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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In the Matter
of

Case No.
04-13638

RCN CORPORATION,
Debtors.

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January 5, 2005
United States Custom House
One Bowling Green
New York, New York 10004

Motion for an Order Authorizing and
Approving, (A) Assumption of Certain Executory
Contracts; and (B) Renewal of Insurance Programs.

B E F O R E:

HON. ROBERT D. DRAIN,
U.S. Bankruptcy Judge.

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

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RCN Debtors
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BY: DEIRDRE ANN SULLIVAN, ESQ.

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

3 THE COURT: RCN.

4 MR. MATZ: Good morning, your Honor.
5 Thomas Matz, of Skadden Arps on behalf of the now
6 reorganized debtors.

7 I wanted to take this opportunity to
8 advise the court that following the confirmation of
9 the plan of reorganization of the RCN debtors on
10 December the 8th, the plan did go effective on
11 December the 21st. And before the end of the year,
12 a significant distribution of the common stock in
13 the reorganized debtor was in fact issued.

14 THE COURT: Okay.

15 MR. MATZ: So we got that done
16 before year end.

17 THE COURT: All right, great.

18 MR. MATZ: For today, originally
19 scheduled was the continued hearing with respect to
20 the objection to the proofs of claim that had been
21 filed by Kemper Insurance, and then the continuance
22 of the hearing with respect to three responses that
23 had been filed with respect to the second omnibus
24 claims objection. Those were with respect to Old
25 Dominion, Smith Brown and Craftsism. And given

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2 that most of the bodies that were available between
3 the 8th and the 21st used all of their time to get
4 the plan consummated.

5 I'm standing here this morning
6 saying that we are sort of back at it now; things
7 are moving along. We anticipate that all three
8 will be reserved; with respect to Kemper, it's just
9 a trust agreement now that needs to be finalized;
10 we should see that tomorrow. With respect to Smith
11 Brown, just recently Ms. Smith Brown consented to
12 debtors' objection to her claim, so we are
13 preparing an appropriate order with respect to
14 that. Old Dominion and Craftsism are moving along,
15 but I think we just need a little more time.

16 THE COURT: Okay. I think with the
17 first two you can submit those on negative notice
18 and only have a hearing if there's an objection.

19 MR. MATZ: Thank you, your Honor.

20 THE COURT: And perhaps with the
21 other two as well, I'm just not as familiar with
22 those. But I know on the first two, I think
23 probably anyone who is interested pretty much has
24 the background.

25 MR. MATZ: Thank you, your Honor.

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2 We will do that.

3 THE COURT: Okay.

4 MR. MATZ: Now with respect to the
5 executory contracts, which is really the singular
6 matter that's before us today, there are three
7 stipulations that I have to present to the court.
8 The first is with respect to a contract pertaining
9 to E Entertainment. In sum, the debtors and E
10 Entertainment reached an agreement of principal
11 regarding the assumption of the E Entertainment
12 programming contract.

13 Briefly, that agreement allows the
14 debtors to switch from certain analog programming
15 in the Philadelphia area to digital programming.
16 In essence, that's the amendment to the contract.
17 Given that agreement, we reduced that agreement to
18 the form of a stipulation and an order that we
19 filed with the court on January the 3rd, it's
20 Docket Number 505, and we have that stipulation
21 here for the court this morning, which I would like
22 to present to the court.

23 THE COURT: Okay. So this is a
24 modification of the relief you were seeking on
25 the --

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2 MR. MATZ: With respect to the
3 assumption of the executory contract.

4 THE COURT: -- with the assumption
5 of that contract. They did not raise any cure
6 issues or adequate assurance issues?

7 MR. MATZ: No. There were no cure
8 issues with respect to any of the matters that I'm
9 going to address.

10 THE COURT: Okay.

11 MR. MATZ: With respect to the
12 motion to assume the executory contract itself,
13 that motion was filed on November 30th. And as you
14 may recall, the plan provided that all executory
15 contracts that weren't expressly assumed were
16 deemed to be rejected on the date of confirmation;
17 that's the motion to assume the specific contracts.

