

**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")**

**MOTION RECORD
(Returnable October 9, 2013)**

October 3, 2013

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TAB 1

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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**APPLICATION OF LIGHTSQUARED LP
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LIGHTSQUARED INC., LIGHTSQUARED INVESTORS HOLDINGS INC., ONE
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SKYTERRA HOLDINGS (CANADA) INC., SKYTERRA (CANADA) INC. AND
ONE DOT SIX TVCC CORP. (COLLECTIVELY, THE "CHAPTER 11
DEBTORS")**

**NOTICE OF MOTION
(Returnable on October 9, 2013)**

LightSquared LP, on its own behalf and in its capacity as foreign representative of the Chapter 11 Debtors ("**LightSquared**" or the "**Foreign Representative**"), will make a motion to the Court on October 9, 2013 at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An order substantially in the form of the draft order attached hereto as Schedule “A”, *inter alia*:
 - (a) Abridging the time for service and validating service of this Notice of Motion and Motion Record, such that this motion is properly returnable on October 9, 2013;
 - (b) Recognizing in Canada and giving full force and effect in all provinces and territories of Canada, pursuant to section 49 of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C. 36, as amended (the “**CCAA**”), the following orders (collectively, the “**Foreign Orders**”) of the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) made in the cases commenced by the Chapter 11 Debtors in the U.S. Bankruptcy Court under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Chapter 11 Cases**”):
 - (i) Order Approving Expense Reimbursement and Related Relief for L-Band Acquisition, LLC and Mast Spectrum Acquisition Company LLC and Related Entities (the “**Expense Reimbursement Order**”);
 - (ii) 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
 - (iii) 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 (the “**Executive Compensation Order**”); and
 - (c) Approving the ninth report (the “**Ninth Report**”) of Alvarez & Marsal Canada Inc. (“**A&M Canada**”), in its capacity as court-appointed information officer of the Chapter 11 Debtors in respect of this proceeding

(the “**Information Officer**”), and the activities of the Information Officer as set out therein.

2. Such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. On May 14, 2012, the Chapter 11 Debtors commenced the Chapter 11 Cases by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the U.S. Bankruptcy Court;
2. Other than the Chapter 11 Cases and these proceedings, there are no other foreign proceedings in respect of the Chapter 11 Debtors;
3. On May 15, 2012, the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) granted an order providing certain interim relief to the Chapter 11 Debtors, 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 in the Chapter 11 Cases entered various “first day” orders, including an interim order authorizing LightSquared to act as the Foreign Representative of the Chapter 11 Debtors;
5. On May 18, 2012, the Honourable Justice Morawetz granted an Initial Recognition Order in these proceedings, which among other things: (i) recognized LightSquared 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, which among other things: (i) recognized and

enforced in Canada certain orders of the U.S. Bankruptcy Court in the Chapter 11 Cases; (ii) appointed A&M Canada as Information Officer in these proceedings; (iii) 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; and (iv) 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;

7. On June 14, 2012, August 21, 2012, March 8, 2013, March 20, 2013, and August 13, 2013, the Canadian Court granted Orders in these proceedings recognizing and enforcing in Canada certain additional orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases. The August 13, 2013 Order established the scheduling of certain hearing dates and deadlines in connection with the Chapter 11 plan process;

Foreign Orders

8. Several competing motions were filed in the Chapter 11 Cases seeking approval of bid procedures. The motions were originally returnable September 24, 2013;
9. At the time of the September 24, 2013 hearing, the substance of the matters remained in dispute among the various moving and responding parties, however these parties were interested in attempting to reach consensual resolution of the matter and the motion was adjourned to September 30, 2013;
10. Adjournment of the bid procedures motions was conditional on the granting of the Expense Reimbursement Order, which the U.S. Bankruptcy Court determined appropriate and entered on September 25, 2013;
11. At the time of the return of the bid procedures motions on September 30, 2013, the interested parties had reached consensus on the bid procedures and an agreed form of order was presented to the U.S. Bankruptcy Court;

12. The U.S. Bankruptcy Court determined same to be appropriate and entered the Bid Procedures Order on October 1, 2013;
13. The motion for the Executive Compensation Order was also originally returnable on September 24, 2013;
14. At the time of the hearing, the relief was granted by the U.S. Bankruptcy Court on an interim basis until the motion could be continued on September 30, 2013 with the bid procedures motions;
15. Following the continuation of the motion for the Executive Compensation Order on September 30, 2013, the U.S. Bankruptcy Court entered the Executive Compensation Order on October 2, 2013;
16. The Foreign Representative is of the view that the recognition of the Foreign Orders by the Canadian Court is necessary for the protection of the Chapter 11 Debtors' property and the interest of their creditors;
17. Accordingly, the Foreign Representative requests that this Honourable Court recognize in Canada and enforce the Foreign Orders, pursuant to Section 49 of the CCAA;

