004	Botica, Matthew J.	\$550.00	1.0	Attention to various issues related to Plan proposal (.60); phone conference re same (.40)
6/30/2004	Neier, David	\$4,509.00	8.35	Meetings with Bostrom, RCN board members and officers, Skadden, Alix Partners, Committee, Blackstone re: bankruptcy plan
7/1/2004	Neier, David	\$2,052.00	3.8	Communications with and meeting with Committee representatives Dennis Dunne and Deidre Sullivan and Bob Bostrom re: plan negotiations (3.8)
7/1/2004	Neier, David	\$1,134.00	2.1	Meeting with A. Fasola and D. McCourt and B. Bostrom re: plan negotiations and strategy (1.3); research board protection issues for plan (1.7); communications with Dubel re: operations and plan negotiations (.4) [Committee shows 1.7 hours]
7/2/2004	Neier, David	\$2,322.00	4.3	Draft and revise memo for Fasola re: plan negs. (2.8); communications with Bostrom, Fasola, Dubel and Bar-Cohen re: plan (1.5)
7/5/2004	Neier, David	\$432.00	0.8	Communications with Bostrom re: plan negs. and board duties [Committee shows 4.5 hours]
7/6/2004	Neier, David	\$108.00	0.2	
7/23/2004	Fischler, Robert S.	\$570.00	1.0	Review reorganization plans, objections (1.0)
7/23/2004	Bostrom, Robert E.	\$744.00	1.2	Review and analyze recommendations to Board re plan filing (1.2)
7/26/2004	Bostrom, Robert E.	\$1,860.00	3.0	Review Skadden and Blackstone draft Board presentations re Plan options (3.0)
7/29/2004	Botica, Matthew J.	\$1,512.50	2.75	Review draft Plan of Reorganization
7/29/2004	Bostrom, Robert E.	\$2,542.00	4.1	Review draft Plan of Reorganization and Settlement Agreement (2.8); tel. confs w/ Chairman McCourt and lead Director Fasola re: plan (1.3)
7/30/2004	Bostrom, Robert E.	\$4,464.00	7.2	Tel. confs w/ McCourt, Chairman and CEO re Plan of Reorganization and Bd materials (.9); tel. conf w/ Fasola, Lead Director re Plan of Reorganization and Board materials; tel. confs with Skadden re Plan of Reorganization (1.2); tel. confs with Alix, Blacks [Committee shows 7.60 hours]

## EXHIBIT H

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

PLAN OF REORGANIZATION

Date	Attorney	Billed Amt	Billed Hours	Description
7/30/2004	Neier, David	\$3,888.00	7.2	Negotiations on plan with bondholders, Milbank, Blackstone, Alix Partners, Fasola
8/2/2004	Botica, Matthew J.	\$2,145.00	3.9	Review draft Plan and Disclosure Statement (3.60); phone conference re same (.30)
8/2/2004	Neier, David	\$1,674.00	3.1	Communications with Bar-Cohen re: presentation to board regarding Plan and Disclosure Statement (1.2); draft and revise memo for Fasola to Board re Plan & DS (1.9)
8/3/2004	Botica, Matthew J.	\$1,815.00	3.3	Review Blackstone final report on Plan options (2.70); review Plan revisions (60)
8/3/2004	Bostrom, Robert E.	\$1,364.00	2.2	Conf. w/ Bar-Cohen re timing and plan alternatives (2.2)
8/4/2004	Neier, David	\$2,808.00	5.2	Board meeting with Board of RCN, Bostrom, Bar-Cohn, Skadden, Alix Partners, Blackstone re: revisions to plan, plan negotiations with Committee and Bank Agent, filings for additional non-operating subsidiaries (5.2)
8/4/2004	Botica, Matthew J.	\$4,950.00	9	Travel to Chicago after Board meeting; preparation for and attendance at Board meeting to review and analyze various Plan options
8/5/2004	Neier, David	\$756.00	1.4	Plan revisions (1.4) and discussions with Bostrom re: negotiations with Committee (1.7)
8/6/2004	Neier, David	\$1,944.00	3.6	Communications with R. Bostrom re: plan and disclosure statement
8/9/2004	Bostrom, Robert E.	\$2,976.00	4.8	Research, prepare for and participate in tel. confs w/ Al Fasola, Lead Director, David McCourt, Chairman and CEO and Bark Bar-Cohen re Board issues and positions regarding status and substance of POR, 10QA and restatement, 8K filing and Press Release and 1 [Committee shows 0.00 hours]
8/9/2004	Neier, David	\$0.00	0	No narr. Re plan at all [Committee shows 1.30 hours]
8/10/2004	Neier, David	\$3,348.00	6.2	Prep and meet with Fasola, Bostrom, Bar-Cohen re: plan and disclosure statement revisions and bankruptcy strategy
8/11/2004	Botica, Matthew J.	\$1,210.00	2.2	Review revised Plan of Reorganization (2.20).
8/12/2004	Botica, Matthew J.	\$1,485.00	2.7	Review revised Plan of Reorganization

