

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C 36, AS AMENDED**

**APPLICATION OF LIGHTSQUARED LP  
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT*  
*ACT*, R.S.C. 1985, c. C 36, AS AMENDED**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE  
UNITED STATES BANKRUPTCY COURT WITH RESPECT TO  
LIGHTSQUARED INC., LIGHTSQUARED INVESTORS HOLDINGS INC., ONE  
DOT FOUR CORP., ONE DOT SIX CORP., SKYTERRA ROLLUP LLC,  
SKYTERRA ROLLUP SUB LLC, SKYTERRA INVESTORS LLC, TMI  
COMMUNICATIONS DELAWARE, LIMITED PARTNERSHIP,  
LIGHTSQUARED GP INC., LIGHTSQUARED LP, ATC TECHNOLOGIES,  
LLC, LIGHTSQUARED CORP., LIGHTSQUARED FINANCE CO.,  
LIGHTSQUARED NETWORK LLC, LIGHTSQUARED INC. OF VIRGINIA,  
LIGHTSQUARED SUBSIDIARY LLC, LIGHTSQUARED BERMUDA LTD.,  
SKYTERRA HOLDINGS (CANADA) INC., SKYTERRA (CANADA) INC. AND  
ONE DOT SIX TVCC CORP. (COLLECTIVELY, THE "CHAPTER 11  
DEBTORS")**

**AFFIDAVIT OF CHRISTOPHER BLAKE MORAN  
(sworn March 19, 2013)**

I, Christopher Blake Moran, of the city of Toronto in the Province of Ontario, MAKE OATH AND SAY that:

1. I am an associate with Fraser Milner Casgrain LLP, lawyers for LightSquared LP (the "**Foreign Representative**") and the other Chapter 11 Debtors. I swear this affidavit in support of the Foreign Representative's motion returnable March 20, 2013 (the "**March 20<sup>th</sup> Motion**")
2. Defined terms not otherwise defined herein shall have the meanings given to such terms in the affidavit of Elizabeth Creary sworn on March 11, 2013 in support of the March 20<sup>th</sup> Motion.

3. On March 19, 2013, the U.S. Bankruptcy Court in the Chapter 11 Cases entered various orders, including the following order (the “**Foreign Order**”):

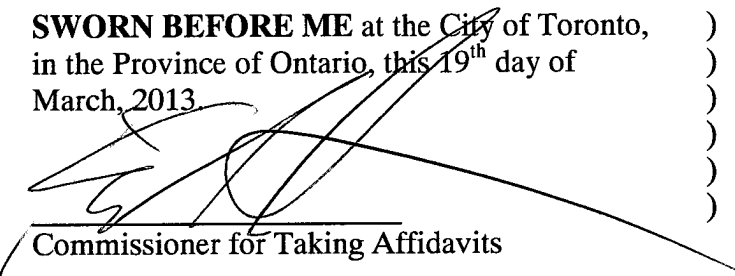
- (a) Order, Pursuant to 11 U.S.C. §§ 105(a), 363(b), and 363(f), (A) Approving and Authorizing LightSquared Network LLC and LightSquared Corp. To Enter into Consignment Agreement with Rincon Technology, Inc., (B) Authorizing Sale of Consigned Property, and (C) Authorizing LightSquared to Abandon Unsold Property.

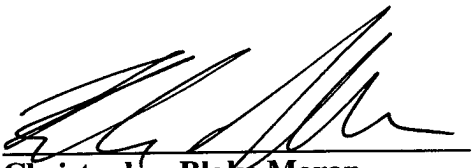
A copy of the entered Foreign Order is attached as Exhibit “A” to my Affidavit.

4. The Foreign Order as entered by the U.S. Bankruptcy Court was in a different form than the version of the draft Foreign Order originally served by the Chapter 11 Debtors and included in the March 20<sup>th</sup> Motion materials. A blackline showing the changes between the version of the Foreign Order originally served and the version of the Foreign Order as entered was filed by the Chapter 11 Debtors as an attachment to the Agenda for the March 19<sup>th</sup> hearing in the Chapter 11 Cases. A copy of the Agenda and blackline are attached as Exhibit “B” to my affidavit.