General

18. The facts as further set out in the Ninth Report and the affidavit of Elizabeth Creary sworn October 3, 2013 (the "**Creary Affidavit**");
19. The provisions of the CCAA, including Part IV;
20. The *Rules of Civil Procedure*, including rules 2.03, 3.02 and 16; and
21. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT
THE HEARING OF THE MOTION:**

1. The Creary Affidavit and the exhibits referred to therein, including the Foreign Orders;
2. The Information Officer's Ninth Report (to be filed separately); and
3. Such further and other material as counsel may advise and this Honourable Court may permit.

October 3, 2013

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TO: THE SERVICE LIST

SCHEDULE “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE •)	WEDNESDAY, THE 9 th
JUSTICE •)	DAY OF OCTOBER, 2013
)	

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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DEBTORS")

RECOGNITION ORDER

THIS MOTION, made by LightSquared LP in its capacity as the foreign representative (the "**Foreign Representative**") of the Chapter 11 Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order substantially in the form attached as Schedule "A" to the notice of motion of the Foreign Representative dated October 3, 2013 (the "**Notice of Motion**"),

recognizing three orders granted by the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) in the cases commenced by the Chapter 11 Debtors under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Chapter 11 Cases**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Elizabeth Creary sworn October 3, 2013, the ninth report of Alvarez & Marsal Canada Inc., in its capacity as court-appointed information officer of the Chapter 11 Debtors (the “**Information Officer**”), dated October •, 2013 (the “**Ninth Report**”), and on hearing the submissions of counsel for the Foreign Representative and counsel for the Information Officer, no one else appearing although duly served as appears from the affidavit of service of • sworn October •, 2013, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

RECOGNITION OF FOREIGN ORDER

2. **THIS COURT ORDERS** that the following orders (the “**Foreign Orders**”) of the U.S. Bankruptcy Court made in the Chapter 11 Cases are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- (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; 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;

attached hereto as Schedules "A", "B" and "C" respectively, provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to the Chapter 11 Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever in Canada.

- 3. **THIS COURT ORDERS** that the Ninth Report and the activities of the Information Officer as described therein be and are hereby approved.
-

SCHEDULE "A"

SCHEDULE "B"

SCHEDULE “C”

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,
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STATES BANKRUPTCY COURT WITH RESPECT TO THE CHAPTER 11 DEBTORS

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

RECOGNITION ORDER
(OCTOBER 9, 2013)

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ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

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TAB 2

**ONTARIO
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**AFFIDAVIT OF ELIZABETH CREARY
(Sworn October 3, 2013)**

I, Elizabeth Creary, of the City of Ottawa, in the Province of Ontario, **MAKE OATH
AND SAY THAT:**

1. I am the Vice President and Assistant General Counsel of LightSquared LP ("LightSquared" or the "Foreign Representative"). As such, I have personal knowledge of the matters to which I herein depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and verily believe it to be true.

2. This Affidavit is filed in support of the Foreign Representative's motion for an order, *inter alia*, recognizing in Canada and giving full force and effect in all provinces and territories of Canada, pursuant to section 49 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C. 36, as amended (the "CCAA"), three orders of the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**") made in the cases commenced by the Chapter 11 Debtors in the U.S. Bankruptcy Court under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**Chapter 11 Cases**").

Corporate Overview

3. The Chapter 11 Debtors were collectively the first private satellite-communications company to offer mobile satellite services throughout North America, initially using two geostationary satellites, as well as a portion of the electromagnetic spectrum known as the L-Band.

4. The Chapter 11 Debtors are in the process of building what was at the time of the filing the only 4th Generation Long Term Evolution ("**4G LTE**") open wireless broadband network that incorporates nationwide satellite coverage throughout North America and offers users, wherever they may be located, the speed, value and reliability of universal connectivity.

5. Through a unique wholesale business model, entities without their own wireless networks, or that have limited geographic coverage or spectrum, will be able to market and sell their own devices, applications and services at a competitive price using the Chapter 11 Debtors' 4G LTE network.

Background on Proceedings

6. On May 14, 2012, the Chapter 11 Debtors commenced the Chapter 11 Cases 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 in the U.S. Bankruptcy Court. Other than the Chapter 11 Cases and these proceedings, there are no other foreign proceedings in respect of the Chapter 11 Debtors.

7. On May 15, 2012, the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) granted an order providing certain interim relief to the Chapter 11 Debtors, 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.