## EXHIBIT H

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

PLAN OF REORGANIZATION

Date	Attorney	Billed Amt	Billed Hours	Description
8/12/2004	Bostrom, Robert E.	\$930.00	1.5	Review, prepare for and attend conference w/ Skadden, Blackstone and Alix Partners, Deborah Royster, GC and Lead Director Al Fasola to review and discuss Plan of Reorganization and Creditor Committee proposal discuss Board issues related to Plan of Reorg
8/13/2004	Bostrom, Robert E.	\$620.00	1	Tel. confs. w/ Skadden re draft Plan of Reorganization
8/15/2004	Bostrom, Robert E.	\$1,240.00	2	Review Plan of Reorganization (2.0)
8/16/2004	Fischler, Robert S.	\$684.00	1.2	Review draft POR (1.2) [Committee shows 3.2 hours]
8/16/2004	Botica, Matthew J.	\$2,640.00	4.8	Review revised Plan and Disclosure Statement
8/16/2004	Bostrom, Robert E.	\$1,922.00	3.1	Review Plan of Reorganization (2.5); discuss revs. with D. Neier (.6)
8/16/2004	Neier, David	\$432.00	0.8	Communications with Matz, Morris and Bostrom re: same (0.8) [Committee shows 3.10 hours]
8/17/2004	Botica, Matthew J.	\$1,650.00	3	Review and revise Plan and Disclosure Statement
8/17/2004	Neier, David	\$1,296.00	2.4	Communications with Bostrom, Morris, Fasola, Bar-Cohen re: drafting of plan and disclosure statement
8/17/2004	Bostrom, Robert E.		0	[Committee shows 0.75 hours]
8/18/2004	Botica, Matthew J.	\$2,585.00	4.7	Review revised Plan and Disclosure Statement (3.00); travel to NYC to attend meetings re Plan (1.70)
8/18/2004	Bostrom, Robert E.	\$4,960.00	8	Review Plan of Reorganization and Disclosure Statement to prepare for and attend conf. with Skadden, Milbank, Blackstone, Creditors Committee, Lead Director Fasola, Advisors to Creditors Committee (7.0); review and comment on draft of Plan of Reorganization
8/18/2004	Neier, David	\$2,970.00	5.5	Meeting at Skadden with Skadden, Alix Partners, Committee, CTA, Chanin, Blackstone, Fasola re: plan and disclosure statement negotiations
8/19/2004	Bostrom, Robert E.	\$2,170.00	3.5	Prepare for and participate in conf. w/ lead director Fasola, John Dubel, D. Royster, GC, RCN re Plan of Reorganization, Aquino Agreement, D & O insurance issues (3.5) [Committee shows 3.6 hours]