5. I make this affidavit in support of the March 20<sup>th</sup> Motion and for no other or improper purpose.

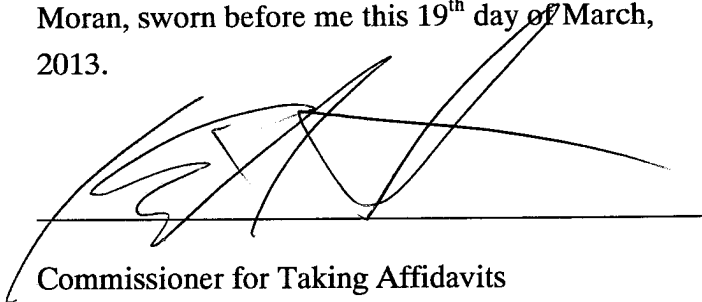
**SWORN BEFORE ME** at the City of Toronto, )  
in the Province of Ontario, this 19<sup>th</sup> day of )  
March, 2013. )  
)  
)  
)  
)

  
Commissioner for Taking Affidavits

  
Christopher Blake Moran

**Kate Haviland Stigler**

Exhibit "A" to the Affidavit of Christopher Blake  
Moran, sworn before me this 19<sup>th</sup> day of March,  
2013.



Commissioner for Taking Affidavits

**Kate Haviland Stigler**

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

In re:	)	Chapter 11
LIGHTSQUARED INC., <i>et al.</i> ,	)	Case No. 12-12080 (SCC)
Debtors. <sup>1</sup>	)	Jointly Administered

**ORDER, PURSUANT TO 11 U.S.C. §§ 105(a), 363(b), AND 363(f), (A) APPROVING AND  
AUTHORIZING LIGHTSQUARED NETWORK LLC AND LIGHTSQUARED CORP.  
TO ENTER INTO CONSIGNMENT AGREEMENT WITH RINCON TECHNOLOGY,  
INC., (B) AUTHORIZING SALE OF CONSIGNED PROPERTY, AND  
(C) AUTHORIZING LIGHTSQUARED TO ABANDON UNSOLD PROPERTY**

Upon the motion, dated March 5, 2013 (the “Motion”),<sup>2</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, “LightSquared”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), for entry of an order, pursuant to sections 105(a), 363(b), and 363(f) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”) and rules 2002, 6004, and 9013 of the Federal Rules of Bankruptcy Procedure (as amended, the “Bankruptcy Rules”), (a) approving and authorizing LightSquared Network LLC and LightSquared Corp. (collectively, the “Consignor”) to enter into the Consignment Agreement, a copy of which is attached to the Motion as Exhibit A, with Rincon Technology, Inc. (“Rincon”), (b) authorizing the Consignor to sell the Consigned

<sup>1</sup> The debtors in these Chapter 11 Cases (as defined below), along with the last four digits of each debtor’s federal or foreign tax or registration identification number, are: LightSquared Inc. (8845), LightSquared Investors Holdings Inc. (0984), One Dot Four Corp. (8806), One Dot Six Corp. (8763), SkyTerra Rollup LLC (N/A), SkyTerra Rollup Sub LLC (N/A), SkyTerra Investors LLC (N/A), TMI Communications Delaware, Limited Partnership (4456), LightSquared GP Inc. (6190), LightSquared LP (3801), ATC Technologies, LLC (3432), LightSquared Corp. (1361), LightSquared Finance Co. (6962), LightSquared Network LLC (1750), LightSquared Inc. of Virginia (9725), LightSquared Subsidiary LLC (9821), Lightsquared Bermuda Ltd. (7247), SkyTerra Holdings (Canada) Inc. (0631), SkyTerra (Canada) Inc. (0629), and One Dot Six TVCC Corp. (0040). The location of the debtors’ corporate headquarters is 10802 Parkridge Boulevard, Reston, VA 20191.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion or the Consignment Agreement, as applicable.

Property free and clear of any liens, claims, encumbrances, and interests (with any such liens, claims, encumbrances, and interests attaching to the Consideration with the same validity, priority, and effect that such liens, claims, encumbrances, or interests had against the Consigned Property), and (c) authorizing the Consignor to abandon unsold Consigned Property in accordance with the terms of the Consignment Agreement and the De Minimis Abandonment Order, all as more fully set forth in the Motion; and the Court having considered the Motion and determined that the relief requested in the Motion is an exercise of LightSquared's sound business judgment and is in the best interests of LightSquared's estates, its creditors, and other parties in interest; and the Court having determined that time is of the essence in effectuating the Consignment Agreement and proceeding with the sales contemplated therein without interruption; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Application in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing adequate and appropriate under the circumstances; and the Court having found that no other or further notice is needed or necessary; and the Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

1. The relief requested in the Motion is granted.
2. The Consignment Agreement is approved in its entirety.

3. The Consignor is authorized to enter into the Consignment Agreement and to perform as required by the Consignment Agreement as and when due thereunder without further order of this Court.