8. On May 15, 2012 and May 16, 2012, the U.S. Bankruptcy Court in the Chapter 11 Cases entered various “first day” orders, including an interim order authorizing LightSquared to act as the Foreign Representative of the Chapter 11 Debtors.

9. On May 18, 2012, the Honourable Justice Morawetz granted an Initial Recognition Order in these proceedings, which among other things: (i) recognized LightSquared 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.

10. On May 18, 2012, the Honourable Justice Morawetz also granted a Supplemental Order in these proceedings, which among other things: (i) appointed Alvarez & Marsal Canada Inc. as Information Officer in these proceedings (the “**Information Officer**”); (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 enforced in Canada certain orders of the U.S. Bankruptcy Court in the Chapter 11 Cases, including the Interim Order Authorizing LightSquared LP to Act as Foreign Representative Pursuant to 11 U.S.C. § 1505.

11. On June 14, 2012, the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including the “Final Order Authorizing LightSquared LP to Act as Foreign Representative Pursuant to 11 U.S.C. § 1505”.

12. On August 21, 2012, the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including the “Order Granting LightSquared’s Motion for Order Approving Expedited Procedures for Sale, Transfer, and/or Abandonment of De Minimis Assets” (the “**De Minimis Order**”).

13. The De Minimis Order permitted the Chapter 11 Debtors to abandon de minimis assets with book value of (a) \$500,000 or less with no notice or hearing where maintaining such assets is more expensive than not doing so and it appears after reasonable investigation and consultation with certain interested parties that it is not possible to sell such assets for more than the likely expense of such sale, and (b) over \$500,000, but less than or equal to \$1 million, pursuant to certain notice procedures set forth in detail in the De Minimis Order.

14. On March 8, 2013, the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including the “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” and the “Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay”.

15. On March 20, 2013, the Canadian Court: (i) recognized and enforced in Canada the “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 (the “**Consignment Agreement**”) with Rincon Technology, Inc. (“**Rincon**”), (B) Authorizing Sale of Consigned Property (the “**Transactions**”), and (C) Authorizing LightSquared To Abandon Unsold Property”; (ii) approved the Consignment Agreement and the Transactions; and (iii) vested in Rincon the relevant Canadian assets contemplated under the Consignment Agreement on the closing of a Transaction.

16. On August 13, 2013, the Canadian Court recognized and enforced in Canada the "Order Scheduling Certain Hearing Dates and Establishing Deadlines in Connection with Chapter 11 Plan Process". A copy of the entered August 13th order is attached to this my affidavit as Exhibit "A".

Foreign Orders

Expense Reimbursement Order and Bid Procedures Order

17. In early September certain interested parties, including the Chapter 11 Debtors, the ad hoc secured group of Prepetition LP Lenders (the "**Ad Hoc Secured Group**") and U.S. Bank National Association ("**U.S. Bank**") together with MAST Capital Management, LLC (on behalf of itself and its management funds and accounts) (collectively "**MAST**") filed independent motions seeking entry of orders establishing bid procedures (the "**Bid Procedures Motions**"), which were scheduled to be heard on September 24, 2013.

18. In response to the Bid Procedures Motions, various objections, statements and replies were filed by the Chapter 11 Debtors, the Ad Hoc Secured Group, U.S. Bank and MAST, SIG Holdings, Inc., Centaurus Capital LP, Harbinger Capital Partners, LLC and the ad hoc group of holders of, advisors or affiliates of advisors to holders of, or managers of various accounts that hold Series A Preferred Units of LightSquared LP.

19. At the time of the September 24, 2013 hearing for the Bid Procedures Motions, the issues in conflict under the motions remained unresolved. However, the interested parties were engaged in attempts to consensually resolve the matter and the hearing of the Bid Procedures Motions was adjourned to September 30, 2013.

20. The consent of the Ad Hoc Secured Group and U.S. Bank and MAST to the adjournment was conditional on the granting by the U.S. Bankruptcy Court of the "Order Approving Expense Reimbursement and Related Relief for L-Band Acquisition, LLC and MAST Spectrum Acquisition Company LLC and Related Entities" (the "**Expense Reimbursement Order**").

21. The U.S. Bankruptcy Court found the Expense Reimbursement Order to be appropriate in the circumstances and granted the relief sought. The order was entered on September 25, 2013. A copy of the entered Expense Reimbursement Order is attached to this my affidavit as Exhibit "B".

