

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

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In re : Chapter 11 Case No.
 :
RCN CORPORATION, et al. : 04-13638 (RDD)
 :
 : (Jointly Administered)
Debtors. :
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**FIRST SUPPLEMENTAL DECLARATION OF JOHN S. DUBEL IN SUPPORT OF THE
DEBTORS’ APPLICATION FOR AN ORDER UNDER 11 U.S.C. § 363
(A) AUTHORIZING RETENTION OF AP SERVICES, LLC AS CRISIS MANAGERS
FOR THE DEBTORS AND (B) SCHEDULING FINAL HEARING THEREON**

JOHN S. DUBEL makes this Declaration pursuant to 28 U.S.C. § 1746, and states:

1. I am associated with AP Services, LLC (“APS”), which has as its principal place of business 2000 Town Center Drive, Suite 2400, Southfield, MI 48075. APS specializes in, among other things, supplying senior executives on an interim basis to financially troubled companies. APS is an affiliate of AlixPartners, LLC, AlixPartners Ltd., AlixPartners GmbH and AlixPartners S.r.l., (herein collectively “AlixPartners”) internationally recognized restructuring and turnaround advisory and consulting firms; The System Advisory Group, an information technology consulting firm; Partnership Services, LLC, a company that provides temporary employees; and the Questor entities, which are private equity funds. I am a principal of AlixPartners, LLC.¹

2. I submit this supplemental declaration (the “Supplemental Declaration”) in support of the application (the “Application”) of the debtors and debtors-in-possession (collectively, the “Debtors”)

¹ Only APS is being retained by the Debtors to provide services in connection with these Chapter 11 cases. Nevertheless, this Declaration discusses the relationships of AlixPartners and other APS affiliates (collectively, the “APS Affiliates”) with the Debtors, their creditors and other parties in interest, because both I and other APS professionals who may be employed in these cases have associations with multiple APS Affiliates.

in the above titled cases authorizing the retention of APS as crisis managers for the Debtors and scheduling a final hearing thereon. The Application was dated May 27, 2004 and entered at docket item number 15 of case number 04-13637.

3. Except as otherwise noted, I have personal knowledge of the matters set forth herein and, if called as a witness, I would testify competently thereto.²

4. In the original declaration (the “Original Declaration”) in support of the Application, I stated that APS recently received a list of parties in interest with respect to the Debtors and that, upon completing a search of AlixPartners’ clients and contacts database, we would provide a supplemental declaration on our findings.

5. To check and clear potential conflicts of interest in these cases, AlixPartners researched its client database and performed reasonable diligence to determine whether it had any relationships with entities listed in attached Exhibit A, (collectively, the “Interested Parties”).

6. Based on the search described above, APS wishes to make the following supplemental disclosures (the “Supplemental Disclosures”) to replace in their entirety the original disclosures (the “Original Disclosures”) made in the Original Declaration.

- Questor Partners Fund, L.P. (“QPF”) and an affiliated side-by-side fund and Questor Partners Fund II, L.P. (“QPF II”) and affiliated side-by-side funds, \$300 million and \$865 million funds, respectively, are private equity funds that invest in special situations and under-performing companies. Neither QPF nor QPF II will make an investment in the Debtors for at least three years after the date that APS’ engagement terminates.
- Mr. Jay Alix, a principal in AlixPartners, is also the President and CEO of Questor Management Company, LLC (“Questor”), the entity that manages QPF and QPF II.
- Questor and AlixPartners are separate companies. AlixPartners, pursuant to contract, performs certain accounting and other administrative services for Questor. From time to time, Questor hires AlixPartners as a contractor to advise it regarding a potential acquisition, and occasionally investee companies of QPF and QPF II hire AlixPartners. From time to

² Certain of the disclosures herein relate to matters within the knowledge of other professionals at AlixPartners and are based on information provided by them.

time, employees of AlixPartners are elected to the boards of directors of investee companies of QPF and QPF II, but no such board members are involved in this engagement.