4. The Consigned Property sold pursuant to the Consignment Agreement shall be sold free and clear of liens, claims, encumbrances, and interests, and any such liens, claims, encumbrances, and interests shall be transferred and attach to the Consideration, with the same validity, priority, and effect that such liens, claims, encumbrances, or interests had against the Consigned Property. For the avoidance of doubt, (a) Consigned Property owned by LightSquared Corp. constitutes Prepetition LP Collateral (as defined in the Cash Collateral Order), and the Consideration for the sale of such Consigned Property shall be subject to the Prepetition LP Liens and used in accordance with the terms of the Cash Collateral Order; and (b) Consigned Property owned by LightSquared Network LLC is unencumbered, and the Consideration for the sale of such Consigned Property shall be deposited into an account held by LightSquared Network LLC and used in accordance with the terms of the final order authorizing LightSquared to continue using its existing cash management systems and providing postpetition intercompany claims administrative expense priority [Docket No. 115].

5. After entry of this Order, if the Consignor seeks to transfer and sell Additional Consigned Property pursuant to the Consignment Agreement, LightSquared must follow the following procedures:

- (a) File a notice (each, a “Notice of Additional Consignment”) of intent with the Court and serve such notice upon (i) the parties listed in the Notice section of the Motion and (ii) the Canadian notice parties listed on Schedule 1 attached hereto (collectively, the “Notice Parties”).
- (b) Each Notice of Additional Consignment will list the Additional Consigned Property the Consignor seeks to transfer and sell pursuant to the Consignment Agreement and any known parties

holding or asserting any liens, claims, encumbrances, or interests or potential liens, claims, encumbrances, or interests in the relevant Additional Consigned Property.

- (c) Any objection to a Notice of Additional Consignment must be filed and served upon each of the following: (i) LightSquared Inc., 10802 Parkridge Boulevard, Reston, VA 20191, Attn: Marc R. Montagner and Curtis Lu, Esq., (ii) counsel to LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq., (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, NY 10004, Attn: Susan D. Golden, Esq., (iv) counsel to Harbinger Capital Partners LLC, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Debra A. Dandeneau, Esq. and Ronit Berkovich, Esq., (v) counsel to U.S. Bank National Association, as administrative agent under the Prepetition Inc. Credit Agreement and administrative agent under the Inc. DIP credit agreement, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Philip C. Dublin, Esq. and Kenneth A. Davis, Esq., (vi) counsel to UBS AG, Stamford Branch, as administrative agent under the Prepetition LP Credit Agreement, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude, Esq., (vii) counsel to the ad hoc secured group of Prepetition LP Lenders, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attn: Thomas E. Lauria, Esq. and Andrew C. Ambruso, Esq., and (viii) Rincon Technology Inc., 105 West De La Guerra, Suite 105, Santa Barbara, CA 93101, Attn: M. Jason Kelly, President and CEO (collectively (i) through (viii), the "Objection Parties"), so as to be actually received within seven (7) days after the date of service of such Notice of Additional Consignment. If no such objection is timely filed and served, the Consignor is authorized to transfer the Additional Consigned Property to Rincon for sale pursuant to the Consignment Agreement. This Additional Consigned Property shall thereafter become Consigned Property (as defined in the Consignment Agreement).
- (d) If any Notice Party timely files and serves a written objection to any Notice of Consignment, then such Additional Consigned Property shall only be subject to the Consignment Agreement upon either consensual resolution of the objection by the parties in question (with four (4) days' notice to the Objection Parties) or further order of the Court. If no resolution to the objection is reached, LightSquared shall schedule a hearing to consider the

transfer of the Additional Consigned Property at the next scheduled omnibus hearing.

6. The Consignor is permitted to abandon property of the Consignor's estates in accordance with the terms and provisions of the Consignment Agreement and the De Minimis Abandonment Order [Docket No. 267].

7. This Order and the terms and provisions of the Consignment Agreement shall be binding on all of LightSquared's creditors and stakeholders (whether known or unknown), LightSquared, Rincon, and their respective affiliates, successors and assigns, and any affected third parties, including, but not limited to, all persons asserting an interest in the Consigned Property, notwithstanding any subsequent appointment of any trustee, party, entity, or other fiduciary under any section of the Bankruptcy Code with respect to the forgoing parties, and as to such trustee, party, entity, or other fiduciary, such terms and provisions likewise shall be binding.

8. The provisions of this Order and the terms and provisions of the Consignment Agreement, and any actions taken pursuant hereto or thereto, shall survive the entry of any order which may be entered confirming or consummating any plan of LightSquared.

9. The Consignment Agreement and any related documents may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court; provided that any such modification, amendment, or supplement is not material and adverse to LightSquared and; provided further, that at least five (5) business days prior notice of any such modification, amendment, or supplement shall be filed with the Court and served on the Notice Parties. If any Notice Party timely files and serves an objection to a proposed modification, amendment, or supplement, such modification,



amendment, or supplement shall be of no force or effect unless approved by the Court following notice and a hearing.