22. The Expense Reimbursement Order provides, amongst other things,:

- (a) for the reimbursement to L-Band Acquisition, LLC ("LBAC") of all reasonable and documented costs and out-of-pocket expenses incurred solely in connection with the negotiation and documentation of its proposed stalking horse bid, including, without limitation, the costs of LBAC's advisors; provided, however, that the aggregate amount of such reimbursement shall not exceed \$2,000,000;
- (b) for the reimbursement to MAST, U.S. Bank and MAST Spectrum Acquisition Company LLC and/or one or more of its affiliates or designees ("MSAC") of all reasonable and documented costs, fees and expenses (including fees and expenses of counsel) incurred in connection with MSAC's proposed stalking horse bid (including, without limitation, the prosecution, negotiation and documentation thereof) and payable in accordance with and under paragraph 16(a) of the "Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay, as such order was amended by the U.S. Bankruptcy Court's order dated March 13, 2013;
- (c) for the granting of administrative expense status to the above reimbursements; and
- (d) that from the entry of the order through to September 30, 2013, other than LBAC with respect to the assets of the LP Chapter 11 Debtors and MAST with respect to the assets of LightSquared Inc. and One Dot Six Corp., the Chapter 11 Debtors and their respective officers, directors, employees,

agents and representatives were not to (a) solicit or initiate any inquiries regarding the submission of any sale transaction, (b) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, any sale transaction, or (c) enter into any agreement with respect to any sale transaction or approve any sale transaction (the “**No Shop Protection**”).

23. The Foreign Representative is of the view that the Canadian Court should recognize the Expense Reimbursement Order, as:

- (a) the expense reimbursements contemplated thereunder are actual and necessary costs and expenses of preserving the Chapter 11 Debtors' estates;
- (b) the No-Shop Protection has now expired, however in any event it was reasonable and appropriate in its scope and in light of the commitments that have been made and the risks undertaken by LBAC;
- (c) it is appropriate and necessary for the protection of the Chapter 11 Debtors' property; and
- (d) it is in the best interests of the Chapter 11 Debtors and their creditors.

24. From September 24, 2013 to September 30, 2013, discussions amongst the parties with respect to the Bid Procedures Motions continued and by the time of the return of the hearing on September 30, 2013 the matter had been resolved among the parties in interest and a consensual order was presented to the U.S. Bankruptcy Court for approval.

25. The U.S. Bankruptcy Court having reviewed the Bid Procedures Motions, the objections, statements and replies and having heard submissions, determined that the legal and factual bases set forth established just cause for the relief granted and on October 1, 2013 entered the “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”). A copy of the entered Bid Procedures Order is attached to this my affidavit at **Exhibit “C”**.

26. On a broad scale, the Bid Procedures Order:

- (a) approved the bid procedures attached as Schedule 1 to the order (the “**Bid Procedures**”) for the sale(s) (the “**Sale**”) of all or substantially all of the assets of the Chapter 11 Debtors, or any grouping or subset thereof, including authorizing the Chapter 11 Debtors to grant bidder protections and break-up fees in connection with the Sale;
- (b) authorized and scheduled a date and time to hold an auction (the “**Auction**”) to solicit higher or otherwise better bids for the Chapter 11 Debtors assets;
- (c) approved the assumption and assignment procedures; and
- (d) approved the form and manner of notice with respect to the Sale and the Auction.

27. More particularly, the Bid Procedures Order provided:

- (a) for a bid deadline of November 20, 2013 at 5:00 p.m. (prevailing Eastern time) (the “**Bid Deadline**”);
- (b) that the Chapter 11 Debtors may, in their reasonable discretion (after providing advance notice to the stakeholder parties of such decision), extend the Bid Deadline once or successively; provided, that in no event shall the Bid Deadline be extended beyond November 25, 2013;
- (c) that LBAC and MSAC were deemed to be qualified bidders and stalking horse bidders;
- (d) for a confidential expedited objection process if the Chapter 11 Debtors decide to proceed with a transaction proposed by a stalking horse bidder that includes the payment of stalking horse bid protections. The

confidential expedited objection process contemplates notice being given to certain stakeholder parties, the provision of material details on the proposed transaction to the stakeholder parties, a meeting among the parties, the opportunity for stakeholder parties to object and for an emergency hearing if objections remain unresolved;

