

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")**

SIXTH REPORT OF THE INFORMATION OFFICER

ALVAREZ & MARSAL CANADA INC.
March 15, 2013

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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 and 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 14th 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, (D) Waiving Investment Guidelines of Sections 345(b) of Bankruptcy Code (the “**Cash Management Order**”).
9. In connection with the June 14th Order, the Information Officer filed its First Report to the Canadian Court on June 12, 2012. The June 14th 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 21st 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 (the “**De Minimis Order**”); 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 (the “**Bar Date Order**”).
11. 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.
12. In connection with the August 21st Order, the Information Officer filed its Second Report to the Canadian Court on August 15, 2012 (the “**Second Report**”). The August 21st 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.
13. On March 8, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the “**March 8th 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; 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.

14. In connection with the March 8th Order, the Information Officer filed its Fifth Report to the Canadian Court on March 5, 2013 (the “**Fifth Report**”). The March 8th Order also approved the Information Officer’s Third and Fourth Reports, the Fifth Report and the activities of the Information Officer described therein.

PURPOSE OF THIS REPORT

15. On March 12, 2013, the Foreign Representative served a Motion Record including a Notice of Motion returnable on March 20, 2013 in these proceedings (the “**March 20th Motion**”).

16. In support of the March 20th Motion, the Foreign Representative has served an affidavit of Elizabeth Creary sworn March 11, 2013 (the “**Creary Affidavit**”) which includes as an exhibit a copy of a motion filed by the Chapter 11 Debtors with the U.S. Bankruptcy Court returnable March 19, 2013 (the “**U.S. Motion**”) seeking an 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 (the “**Consignment Agreement Order**” or the “**Foreign Order**”).

17. The purpose of this sixth report of the Information Officer (the “**Sixth Report**”) is to provide the Canadian Court with information relating to the March 20th Motion including:

- a. The Foreign Representative’s request for recognition and approval by the Canadian Court of the Consignment Agreement Order and other relief; and
- b. The activities of the Information Officer since the date of the Fifth Report.

18. In preparing this Sixth Report, A&M Canada has relied on information and documents provided by the Foreign Representative, the Chapter 11 Debtors and their counsel. A&M Canada has not audited, reviewed or otherwise attempted to independently verify the accuracy or completeness of this information. Accordingly, A&M Canada expresses no opinion or other form of assurance on the information contained herein or relied on in its preparation.
19. All terms not otherwise defined in this Sixth Report have the meanings ascribed to them in the Chapter 11 Cases.
20. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

CONSIGNMENT AGREEMENT ORDER

Background

21. The Chapter 11 Debtors obtained certain equipment in 2011, including highly specialized and technical base station equipment, cabinets and antennas, as well as core network switchers, switches and routers (collectively, the “**Consigned Property**”) that was to be used in the process of building out the 4G LTE network. Certain of the Consigned Property is owned by the Canadian entity LightSquared Corp.
22. Given the current postponement of the 4G LTE network build-out, the Consigned Property is not in use and the Chapter 11 Debtors believe it is quickly becoming obsolete in the industry, will likely never be useful in their ongoing business operations and can easily be replaced with new, cheaper and better equipment at the appropriate time. Even if the Chapter 11 Debtors were to resume the network build-out in the near term, they believe the Consigned Property will either be too old or too incompatible with the Chapter 11 Debtors’ spectrum bands to justify the current cost to store, maintain and insure the equipment, estimated at \$8,000 per month. The Chapter 11 Debtors therefore determined that the Consigned Property, which they

believe to have a market value of less than \$3 million in the aggregate, should be liquidated as soon as practical in order to avoid incurring additional costs and to maximize the value to the Chapter 11 Debtors' estates.

23. Not being familiar with the secondary market for this type of property, the Chapter 11 Debtors decided that the Consigned Property would be best and most efficiently liquidated by a secondary market player who has superior knowledge and access to the secondary market.

Terms of the Consignment Agreement

24. After canvassing several potential brokers, for the reasons set out in U.S. Motion and in par. 22 of the Creary Affidavit, the Chapter 11 Debtors concluded that Rincon Technology, Inc. ("**Rincon**") was the best alternative and LightSquared Network LLC and LightSquared Corp. (collectively, the "**Consignor**") negotiated an exclusive consignment agreement with Rincon, subject to approval by the U.S. Bankruptcy Court and the Canadian Court (the "**Consignment Agreement**").

25. At paragraph 18 of the Creary Affidavit, the primary terms of the proposed Consignment Agreement are provided:

- a. Pricing. Rincon will have the right to determine the resale price for the Consigned Property, provided that Rincon will: (i) provide, at Consignor's option, a Guaranteed Minimum cash price to LightSquared Network LLC of \$570,000 and to LightSquared Corp. of \$250,000 for the Consigned Property; and (ii) obtain prior written approval from the Consignor before entering into any agreement that may cause the Guaranteed Minimum to fall below this amount.
- b. Revenue Split. For all Consigned Property sold pursuant to the Consignment Agreement, Rincon will be entitled to 35% of the Net ReSales proceeds (as defined in the Consignment Agreement) and the Consignor will be entitled to 65% of the Net ReSales proceeds. The Net ReSale proceeds for Canadian assets will be paid directly to LightSquared Corp.