- Mr. Alix and Mr. Robert Shields own interests in Questor General Partner, LP (“QGP”) and Questor General Partner II, LP (“QGP II”), the general partners of QPF and QPF II. Substantially all of the AlixPartners principals are limited partners in QGP II and, as such, are passive participants in the general partner with no voice in authorizing QPF II's investments. Mr. Alix, Mr. Albert A. Koch, and Mr. Michael Grindfors are also principals of Questor and, along with Mr. Shields, members of its Investment Committee. Mr. Melvin R. Christiansen, a principal of AlixPartners, is a non-voting member of the Investment Committee. The Investment Committee makes investment decisions for Questor.
- Substantially all of the principals of AlixPartners own limited partnership interests in one or more of the following entities: Questor Side-by-Side Partners, L.P. (“SBS”), Questor Side-by-Side Partners II, L.P. (“SBS II”) and Questor Side-by-Side Partners II 3(c)(1), L.P. (“SBS II 3c1”). Limited partners, except for Mr. Alix, Mr. Koch and Mr. Grindfors, are passive investors and have no voice in approving the entities' investments.
- Some of the limited partners of QPF and/or QPF II are affiliates of financial institutions that are also lenders to companies that may have retained AlixPartners. The affiliates of such financial institutions are passive investors in QPF and QPF II and have no voice in approving Questor's investments. Where such situations occur, the lending relationship and investment in QPF and/or QPF II is detailed in AlixPartners' disclosures.
- QPF, QPF II, SBS, SBS II, SBS II 3c1 and Questor are all related entities. The Side-by-Side funds contain, in the aggregate, 6.3% of the total Questor funds, which are in excess of \$1.17 billion.
- The Debtors' businesses include the providing of local and long distance telephone services and cable television programming, among others. AlixPartners and/or APS is presently assisting, or has in the past assisted, several companies in their respective restructuring which are in the same or related businesses. Those current and former AlixPartners and APS clients include, WorldCom, AT&T Latin America, DirecTV Latin America, Asia Global Crossing and Genuity to name a few (collectively the “Related Clients”). Some of the Related Clients may be parties to material executory contracts with the Debtors. Others may share a significant number of parties in interest with the Debtors. However, at this time, APS is unaware of any relationship which would constitute a conflict of interest. If APS becomes aware of a situation which would constitute a conflict of interest or disclosable event, APS will promptly file a supplemental disclosure to this Court. APS and its affiliates will make every effort to maintain separate engagement teams between the Debtors and the Related Clients and not be involved on both sides of conversations, negotiations or settlements.
- Allen & Co., former investment banker of the Debtors, is affiliated with investors in QPF and QPF II.
- AON, an insurance provider to the Debtors, is affiliated with entities that are limited partners to a current APS client, clients of AlixPartners in litigated matters unrelated to the Debtors as

well as insurance providers to several current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.

- Bank of Montreal, a noteholder of the Debtors, is a bondholder and lender to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Blackstone Group, a professional retained or seeking retention in the Debtors' bankruptcy cases, is a retained professional to other current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Boise Cascade, an unsecured creditor of the Debtors, previously employed a current AlixPartners employee.
- Bombardier Inc., an unsecured creditor of the Debtors, is a lender and counterparty to an executory contract with a current AlixPartners client in matters unrelated to the Debtors.
- Cerberus Capital, a New Money Party lender to the Debtors, is a former client of AlixPartners as well as the parent of a other former AlixPartners' clients in matters unrelated to the Debtors.
- Charles Schwab, a noteholder of the Debtors, is affiliated with several entities that are bondholders and lenders to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Deutsche Bank, a secured creditor of the Debtors, is affiliated with an entity that is an investor in QPF II. Other Deutsche affiliated entities are lenders, creditors, and trustees to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Encore, an unsecured creditor of the Debtors, is a creditor to a current client of APS in matters unrelated to the Debtors.
- Greenhill & Co., a former investment banker of the Debtors, is a retained professional to a current client of APS in matters unrelated to the Debtors.
- Hartford Investment Management, a noteholder of the Debtors, is a lender and bondholder to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Hicks, Muse, Tate & Furst, a preferred shareholder of the Debtors, is a significant shareholder to former AlixPartners clients in matters unrelated to the Debtors.
- HSBC Bank, an unsecured creditor and Junior Credit Facility lender to the Debtors, is a creditor, lender and indenture trustee to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors. In addition, HSBC is a lender to a Questor portfolio company.
- JP Morgan Chase, a noteholder and former investment banker to the Debtors, and Chase Manhattan, the Indenture Trustee to the Debtors, are affiliated with entities that are lenders,

shareholders, bondholders limited partners and creditors to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors. An entity affiliated with JP Morgan Chase is a limited partner in QPF and QPFII and JP Morgan Partners is a significant shareholder in a QPF portfolio company. Additionally, JP Morgan Chase affiliated entities previously employed several AlixPartners employees.