- (e) that if a qualified bid (other than from LBAC or MSAC) is received prior to the Bid Deadline, the Auction shall be held on November 25, 2013 at 10:00 a.m. (prevailing Eastern time) (provided, however, that if the Bid Deadline is extended to November 25, 2013, the Auction shall be conducted on December 3, 2013 beginning at 10:00 a.m. (prevailing Eastern time));
- (f) that the Auction may be adjourned by the Chapter 11 Debtors, with the consent of the relevant lender parties, to any date agreed to by the Chapter 11 Debtors and the relevant lender parties; provided, that the Auction shall not be adjourned beyond December 6, 2013;
- (g) that the U.S. Bankruptcy Court shall hold a hearing on December 10, 2013 at 10:00 a.m. (prevailing Eastern time) (the “**Confirmation Hearing**”) to consider a Sale;
- (h) that the Confirmation Hearing may be continued from time to time (at the U.S. Bankruptcy Court’s direction);
- (i) that any objections to the Court’s approval of the Sale must be filed and served in accordance with the Disclosure Statement Order by November 26, 2013 at 4:00 p.m. (prevailing Eastern time) provided, that objections to the Chapter 11 Debtors’ selection of the highest and otherwise best bid must be filed, served, and received by December 6, 2013 at 11:59 p.m. (prevailing Eastern time);

- (j) that the failure to file and serve an objection to the U.S. Bankruptcy Court's approval of the Sale shall be a bar to the assertion thereof at the Confirmation Hearing or thereafter;
- (k) that any objection by a counterparty to an executory contract or unexpired lease to a proposed assumption or assumption and assignment by LightSquared, and/or related cure amount under a chapter 11 plan must be filed in accordance with the Bid Procedures Order provided, that any objection by a counterparty to an executory contract or unexpired lease solely to the proposed purchaser's financial wherewithal must be filed, served and actually received by no later than 11:59 p.m. (prevailing Eastern time) on December 6, 2013; and
- (l) that the failure to file and serve an objection to a proposed assumption or assumption and assignment by LightSquared and/or related cure amount under a chapter 11 plan shall be a bar to the assertion of any objection with regard to such assumption and assignment.

28. The Foreign Representative is of the view that the Canadian Court should recognize the Bid Procedures Order, as:

- (a) The Bid Procedures, in the form annexed to the order and incorporated therein by reference, are fair, reasonable, and appropriate under the circumstances and are designed to maximize recovery on, and realizable value of the Chapter 11 Debtors' estates;
- (b) The Bid Procedures provide for the appropriate inclusion and involvement of the Information Officer;
- (c) The bid protections are (i) fair, (ii) an actual and necessary cost and expense of preserving the applicable estates, (iii) reasonable and appropriate in light of, among other things, (a) the size and nature of the proposed Sale, (b) the substantial efforts that will have been expended by a Potential Stalking Horse Bidder, notwithstanding that the Sale is subject

to higher or better offers, and (c) the substantial benefits a Potential Stalking Horse Bidder will have provided to the applicable estates, their creditors, and all parties interest herein, including, among other things, by increasing the likelihood that the best possible price for the applicable Assets will be received, (iv) provide a benefit to the applicable estates, creditors, stakeholders, and other parties in interest in these Chapter 11 Cases, (v) are supported under the circumstances, by the timing and procedures set forth in the Bid Procedures and by the compelling and sound business judgment of the Chapter 11 Debtors, and (vi) are subject to pre-approval and the confidential expedited objection process noted above;

- (d) Payment to LBAC of a break-up fee of \$51.8 million, subject to upward adjustment in accordance with the Bid Procedures, is an actual and necessary cost and expense of preserving the LP Debtors' estates;
- (e) It is appropriate and necessary for the protection of the Chapter 11 Debtors' property; and
- (f) In the best interests of the Chapter 11 Debtors and their creditors.

Executive Compensation Order

29. In connection with the competing plans currently before the U.S. Bankruptcy Court in the Chapter 11 Cases and the sales processes contemplated thereunder, the Chapter 11 Debtors began a process to identify individuals (not affiliated with the Chapter 11 Debtors investors or lenders) experienced in the telecommunications and/or restructuring space, who would be willing to serve as independent directors on a special committee of the company's board of directors to determine all matters relating to the competing plans and sales processes (the "**Special Committee**").

30. To this end, on September 23, 2013, the Chapter 11 Debtors filed with the U.S. Bankruptcy Court a motion returnable September 24, 2013 (the "**Executive**

Compensation Motion") seeking entry of an order pursuant to sections 105, 363, 503 and 507 of the Bankruptcy Code,

- (a) approving the compensation of the Special Committee members;
- (b) authorizing administrative expense priority for indemnification claims arising from the post-petition services of such members of the Special Committee; and
- (c) granting related relief, including authorizing the Chapter 11 Debtors to enter into indemnification agreements with the independent directors of the Special Committee.

A copy of the Executive Compensation Motion is attached to this my affidavit at **Exhibit "D"**.