## EXHIBIT H

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

PLAN OF REORGANIZATION

Date	Attorney	Billed Amt	Billed Hours	Description
8/19/2004	Neier, David	\$1,242.00	2.3	Revisions to Plan and Disclosure Statement (2.2); communications with R. Bostrom, M. Botica re same
8/19/2004	Botica, Matthew J.	\$4,345.00	7.9	Attend meetings with A. Fasola and J. Dubell re revisions to Plan and Disclosure Statement (7.90)
8/20/2004	Botica, Matthew J.	\$2,090.00	3.8	Review and revise Plan and Disclosure Statement (3.8)
8/20/2004	Wirt, David W.	\$3,341.25	6.75	Close review of Plan and Disclosure Statement (6.25); telephone conferences with M. Botica, D. Neier and R. Bostrom re same (.5)
8/20/2004	Bostrom, Robert E.	\$2,170.00	3.5	Review and comment on numerous drafts and revised drafts of Plan of Reorganization and Disclosure Statement re: Board issues in connection with filing (2.0); review 10K and draft provision of Plan of Reorganization (1.5); numerous tel. conference w/ M liba
8/20/2004	Neier, David	\$1,458.00	2.7	Revisions to Plan and Disclosure Statement (2.2); communications with R. Bostrom, D. Wirt, M. Botica re same (.5)
8/23/2004	Wirt, David W.	\$866.25	1.75	Continue Plan and Disclosure Statement review
8/26/2004	Bostrom, Robert E.	\$620.00	1	review revised Plan of reorganization and Disclosure Statement (1.0)
8/30/2004	Bostrom, Robert E.	\$1,240.00	2	Review revised Plan of Organization and Disclosure Statement (2.0)
9/2/2004	Bostrom, Robert E.	\$3,100.00	5	Tel. confs. w/ Lead Director Fasola (0.5); tel. confs w/ Chairman Dave McCourt (1.5); tel. confs w/ Barak Bar-Cohen (.5); tel. confs w/ Skadden (1.0); draft memo to Board (1.5); all re: proposed revisions to Plan and Board duties and presentation
9/8/2004	Neier, David	\$1,836.00	3.4	Meeting with Skadden, RCN, Alix Partners, Blackstone, Committee re: proposed revisions to Plan and Board duties and presentation
9/9/2004	Neier, David	\$675.00	1.25	Meeting with Skadden, Blackstone, Alix Partners re: proposed revisions to Plan and Board duties and presentation
9/13/2004	Neier, David	\$702.00	1.3	Communications with Bostrom, Dubel, Baker, Coleman re: Plan and Disclosure Statement and Committee
9/14/2004	Neier, David	\$2,592.00	4.8	Prep for (0.8) and attend meeting with bank, steering committee Debtors, Blackstone, Capstone, Alix Partners re: plan and disclosure statement

## EXHIBIT H

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

PLAN OF REORGANIZATION

Date	Attorney	Billed Amt	Billed Hours	Description
9/16/2004	Neier, David	\$810.00	1.5	Communications with Bostrom, Baker re: Committee and Plan
9/21/2004	Neier, David	\$3,672.00	6.8	Meeting with Debtors, Skadden, Alix Partners, Blackstone re: plan and disclosure statement
9/22/2004	Bostrom, Robert E.	\$2,170.00	3.5	Tel. confs. w/ Skadden re timing and disclosure statement (1.0); review revised disclosure statement and plan (1.5); tel. confs. w/ McCourt and Bar-Cohen re timing, filing and Plan issues (1.0)
9/23/2004	Bostrom, Robert E.	\$620.00	1	Review Plan of Reorganization and conf w/ Fasola re Plan of Reorganization
9/23/2004	Neier, David	\$972.00	1.8	Communications with Bostrom, Baker, McDermott, Morris, Fasola re: objection to releases in the Plan [Committee shows 0.00 hours]
9/24/2004	Neier, David	\$1,890.00	3.5	Draft memo to board re: plan status and related matters
9/24/2004	Neier, David	\$1,998.00	3.7	Meeting with Skadden, Blackstone, Alix Partners re: plan and strategy
9/28/2004	Hanlon, Neil A.	\$797.50	5.5	Attention to organization of case materials in connection with Plan of Reorganization
9/29/2004	Hanlon, Neil A.	\$507.50	3.5	Attention to organization of case materials in connection with Plan of Reorganization
10/5/2004	Bostrom, Robert E.	\$2,170.00	3.5	Tel. conf. w/ Skadden and Dubel re review of Plan of Reorganization and Disclosure Statement (2.5); tel. confs. w/ Fasola re Plan of Reorganization Creditor Committee comments and Board response (1.0)
10/5/2004	Neier, David	\$2,052.00	3.8	Review changes to Plan and DS (3.2); communications with Bostrom and Baker re: changes (0.6)
10/5/2004	Neier, David	\$1,242.00	2.3	Conference call with Debtors, Skadden, Blackstone, AP re: plan and DS
10/6/2004	Neier, David	\$864.00	1.6	Strategy meeting and communications with Baker, Dubel and Bostrom re Plan
10/6/2004	Neier, David	\$432.00	0.8	Call with Committee re: plan and DS
10/7/2004	Bostrom, Robert E.	\$1,550.00	2.5	Conf. w/ Dubel, Skadden and Fasola re open issues and review of plan
10/12/2004	Bostrom, Robert E.	\$2,480.00	4	Confs. & tel. Confs. w/ A. Fasola re Disclosure, Hearing (2.0); review disclosure statement revisions (2.0)