10. Notwithstanding Bankruptcy Rule 6004, or any other law that would serve to stay or limit the immediate effect of this Order, this Order shall be effective and enforceable immediately upon entry. In the absence of any person or entity obtaining a stay pending appeal, the Consignor and Rincon are free to perform under the Consignment Agreement upon entry of this Order, subject to the terms of the Consignment Agreement.

11. LightSquared is authorized to take any and all actions reasonably necessary to consummate, and perform any and all obligations contemplated in, the Consignment Agreement, and otherwise take any actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

12. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: March 19, 2013  
New York, New York

/s/ Shelley C. Chapman  
HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Schedule 1**

**Canadian Notice Parties**

**TO: FRASER MILNER CASGRAIN LLP**  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto ON M5K 0A1

**R. Shayne Kukulowicz**  
Telephone: 416.863.4740  
Fax: 416.863.4592  
Email: shayne.kukulowicz@fmc-law.com

**Jane O. Dietrich**  
Telephone: 416.863.4467  
Fax: 416.863.4592  
E-mail: jane.dietrich@fmc-law.com

*Lawyers for the Debtors*

**AND TO: ALVAREZ & MARSAL CANADA ULC**  
Royal Bank Plaza, South Tower  
200 Bay Street, Suite 2900  
Toronto, Ontario  
M5J 2J1

**John J. Walker**  
Telephone: 416.847.5152  
Facsimile: 416.847.5201  
E-mail: jwalker@alvarezandmarsal.com

**Andrea Yandreski**  
Telephone: 416.847.5153  
Facsimile: 416.847.5201  
E-mail: ayandreski@alvarezandmarsal.com

*Information Officer*

**AND TO: GOODMANS LLP**  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario  
M5H 2S7

**Jay A. Carfagnini**  
Telephone: 416.597.4107  
Fax: 416.979.1234  
Email: jcarfagnini@goodmans.ca

**Brian F. Empey**  
Telephone: 416.597.4194  
Fax: 416. 979.1234  
Email: bempey@goodmans.ca

*Lawyers for the Information Officer*

**AND TO: WILMINGTON TRUST FSB**  
1100 North Market Street  
Wilmington, DE 19890  
U.S.A.

**AND TO: DEPARTMENT OF JUSTICE**  
The Exchange Tower  
130 King Street West  
Suite 3400  
Toronto, Ontario M5X 1K6

**Diane Winters**  
Telephone: 416.973.3172  
Facsimile: 416.973.0810  
E-mail: diane.winters@justice.gc.ca

**AND TO: INDUSTRY CANADA**  
Space Services Directorate  
Engineering, Planning and Standards Branch  
Industry Canada  
300 Slater Street, 15th Floor  
Ottawa, Ontario  
K1A 0C8

**Richard Hiebert**  
Manager, Authorization Policy

**AND TO: MORGUARD INVESTMENTS LIMITED**

350 Sparks Street, Suite 402  
Ottawa, Ontario  
K1R 7S8

**Beth Whitehead**, Manager, Commercial Lease Administration

Facsimile: 613-237-0007

E-mail: bwhitehead@morguard.com

*Agent for Pensionfund Realty Limited*

**AND TO: TIERNEY STAUFFER LLP**

1600 Carling Avenue, Suite 510  
Ottawa, Ontario  
K1Z 0A1

**Ken Jennings**

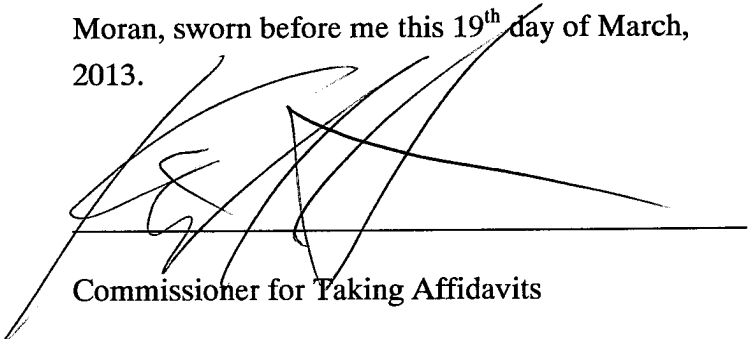
Facsimile: 613-288-3238

Email: kjennings@tslawyers.ca

*Counsel to Morguard Investments Limited*

shayne.kukulowicz@fmc-law.com; jane.dietrich@fmc-law.com;  
jwalker@alvarezandmarsal.com; ayandreski@alvarezandmarsal.com; jcarfagnini@goodmans.ca;  
bempey@goodmans.ca; diane.winters@justice.gc.ca; bwhitehead@morguard.com;  
kjennings@tslawyers.ca

Exhibit "**B**" to the Affidavit of Christopher Blake  
Moran, sworn before me this 19<sup>th</sup> day of March,  
2013.



