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Presentment Date: July 23, 2004

Proposed Attorneys for the Official Committee
of Unsecured Creditors

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

**APPLICATION FOR ORDER AUTHORIZING AND APPROVING,
UNDER 11 U.S.C. §§ 328 AND 1103 AND FED.R. BANKR. P. 2014 AND
5002, THE RETENTION OF CAPITAL & TECHNOLOGY ADVISORS
LLC, EFFECTIVE AS OF JUNE 14, 2004 AS INDUSTRY AND
TECHNOLOGY ADVISORS TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS**

The Official Committee of Unsecured Creditors (the "Committee") of RCN Corporation and its affiliated debtors and debtors-in-possession in the above-captioned cases (collectively, "RCN" or "Debtors") hereby apply to the court (the "Application") for the entry of an order authorizing the retention by the Committee of Capital & Technology Advisors LLC ("C&TA") as industry and technology advisor to the Committee effective as of June 14, 2004, pursuant to Title 11 of the United States Code §§ 328 and 1103 (the "Bankruptcy Code"), and Rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). This Application is based on the Affidavit of Wayne Barr, Jr., the Managing Member of C&TA,

a copy of which is annexed hereto as Exhibit A. The Committee incorporates Exhibit A by reference and respectfully represents as follows:

Jurisdiction

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

Background

2. On June 10, 2004, the United States Trustee formed the Committee pursuant to an Appointment of Committee of Unsecured Creditors under Section 1102(a)(1) of the Bankruptcy Code. Also on that day, the Committee approved the retention of the law firm of Milbank, Tweed, Hadley & McCloy LLP ("Milbank") as attorneys for the Committee. Milbank served and filed its application for employment on July 2, 2004. On June 14, 2004, after due discussion and deliberation thereon, the Committee selected C&TA to serve as industry and technology advisor to the Committee.

Basis for Relief

3. The statutory predicates for the relief requested herein are Sections 328(a) and 1103 of the Bankruptcy Code and Rules 2014 and 2016 of the Bankruptcy Rules. Section 328(a) of the Bankruptcy Code provides that the Committee "may employ or authorize the employment of a professional person under section 327 or 1103 of this title, as the case may be, on any reasonable terms and conditions of employment, including on retainer, on an hourly basis, or on a contingent fee basis." Section 1103(a) of the Bankruptcy Code provides that the Committee "may select and authorize the employment of such committee of one or more attorneys, accountants, or other agents, to represent or perform services for such committee."

Relief Requested

4. The Committee desires to retain C&TA as its industry and technology advisor in this chapter 11 case pursuant to Sections 328(a) and 1103(a) of the Bankruptcy Code and Rules 2014 and 2016 of the Bankruptcy Rules, to advise the Committee in all aspects the Debtors' reorganization, on the terms and subject to the conditions described below.

C&TA's Qualifications

5. The Committee has selected C&TA, which has offices located in New York and Virginia, as its industry and technology advisor due to C&TA's extensive experience in operations and technology, and its familiarity with and experience in chapter 11 cases and representation of creditors. The retention of C&TA is necessary and in the best interests of the efficient administration of this chapter 11 case and should be approved by the Court. The Committee believes that C&TA is well qualified to represent it in this case and to perform the services described below. The Committee knows of no reason why C&TA should not be retained and believes that the fees and disbursements C&TA will receive for its services in this chapter 11 case are reasonable and reflective of the competitive national market for industry and technology advisory services.

Services to be Rendered

6. C&TA will provide such operations advisory services (the "Services") as C&TA and the Committee deem appropriate and feasible in order to advise the Committee in the course of this chapter 11 case, including the following:

- a) analyze the Debtors' telecommunications operations, service delivery and technological capabilities, each as it applies to the Debtors' current financial condition and its prospects for the Debtors' future performance;
- b) conduct a detailed review of the Debtors' recent and historic financial performance, business plan, marketing plan, revenue forecasts, capital program, management and competitive environment. C&TA will continue to review and

comment on the Debtors' long-term business plan projections and be in a position to validate such projections or propose alternatives;

