

**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")**

**FOURTEENTH REPORT OF THE INFORMATION OFFICER**

**ALVAREZ & MARSAL CANADA INC.**

**February 25, 2014**

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## INTRODUCTION

1. On May 14, 2012 (the “**Petition Date**”), LightSquared LP (“**LSLP**” or the “**Applicant**”), LightSquared Inc. and various of their affiliates (collectively, “**LightSquared**” or the “**Chapter 11 Debtors**”), commenced voluntary reorganization cases (the “**Chapter 11 Cases**”) in the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”).

2. On the Petition Date, the Chapter 11 Debtors filed various motions for interim and/or final orders (the “**First Day Motions**”) in the Chapter 11 Cases to permit the Chapter 11 Debtors to continue to operate their businesses in the ordinary course. Also, on the Petition Date, the Applicant, as the proposed Foreign Representative, commenced these proceedings (the “**CCAA Recognition Proceedings**”), by notice of application returnable before this Honourable Court (the “**Canadian Court**”) pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”).

3. On May 15, 2012, the Honourable Justice Morawetz granted an order in these proceedings providing certain interim relief to the Chapter 11 Debtors (the “**Interim Initial Order**”), including a stay of proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors.

4. On May 15, 2012 and May 16, 2012, the U.S. Bankruptcy Court entered various “first day” orders, including an interim order authorizing LSLP to act as the foreign representative on behalf of the Chapter 11 Debtors’ estates (the “**Foreign Representative**”).

5. On May 18, 2012, the Honourable Justice Morawetz granted an initial recognition order in these proceedings (the “**Initial Recognition Order**”), which among other things: (i)

recognized LSLP as the “foreign representative” of the Chapter 11 Debtors; (ii) declared the Chapter 11 Cases to be a “foreign main proceeding” pursuant to Part IV of the CCAA; and (iii) stayed all proceedings against the Chapter 11 Debtors.

6. On May 18, 2012, the Honourable Justice Morawetz also granted a supplemental order in these proceedings (the “**Supplemental Order**”), which among other things: (i) appointed Alvarez & Marsal Canada Inc. (“**A&M Canada**”) as Information Officer (the “**Information Officer**”) in these proceedings; (ii) stayed all claims and proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors; (iii) granted a super-priority charge over the Chapter 11 Debtors’ property, in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings; and (iv) recognized and gave full force and effect in Canada to certain orders entered by the U.S. Bankruptcy Court including the following:

- a. Order Directing Joint Administration of Related Chapter 11 Cases;
- b. Interim Order Authorizing LightSquared LP To Act as Foreign Representative Pursuant to 11 U.S.C. § 1505; and
- c. Interim Order (A) Authorizing Debtors To (I) Continue Using Existing Cash Management Systems, Bank Accounts and Business Forms and (II) Continue Intercompany Transactions, (B) Providing Postpetition Intercompany Claims Administrative Expense Priority, (C) Authorizing Debtors’ Banks To Honor All Related Payment Requests, (D) Waiving Investment Guidelines of Sections 345(b) of Bankruptcy Code and (E) Scheduling a Final Hearing.

7. On June 4, 11 and 13, 2012, the U.S. Bankruptcy Court entered various orders in the Chapter 11 Cases, including the “Final Order Authorizing LightSquared LP To Act as Foreign Representative Pursuant to 11 U.S.C. § 1505” (the “**Final Foreign Representative Order**”).

8. On June 14, 2012, on a motion brought by the Applicant, the Canadian Court granted an order (the “**June 14<sup>th</sup> Order**”) recognizing certain orders entered by the U.S. Bankruptcy Court including the following:

- a. Final Foreign Representative Order;
- b. Order Determining Adequate Assurance of Payment for Future Utility Services;
- c. Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay (the “**Cash Collateral Order**”); and
- d. Final Order (A) Authorizing Debtors To (I) Continue Using Existing Cash Management Systems, Bank Accounts and Business Forms and (II) Continue Intercompany Transactions, (B) Providing Postpetition Intercompany Claims Administrative Expense Priority, (C) Authorizing Debtors’ Banks To Honor All Related Payment Requests, and (D) Waiving Investment Guidelines of Sections 345(b) of Bankruptcy Code.