- Kemper Insurance a/k/a Lumbermens Mutual, an insurance provider to the Debtors, and its affiliated entities are insurance providers, litigation adverse parties, bondholders and lenders to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Lampe Conway & Company, L.L.C., a noteholder of the Debtors, is a significant creditor to a current APS client in matters unrelated to the Debtors.
- Legg Mason, a New Money Party lender to the Debtors, is a lender and creditor to several current AlixPartners clients and a bondholder and shareholder to other former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Level 3 Delaware Holdings, Inc., a significant shareholder to the Debtors, is a vendor, litigation counterparty and creditor to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Milbank, Tweed, Hadley & McCloy, a professional retained or seeking retention in the Debtors' bankruptcy cases, is legal counsel to the creditors' committees for two APS clients in matters unrelated to the Debtors.
- Nortel Networks, an unsecured creditor of the Debtors, is a client and an adverse party in litigated matters unrelated to the Debtors as well as a lender, creditor and vendor to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors. Additionally, Nortel previously employed a current AlixPartners employee.
- Northwestern Mutual Life, a noteholder of the Debtors, is a bondholder and lender to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Oak Hill Capital, a New Money Party lender to the Debtors, was a significant lender to a former APS client in matters unrelated to the Debtors.
- Oppenheimer, a noteholder of the Debtors, is lender and bondholder to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Pitney Bowes, an unsecured creditor of the Debtors, is affiliated with entities that are vendors to AlixPartners, adverse parties to former AlixPartners clients as well as creditors, lessors and lenders to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- PricewaterhouseCoopers, former accountant of the Debtors, is a vendor to AlixPartners, current and former client of AlixPartners, as well as a vendor and professional to current and

former AlixPartners and/or APS clients in matters unrelated to the Debtors. Additionally, PricewaterhouseCoopers previously employed several current AlixPartners employees.

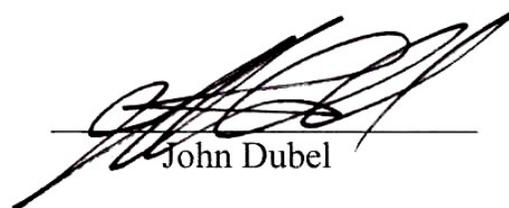
- Q Investments, a noteholder of the Debtors, was a pre-petition lender to a former APS client in matters unrelated to the Debtor and now holds a board position in the reorganized company.
- Skadden, Arps, Slate, Meagher & Flom LLP, a professional seeking retention in the Debtors' bankruptcy cases, is legal counsel to current and former AlixPartners' clients and legal counsel to parties formerly adverse to AlixPartners' clients in matters unrelated to the Debtors. Additionally, a current employee of AlixPartners was previously employed by Skadden Arps corporate restructuring department but had no involvement with the Debtors' restructuring.
- Sony Music Studios, an unsecured creditor of the Debtors, is affiliated with entities that are adverse parties in litigated matters unrelated to the Debtors and creditors to several current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- TCW Asset Management, a noteholder of the Debtors, and its affiliates are lenders and noteholders to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Teachers Ins. & Annuity Association, a noteholder of the Debtors, is a significant shareholder, landlord and potential claimant to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Universal Access, an unsecured creditor of the Debtors, is a current client of AlixPartners in matters unrelated to the Debtors.
- Unum Life Insurance, a noteholder of the Debtors, is a vendor to AlixPartners as well as an insurance provider and bondholder to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- Wells Fargo & Company, a preferred shareholder of the Debtors, is a former client of AlixPartners through AlixPartners' work for a creditors' committee, as well as a lessor, lender, bondholder and creditor to current and former AlixPartners and/or APS clients in matters unrelated to the Debtors.
- XL Insurance, an insurance provider to the Debtors, is a current client of AlixPartners in matters unrelated to the Debtors.

7. To the best of my knowledge, information and belief, insofar as I have been able to ascertain after reasonable inquiry into the facts, neither I, nor AlixPartners nor APS, nor any of their

principals, employees, agents or affiliates hold any equity securities of the Debtors. However AlixPartners has approximately 300 employees. It is possible that certain employees of AlixPartners may, without their actual knowledge, hold a beneficial securities interest in equities of the Debtors through mutual funds or other passive investment vehicles.