## EXHIBIT H

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

PLAN OF REORGANIZATION

Date	Attorney	Billed Amt	Billed Hours	Description
10/13/2004	Bostrom, Robert E.	\$620.00	1	Review final Plan and Disclosure Statement (1.0)
10/13/2004	Neier, David	\$702.00	1.3	Revisions to RCN plan
10/14/2004	Neier, David	\$648.00	1.2	Communications with Blackstone, AP, Debtors re: Plan revisions
11/5/2004	Cunsolo, Denise	\$256.00	1.6	Obtain SEC filings, Plan & DS (.5); review same for non-debtor entities (.8) disc. w/ S. Trum re same (.3)
11/9/2004	Van Auker, Lori J.	\$1,300.00	2.5	Reviewed Disclosure Statement, Plan and in surance motion to develop response (2.50)
<b>Totals</b>		<b>\$132,408.00</b>	<b>\$237.25</b>	

## EXHIBIT I

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

SUBSTANTIVE CONSOLIDATION

Date	Attorney	Billed Amount	Billed Hours	Description
6/24/2004	Neier, David	\$972.00	1.8	Meeting with Royster, Coleman and Dubel re: McCourt, filing of opcos and substantive consolidation; conference call with clients re same (1.8)
6/28/2004	Bostrom, Robert E.	\$3,224.00	5.2	Research, prepare for and participate in conf. call with McCourt, Chairman and CEO RCN Corp., Neier and Alfred Fasola, Lead Director, RCN Corp., regarding Board of Directors Meeting, corporate governance issues, filing of subs and substantive consolidation
7/1/2004	Bostrom, Robert E.	\$1,984.00	3.2	Research and respond to various inquiries from Board re liability and fiduciary duties and substantive consolidation issues (3.2)
7/2/2004	Bostrom, Robert E.	\$471.20	0.76	Conference w/ McCourt, Chair & CEO re analysis of substantive consolidation and subsid. Filing issues
7/3/2004	Bostrom, Robert E.	\$465.00	0.75	Review and analyze substantive consolidation issues and fiduciary duties of Board (.75)
7/7/2004	Bostrom, Robert E.	\$1,116.00	1.8	Numerous tel. confs. with Barak Bar-Cohen, Al Fasola, Lead Director, David McCourt, Chairman and CEO re Creditor Committee strategy, liability issues and substantive consolidation and Board memo (1.8)
7/8/2004	Bostrom, Robert E.	\$992.00	1.6	Prepare for and attend conf. at Skadden Arps w/ Blackstone, RCN, Fasola, Skadden re financial analysis of substantive consolidation and other alternative bankruptcy filings at direction of Board of Directors (1.6)
7/9/2004	Bostrom, Robert E.	\$775.00	1.25	Prepare for conf. w/ Creditor Committee counsel re additional filing of operating companies and substantive consolidation (1.25)
7/10/2004	Bostrom, Robert E.	\$1,488.00	2.4	Research and review substantive consolidation issues (2.4)
7/12/2004	Bostrom, Robert E.	\$496.00	0.8	Numerous conf. calls with Barak Bar-Cohen, David McCourt, Chairman and CEO and Al Fasola, Lead Director, re Alix Partners, Board duties, substantive consolidation, bankruptcy filing alternative's (.8)
7/13/2004	Botica, Matthew J.	\$275.00	0.5	Review substantive consolidation issue (.50)
11/17/2004	Thompson	\$49.50	0.1	Review draft affidavit and support of motion to consolidate (.1)
<b>Totals</b>		<b>\$12,307.70</b>	<b>20.16</b>	[Committee shows 20.86 hours]