9. In connection with the June 14<sup>th</sup> Order, the Information Officer filed its First Report to the Canadian Court on June 12, 2012. The June 14<sup>th</sup> Order also approved the First Report and the activities of the Information Officer described therein.

10. On August 21, 2012, on a motion brought by the Applicant, the Canadian Court granted an order (the “**August 21<sup>st</sup> Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order Granting LightSquared's Motion for Order Approving Expedited Procedures for Sale, Transfer, and/or Abandonment of De Minimis Assets; and
- b. Order Pursuant to 11 U.S.C. § 502(b)(9) and Fed. R. Bankr. P. 2002 and 3003(c)(3) Establishing Deadlines for Filing Proofs of Claim and Procedures Relating Thereto and Approving Form and Manner of Notice Thereof.

11. In connection with the August 21<sup>st</sup> Order, the Information Officer filed its Second Report to the Canadian Court on August 15, 2012 (the "**Second Report**"). The August 21<sup>st</sup> Order also approved the Information Officer's Supplemental Report dated June 22, 2012, the Second Report and the activities of the Information Officer described therein.

12. On March 8, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the "**March 8<sup>th</sup> Order**") recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order, Pursuant to 11 U.S.C. § 1121(d), Further Extending the Chapter 11 Debtors Exclusive Periods To File a Plan of Reorganization and Solicit Acceptances Thereof;
- b. Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay (the "**First Amended Cash Collateral Order**"); and
- c. Order, Pursuant to Section 105(a) of Bankruptcy Code and Bankruptcy Rules 6006, 9014, and 9019, (A) Approving Settlement Agreement Regarding Sprint Claims Under Master Services Agreement and (B) Authorizing Any and All Actions Necessary To Consummate Settlement Agreement.

13. In connection with the March 8<sup>th</sup> Order, the Information Officer filed its Fifth Report to the Canadian Court on March 5, 2013 (the "**Fifth Report**"). The March 8<sup>th</sup> Order also approved

the Information Officer's Third and Fourth Reports, the Fifth Report and the activities of the Information Officer described therein.

14. On March 20, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the "**March 20<sup>th</sup> Order**") recognizing the following order of the U.S. Bankruptcy Court:

- 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.

15. In connection with the March 20<sup>th</sup> Order, the Information Officer filed its Sixth Report to the Canadian Court on March 15, 2013 (the "**Sixth Report**"). The March 20<sup>th</sup> Order also approved the Information Officer's Sixth Report and the activities of the Information Officer described therein.

16. On August 13, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the "**August 13<sup>th</sup> Order**") recognizing the following order of the U.S. Bankruptcy Court:

- a. Order Scheduling Certain Hearing Dates and Establishing Deadlines in Connection with Chapter 11 Plan Process (the "**Scheduling Order**").

17. In connection with the August 13<sup>th</sup> Order, the Information Officer filed its Eighth Report to the Canadian Court on August 9, 2013 (the "**Eighth Report**"). The August 13<sup>th</sup> Order also approved the Information Officer's Seventh Report, the Eighth Report and the activities of the Information Officer described therein.

18. On October 9, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the “**October 9<sup>th</sup> Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order Approving Expense Reimbursement and Related Relief for L-Band Acquisition, LLC and Mast Spectrum Acquisition Company LLC and Related Entities;
- b. Order (A) Establishing Bid Procedures, (B) Scheduling Date and Time for Auction, (C) Approving Assumption and Assignment Procedures, (D) Approving Form of Notice, and (E) Granting Related Relief (the “**Bid Procedures Order**”); and
- c. Final Order (I) Approving Compensation for Independent Directors, (II) Authorizing Administrative Expense Priority for Indemnification Claims Arising from Postpetition Services of Independent Directors, and (III) Granting Related Relief.

19. In connection with the October 9<sup>th</sup> Order, the Information Officer filed its Ninth Report to the Canadian Court on October 4, 2013 (the “**Ninth Report**”). The October 9<sup>th</sup> Order also approved the Information Officer’s Ninth Report and the activities of the Information Officer described therein.