- c) assist the Committee in evaluating the Debtors' proposed Plan of Reorganization and developing, evaluating, structuring and negotiating the final, definitive terms and conditions of a restructuring or plan of reorganization, including the value of the securities, if any, that may be distributed to unsecured creditors under any such restructuring or plan; analyze any merger, acquisition, divestiture, joint venture, or other transactions proposed by the Debtors;
- d) assist the Committee in evaluating the Debtors' proposed bank debt refinancing transaction;
- e) review and advise the Committee with respect to operating cash flow risks and opportunities associated with the Debtors' proposed Plan of Reorganization;
- f) assist and advise the Committee in connection with the Debtors' current contracts, both from a market level evaluation, and overall usefulness of such contracts in the context of the Debtors' proposed Plan of Reorganization and business plan; and
- g) provide such other advice and assistance as may be reasonably requested by the Committee from time to time.

7. These Services are necessary to enable the Committee to execute its duties as a Committee and are not intended to be duplicative in any manner with the services provided by any other professional proposed to be retained by the Committee. C&TA, in concert with the other professionals retained by the Committee, will undertake every reasonable effort to avoid any duplication of their respective services. Because of the expedited nature of this chapter 11 case, C&TA began work immediately upon selection and thus approval of this order effective as of June 14, 2004 is requested.

Disinterestedness of C&TA

8. C&TA has informed the Committee that the firm may have provided financial consulting services, from time to time, to certain other creditors of the Debtors or affiliates of such creditors on completely unrelated matters. The Committee has been assured

that while C&TA is employed by the Committee, it will not provide financial consulting services to any other entity in connection with this chapter 11 case.

9. Based upon the annexed Affidavit of Wayne Barr, Jr., the Managing Member of C&TA, dated June 28, 2004 (the "Barr Affidavit"), and to the best of the Committee's knowledge, C&TA serves no interest adverse to the interests of the Committee or the Debtors' estate and the Committee believes that its employment will be in the best interests of the creditors that this Committee represents and the Debtors' estate.

Compensation of C&TA

10. Subject to this Court's approval, C&TA will charge a fee of \$150,000 per month, plus reimbursement of all out-of-pocket expenses. The Monthly Fee set forth herein is consistent with C&TA's typical fee for work of this nature. This fee is set at a level designed to compensate C&TA fairly for the work of its professionals and assistants and to cover fixed and routine overhead expenses. It is C&TA's policy to charge its clients for all reasonable disbursements and expenses incurred in the rendition of services.

11. C&TA intends to apply to the Court for allowance of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the applicable Federal Rules of Bankruptcy Procedure and Local Rules and orders of this Court. Compensation plus reimbursement of actual, necessary expenses incurred by C&TA will be payable to C&TA in compliance with the above rules and orders of this Court.

12. As set forth in the Barr Affidavit, it is not the general practice of consulting firms to keep detailed time records similar to those customarily kept by attorneys. However, C&TA's restructuring professionals will keep time records of these chapter 11 cases

detailing and describing their daily duties, the identity of persons who performed such tasks and the amount of time expended on a daily basis.

13. Additionally, apart from the time recording practices described above, C&TA's restructuring personnel do not maintain their time records on a "project category" basis. To have C&TA recreate the time entries for its restructuring personnel would be unduly burdensome and time-consuming. Accordingly, based upon the foregoing, it is respectfully requested that, as part of any order authorizing the retention of C&TA as industry and technology advisors for the Committee, C&TA be authorized to file fee applications in accordance with the foregoing time recording practices, and that such requirements be waived accordingly.

14. As set forth in the Barr Affidavit, C&TA has not shared or agreed to share any of its compensation from the Debtors with any other persons, other than a principal member, professional or employee of C&TA or a C&TA affiliate, as permitted by § 504 of the Bankruptcy Code.

15. The Committee requests that the Court authorize the Committee to retain C&TA to perform the Services as defined herein. The Services are essential to the ability of the Committee to fulfill its duties, and the proposed compensation is reasonable pursuant to Section 328(a) in light of the Services to be provided. For the foregoing reasons, the Committee submits that the relief requested herein is in the best interests of its estate and creditors.

16. The Barr Affidavit, executed on behalf of C&TA in accordance with Section 1103 of the Bankruptcy Code and Bankruptcy Rule 2104, is filed contemporaneously herewith. The Committee's knowledge, information and belief regarding the matters set forth in this application are based, and made in reliance upon, the Barr Affidavit.