Commissioner for Taking Affidavits

**Kate Haviland Stigler**

Matthew S. Barr  
Karen Gartenberg  
Melanie A. McLaughlin  
MILBANK, TWEED, HADLEY & McCLOY LLP  
One Chase Manhattan Plaza  
New York, NY 10005-1413  
(212) 530-5000

*Counsel to Debtors and Debtors in Possession*

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

In re:	)	Chapter 11
	)	
LIGHTSQUARED INC., <i>et al.</i> ,	)	Case No. 12-12080 (SCC)
	)	
Debtors. <sup>1</sup>	)	Jointly Administered
	)	

**AGENDA FOR MATTERS SCHEDULED FOR HEARING ON  
MARCH 19, 2013 AT 10:00 A.M. (PREVAILING EASTERN TIME)**

Time and Date of Hearing: March 19, 2013 at 10:00 a.m. (prevailing Eastern time)

Location of Hearing: The Honorable Shelley C. Chapman  
Courtroom No. 621  
United States Bankruptcy Court  
for the Southern District of New York  
Alexander Hamilton Custom House  
One Bowling Green  
New York, New York 10004-1408

Copies of Motions: A copy of each pleading can be viewed on the Court's website at [www.ecf.nysb.uscourts.gov](http://www.ecf.nysb.uscourts.gov) and at the website of the Debtors' proposed claims and noticing agent, Kurtzman Carson Consultants LLC ("KCC"),

<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal or foreign tax or registration identification number, are: LightSquared Inc. (8845), LightSquared Investors Holdings Inc. (0984), One Dot Four Corp. (8806), One Dot Six Corp. (8763), SkyTerra Rollup LLC (N/A), SkyTerra Rollup Sub LLC (N/A), SkyTerra Investors LLC (N/A), TMI Communications Delaware, Limited Partnership (4456), LightSquared GP Inc. (6190), LightSquared LP (3801), ATC Technologies, LLC (3432), LightSquared Corp. (1361), LightSquared Finance Co. (6962), LightSquared Network LLC (1750), LightSquared Inc. of Virginia (9725), LightSquared Subsidiary LLC (9821), LightSquared Bermuda Ltd. (7247), SkyTerra Holdings (Canada) Inc. (0631), SkyTerra (Canada) Inc. (0629) and One Dot Six TVCC Corp. (0040). The location of the debtors' corporate headquarters is 10802 Parkridge Boulevard, Reston, VA 20191.



121208013031500000000003

at [www.kccllc.net/LightSquared](http://www.kccllc.net/LightSquared). Further information may be obtained by calling KCC at (877) 499-4509.

## **I. INTRODUCTION**

## **II. UNCONTESTED MATTER**

1. LightSquared's Motion for Entry of Order, Pursuant to 11 U.S.C. §§ 105(a), 363(b), and 363(f), (A) Approving and Authorizing LightSquared Network LLC and LightSquared Corp. To Enter into Consignment Agreement with Rincon Technology, Inc., (B) Authorizing Sale of Consigned Property, and (C) Authorizing LightSquared To Abandon Unsold Property [Docket No. 571] (the "Rincon Motion")

Response Date: March 12, 2013 at 4:00 p.m. (prevailing Eastern time)

Responses Received:

- a. Informal comments were received from the ad hoc secured group of Prepetition LP Lenders, the Prepetition Inc. Lenders/DIP Lenders, and the Information Officer appointed in LightSquared's CCAA Recognition Proceedings.<sup>2</sup>

Related Documents:

- a. None

Status: This matter is going forward.

## **III. INTERIM FEE APPLICATIONS**

2. Second Interim Application of Kirkland & Ellis LLP, as Special Litigation Counsel to the Debtors and Debtors in Possession for the Period from September 1, 2012 Through December 31, 2012 [Docket No. 523]

Response Date: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Responses Received:

- a. Response of the United States Trustee Regarding Applications for Interim Compensation [Docket No. 581]

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<sup>2</sup> A blackline of the revised proposed order, incorporating such comments and marked against the proposed order filed as Exhibit B to the Rincon Motion, is attached hereto as Schedule 1.

Related Documents:

- a. None

Status: This matter is going forward.