8. APS continues to reserve the right to supplement this and all previous Declarations in the event that APS discovers any facts bearing on matters described in this Declaration regarding APS' employment by the Debtors.

I declare under penalty of perjury under the laws of the United States of America that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.



John Dubel

Executed this 23rd day of June, 2004

RCN Corporation
Significant Parties in Interest for Conflict Search
As of June 18, 2004

Debtors & Affiliates

Hot Spots Productions
 RCN Corporation
 RCN Finance, LLC
 RLH Property Corporation
 TEC Air, Inc.

Officers and/or Directors

Alfred Fasola
 David C. McCourt
 Doug Bradbury (R. Douglas Bradbury)
 Eugene Roth
 James Q. Crowe
 Michael A. Adams
 Michael B. Yanney
 Patrick T. Hogan
 Peter Brodsky
 Richard R. Jaros
 Terry Wingfield (W. Terrell Wingfield)
 Thomas P. O'Neill III
 Timothy J. Stoklosa
 Walter E. Scott, Jr.

Significant Shareholders (>5%)

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

Secured Creditors

Canyon Capital Advisors
 Deutsche Bank AG
 Evergreen Investment Management
 Silver Point Capital
 TRS Castillo LLC

Unsecured Creditors

Affinitas Corporation
 Boise Cascade Office Products
 Bombardier Inc.
 Encore
 Gels Film Lighting
 Hello World Communications
 HSBC Bank
 Nextel Communications
 Nortel Networks
 Pitney Bowes
 Sony Music Studios
 Universal Access
 Warrenwood Studios

Preferred Shareholders

Hicks Muse Fund IV: None
 Hicks, Muse, Tate & Furst
 Vulcan Ventures Inc.
 Wells Fargo & Company

Lenders - Junior Credit Facility

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 ("Evergreen")
 HSBC Bank USA
 Sentinel Capital Markets Income Fund and Sentinel
 High Yield Bond Fund

Lenders - New Money Parties

Cerberus Capital Management LP
 Francisco Partners
 Legg Mason
 Oak Hill Capital Management Inc.

Indenture Trustee

The Chase Manhattan Bank

Noteholders (>3%)

Bank of Montreal
 Bay Harbour Management
 Blue River Capital, LLC
 Centennial Bank Trust Department
 Charles Schwab & Company
 Colonial Management Associates, Inc.
 Evergreen Investment Management
 Hartford Investment Management
 JP Morgan Chase
 Lampe Conway & Company, L.L.C.
 Loeb Partners Corp
 Memorial Capital Corporation
 Milfam LLC
 Northwestern Mutual Life Insurance
 Oppenheimer Funds Inc.
 Paloma Partners
 Paul Revere Life Insurance Co.
 Provident Investment Management
 Putnam Investment Management
 Q Investments
 RBC Investment Management
 Romulus Holdings, Inc.
 TCW Asset Management Company
 TCW Leveraged Income Trust III
 Teachers Ins. & Annuity Association
 Tejas Securities Group, Inc.

Tudor Investment Corporation
Unum Life Insurance Company of America
Wholesale Realtors Supply
York Capital Management LP
York Investment, Ltd.

Insurance Providers

Aegis Insurance Services Inc.
American Venture Corp.
AON Corp.
Cananwill Inc.
Connecticut General Life Insurance Company
FBO Liberty Mutual Insurance
Kemper Insurance A/K/A Lumbermens Mutual
Insurance Company
Lumbermens Mutual Insurance Company A/K/A
Kemper Insurance
Reliance Standard Life
Saul Metcho
Seabury and Smith
The St. Paul - Saint Paul Fire and Marine
XL Specialty Ins. Co.

Professionals in Bankruptcy Cases

Blackstone Group
Cahill, Gordon & Reindell LLP
Chanin Capital Partners, LLC
Communication Technology Advisors LLC
Lowenstein Sandler
Milbank, Tweed, Hadley & McCloy
Skadden, Arps, Slate, Meagher & Flom LLP

Professional - Former Accountant

PricewaterhouseCoopers

Professionals - Former Investment Bankers

Allen & Co.
Communications Equity Associates: none
Greenbridge Partners (a/k/a Greenbridge Group)
Greenhill & Co.
JP Morgan