## EXHIBIT J

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

MERRILL LYNCH/KEMPER

Date	Attorney	Billed Amt	Billed Hours	Description
8/18/2004	Neier, David	\$702.00	1.30	Communications with J. Dubel and C. Herscopf re: claims of Merrill Lynch
9/7/2004	Bostrom, Robert E.	\$155.00	0.25	Conf. w/ Fasola re action plan and Merrill Claim (.5)
9/13/2004	Bostrom, Robert E.	\$2,480.00	4.00	Tel. confs w/ Al Fasola re Merrill claim (0.5); review and analyze Merrill Claim (2.5); tel. conf. w/ Skadden and Kasowitz firm re Merrill (0.5); tel. confs. w/ Merrill (0.5)
9/23/2004	Bostrom, Robert E.	\$496.00	0.80	Tel. confs w/ Fasola and Skadden re Creditor Committee issues and Kemper and Merrill claims (1.5); review real estate analysis, Merrill and Kemper claims
10/5/2004	Bostrom, Robert E.	\$0.00	0.00	[Committee shows 1 hour]
10/6/2004	Bostrom, Robert E.	\$620.00	1.00	Tel. confs w/ McCourt and Fasola and review and analyze Merrill claim and status (1.0)
10/8/2004	Bostrom, Robert E.	\$1,984.00	3.20	Review Merrill claim and consider issues and approach; tel. conf. w/ D. Royster and review of Merrill and Corvus claims and advise Board in connections with all of the above
10/12/2004	Bostrom, Robert E.	\$1,550.00	2.50	Conference with D. McCourt re Board memorandum and Merrill Lynch (2.0); telephone conference with Kasowitz re Merrill Lynch (.5)
10/13/2004	Bostrom, Robert E.	\$1,550.00	2.50	Review and analyze Merrill's claim; prepare for and participate in telephone conference with Kasowitz Benson and McCourt and advise Board (2.5)
10/15/2004	Bostrom, Robert E.	\$1,240.00	2.00	Tel. conf. w/ McCourt re Merrill Lynch; prepare for and participate in tel. conf. w/ McCourt and D. Rosner of Kasowitz Benson re Merrill Lynch
10/15/2004	Bostrom, Robert E.	\$155.00	0.25	Tel. conf. w/ A. Fasola re Merrill Lynch, Megacable and Craig
10/19/2004	Bostrom, Robert E.	\$1,550.00	2.50	Tel. conf. w/ B. Bar-Cohen re Merrill claim and auditor issue (.5); tel. confs. w/ A. Fasola re auditor, Merrill Lynch and case issues (1.0); review status of case and estimation of claim issues (1.0)

## EXHIBIT J

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

MERRILL LYNCH/KEMPER

Date	Attorney	Billed Amt	Billed Hours	Description
10/20/2004	Bostrom, Robert E.	\$2,170.00	3.50	Conf. w/ Fasola and McCourt re Merrill claim (1.0); review legal memos re Merrill, IBM and Kemper (2.5) [Committee shows 6.75 hours]
10/21/2004	Bostrom, Robert E.	\$1,240.00	2.00	Confs. w/ A. Fasola re estimation and Merrill, Kemper and IBM claims (2.0)
10/22/2004	Bostrom, Robert E.	\$465.00	0.75	Review exclusivity issue and memo re IBM, Merrill and Kemper (1.5)
10/25/2004	Bostrom, Robert E.	\$620.00	1.00	Tel. conf. w/ Fasola re audit committee, Merrill Lynch and Board issues; review and analysis of Creditor Committee position on Merrill Lynch and claims estimation issue
10/26/2004	Bostrom, Robert E.	\$620.00	1.00	Tel. conf. w/ Fasola re Merrill Lynch claim, auditor issue and Craig (.5); tel. conf. w/ D. Royster re Craig claim and Merrill Lynch (.5)
10/27/2004	Bostrom, Robert E.	\$930.00	1.50	Review draft of Merrill Lynch complaint (1.5)
10/28/2004	Bostrom, Robert E.	\$1,240.00	2.00	Conf. w/ Fasola re Merrill Lynch (.5); review Merrill Lynch complaint (1.0); tel. conf. w/ D. Royster re Thomas complaint and Merrill complaint (.5)
10/29/2004	Bostrom, Robert E.	\$1,860.00	3.00	Review Merrill Complaint (2.5); tel. confs. w/ McCourt re Merrill Complaint (.5)
11/1/2004	Bostrom, Robert E.	\$930.00	1.50	Tel. confs. w/ D. Royster, Kasowitz re Merrill Lynch claim (.5); review revised Merrill Lynch complaint (1.0)
11/2/2004	Bostrom, Robert E.	\$930.00	1.50	Tel. conf. w/ D. Royster, GC re Merrill Lynch complaint (.5); tel. conf. w/ McCourt Chairman and CEO, re Merrill claim and Thomas complaint and Bd issues; tel. confs w/ Fasola, Lead Director re same
<b>Totals</b>		<b>\$23,487.00</b>	<b>38.05</b>	