Notice

17. As of the filing of this Application, no trustee or examiner has been appointed in these chapter 11 cases. Copies of this Application have been given to the Office of the United States Trustee, counsel to the Debtors, the Debtors' pre-petition senior secured lender, the Debtors' pre-petition junior secured lender, other parties-in-interest and those entities filing notices of appearance pursuant to Bankruptcy Rule 2002, and counsel for the indenture trustee for the RCN Senior Notes. In light of the nature of the relief requested herein, the Committee submits that no further notice need be given.

Waiver of Memorandum of Law

18. The Committee requests that the requirement of the service and filing of a separate memorandum of law under Local Rule 9013-1(b) be waived as this Application presents no new or novel issue of law and all relevant authorities are cited herein.

No Prior Request

19. No prior request for the relief sought in this Application has been made to this or any other court.

WHEREFORE, pursuant to Sections 328 and 1103 of the Bankruptcy Code the Committee respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit B, (i) authorizing the Committee to retain C&TA under general retainer as industry and technology advisor for the Committee, effective as of June 14, 2004; and (b) granting such other and further relief as the Court may deem just and proper.

Dated: New York, New York
July 2, 2004

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS

By /s/ Darryl L. Schall
Name: Darryl Schall
Tudor Investment Corporation
Title: Co-Chairman of the Official
Committee of Unsecured Creditors

By /s/ Eric Edidin
Name: Eric Edidin
York Capital Management
Title: Co-Chairman of the Official
Committee of Unsecured Creditors

By /s/ Sandra E. Horwitz
Name: Sandra E. Horwitz
HSBC Bank USA
Title: Member of the Official
Committee of Unsecured Creditors

Exhibit A

Barr Affidavit

**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

**AFFIDAVIT OF WAYNE BARR, JR. IN SUPPORT OF THE
APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF RCN CORPORATION, ET AL., FOR AN ORDER
AUTHORIZING AND APPROVING THE EMPLOYMENT OF CAPITAL
& TECHNOLOGY ADVISORS LLC AS INDUSTRY AND
TECHNOLOGY ADVISOR PURSUANT TO SECTIONS 328 AND 1103
OF THE EFFECTIVE AS OF JUNE 14, 2004**

STATE OF NEW YORK)
: SS.:
COUNTY OF ALBANY)

Pursuant to Federal Rule of Bankruptcy Procedure 2014(a) and Local Bankruptcy Rule 2014-1,
Wayne Barr, Jr., being duly sworn, deposes and says:

1. I am the Managing Member of Capital & Technology Advisors LLC (“C&TA”) and am duly authorized to make this Affidavit on behalf of C&TA in support of the application (the “Application”) of the Official Committee of Unsecured Creditors (the “Committee”) of RCN Corporation, et al., the debtors and debtors in possession herein (collectively, the “RCN” or “Debtors”) for an order authorizing the employment of Capital & Technology Advisors LLC (“C&TA”). The facts set forth in this Affidavit are personally known to me, and if called as a witness, I could and would testify thereto. Unless otherwise defined, all capitalized terms used herein have the meanings given to them in the Application.
2. C&TA, a Delaware limited liability company, is a restructuring advisory boutique specializing in the telecommunications sector. C&TA and its affiliated

firm Communication Technology Advisors LLC have provided and are providing financial, technical and operational advisory services to debtors and to creditor committees in numerous Chapter 11 cases, including recent cases such as *Allegiance Telecom, Inc.*, *Leap Wireless International and Cricket Communications, Inc.*, *Focal Communications, Inc.*, *Motient Corporation*, *Globix Corporation* and *Neon Communications, Inc.* In addition to providing advisory services prior to and during a chapter 11 case, C&TA also provides post-restructuring consulting services, including operational and merger and acquisition advice. C&TA's senior staff is comprised of proven business leaders from several leading domestic and international telecommunications companies. These individuals have served in a variety of leadership capacities within these organizations, including Chief Executive Officer, Chief Operations Officer and Chief Financial Officer, as well as high level technical and operational capacities. This experience enables C&TA to provide advice to creditor committees in all aspects of a debtor's business and operations. C&TA's depth of experience makes it uniquely qualified to counsel telecommunication company creditor committees in this difficult market.