20. On October 17, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the “**October 17<sup>th</sup> Order**”) recognizing the following order of the U.S. Bankruptcy Court:

- a. Order (I) Approving Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with Confirmation of Competing Plans, and (V) Granting Related Relief” (the “**Disclosure and Solicitation Order**”).



21. In connection with the October 17<sup>th</sup> Order, the Information Officer filed its Tenth Report to the Canadian Court on October 11, 2013 (the “**Tenth Report**”). The October 17<sup>th</sup> Order also approved the Information Officer’s Tenth Report and the activities of the Information Officer described therein.

22. On January 3, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the “**January 3<sup>rd</sup> Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order Modifying Previously Scheduled Hearing Dates and Deadlines in Connection with Chapter 11 Plan Process (the “**Modified Scheduling Order**”); and
- b. Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay (the “**Second Amended Cash Collateral Order**”).

23. In connection with the January 3<sup>rd</sup> Order, the Information Officer filed its Eleventh Report to the Canadian Court dated December 23, 2013 (the “**Eleventh Report**”) on December 24, 2013. The January 3<sup>rd</sup> Order also approved the Information Officer’s Eleventh Report and the activities of the Information Officer described therein.

24. Also on January 3, 2014, on a supplemental motion brought by the Applicant, the Canadian Court granted an order (the “**January 3<sup>rd</sup> Supplemental Order**”) recognizing the following order of the U.S. Bankruptcy Court:

- a. Order Authorizing LightSquared’s Motion Seeking Approval of LightSquared’s Revised Specific Disclosure Statement and Shortened Time to Object to Confirmation of LightSquared’s Revised Second

Amended Plan and Re-Solicitation Thereof (the “**Revised Specific Disclosure Statement and Solicitation Order**”).

25. In connection with the January 3<sup>rd</sup> Supplemental Order, the Information Officer filed its Twelfth Report to the Canadian Court on January 2, 2014 (the “**Twelfth Report**”).

26. On February 5, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the “**February 5<sup>th</sup> Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order Authorizing LightSquared to (A) Enter Into and Perform Under Engagement Letter and (B) Provide Related Indemnities (the “**Engagement Order**”)
- b. Final Order (A) Authorizing LP DIP Obligors to Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens And Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay (the “**LP DIP Order**”); and
- c. Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection To Prepetition Secured Parties, and (C) Modifying Automatic Stay (the “**Third Amended Cash Collateral Order**”);

27. The February 5<sup>th</sup> Order also approved the Information Officer’s Twelfth Report and the activities of the Information Officer set out therein.

28. In connection with the February 5<sup>th</sup> Order, the Information Officer filed its Thirteenth Report to the Canadian Court on February 4, 2014 (the “**Thirteenth Report**”).

#### **PURPOSE OF THIS REPORT**

29. On February 19, 2014, the Foreign Representative served a Motion Record in these proceedings, including a Notice of Motion returnable on February 26, 2014 (the “**February 26<sup>th</sup>**”).

**Motion**” or the “**Recognition Motion**”). The Motion Record includes an affidavit of Elizabeth Creary sworn February 19, 2014 (the “**Creary Affidavit**”).

30. The purpose of this fourteenth report of the Information Officer (the “**Fourteenth Report**”) is to provide the Canadian Court with information concerning the Chapter 11 Cases, including:

- a. the Foreign Representative’s request for recognition by the Canadian Court of the following order (the “**Foreign Order**”):
  - i. Order Approving (A) LightSquared’s Third Amended Specific Disclosure Statement and (B) Shortened Time To Object To Confirmation Of LightSquared’s Third Amended Plan And Streamlined Re-solicitation Thereof (the “**Third Amended Disclosure Statement Order**”);
- b. certain upcoming matters scheduled to be heard in the U.S. Bankruptcy Court; and
- c. information concerning the activities of the Information Officer since the date of the Thirteenth Report (the “**Activities Report**”).