## EXHIBIT K

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

FRANCHISES, LEASES AND REAL ESTATE

Date	Attorney	Billed Amt	Billed Hours	Description
7/9/2004	Bostrom, Robert E.	\$930.00	1.5	Confs. w/ A. Fasola, Lead Director, Barak Bar-Cohen and head of Real Estate at RCN re cost cutting and lease negotiations (1.5)
8/10/2004	Bostrom, Robert E.	\$496.00	0.8	Schedule, prepare for and review Chicago franchise situation for Board in connection with 8/11 meeting; tel. conf. re update on San Francisco Cable Franchise developments.
8/19/2004	Underberg, Neil	\$520.00	1	Meeting w/ client and B. Bostrom re subleases Long Island City, 60th and York
8/19/2004	Bostrom, Robert E.	\$620.00	1	Meeting w/ client and N. Underberg re: subleases
9/13/2004	Bostrom, Robert E.	\$310.00	0.5	Tel. confs. w/ McCourt and Bar-Cohen re real estate (0.5)
9/20/2004	Bostrom, Robert E.	\$930.00	1.5	Preparation and tel. confs w/ AJ Fasola re meetings on 9/21, status of real estate and franchise agreements Corvis/Pepco and related issues
9/21/2004	Bostrom, Robert E.	\$1,178.00	1.9	Prepare for and attend conf. w/ Skadden, Blackstone, Dubel, McCourt, Fasola, Royster re status of case, real estate franchise, timing, Starpower and other issues; prepare for and attend tel. conf. with Skadden, Blackstone, Dubel, McCourt, Fasola and Royster, Creditors Committee members, and Milbank re status of case real estate franchise timing, Starpower and other issues
9/23/2004	Bostrom, Robert E.	\$372.00	0.6	Tel. confs. w/ McCourt and Bar-Cohen re Creditor Committee Meeting, real estate issues and Board issues review real estate analysis, Merrill and Kemper claims
9/24/2004	Bostrom, Robert E.	\$930.00	1.5	Confs. with McCourt and Fasola and review of franchises and real estate updates (1.5)
<b>Totals</b>		<b>\$6,286.00</b>	<b>10.3</b>	

## EXHIBIT L

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

ACCOUNTING ISSUES

Date	Attorney	Billed Amt	Billed Hours	Description
9/9/2004	Bostrom, Robert E.	\$930.00	1.50	Tel. confs w/ McCourt and Fasola re same re real estate open issues and Fresh Start accounting (1.0); tel. conf. w/ Fasola and D eloitte re fresh start accounting (.5)
9/22/2004	Bostrom, Robert E.	\$1,085.00	1.75	Conference with A. Fasola and Deloitte & Touche; telephone conferences with KPMG re Fresh Start Accounting
10/4/2004	Bostrom, Robert E.	\$310.00	0.50	Tel. confs. with KPMG - P. Hogan re: Fresh Start Accounting
10/7/2004	Kroenlein, David	\$342.00	0.60	Meeting w/ Bostrom, J. Dubel, et al. re accountant issues
<b>Totals</b>		<b>\$2,667.00</b>	<b>4.35</b>	