18 No objections to the motion to
19 assume were received; however, the debtors have
20 entered into two stipulations with respect to that
21 motion; two stipulations so far. One is with
22 respect to Liberty Mutual. That stipulation was
23 dated December 21 and was filed as Docket Number
24 499. And pursuant to that stipulation, Liberty
25 Mutual has consented to the assumption of an

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2 indemnity agreement by the debtors provided they
3 were exempted from the cure procedure for executory
4 contracts. The objection deadline passed with
5 respect to that matter as well. No objections were
6 filed. I believe counsel for Liberty Mutual is
7 here in court this morning if you have any
8 questions with respect to that stipulation, but
9 otherwise I have it here to present to the court
10 this morning.

11 THE COURT: What does it mean that
12 they are excluded from the cure procedure? Are
13 there any cure issues on this assumption, or are
14 they comfortable that if there is they will be
15 worked out in the ordinary course?

16 MR. MATZ: They will be worked out
17 in the ordinary course as the claims become known.

18 THE COURT: Okay, that's fine.

19 MR. MATZ: Thank you. And I can say
20 the same thing with respect to the stipulation that
21 the debtors are presenting with respect to the AIG
22 policies. Once again, it's to exempt them from the
23 cure provisions, because the claims at this
24 juncture are just simply not known, but AIG did not
25 object to the assumption of the underlying

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2 contract.

3 THE COURT: Okay.

4 MR. MATZ: So I have that
5 stipulation as well, if I may.

6 THE COURT: Okay. Does anyone else
7 have anything to say on those two contracts?

8 Okay.

9 MR. MATZ: Three small other matters
10 that I want to mention with respect to the motion
11 to assume. By the request of counsel for
12 Travellers Casualty, we have modified the exhibit
13 that identifies the various insurance policies that
14 are being assumed to better identify the Travellers
15 Casualty policy. With respect to two other items,
16 executory contracts, Royal and Sun Alliance being
17 one that's Royal and Sun Alliance, and the other is
18 St. Paul. We would ask the court this morning to
19 adjourn the assumption of those two contracts to
20 January 20th, if we may, while we finalized steps
21 with counsel for both those parties. They are
22 moving along, we are close, but we are just not
23 there yet this morning.

24 THE COURT: Okay, that's fine.

25 MR. MATZ: Otherwise --

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THE COURT: What was the date again?

MR. MATZ: January 20th at 10:00

a.m.

THE COURT: Okay.

MR. MATZ: Those are the only exceptions to the motion to assume the executory contracts that was filed back in November. And if it please the court, I would like to offer up an order modified to take into account what I've been speaking to, but otherwise for granting by the court.

THE COURT: Okay. Does anyone else have anything to say on the motion?

All right, so what I'm getting from you then is one order and two stipulations?

MR. MATZ: Three stipulations.

THE COURT: Three stipulations, because the E Entertainment one is two?

MR. MATZ: That's right.

THE COURT: That's fine, you can hand that up.

MR. MATZ: Thank you, your Honor.

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C E R T I F I C A T E

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2005.