31. The limitations in this paragraph do not apply to the Activities Report in this Fourteenth Report. In preparing this Fourteenth Report, A&M Canada, in its limited capacity as Information Officer, has relied upon documents filed with the Court in these proceedings, documents filed in the Chapter 11 Cases and other information made available to it by the Foreign Representative, the Chapter 11 Debtors and their respective counsel (the “**Parties**”), as appropriate (collectively, the “**Information**”). Based on its limited review and limited interaction with the Parties to date, nothing has come to A&M Canada’s attention that would cause it to question the reasonableness of the Information presented herein. However, to the extent that this Fourteenth Report contains any financial information of the Chapter 11 Debtors (“**Financial Information**”), A&M Canada has not audited, reviewed or otherwise attempted to

independently verify the accuracy or completeness of the Financial Information. Accordingly, A&M Canada expresses no opinion or other form of assurance in respect of the Financial Information.

32. All terms not otherwise defined in this Fourteenth Report have the meanings ascribed to them in the Chapter 11 Cases.

33. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

### **THIRD AMENDED DISCLOSURE STATEMENT ORDER**

34. As noted above, on January 3, 2014, this Honourable Court recognized and gave full force and effect in Canada to the Revised Specific Disclosure Statement and Solicitation Order which, among other things, approved a solicitation process for the *Debtors' Revised Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (the “**Second Amended Plan**”).

35. In the Creary Affidavit, the affiant states that since the filing of the Second Amended Plan LightSquared has remained focused on achieving a broad consensus among its stakeholders and maximizing value for the benefit of all of its estates. Following certain developments in the Chapter 11 Cases, including the termination of the bid submitted by L-Band Acquisition, LLC (“**LBAC**”), the Chapter 11 Debtors and the Plan Support Parties have re-engaged with LightSquared’s key stakeholders with the goal of garnering support for LightSquared’s reorganization.

36. On February 14, 2014, the Chapter 11 Debtors filed the *Debtors' Third Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (the “**LightSquared Plan**”), LightSquared’s

Third Amended Specific Disclosure Statement (the “**LightSquared Specific Disclosure Statement**”) and a motion seeking entry of the Third Amended Disclosure Statement Order (the “**U.S. Motion**”).

37. The Creary Affidavit contains summaries of the LightSquared Plan and the differences between it and the Second Amended Plan. Among those differences are: (i) the removal of the condition requiring FCC approval of its pending license modification applications; (ii) the issuance of a note in satisfaction of the Prepetition LP Facility SPSO Claims; and (iii) the provision for accelerated distributions to the majority of LightSquared’s creditors shortly after confirmation. The affiant states that the LightSquared Plan has support from a substantial portion of LightSquared’s existing stakeholders.

38. In the U.S. Motion, the Chapter 11 Debtors submitted that implementing the LightSquared Plan and the modifications reflected therein does not require a complete re-solicitation of votes because the modifications do not “materially and adversely” impact any claimant’s treatment. They submitted that, like the Second Amended Plan, the LightSquared Plan provides for the satisfaction in full of all classes of claims and equity interests but, unlike the Second Amended Plan, all holders of claims and equity interests, including holders of Prepetition LP Facility SPSO Claims, will benefit further because plan distributions will be made before the FCC license modification approval. Furthermore, the U.S. Motion provides that the holders of Inc. General Unsecured Claims and LP Unsecured Claims had already voted overwhelmingly to accept the Second Amended Plan and are not impacted in any way by the modifications in the LightSquared Plan.

39. However, the Chapter 11 Debtors recognized that some additional disclosure and re-solicitation may be required in connection with the LightSquared Plan, primarily because holders

of Prepetition LP Facility SPSO Claims, who did not have a right to vote under the Second Amended Plan, will now be entitled to vote.

40. The Chapter 11 Debtors also submitted that the fast-track process sought as part of the U.S. Motion will not prejudice existing parties in light of the quantity of information that has already been made available to the significant stakeholders in the Chapter 11 Cases as a result of LightSquared's previously filed plans (and disclosure statements) and the ongoing Ergen Adversary Proceeding (see discussion later in this Report).