31. The Executive Compensation Motion was initially heard on September 24, 2013 at which time the U.S. Bankruptcy Court granted the relief on an interim basis. The Executive Compensation Motion was continued and concluded on September 30, 2013, and on October 2, 2013 the U.S. Bankruptcy Court entered the "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" (the "**Executive Compensation Order**"), and together with the Expense Reimbursement Order and the Bid Procedures Order, the "**Foreign Orders**"). A copy of the entered Executive Compensation Order is attached to this my affidavit at **Exhibit "E"**.

32. Pursuant to the Executive Compensation Order, the Chapter 11 Debtors are authorized:

- (a) to compensate each Special Committee member with \$35,000 per month for the period of September 1, 2013 through and including December 31, 2013 and \$25,000 per month thereafter; provided, that any amount payable to a director for serving as a member of the Special Committee be prorated

based on the actual number of days the director served on the Special Committee;

- (b) any claim made by a member of the Special Committee for indemnification based on acts or omissions occurring post-petition be an expense of administration to the extent the Special Committee member is entitled to indemnification under the bylaws and corporate governing documents of the Chapter 11 Debtors and any governing indemnification agreements; and
- (c) authorizing the Chapter 11 Debtors to supplement its existing directors and officer's insurance policy or change insurance coverage, as needed, including entering into, or purchasing, new insurance policies.

33. The Foreign Representative is of the view that the Canadian Court should recognize the Executive Compensation Order, as it is appropriate and necessary for the protection of the Chapter 11 Debtors' property and the interests of their creditors. The Executive Compensation Order is appropriate under the circumstances as:

- (a) It is for a sound business purpose which provides the Chapter 11 Debtors with the benefit of input from individuals that have knowledge, skill, judgment and experience necessary to make difficult and important decisions throughout the course of the Chapter 11 Cases;
- (b) It is similar to other orders commonly and appropriately approved by courts to provide compensation for employees deemed vital to a debtor's restructuring efforts and the Special Committee cannot reasonably be expected to serve without compensation or indemnity for acts or omissions occurring post-petition;
- (c) It is necessary to, among other things, retaining and continuing to enjoy the services of the Special Committee in order to negotiate, develop, and render independent determinations regarding a potential transaction that

will maximize value for the Chapter 11 Debtors and its stakeholders and guide the resolution of the Chapter 11 Cases; and

- (d) The amount of compensation to be provided to the Special Committee members is appropriate in the circumstances, does not unduly burden the estates and provides for the reduction in compensation after the conclusion of key events in the Chapter 11 Cases.

34. To my knowledge, no party has appealed any of the Foreign Orders in the Chapter 11 Cases and the secured creditors registered against the Canadian Chapter 11 Debtor entities are being given notice of the motion.

35. Pursuant to the foregoing reasons, the Foreign Representative is requesting that the Canadian Court recognize in Canada and enforce the Foreign Orders, pursuant to Section 49 of the CCAA.

36. I make this affidavit in support of the motion of the Foreign Representative returnable October 9, 2013 and for no other or improper purpose.

SWORN before me in the City of Ottawa
in the Province of Ontario this 3rd day of
October, 2013


Commissioner for Taking Affidavits, etc.

Sandra Diana Wendy Kelnert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

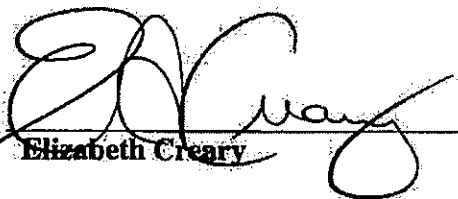
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Elizabeth Creary

EXHIBIT “A”

Exhibit "A" to the Affidavit of Elizabeth Creary,
sworn before me this 3rd day of October, 2013.

A handwritten signature in cursive script, appearing to read "S. Kleinert", is written over a horizontal line.

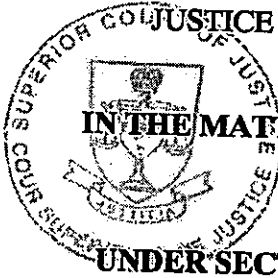
Commissioner for Taking Affidavits, etc.