3. C&TA has agreed to provide operations advisory services to the Committee in the above-captioned chapter 11 cases, pursuant to the terms and conditions referenced in the Application. No agreement exists to share any compensation received by C&TA for its services with any person or firm.

4. The terms and conditions of C&TA's engagement were heavily negotiated between the Committee and C&TA, and reflect the extensive work to be performed by C&TA in restructuring companies within the telecommunications sector. As is customary in similar engagements, both inside and outside of bankruptcy, C&TA's engagement provides for C&TA to receive a monthly fee in the amount of \$150,000 plus reimbursement of out-of-pocket expenses and the right to request a success fee. In addition, as set forth on Schedule II attached

hereto and incorporated herein by this reference, the Debtors' will indemnify C&TA as fully described therein. Taking into account the complex nature of this engagement, the economics of C&TA's engagement are similar to the terms agreed to by C&TA in similar restructuring engagements, both inside and outside of bankruptcy.

5. C&TA is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code in that C&TA:

- a. is not a creditor, equity security holder or insider of the Debtors;
- b. is not and was not an investment banker for any outstanding security of the Debtors;
- c. has not been, within three (3) years before the date of the filing of the Debtors' chapter 11 petition, (i) an investment banker for a security of the Debtors, or (ii) an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the Debtors; and
- d. is not and, was not, within two (2) years before the date of the filing of the Debtors' chapter 11 petitions, a director, officer, or employee of the Debtors or of any investment banker as specified in subparagraph (b) or (c) of this paragraph.

6. To the best of my knowledge, information and belief formed after reasonable inquiry, other than in connection with these chapter 11 cases and as set forth in paragraphs 7 and 8, neither I, C&TA and its affiliates nor any of our professionals or employees have any connection with the Debtors, their creditors, any other party with an actual or potential interest in these chapter 11 cases, the Debtors' respective attorneys, accountants and other professionals, the United States Trustee or the United States Bankruptcy Court. Specifically:

- a. From time to time, C&TA has provided services, and likely will continue to provide services, to certain creditors of the Debtors and various other parties adverse to the Debtors in matters unrelated to these chapter 11 cases. As described below,

however, C&TA has undertaken a detailed search to determine, and to disclose, whether it has been employed by any significant creditors (including banks), equity security holders, insiders or other parties-in-interest in such unrelated matters;

- b. C&TA provides services in connection with numerous cases, proceedings and transactions unrelated to these chapter 11 cases, including representing debtors and creditors' committees in chapter 11 proceedings and in out-of-court restructurings. These unrelated matters involve numerous attorneys, professionals and creditors, some of whom are attorneys, professionals and creditors of the Debtors in these chapter 11 cases;
- c. C&TA personnel may have business associations with certain creditors of the Debtors unrelated to these chapter 11 cases. In addition, in the ordinary course of its business, C&TA will work with and engage counsel or other professionals in unrelated matters who now represent, or in the future may represent, creditors or other interested parties in these chapter 11 cases; and
- d. C&TA has numerous clients, past and present, who are located throughout the United States, Asia and Europe, in a variety of industries, including certain parties who are identified as creditors of the Debtors. As far as I have been able to determine, however, C&TA has not advised any of these parties, or any other party-in-interest in connection with these chapter 11 cases.

7. To determine its relationship with parties-in-interest in these cases,

C&TA researched its client databases to determine whether it has any relationships with the following entities (collectively, the "Interested Parties"), that were identified to C&TA through the use of the conflict check lists attached to the Debtors' application to retain Skadden, Arps, Slate, Meagher & Flom LLP as counsel to the Debtors:

- a. the Debtors and their non-Debtor affiliates;
- b. the former corporate names of the Debtors and their non-Debtor affiliates;

- c. current officers and directors of the Debtors and their non-Debtor affiliates;
- d. business affiliations of the current directors and officers of the Debtors and their non-Debtor affiliates;
- e. senior secured lenders/holders of secured debt;
- f. indenture or collateral trustees or former indenture trustees;
- g. material bondholders;
- h. the largest unsecured creditors of each of the Debtors;
- i. the attorneys and other professionals of the Debtors;
- j. the prepetition lenders and landlords of the Debtors;
- k. equity security holders of the Debtors; and
- l. other potentially adverse parties.