EXHIBIT L

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

KERP

Date	Attorney	Billed Amount	Billed Hours	Description
6/9/2004	Thompson, Loran T.	\$2,079.00	4.2	Review and analysis of RCN retention and severance plan and bankruptcy motion for same; prep. Comments
6/10/2004	Neier, David	\$810.00	1.5	Convs. w/ Bostrom & Thompson re KERP, rev. & revise KERP
6/10/2004	Thompson, Loran T.	\$198.00	0.4	Conference with D. Neier re bankruptcy issues related to KERP
6/11/2004	Thompson, Loran T.	\$643.50	1.3	Conference call with R. Bostrom, D. Neier re KERP (.4); draft proposed modification of KERP plan documents (.6); telephone conference with R. Bostrom, E. Ito. re KERP plan modification (.3)
6/11/2004	Neier, David	\$486.00	0.9	Communications with Thompson and Bostrom re: KERP (.4); review and revise KERP (.5)
6/14/2004	Thompson, Loran T.	\$49.50	0.1	Consideration of KERP prop. plan modification
7/21/2004	Thompson, Loran T.	\$841.50	1.7	Draft summary of KERP payouts under alternative scenarios
11/16/2004	Thompson, Loran T.	\$247.50	0.5	Analysis of KERP issues (.3); telephone conference with R. Bostrom, B. Bar-Cohen (.2)
<b>Totals</b>		<b>\$5,355.00</b>	<b>10.6</b>	

## EXHIBIT L

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

STARPOWER/PEPCO

Date	Attorney	Billed Amt	Billed Hours	Description
9/7/2004	Bostrom, Robert E.	\$0.00	0.00	[Committee shows 1.50 hours]
9/7/2004	Bostrom, Robert E.	\$0.00	0.00	[Committee shows .25 hours]
9/10/2004	Bostrom, Robert E.	\$4,030.00	6.50	Review Starpower Operating Agreement; draft Action Plan re Starpower (2.0); confs. w/ Al Fasola re: action plan confs w/ Fasola and Skadden re: action plan ( ) [Committee shows 9.40 hours]
9/10/2004	Seay, Kerrick E.	\$1,357.00	4.60	Reviewed Operating Agreement of Starpower Communication (1.0); researched various contract rights on behalf of RCN with respect to Operating Agreement (3.6)
9/10/2004	Bostrom, Robert E.	\$930.00	1.50	Tel. confs. w/ McCourt and Bar-Cohen re: Starpower (1.5)
9/10/2004	Bostrom, Robert E.	\$434.00	0.70	Review correspondence between RCN Corvis and Pepco (.7)
9/13/2004	Bostrom, Robert E.	\$3,100.00	5.00	Tel. confs w/ Al Fasola re Starpower transaction (0.5); prepare for and participate in tel. confs. w/ Creditors Committee, Milbank, Skadden, McCourt, Bar-Cohen, Dubel re Starpower (1.0); Starpower (1.0); review and analyze Starpower Operating Agreement and
9/14/2004	Bostrom, Robert E.	\$1,860.00	3.00	Tel. conf. w/ Al Fasola re Starpower; prepare for and attend conf. with JP Morgan and Steering Committee, Skadden, McCourt, Simpson Thacher, Blackstone and Capstone re status of transaction and open issues (3.0)
9/14/2004	Bostrom, Robert E.	\$1,860.00	3.00	Review Chancery Court pleadings and Corvis response and telephone conference with Al Fasola re board duties
9/15/2004	Neier, David	\$972.00	1.80	Communications with Debtors, Alix Partners and Blackstone re: Starpower
9/16/2004	Bostrom, Robert E.	\$4,340.00	7.00	Tel. conf. w/ Fasola re Corvis, Pepco, D E Shaw and related matters (.5); tel. confs w/ McCourt re same (1.0); review Corvis/Pepco documents (2.0); review and analyze action of Board re Pepco/Corvis and D E Shaw (2.0); review and tel. conf. and analyze Boa