DENISE NOWAK

A	<p>C 2:2 3:2 10:2,2 Case 1:6 Casualty 8:12,15 certain 1:15 5:14 certify 10:7,12 Chase 2:12 claim 3:20 4:12 claims 3:24 7:17,23 close 8:22 comfortable 7:14 Committee 2:11 common 3:12 confirmation 3:8 6:16 consented 4:11 6:25 consummated 4:4 continuance 3:21 continued 3:19 contract 5:8,12,16 6:3,5,12 8:2 contracts 5:5 6:15 6:17 7:4 8:7,16,19 9:8 Contrasts 1:16 CORPORATION 1:7 3:1 4:1 5:1 6:1 7:1 8:1 9:1 counsel 7:6 8:11,21 COUNTY 10:4 course 7:15,17 court 1:2 3:3,8,14,17 4:16,20 5:3,7,19 5:21,22,23 6:4,10 7:7,9,11,18 8:3,6 8:18,24 9:2,5,9,12 9:13,18,21 Craftsism 3:25 4:14 Creditors 2:11 cure 6:5,7 7:3,12,13 7:23 Custom 1:11</p>	<p>day 10:18 deadline 7:4 debtor 3:13 debtors 1:8 2:6 3:6,9 4:12 5:9,14 6:19 7:2,21 December 3:10,11 6:23 deemed 6:16 DEIRDRE 2:13 Denise 10:5,21 digital 5:15 distribution 3:12 DISTRICT 1:3 Docket 5:20 6:23 Dominion 3:25 4:14 DRAIN 1:22</p>	<p>finalized 4:9 8:20 fine 7:18 8:24 9:21 first 4:17,22 5:8 FLOM 2:4 following 3:8 form 5:18 Four 2:6 further 10:12</p>
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	D	F	H
		<p>F 1:21 10:2 fact 3:13 familiar 4:21 far 6:21 filed 3:21,23 5:19 6:13,23 7:6 9:8</p>	<p>HADLEY 2:10 hand 9:22 10:18 hearing 3:19,22 4:18 hereunto 10:18 HON 1:22 Honor 3:4 4:19,25 9:23 House 1:11</p>
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			<p>I identifies 8:13 identify 8:14 indemnity 7:2 insurance 1:16 3:21 8:13 interested 4:23 10:15 issued 3:13 issues 6:6,6,8 7:13 items 8:15</p>
			J
			<p>J 2:8 January 1:10 5:19 8:20 9:3</p>