- 3. Second Interim Fee Application of Latham & Watkins LLP for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Special Federal Communications Commission ("FCC") Counsel to Debtors and Debtors in Possession During the Second Interim Fee Period from September 1, 2012 Through and Including December 31, 2012 [Docket No. 524]

Response Date: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Responses Received:

- a. Response of the United States Trustee Regarding Applications for Interim Compensation [Docket No. 581]

Related Documents:

- a. None

Status: This matter is going forward.

- 4. Second Interim Application of Ernst & Young LLP as Tax and Agreed Upon Procedures Service Provider to the Debtors and Debtors in Possession, for Allowance and Payment of Compensation for Professional Services and Reimbursement of Actual and Necessary Expenses [Docket No. 529]

Response Date: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Responses Received:

- a. Response of the United States Trustee Regarding Applications for Interim Compensation [Docket No. 581]

Related Documents:

- a. None

Status: This matter is going forward.



5. Second Application of Alvarez & Marsal North America, LLC Financial Advisors to Debtors and Debtors in Possession, for Interim Approval and Allowance of Compensation for Services Rendered and Reimbursement of Expenses During Period from September 1, 2012 Through December 31, 2012 [Docket No. 531]

Response Date: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Responses Received:

- a. Response of the United States Trustee Regarding Applications for Interim Compensation [Docket No. 581]

Related Documents:

- a. None

Status: This matter is going forward.

6. Second Application of Fraser Milner Casgrain LLP, Canadian Counsel to Debtors and Debtors in Possession, for Interim Approval and Allowance of Compensation for Services Rendered and Reimbursement of Expenses During Period from September 1, 2012 Through and Including December 31, 2012 [Docket No. 532]

Response Date: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Responses Received:

- a. Response of the United States Trustee Regarding Applications for Interim Compensation [Docket No. 581]

Related Documents:

- a. None

Status: This matter is going forward.

7. Second Interim Application of Moelis & Company LLC for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Financial Advisor for Debtors and Debtors in Possession During the Period from September 1, 2012 Through December 31, 2012 [Docket No. 533]

Response Date: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Responses Received:

- a. Response of the United States Trustee Regarding Applications for Interim Compensation [Docket No. 581]

Related Documents:

- a. None

Status: This matter is going forward.

- 8. Second Application of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Debtors and Debtors in Possession, for Interim Approval and Allowance of Compensation for Services Rendered and Reimbursement of Expenses During Period from September 1, 2012 Through and Including December 31, 2012 [Docket No. 536]

Response Date: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Responses Received:

- a. Response of the United States Trustee Regarding Applications for Interim Compensation [Docket No. 581]

Related Documents:

- a. None

Status: This matter is going forward.

- 9. Second Application of Gibson, Dunn & Crutcher LLP for Allowance of Interim Compensation for Services Rendered and for Reimbursement of Actual and Necessary Expenses Incurred from September 1, 2012 Through December 31, 2012 [Docket No. 538]

Response Date: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Responses Received:

- a. Response of the United States Trustee Regarding Applications for Interim Compensation [Docket No. 581]

Related Documents:

- a. Amended Second Application of Gibson, Dunn & Crutcher LLP for Allowance of Interim Compensation for Services Rendered and for Reimbursement of Actual and Necessary Expenses Incurred from September 1, 2012 Through December 31, 2012 [Docket No. 570]
- b. Notice of Hearing on Second Application of Gibson, Dunn & Crutcher LLP for Allowance of Interim Compensation for Services Rendered and

for Reimbursement of Actual and Necessary Expenses Incurred from  
September 1, 2012 Through December 31, 2012 [Docket No. 575]

Status: This matter is going forward.

**SCHEDULE 1**

**Blackline of Proposed Rincon Order**

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

In re:

LIGHTSQUARED INC., *et al.*,

Debtors.<sup>1</sup>

)  
) Chapter 11  
)  
) Case No. 12-12080 (SCC)  
)  
) Jointly Administered  
)

**ORDER, PURSUANT TO 11 U.S.C. §§ 105(a), 363(b), AND 363(f), (A) APPROVING AND  
AUTHORIZING LIGHTSQUARED NETWORK LLC AND LIGHTSQUARED CORP.  
TO ENTER INTO CONSIGNMENT AGREEMENT WITH RINCON TECHNOLOGY,  
INC., (B) AUTHORIZING SALE OF CONSIGNED PROPERTY, AND  
(C) AUTHORIZING LIGHTSQUARED TO ABANDON UNSOLD PROPERTY**