To the extent that C&TA's research of its relationships with the Interested Parties indicated that C&TA has provided or is providing services, or has any relationship to any of these entities in matters unrelated to these chapter 11 cases, C&TA has so indicated on the attached Schedule 1.

8. To the best of my knowledge, information and belief, C&TA is disinterested and holds no materially adverse interest as to the matters upon which C&TA is to be retained. To the extent I discover any facts bearing on the matters described herein during the period of C&TA's retention, I will supplement the information contained in this Affidavit.

9. C&TA is not aware of the identity of all of the holders of certain debentures issued by the Debtors, including the: (i) 10% Senior Notes due 2007; (ii) 11.125% Senior Discount Notes due 2007, (iii) 9.8% Senior Discount Notes due 2008, (iv) 11% Senior

Discount Notes due 2008, and (v) 10.125% Senior Notes due 2010 (collectively, the “Notes”). Accordingly, CTA cannot determine if it does or has represented any such holders of Notes.

10. Prior to being selected as industry and technology advisor to the Committee, in October 2003, C&TA was selected to be the industry and technology advisor to an ad hoc committee of holders of certain of the Notes (the “Ad Hoc Committee”).]

11. During its approximately eight month engagement as industry and technology advisor to the Ad Hoc Committee, C&TA assisted the Ad Hoc Committee in the financial and operations analysis of RCN and negotiations relating to the terms of the pre-negotiated plan of reorganization which is to be filed in these cases.

12. During its engagement as industry and technology advisor to the Ad Hoc Committee, C&TA received from RCN pursuant to a written engagement letter, fees in the amount of \$1,075,000 and expense reimbursement in the amount of \$46,702.58. These payments were for services provided prior to the commencement of these cases and include full payment for all pre-petition fees. Accordingly, C&TA does not believe it is a pre-petition creditor of Debtors.

13. In addition, C&TA received a retainer against (i) pre-petition fees in the amount of \$100,000, which it still holds for application to post-petition fees, and (ii) pre-petition expenses in the amount of \$10,000 of which it still holds \$7,500 for application to post-petition expenses.

14. C&TA also serves or has served as industry and technology advisor, in the past, to noteholder committees and other creditors’ committees that include or have included as members entities that are holders or potential holders of the Notes.

15. C&TA will apply to the Court for payment of compensation and reimbursement of expenses in accordance with the Application, applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of this Court and any order approving the Application, and pursuant to any additional procedures that have been or may be established by the Court in these chapter 11 cases.

Dated: June 29, 2004

/s/ Wayne Barr, Jr.

Wayne Barr, Jr.

Sworn to and subscribed to before me
on this 29th day of June, 2004.

/s/ Karen L. Armsby

Notary Public

My Commission Expires:

State of New York

Qualified in Rensselaer County

No. 01AR6001230

Commission Expires Jan. 5, 2006

RCN Corporation, et al.

Parties To Whom C&TA Has Provided Services (unrelated to these Chapter 11 Cases)

C&TA is in the process of being retained by the Official Committee of Unsecured Creditors of Pegasus Satellite Television, Inc., et al. in connection with its chapter 11 case captioned In re Pegasus Satellite Television, Inc., et al., Case No.: 04-20878, United States Bankruptcy Court, District of Maine. Representatives from Silver Point Capital, Lampe, Conway & Co. LLC, HSBC Bank USA and Romulus Holdings, Inc. are participants in such committee.

C&TA and CTA (defined below) have provided and continue to provide operations consulting services to certain entities unrelated to these chapter 11 cases in which Highland Capital Management, Lampe, Conway & Co. LLC, Loeb Partners Corp., Romulus Holdings, Inc., Tudor Investment Corporation, Xerion Capital Partners and York Capital Management have invested.

C&TA acted as the financial advisor to an ad hoc committee of unsecured creditors of iBasis Corporation in connection with iBasis Corporation's recent exchange offer. Lampe, Conway & Co. LLC, Loeb Partners Corp. and Romulus Holdings, Inc. were participants in such ad hoc committee.