41. On February 24, 2014, the U.S. Bankruptcy Court granted the U.S. Motion and entered the Third Amended Disclosure Statement Order, a copy of which has been served by the counsel to the Foreign Representative as Exhibit 'A' to the Affidavit of Christopher Blake Moran sworn February 24, 2014 (the "**Moran Affidavit**"). The Third Amended Disclosure Statement Order, among other things:

- a. Approves the proposed modifications to the Second Amended Plan contained in the LightSquared Plan;
- b. Approves the LightSquared Specific Disclosure Statement;
- c. Directs the distribution of Solicitation Materials (as defined in the Third Amended Disclosure Statement Order); and
- d. Establishes the following amended dates and deadlines with respect to the LightSquared Plan:

<b>Event</b>	<b>Date</b>
Plan Voting Deadline	March 3, 2014 at 4:00 p.m. (Pacific)
Plan Objection Deadline	March 11, 2014 at 12:00 p.m. (Eastern)
Deadline to submit Voting Report	March 7, 2014 at 4:00 p.m. (Eastern)
Deadline to submit confirmation briefs in support of the LightSquared Plan and in respect of Plan Objections	March 14, 2014 at 4:00 p.m. (Eastern)
Confirmation Hearing	March 17, 2014 at 10:00 a.m. (Eastern)

42. The affiant in the Creary Affidavit states that the terms of the Third Amended Disclosure Statement Order (the Information Officer understands that the omission of the word “Order” in paragraph 20 of the Creary Affidavit was a clerical error) are reasonable in the circumstances as the modifications continue to provide for satisfaction in full of all claims and equity interests, the LightSquared Plan is supported by a substantial portion of LightSquared’s stakeholders, the vast majority of creditors and interested parties are aware of the compressed timelines and fast-track nature of the proceedings and the expedited timeline is critical in light of LightSquared’s available cash.

43. The Creary Affidavit then states that “[the Foreign Representative] respectfully request[s] that the [Canadian] Court recognize the Third Amended Disclosure Statement Order ..., as the terms and conditions contained therein are fair and reasonable and in the best interests of the Chapter 11 Debtors’ estates and creditors.”

## **CERTAIN UPCOMING U.S. BANKRUPTCY COURT HEARINGS**

### **Confirmation Hearing and New DIP Order Hearing**

44. The U.S. Bankruptcy Court hearing to consider the confirmation of the LightSquared Plan (the “**Confirmation Hearing**”) is scheduled to commence on March 17, 2014 at 10:00 a.m. Eastern.

45. The LightSquared Plan contemplates, among other things, that the Chapter 11 Debtors would enter into a new debtor in possession facility (the “**New DIP Facility**”). On February 14, 2014, the Chapter 11 Debtors filed a motion for entry of an order (the “**New DIP Motion**”) approving the New DIP Facility and providing related relief (the “**New DIP Order**”).

46. The New DIP Motion, expected to be heard in conjunction with the Confirmation Hearing, describes the New DIP Facility as being comprised of two separate tranches:

- a. Tranche A - \$1.35 billion to be provided by the Plan Support Parties;
- b. Tranche B - \$300 million to be provided by (i) the refinancing (i.e. roll-up) of a portion of the Prepetition LP Facility Non-SPSO Claims into the New DIP Facility, and/or (ii) new money provided by the Plan Support Parties or other lenders.

47. The Foreign Representative has advised the Information Officer that it intends to seek recognition of the New DIP Order by this Honourable Court as soon as possible after it is entered by the U.S. Bankruptcy Court.

#### **Update on the Ergen Adversary Proceeding and Other Litigation**

48. The Information Officer considers that the following may assist this Honourable Court in putting into context the references above and in the LightSquared Plan to the Prepetition LP Facility SPSO Claims.

49. The LightSquared Specific Disclosure Statement, a copy of which was attached as Exhibit 'D' to the Moran Affidavit, at Article I, B.1., provides a description and update on LightSquared's adversarial proceeding (the "**Ergen Adversary Proceeding**") brought against Charles Ergen, EchoStar Corporation, DISH Network Corporation ("**DISH**"), and SPSO, stating that:

[it relates] to, among other things, such defendants' conduct (a) with respect to acquiring Prepetition LP Facility Claims in violation of the Prepetition LP Credit Agreement, and (b) throughout the Chapter 11 Cases and LightSquared's restructuring efforts. ... The record in the Ergen Adversary Proceeding has closed. The plaintiffs must file their findings of fact and memorandum of law by February 24, 2014, the defendants must file their findings of fact and memorandum of law by March 10, 2014, and the Court will hear closing arguments on March 12, 2014.