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.
JUSTICE NEWBOULD

)
)
)
TUESDAY, THE 13th DAY
OF AUGUST, 2013



**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")**

RECOGNITION ORDER

THIS MOTION, made by LightSquared LP in its capacity as the foreign representative (the "**Foreign Representative**") of the Chapter 11 Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order substantially in the form attached as Schedule "A" to the notice of motion of the Foreign Representative dated August 1, 2013 (the "**Notice of Motion**"), recognizing an order granted by the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**") in the cases commenced by the

Chapter 11 Debtors under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**Chapter 11 Cases**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Elizabeth Creary sworn August 1, 2013, the seventh report of Alvarez & Marsal Canada Inc., in its capacity as court-appointed information officer of the Chapter 11 Debtors (the "**Information Officer**"), dated June 12, 2013 (the "**Seventh Report**") and the eighth report of the Information Officer dated August 9, 2013 (the "**Eighth Report**"), and on hearing the submissions of counsel for the Foreign Representative and counsel for the Information Officer, no one else appearing although duly served as appears from the affidavit of service of Stephanie Waugh sworn August 1, 2013, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

RECOGNITION OF FOREIGN ORDER

2. **THIS COURT ORDERS** that the following order (the "**Foreign Order**") of the U.S. Bankruptcy Court made in the Chapter 11 Cases is hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- (a) Order Scheduling Certain Hearing Dates and Establishing Deadlines in Connection with Chapter 11 Plan Process;

attached hereto as Schedule "A", provided, however, that in the event of any conflict between the terms of the Foreign Order and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to the Chapter 11 Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever in Canada.

INFORMATION OFFICER'S REPORT

3. **THIS COURT ORDERS** that the Seventh Report and the Eighth Report and the activities of the Information Officer as described therein be and are hereby approved.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

AUG 13 2013



SCHEDULE "A"

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

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

**ORDER SCHEDULING CERTAIN HEARING DATES AND ESTABLISHING
DEADLINES IN CONNECTION WITH CHAPTER 11 PLAN PROCESS**

Upon the motion (the "Motion")² of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared" or the "Debtors") in the above-captioned chapter 11 cases, for entry of an order scheduling certain hearing dates and establishing other deadlines in connection with LightSquared's disclosure statement and chapter 11 plan process, all as more fully described in the Motion; and responses to the Motion having been filed by (i) the Ad Hoc Secured Group of LightSquared LP Lenders and (ii) SP Special Opportunities, LLC (together, the "Responses") and the Court having reviewed the Motion and the Responses and having heard arguments with respect to the Motion and the Responses at a hearing held before the Court on July 23, 2013 (the "Hearing"); and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

¹ 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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

The following dates are established in these cases:

1. Hearing to consider motion for approval of a "stalking horse bidder" and bidding protections and procedures (if any): September 24, 2013 at 10:00 a.m.
2. Hearing to consider approval of disclosure statement(s): September 30, 2013 at 10:00 a.m.
3. Deadline for conclusion of auction (if any) for assets of the Debtors: December 6, 2013.
4. Hearing on confirmation of chapter 11 plan(s): December 10, 2013 at 10:00 a.m.
5. The Court may adjourn the dates in this Order from time to time by announcing any adjournment in open court and no further notice need be given.
6. The Court retains jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: July 24, 2013
New York, New York

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**PROCEEDING COMMENCED AT
TORONTO**

**RECOGNITION ORDER
(AUGUST 13, 2013)**

**DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, Ontario
M5K 0A1**

R. Shayne Kukulowicz / Jane O. Dietrich /
Kate H. Stigler

LSUC No.: 30729S / 49302U / 53858S

Tel: 416 863-4740 / 863-4467 / 862-3482

Fax: (416) 863-4592

Email: shayne.kukulowicz@dentons.com
jane.dietrich@dentons.com
kate.stigler@dentons.com

Lawyers for the Chapter 11 Debtors.

EXHIBIT “B”

Exhibit "B" to the Affidavit of Elizabeth Creary,
sworn before me this 3rd day of October, 2013.

A handwritten signature in cursive script, appearing to read 'S. Kleinert', is written over a horizontal line.

Commissioner for Taking Affidavits, etc.

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

**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. ¹)	
)	Jointly Administered

**ORDER APPROVING EXPENSE REIMBURSEMENT
AND RELATED RELIEF FOR L-BAND ACQUISITION, LLC
AND MAST SPECTRUM ACQUISITION COMPANY LLC AND RELATED ENTITIES**

Upon (i) the motion (the "Motion") of the Ad Hoc Secured Group of LightSquared LP Lenders (the "Ad Hoc LP Secured Group") exclusive of SPSO (the "Independent Ad Hoc Group"), pursuant to sections 105(a), 1123, 1104, and 1107 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 2002-1 and 6004-1 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), for entry of an order, among other things, approving certain Bid Protections for L-Band Acquisition, LLC ("LBAC"), as Stalking Horse Bidder for the LP Assets, and (ii) the motion (the "U.S. Bank/MAST Motion") and, together with the Ad Hoc LP Secured Group Motion, the "Motions")² of U.S. Bank National Association ("U.S. Bank") and MAST Capital Management, LLC

¹ 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).