C&TA has been retained by XO Corporation to facilitate the integration of the assets of Allegiance Telecom, Inc. that have been purchased by XO Corporation as part of the Allegiance Telecom chapter 11 cases.

Communication Technology Advisors LLC ("CTA"), an affiliate of C&TA, has acted and continues to act as the financial advisor to the *ad hoc* Committee of Vendor Debtholders of Cricket Communications, Inc. in connection with the chapter 11 case captioned *In re Leap Wireless International, Inc. and Cricket Communications, Inc., et al.*, Case No.: 03-3470-All, - 03-3535-All, United States Bankruptcy Court, Southern District of California. Highland Capital Management and Romulus Holdings, Inc. are participants in such ad hoc committee.

CTA acted as the industry and technology advisor to the Official Committee of Unsecured Creditors of Focal Communications, Inc. in connection with its chapter 11 cases captioned *In re Focal Communications Corporation, et al.*, Case No. 02-13709 (KJC), United States Bankruptcy Court, District of Delaware. Romulus Holdings, Inc. was a participant in such committee.

CTA acted as the financial advisor to an *ad hoc* committee of unsecured creditors of Primus Telecommunications Group, Inc.

Indemnification

As a material part of the consideration for C&TA to furnish its services as industry and technology advisor to the Official Committee of Unsecured Creditors of RCN Corporation (the "Committee") in connection with the chapter 11 cases of RCN Corporation and its subsidiary debtors (collectively, the "Debtors"), the Debtors shall indemnify C&TA and shall hold harmless C&TA and its affiliates, and their respective past (only to the extent such person becomes past during the term of this engagement), present and future directors, officers, members, employees, agents and controlling persons within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively, the "Indemnified Parties"), to the fullest extent lawful, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to the Agreement, any actions taken or omitted to be taken by an Indemnified Party in connection with C&TA's provision of services to the Committee, or any transaction or proposed transaction contemplated in the Debtors' chapter 11 cases. In addition, the Debtors shall promptly reimburse the Indemnified Parties for any legal or other expenses reasonably incurred by them in respect thereof. The Debtors, however, shall not be responsible under the foregoing indemnity and reimbursement agreement for any loss, claim, damage or liability which is finally judicially determined to have resulted from the willful misconduct, gross negligence, bad faith or self - dealing of any Indemnified Party.

If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold it harmless, the Debtors shall contribute to the amount paid or payable by the Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the Committee and the Debtors, on the one hand, and C&TA, on the other hand, in connection with the proposed transaction and/or the services rendered by C&TA. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or otherwise, then the Debtors shall contribute to such amount paid or payable by any Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of the Committee and the Debtors, on the one hand, and C&TA, on the other hand, in connection therewith, as well as any other relevant equitable considerations.

The Committee and the Debtors shall not, without the prior written consent of C&TA (which shall not be unreasonably withheld), effect any settlement or release from liability in connection with any matter for which an Indemnified Party would be entitled to indemnification from the Debtors unless, such settlement or release contains an unconditional release of the Indemnified Parties from such liability. The Committee and/or the Debtors shall not be required to indemnify any Indemnified Party for any amount paid or payable by such party in the settlement or compromise of any claim or action without the prior written consent of the Committee and the Debtors.

The Committee and the Debtors further agree that neither C&TA nor any other Indemnified Party shall have any liability, regardless of the legal theory advanced, to the Committee, the Debtors or any other person or entity (including the Debtors' equity holders and creditors) related to or arising out of C&TA's retention, except for any liability for losses, claims, damages, liabilities or expenses incurred by the Committee and/or the Debtors which result from the willful misconduct, gross negligence, bad faith or self - dealing of any Indemnified Party. The indemnity, reimbursement, and contribution of the Debtors and the other obligations and agreements of the Committee and the Debtors set forth herein shall be in addition to any liability which these parties may otherwise have, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of these parties and each Indemnified Party. The foregoing indemnification provisions shall survive the consummation of any transaction and/or any termination of the retention of C&TA as industry and technology advisor to the Committee.