<p>Judge 1:23 juncture 7:24</p> <hr/> <p style="text-align: center;">K</p> <hr/> <p>Kemper 3:21 4:8 know 4:22 known 7:17,24</p> <hr/> <p style="text-align: center;">L</p> <hr/> <p>Liberty 6:22,24 7:6 little 4:15 LLP 2:4,10</p> <hr/> <p style="text-align: center;">M</p> <hr/> <p>Manhattan 2:12 marriage 10:13 matter 1:5 5:6 7:5 10:9,14,16 matters 6:8 8:9 Matz 2:8 3:4,5,15,18 4:19,25 5:4 6:2,7 6:11 7:16,19 8:4,9 8:25 9:3,6,17,20 9:23 McCLOY 2:10 MEAGHER 2:4 mean 7:11 mention 8:10 MILBANK 2:10 modification 5:24 modified 8:12 9:10 morning 3:4 4:5 5:21 7:7,10 8:18 8:23 motion 1:14 6:12,13 6:17,18,21 8:10 9:7,14 moving 4:7,14 8:22 Mutual 6:22,25 7:6</p> <hr/> <p style="text-align: center;">N</p> <hr/> <p>N 2:2 3:2 need 4:15 needs 4:9 negative 4:17 New 1:3,12,12 2:7,7</p>	<p>2:12,12 10:3,7 Notary 10:6 notice 4:17 November 6:13 9:8 Nowak 10:5,21 Number 5:20 6:23</p> <hr/> <p style="text-align: center;">O</p> <hr/> <p>O 1:21 3:2 object 7:25 objection 3:20,24 4:12,18 7:4 objections 6:18 7:5 offer 9:9 Okay 3:14 4:16 5:3 5:23 6:10 7:18 8:3 8:6,8,24 9:5,13 Old 3:24 4:14 omnibus 3:23 Once 7:22 opportunity 3:7 order 1:14 4:13 5:18 9:10,16 ordinary 7:15,17 originally 3:18 outcome 10:15</p> <hr/> <p style="text-align: center;">P</p> <hr/> <p>P 2:2,2 3:2 parties 8:21 10:14 passed 7:4 Paul 8:18 pertaining 5:8 Philadelphia 5:15 plan 3:9,10 4:4 6:14 Plaza 2:12 please 9:9 policies 7:22 8:13 policy 8:15 preparing 4:13 present 5:7,22 7:9 presenting 7:21 pretty 4:23 principal 5:10 probably 4:23 procedure 7:3,12</p>	<p>proceedings 10:8,11 programming 5:12 5:14,15 Programs 1:16 proofs 3:20 provided 6:14 7:2 provisions 7:23 Public 10:6 pursuant 6:24</p> <hr/> <p style="text-align: center;">Q</p> <hr/> <p>questions 7:8</p> <hr/> <p style="text-align: center;">R</p> <hr/> <p>R 1:21 2:2 3:2 10:2 raise 6:5 RCN 1:7 2:6 3:1,3,9 4:1 5:1 6:1 7:1 8:1 9:1 reached 5:10 really 5:5 recall 6:14 received 6:19 record 10:10 reduced 5:17 regarding 5:11 rejected 6:16 related 10:13 relief 5:24 Renewal 1:16 reorganization 3:9 reorganized 2:5 3:6 3:13 reported 10:8 Reporter 10:6 request 8:11 reserved 4:8 respect 3:19,22,23 3:24 4:8,10,13 5:4 5:8 6:2,8,11,20,22 7:5,8,20,21 8:10 8:15 responses 3:22 right 3:17 9:15,20 ROBERT 1:22 Royal 8:16,17</p>	<p style="text-align: center;">S</p> <hr/> <p>S 2:2 3:2 saying 4:6 scheduled 3:19 second 3:23 see 4:10 seeking 5:24 set 10:18 Shorthand 10:5 significant 3:12 simply 7:24 singular 5:5 Skadden 2:4 3:5 SLATE 2:4 small 8:9 Smith 3:25 4:10,11 sort 4:6 SOUTHERN 1:3 speaking 9:11 specific 6:17 Square 2:6 ss 10:3 St 8:18 standing 4:5 State 10:3,7 States 1:2,11 stips 8:20 stipulation 5:18,20 6:22,24 7:8,20 8:5 stipulations 5:7 6:20 6:21 9:16,17,18 stock 3:12 submit 4:17 SULLIVAN 2:13 sum 5:9 Sun 8:16,17 switch 5:14</p> <hr/> <p style="text-align: center;">T</p> <hr/> <p>T 10:2,2 take 3:7 9:10 Thank 4:19,25 7:19 9:23 thing 7:20 things 4:6 think 4:15,16,22</p>
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<p>Thomas 2:8 3:5 three 3:22 4:7 5:6 8:9 9:17,18 time 4:3,15 Times 2:6 today 3:18 5:6 tomorrow 4:10 transcript 10:10 Travellers 8:12,14 true 10:10 trust 4:9 TWEED 2:10 two 4:17,21,22 6:20 6:21 8:7,15,19 9:16,19</p> <hr/> <p style="text-align: center;">U</p> <hr/> <p>underlying 7:25 United 1:2,11 U.S 1:23</p> <hr/> <p style="text-align: center;">V</p> <hr/> <p>various 8:13</p> <hr/> <p style="text-align: center;">W</p> <hr/> <p>want 8:10 wanted 3:7 way 10:15 weren't 6:15 WESTCHESTER 10:4 WHEREOF 10:17 WITNESS 10:17 worked 7:15,16</p> <hr/> <p style="text-align: center;">X</p> <hr/> <p>x 1:4,9</p> <hr/> <p style="text-align: center;">Y</p> <hr/> <p>year 3:11,16 York 1:3,12,12 2:7,7 2:12,12 10:3,7</p> <hr/> <p style="text-align: center;">0</p> <hr/> <p>04-13638 1:6</p> <hr/> <p style="text-align: center;">1</p> <hr/>	<p>10:00 9:3 10004 1:12 10005 2:12 10036 2:7</p> <hr/> <p style="text-align: center;">2</p> <hr/> <p>20th 8:20 9:3 2005 1:10 10:19 21 6:23 21st 3:11 4:3</p> <hr/> <p style="text-align: center;">3</p> <hr/> <p>3rd 5:19 30th 6:13</p> <hr/> <p style="text-align: center;">4</p> <hr/> <p>499 6:24</p> <hr/> <p style="text-align: center;">5</p> <hr/> <p>5 1:10 505 5:20</p> <hr/> <p style="text-align: center;">8</p> <hr/> <p>8th 3:10 4:3</p>		
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