² All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the applicable Motion.



("MAST"), pursuant to sections 105(a) and 363 of the Bankruptcy Code, Bankruptcy Rules 2002 and 6004, and Local Rules 2002-1 and 6004-1, for entry of an order, among other things, approving certain Bid Protections for MAST Spectrum Acquisition Company LLC and/or one or more of its affiliates or designees ("MASTAC"); and the Court having jurisdiction to consider the Motions and the relief requested therein; and the Motions being core proceedings pursuant to 28 U.S.C. § 157(b); and venue being proper under 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motions being adequate and appropriate under the particular circumstances; and no other or further notice needing to be provided; and the relief granted herein being in the best interests of the Debtors' estates and creditors; and upon the record of the hearing before the Court on September 24, 2013 (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motions and at the Hearing establish just cause for the relief granted herein; and any objections to the relief granted herein having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. The Expense Reimbursements (as defined below) are actual and necessary costs and expenses of preserving the Debtors' estates within the meaning of Bankruptcy Code section 503(b).

B. The No-Shop Protection (as defined below) is reasonable and appropriate in its scope and in light of the commitments that have been made and the risks undertaken by LBAC.

³ Regardless of the heading under which they appear, any (1) findings of fact that constitute conclusions of law shall be conclusions of law and (2) conclusions of law that constitute findings of fact shall be findings of fact. All findings of fact and conclusions of law announced by the Court at the Hearing in relation to the Motion are incorporated herein to the extent not inconsistent herewith.

IT IS ORDERED THAT:

1. The Motions are granted solely to the extent set forth herein.
2. The LP Expense Reimbursement (as defined below) is authorized and approved in its entirety with respect to LBAC. The LP Debtors are authorized and hereby directed to reimburse LBAC for all reasonable and documented costs and out-of-pocket expenses incurred solely in connection with the negotiation and documentation of its proposed stalking horse bid, including, without limitation, the costs of LBAC's advisors; provided, however, that the aggregate amount of such reimbursement shall not exceed \$2,000,000 (the "LP Expense Reimbursement"). The LP Expense Reimbursement shall be payable without need for further order of the Court, and whether or not the Stalking Horse Agreement is ever executed by any Debtor. The LP Debtors' obligation to pay the LP Expense Reimbursement: (a) shall be entitled to administrative expense status under sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code, (b) shall not be subordinate to any other administrative expense claim against the LP Debtors (other than the LP Adequate Protection Liens, the LP Permitted Liens and the LP Carve-Out (each as defined in that certain *Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 544])), (c) shall survive the termination of the Stalking Horse Agreement, and (d) is joint and several, absolute and unconditional and not subject to any defense, claim, counterclaim, offset, recoupment, or reduction of any kind whatsoever and shall not be amended, discharged, expunged or released in any respect pursuant to any plan or plans to reorganize the LP Debtors.
3. All reasonable and documented costs, fees and expenses (including fees and expenses of counsel) of MASTAC, MAST and U.S. Bank incurred in connection with MASTAC's proposed stalking horse bid (including, without limitation, the prosecution,

negotiation and documentation thereof) shall be allowed as administrative expenses and payable in accordance with and under paragraph 16(a) of the *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors to Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 224], as such order was amended by this Court's order dated March 13, 2013 [Docket No. 579] (such expense reimbursement, the "Inc. Expense Reimbursement," and together with the LP Expense Reimbursement, the "Expense Reimbursements").

4. From the entry of this Order through September 30, 2013, other than (x) LBAC with respect to the assets of the LP Debtors and (y) Mast Capital Management, LLC with respect to the assets of LightSquared Inc. and One Dot Six Corp.), the Debtors shall not, and shall cause their respective officers, directors, employees, agents and representatives not to (a) solicit or initiate any inquiries regarding the submission of any sale transaction, (b) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, any sale transaction, or (c) enter into any agreement with respect to any sale transaction or approve any sale transaction. From entry of this Order through September 30, 2013, the Debtors shall and shall cause their respective officers, directors, employees, agents and representatives to immediately cease any existing activities, discussions, or negotiations with any parties conducted heretofore with respect to any of the foregoing. The terms and conditions set forth in this paragraph 4 are collectively referred to as the "No-Shop Protection."

5. The Motions remain pending with respect to all relief requested therein that is not expressly granted by this Order, and all parties' rights and defenses with respect to such relief are expressly reserved.

6. The stay provided for in Bankruptcy Rule 6004(h) is waived and this Order shall be effective immediately upon its entry.

7. This Court shall retain jurisdiction to resolve any dispute relating to this Order.

Dated: September 25, 2013
New York, New York

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