The obligations of C&TA are solely obligations of a limited liability company, and no officer, director, employee, agent, member, manager or controlling person of C&TA shall be subjected to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of the Debtors or the Committee or any person relying on the services provided hereunder. The Debtors' obligations with respect to any and all payments owing to C&TA and the indemnification, reimbursement, contribution and other similar obligations of the Debtors under this Agreement shall survive the termination of the retention of C&TA as industry and technology advisor to the Committee.

Exhibit B

Proposed Order

**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 AUTHORIZING AND APPROVING THE RETENTION OF CAPITAL &
TECHNOLOGY ADVISORS LLC AS INDUSTRY AND TECHNOLOGY
ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
EFFECTIVE AS OF JUNE 14, 2004 PURSUANT TO SECTIONS 328 AND 1103 OF
THE BANKRUPTCY CODE AND FED.R. BANKR. P. 2014 AND 5002**

This matter having come before the Court on the application pursuant to Sections 328(a) and 1103(a) of the Bankruptcy Code (the "Application") of the Official Committee of Unsecured Creditors (the "Committee") of RCN Corporation and its affiliated debtors and debtors-in-possession in the above-captioned cases (collectively, "RCN" or "Debtors") for an Order Authorizing the Retention of Capital & Technology Advisors LLC ("C&TA") to provide industry and technology consulting services to it in these cases effective as of June 14, 2004, and upon the affidavit on of Wayne Barr, Jr. (the "Barr Affidavit"), the Managing Member of C&TA, dated June 29, 2004; and no objections having been filed with the Court or received by Counsel for the Committee; and the Court finding that (a) the Court had jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. §157(b)(2) and (c) notice of the Application and this Order was sufficient under the circumstances; and the Court having determined that the legal and factual bases set forth in the Application and the Barr Affidavit establish just cause for the relief granted herein;

THE COURT HEREBY FINDS THAT:

A. The Application and the Barr Affidavit are in full compliance with all applicable provisions of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code");

the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); the Local Rules of this Court (the “Local Rules”); and the United States Trustee Guidelines (the “Guidelines”).

B. C&TA does not hold or represent any interest adverse to the Committee as required by section 1103 of the Bankruptcy Code.

C. The Committee’s retention of C&TA in accordance with the Application is in the best interests of the Debtors and their estates and creditors and it appearing that notice of the Application has been given to the Office of the United States Trustee, counsel to the Debtors, the Debtors’ pre-petition senior secured lender, the Debtors’ pre-petition junior secured lender, the indenture trustee of the RCN Senior Notes, other parties-in-interest and those entities filing notices of appearance pursuant to Bankruptcy Rule 2002 and that no further notice need be given; and the Court being satisfied based upon the representations made in the Application and Barr Affidavit that (a) the employment of C&TA is necessary and in the best interest of the Debtors’ estate and creditors; (b) C&TA serves no interest adverse to the Debtors and their estate or the Committee and (c) C&TA is a “disinterested person” as that term is defined in Section 101(14) of the Bankruptcy Code as modified by Bankruptcy Code § 1107(b).

D. No objections to the Application were filed with the Court or received by counsel for the Committee.

After due deliberation, and sufficient cause appearing therefore IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED in its entirety.
2. That the Committee be, and it hereby is, authorized to retain C&TA under general retainer, effective as of June 14, 2004 , and pursuant to the terms of the engagement letter, dated as of June 14, 2004, to provide industry and technology advisory services to it in these chapter 11 cases.

3. The Debtors' indemnification of C&TA as set forth on Schedule II of the Barr Affidavit is approved.

4. That C&TA shall be compensated in accordance with the procedures set forth in the Application, Section 331 of the Bankruptcy Code, such Bankruptcy Rules as may then be applicable and any procedures established by orders of this Court.

5. That the compensation provided in the engagement letter dated as of June 14, 2004 is reasonable compensation pursuant to Section 328(a) of the Bankruptcy Code, and is approved pursuant to Section 328(a).

6. That the requirement that detailed time records be kept on a "project category" basis, is hereby waived in connection with any applications for compensation and reimbursement of expenses that may be filed by C&TA in connection with these chapter 11 cases.

Dated: New York, New York
July _____, 2004

UNITED STATES BANKRUPTCY JUDGE