Upon the motion, dated March 5, 2013 (the “Motion”),<sup>2</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, “LightSquared”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), for entry of an order, pursuant to sections 105(a), 363(b), and 363(f) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”) and rules 2002, 6004, and 9013 of the Federal Rules of Bankruptcy Procedure (as amended, the “Bankruptcy Rules”), (a) approving and authorizing LightSquared Network LLC and LightSquared Corp. (collectively, the “Consignor”) to enter into the Consignment Agreement, a copy of which is attached to the Motion as Exhibit A, with Rincon Technology, Inc. (“Rincon”), (b) authorizing the Consignor to sell the Consigned Property free and clear of any liens, claims, encumbrances, and ~~other~~ interests (with any such

<sup>1</sup> The debtors in these Chapter 11 Cases (as defined below), along with the last four digits of each debtor’s federal or foreign tax or registration identification number, are: LightSquared Inc. (8845), LightSquared Investors Holdings Inc. (0984), One Dot Four Corp. (8806), One Dot Six Corp. (8763), SkyTerra Rollup LLC (N/A), SkyTerra Rollup Sub LLC (N/A), SkyTerra Investors LLC (N/A), TMI Communications Delaware, Limited Partnership (4456), LightSquared GP Inc. (6190), LightSquared LP (3801), ATC Technologies, LLC (3432), LightSquared Corp. (1361), LightSquared Finance Co. (6962), LightSquared Network LLC (1750), LightSquared Inc. of Virginia (9725), LightSquared Subsidiary LLC (9821), Lightsquared Bermuda Ltd. (7247), SkyTerra Holdings (Canada) Inc. (0631), SkyTerra (Canada) Inc. (0629), and One Dot Six TVCC Corp. (0040). The location of the debtors’ corporate headquarters is 10802 Parkridge Boulevard, Reston, VA 20191.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion or the Consignment Agreement, as applicable.

liens, claims, encumbrances, and ~~other~~ interests attaching to the Consideration with the same validity ~~and~~ priority, and effect that such liens, claims, encumbrances, or interests had against the Consigned Property), and (c) authorizing the Consignor to abandon unsold Consigned Property in accordance with the terms of the Consignment Agreement and the De Minimis Abandonment Order, all as more fully set forth in the Motion; and the Court having considered the Motion and determined that the relief requested in the Motion is an exercise of LightSquared's sound business judgment and is in the best interests of LightSquared's estates, its creditors, and other parties in interest; and the Court having determined that time is of the essence in effectuating the Consignment Agreement and proceeding with the sales contemplated therein without interruption; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Application in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing adequate and appropriate under the circumstances; and the Court having found that no other or further notice is needed or necessary; and the Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

- C. The relief requested in the Motion is granted.
- D. The Consignment Agreement is approved in its entirety.

E. The Consignor is authorized to enter into the Consignment Agreement and to perform as required by the Consignment Agreement as and when due thereunder without further order of this Court.

F. The Consigned Property sold ~~in connection with~~ pursuant to the Consignment Agreement shall be sold free and clear of liens, claims, encumbrances, and ~~other~~ interests, and any such liens, claims, encumbrances, and ~~other~~ interests shall be transferred and attach to the Consideration, with the same validity and, priority, and effect that such liens, claims, encumbrances, or interests had against the Consigned Property. For the avoidance of doubt, (a) Consigned Property owned by LightSquared Corp. constitutes Prepetition LP Collateral (as defined in the Cash Collateral Order), and the Consideration for the sale of such Consigned Property shall be subject to the Prepetition LP Liens and used in accordance with the terms of the Cash Collateral Order; and (b) Consigned Property owned by LightSquared Network LLC is unencumbered, and the Consideration for the sale of such Consigned Property shall be deposited into an account held by LightSquared Network LLC and used in accordance with the terms of the final order authorizing LightSquared to continue using its existing cash management systems and providing postpetition intercompany claims administrative expense priority [Docket No. 115].

G. After entry of this Order, if the Consignor seeks to transfer and sell Additional Consigned Property pursuant to the Consignment Agreement, LightSquared must follow the following procedures:

1. File a notice (each, a “Notice of Additional Consignment”) of this intent with the Court and serve such notice upon (i) the parties (the “Notice Parties”)-listed in the Notice section of the Motion and (ii) the Canadian notice parties listed on Schedule 1 attached hereto (collectively, the “Notice Parties”).
2. Each Notice of Additional Consignment will list the Additional Consigned Property the Consignor seeks to transfer and sell pursuant to the Consignment Agreement and any known parties holding or asserting any liens, claims, encumbrances, or interests or potential liens, claims, encumbrances, or interests in the relevant Additional Consigned Property.
3. If no written Any objection from any to a Notice Party is received by LightSquared of Additional Consignment must be filed and served upon each of the following: (i) LightSquared Inc., 10802 Parkridge Boulevard, Reston, VA 20191, Attn: Marc R. Montagner and Curtis Lu, Esq., (ii) counsel to LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq., (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, NY 10004, Attn: Susan D. Golden, Esq., (iv) counsel to Harbinger Capital Partners LLC, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Debra A. Dandeneau, Esq. and Ronit Berkovich, Esq., (v) counsel to U.S. Bank National Association, as administrative agent under the Prepetition Inc. Credit Agreement and administrative agent under the Inc. DIP credit agreement, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Philip C. Dublin, Esq. and Kenneth A. Davis, Esq., (vi) counsel to UBS AG, Stamford Branch, as administrative agent under the Prepetition LP Credit Agreement, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude, Esq., (vii) counsel to the ad hoc secured group of Prepetition LP Lenders, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attn: Thomas E. Lauria, Esq. and Andrew C. Ambruoso, Esq., and (viii) Rincon Technology Inc., 105 West De La Guerra, Suite 105, Santa Barbara, CA 93101, Attn: M. Jason Kelly, President and CEO (collectively (i) through (viii), the “Objection Parties”), so as to be actually received within seven (7) days after the date of service of such Notice of Additional Consignment, If no such objection is timely filed and served, the Consignor is authorized to transfer the Additional Consigned Property to Rincon for sale pursuant to the Consignment Agreement. This Additional



Consigned Property shall thereafter become Consigned Property (as defined in the Consignment Agreement).

4. If any Notice Party ~~submits~~ timely files and serves a written objection to any Notice of Consignment ~~within seven (7) days after the date of service of such notice~~, then such Additional Consigned Property shall only be subject to the Consignment Agreement upon either consensual resolution of the objection by the parties in question (with four (4) days' notice to the Objection Parties) or further order of the Court. If no resolution to the objection is reached, LightSquared shall schedule a hearing to consider the transfer of the Additional Consigned Property at the next scheduled omnibus hearing.

H. The Consignor is permitted to abandon property of the Consignor's estates in accordance with the terms and provisions of the Consignment Agreement and the De Minimis Abandonment Order [Docket No. 267].

I. This Order and the terms and provisions of the Consignment Agreement shall be binding on all of LightSquared's creditors and stakeholders (whether known or unknown), LightSquared, Rincon, and their respective affiliates, successors and assigns, and any affected third parties, including, but not limited to, all persons asserting an interest in the Consigned Property, notwithstanding any subsequent appointment of any trustee, party, entity, or other fiduciary under any section of the Bankruptcy Code with respect to the forgoing parties, and as to such trustee, party, entity, or other fiduciary, such terms and provisions likewise shall be binding.

J. The provisions of this Order and the terms and provisions of the Consignment Agreement, and any actions taken pursuant hereto or thereto, shall survive the entry of any order which may be entered confirming or consummating any plan of LightSquared.

K. The Consignment Agreement and any related documents may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court; provided that any such modification, amendment, or supplement is not material and adverse to LightSquared and; provided further, that at least ~~three~~**five (5)** business days prior notice of any such modification, amendment, or supplement shall be filed with the Court and served on the Notice Parties. **If any Notice Party timely files and serves an objection to a proposed modification, amendment, or supplement, such modification, amendment, or supplement shall be of no force or effect unless approved by the Court following notice and a hearing.**

L. Notwithstanding Bankruptcy Rule 6004, or any other law that would serve to stay or limit the immediate effect of this Order, this Order shall be effective and enforceable immediately upon entry. In the absence of any person or entity obtaining a stay pending appeal, the Consignor and Rincon are ~~fee~~**free** to perform under the Consignment Agreement upon entry of this Order, subject to the terms of the Consignment Agreement.

M. LightSquared is authorized to take any and all actions reasonably necessary to consummate, and perform any and all obligations contemplated in, the Consignment Agreement, and otherwise take any actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

N. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: \_\_\_\_\_, 2013  
New York, New York

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HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Schedule 1**

**Canadian Notice Parties**

**TO: FRASER MILNER CASGRAIN LLP**  
**77 King Street West, Suite 400**  
**Toronto-Dominion Centre**  
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**AND TO: ALVAREZ & MARSAL CANADA ULC**  
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**Information Officer**

**AND TO: GOODMAN'S LLP**  
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**Lawyers for the Information Officer**

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**Richard Hiebert**  
**Manager, Authorization Policy**

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED,  
APPLICATION OF LIGHTSQUARED LP UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C 36, AS AMENDED, AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED  
STATES BANKRUPTCY COURT WITH RESPECT TO THE CHAPTER 11 DEBTORS

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
TORONTO  
  
**AFFIDAVIT OF**  
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