50. This passage continues with the following description of a further claim that is relevant:

Independent of the Ergen Adversary Proceeding, the Ad Hoc Secured Group and other parties in interest are entitled to pursue the equitable subordination of SPSO's Claims in conjunction with confirmation of a plan that contemplates subordination of the SPSO claims. This relief may be premised on theories of misconduct different from, or in addition to, those set forth in the Ergen Adversary Proceeding.

The Ad Hoc Secured Group intends to proceed as outlined herein. In addition to the facts alleged and claims asserted in connection with the Ergen Adversary Proceeding, LightSquared and other parties aligned with LightSquared in the Ergen Adversary Proceeding (the "Supporting Parties") believe that the entities controlled by Ergen, including SPSO, LBAC, and DISH (collectively, the "Ergen Entities"), continued to engage in inequitable conduct throughout these Chapter 11 Cases. LightSquared and the Supporting Parties believe that such conduct further supports a determination by the Bankruptcy Court that SPSO's Claims should be equitably subordinated and that its vote on the Plan should be designated. The parties further believe that each of the Ergen Entities has acted in concert in these Chapter 11 Cases at the direction of Ergen, and due to the lack of separation and disregard of corporate formalities by and between the Ergen Entities, their collective misconduct is attributable to SPSO and its Claims.

51. The Information Officer is not, by quoting these passages, commenting on the validity of the claims or description therein. However, the descriptions do provide some context, at least from the perspective of the Chapter 11 Debtors and the Ad Hoc Secured Group, for the proposed treatment of the Prepetition LP Facility SPSO Claims under the LightSquared Plan.

52. The U.S. Bankruptcy Court hearing on this matter is scheduled for March 12, 2014 at 10:00 a.m. Eastern.

#### **ACTIVITIES OF THE INFORMATION OFFICER**

53. The activities of the Information Officer since the date of the Thirteenth Report have included:

- a. reviewing the Motion Record in respect of the February 26<sup>th</sup> Motion, reviewing and monitoring the materials filed in the Chapter 11 Cases and discussions with its counsel, Goodmans, and with counsel for the Foreign Representative regarding same;

- b. updating the Information Officer's website at [www.amcanadadocs.com/lightsquared](http://www.amcanadadocs.com/lightsquared) to make available copies of the Thirteenth Report, Recognition Orders and motion materials; and
- c. preparing this Fourteenth Report and discussions with Goodmans regarding same.

54. The Foreign Representative is seeking approval of the Thirteenth Report and the activities of the Information Officer set out therein in its Recognition Motion. No concerns have been expressed to the Information Officer or Goodmans with respect to the Thirteenth Report. Given the necessarily short period between the service of this Fourteenth Report and the return of the Recognition Motion, the Foreign Representative has advised that it will not seek approval of this Fourteenth Report at the hearing of the Recognition Motion.

#### **RECOMMENDATION**

55. The Information Officer understands that the secured creditors registered against the Canadian Chapter 11 Debtor entities have been given notice of the Recognition Motion and are notice parties in the Chapter 11 Cases.

56. Based on its review of the materials, as described in this Fourteenth Report, the Information Officer understands that the Foreign Order sought to be recognized and approved in the Recognition Motion is necessary for the protection of the Chapter 11 Debtors' property and the interest of their creditors. The Information Officer does not believe that the relief sought in the Recognition Motion is contrary to Canadian public policy.

57. Based on the foregoing, the Information Officer respectfully recommends that this Honourable Court grant the relief sought by the Foreign Representative in the Recognition Motion.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** at Toronto, Ontario this 25<sup>th</sup> day of February, 2014.

**ALVAREZ & MARSAL CANADA INC.**

in its capacity as the Information Officer of  
LightSquared LP and not in its personal or corporate capacity

Per:   
John J. Walker

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

Court File No.: CV-12-9719-00CL

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

Proceeding commenced at Toronto

**FOURTEENTH REPORT OF  
INFORMATION OFFICER  
(Dated February 25, 2014)**

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