## EXHIBIT L

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

STARPOWER/PEPCO

Date	Attorney	Billed Amt	Billed Hours	Description
9/17/2004	Bostrom, Robert E.	\$1,550.00	2.50	Review Corvis/Pepco documentation (2.5)
9/20/2004	Bostrom, Robert E.	\$620.00	1.00	Tel. confs w/ Al Fasola and Skadden re strategy of various Bd issues and Starpower (1.0)
9/20/2004	Bostrom, Robert E.	\$2,170.00	3.50	Preparation and tel. confs w/ Al Fasola re meetings on 9/21, status of real estate and franchise agreements Corvis/Pepco and related issues (3.5)
9/21/2004	Bostrom, Robert E.	\$775.00	1.25	Review Starpower transaction (1.0); conf. w/ Fasola (1.0); tel. confs. w/ McCourt and Bar-Cohen (.5)
9/21/2004	Bostrom, Robert E.	\$682.00	1.10	Prepare for and attend conf. w/ Skadden, Blackstone, Dubel, McCourt, Fasola, Royster re status of case, real estate franchise, timing, Starpower, DB financing and other issues
9/22/2004	Bostrom, Robert E.	\$1,550.00	2.50	Starpower and Fresh Start Accounting (2.5)
9/23/2004	Bostrom, Robert E.	\$620.00	1.00	Review Starpower documents (1.0)
10/1/2004	Bostrom, Robert E.	\$1,550.00	2.50	Review Blackstone Starpower presentation for Board presentation and advise board (2.5)
10/4/2004	Bostrom, Robert E.	\$620.00	1.00	Review Corvis/Pepco proposal (1.0)
10/6/2004	Bostrom, Robert E.	\$620.00	1.00	Review and discuss Corvis/Pepco documentation (1.0)
10/8/2004	Bostrom, Robert E.	\$930.00	1.50	Draft Board memo re Starpower (1.5)
10/8/2004	Bostrom, Robert E.	\$620.00	1.00	Tel. conf. w/ D. Royster and review of Merrill and Corvis claims and advise Board in connections with all of the above (1.0) [Committee shows 2.0 hours]
10/13/2004	Bostrom, Robert E.	\$930.00	1.50	Review Starpower acquisition and preparation for meetings with Bank Steering Committee (1.5)

EXHIBIT L

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

STARPOWER/PEPCO

Date	Attorney	Billed Amt	Billed Hours	Description
11/5/2004	Lee, Sandy Y.	\$80.00	0.50	Review directors and officers of Starpower Communications, LLC and RCN Telecom Services of Washington D.C. per S. Trum
Totals		\$32,200.00	54.95	

EXHIBIT L

COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

MEGACABLE(S)

Date	Attorney	Billed Amt	Billed Hours	Description
9/22/2004	Bostrom, Robert E.	\$620.00	1.00	Review status of Megacables and Board disclosure (1.0)
9/24/2004	Bostrom, Robert E.	\$620.00	1.00	Review and discuss Megacables offer with McCourt and Bar-Cohen (1.0) [Committee shows 5.50 hours]
10/15/2004	Bostrom, Robert E.	\$310.00	0.25	Tel. Conf. w/ A. Fasola re Merrill Lynch, Megacable and Craig
10/22/2004	Bostrom, Robert E.	\$310.00	0.25	Tel. Conf w/ Dubel re Megacable and D&O binders
<b>Totals</b>		<b>\$1,860.00</b>	<b>2.50</b>	

## EXHIBIT L

## COMMITTEE OBJECTIONS TO WINSTON FEE APPLICATION

DB FINANCING/D.E. SHAW

Date	Attorney	Billed Amt	Billed Hours	Description
7/8/2004	Bostrom, Robert E.	\$620.00	1.00	Attend meeting at D. Shaw (potential investor) w/ Dubel and RCN team (1.0)
9/15/2004	Bostrom, Robert E.	\$1,674.00	2.70	Review DE Shaw term sheets (.7) prepare for and participate in tel. conf. w/ Blackstone, Skadden, Dubel, Horvath and Hogan re D E Shaw term sheet (1.5); review revised D E Shaw term sheet (.5)
9/21/2004	Bostrom, Robert E.	\$1,178.00	1.90	Prepare for and attend conf. w/ Skadden, Blackstone, Duibel, McCourt, Fasola, Royster re status of case, real estate franchise, timing, Starpower, DB financing and other issues; prepare for and attend tel. Conf. With Skadden, Blackstone, Duibel, McCourt, Fasola and Royster, Creditors Committee members, and Milbank re status of case real estate franchise timing, Starpower, DB financing and other issues
10/27/2004	Bostrom, Robert E.	\$1,860.00	3.00	Conf w/ RCN, Blackstone & Deutsch. Bank to go thru Senior Debt refinancing presentation
10/28/2004	Bostrom, Robert E.	\$310.00	0.50	Conf. w/ Fasola re Deutsche Bank refinance
11/2/2004	Neier, David	\$54.00	0.10	Conversations w/ Bostrom re negotiations w/ banks
<b>Totals</b>		<b>\$5,696.00</b>	<b>9.20</b>	

## **EXHIBIT M**

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

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



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