- c. Title. The Consignor will retain title to the Consigned Property until Rincon purchases the Consigned Property for immediate resale to a third party purchaser.
- d. Rincon Assumption of Costs and Expenses. From the Effective Date (as defined in the Consignment Agreement) to the date of any sale of Consigned Property, Rincon will store and maintain, at Rincon's expense and risk of loss, all such Consigned Property, including all costs related to: (i) field services (e.g., collection, identification, and physical inventory), freight, shipping and transportation charges of the Consigned Property in connection with a sale; and (ii) sales, marketing, operational and ongoing storage expenses, including any taxes.
- e. Abandonment. Rincon will periodically provide the Consignor with a list of items included among the Consigned Property that are recommended for scrap disposal. Subject to certain notice requirements, the Consignor will either abandon such equipment for disposal by Rincon or bear the costs of freight, packaging, handling and storage for such equipment.
- f. Term. The term of the Consignment Agreement will be twelve months. At the end of the term, the Consignor will have the following three options: (i) Consignor has the right to terminate the Consignment Agreement, sell any remaining equipment to Rincon and receive any remaining balances owed it under the Guaranteed Minimum; (ii) Consignor has the right to extend the term for an additional six months on the same terms and conditions; and (iii) Consignor has the right not to renew the Consignment Agreement, in which case the Consignment Agreement will expire on its terms and the Consignor will have the right to abandon or recover any remaining Consigned Property.
- g. Indemnification. Rincon agrees to indemnify, defend, and hold harmless the Consignor from any claims, losses, or damages that result from Rincon's operations and management of Rincon's business. In addition, each party to the Consignment Agreement (each, an "**Indemnifying Party**") agrees to indemnify, defend, and hold the other party, and their respective officers, directors, employees, agents, and contractors, harmless from and against damages, losses, or liabilities (including reasonable attorneys' fees) incurred by any Indemnified Party arising from any third party claims (i) relating to any physical damage to property, or personal injury or death, caused by the gross negligence or willful misconduct of the Indemnifying Party, or (ii) related to the Indemnifying Party's failure to comply with any applicable federal, state, or local laws, statutes, regulations (including export and environmental laws and regulations), or government directives.

26. A summary list of the Consigned Property by location (with "Can" designating the equipment owned by LightSquared Corp. in Ottawa, Ontario and "MD" designating

equipment owned by LightSquared Network LLC and apparently located in Maryland), is set forth on Exhibit 1 to the Consignment Agreement included in the U.S. Motion that is Exhibit “B” to the Creary Affidavit. That list is also attached hereto as **Exhibit “A”**. Counsel for the Foreign Representative have advised the Information Officer that the list describing the Consigned Property pursuant to the Consignment Agreement may be amended before the Consignment Agreement Order is entered by the U.S. Bankruptcy Court.

Abandonment of Certain Consigned Property

27. Pursuant to the Consignment Agreement, the Consignor may abandon certain Consigned Property in two circumstances as follows:

- a. Rincon will periodically recommend certain Consigned Property for scrap disposal, and the Consignor may either abandon and authorize Rincon to dispose of such items, or alternatively, bear the costs of their transportation and maintenance; and
- b. Thirty (30) days prior to the expiration of the Consignment Agreement, the Consignor will either abandon the remaining unsold items or incur the costs of Rincon returning such items to the Consignor.

28. To the extent the Consignor elects to abandon any Consigned Property under the Consignment Agreement, the Consignor proposes in the Consignment Agreement Order to abandon such items in accordance with the procedures set forth in the De Minimis Order.

U.S. Motion

29. Pursuant to the U.S. Motion, the Chapter 11 Debtors are seeking from the U.S. Bankruptcy Court the Consignment Agreement Order:

- a. Approving and authorizing the Consignors to enter into the Consignment Agreement;
 - b. Authorizing the sale of the Consigned Property free and clear of any liens, claims, encumbrances and interests, with any such liens, claims, encumbrances and interests attaching to the proceeds of any sale with the same validity and priority that such liens, claims, encumbrances and interests has against the Consigned Property;
 - c. Authorizing the Consignor to abandon unsold Consigned Property in accordance with the terms of the Consignment Agreement and the De Minimis Order; and
 - d. Authorizing the Consignor to transfer additional equipment to Rincon under the terms of the Consignment Agreement, in accordance with certain procedures, including: (i) filing a notice with the U.S. Bankruptcy Court and serving same on the service parties listing the requested additional equipment; and (ii) no objection being received within the seven days following, or if an objection is received, resolving same consensually or by order of the U.S. Bankruptcy Court.
30. Once entered by the U.S. Bankruptcy Court, a copy of the entered Foreign Order will be filed with the Canadian Court by the Foreign Representative.

March 20th Motion

31. The Chapter 11 Debtors also require the Canadian Court's approval to enter into the Consignment Agreement and are seeking that approval in the March 20th Motion.
32. The form of order sought by the Foreign Representative from this Honourable Court includes recognition of the Foreign Order but also provides for direct approval of the Consignment Agreement as well as the vesting in Rincon of all of the Chapter 11 Debtors' right, title and interest in and to the Canadian assets to be sold pursuant to the Consignment Agreement (the "**Canadian Assets**"). In accordance with the

customary vesting provisions familiar to the Canadian Court, the proceeds from the sale of the Canadian Assets are to stand in the place of the Canadian Assets for the purposes of the attachment of any claims received by LightSquared Corp.

33. The Information Officer and its counsel have communicated with the Foreign Representative's Canadian counsel on certain elements of the March 20 Motion.
34. In support of the vesting order, the Foreign Representative's Canadian counsel conducted PPSA registry searches in the name of LightSquared Corp. in both Ontario and Nova Scotia (LightSquared Corp. is a Nova Scotia corporation) as well as searches in the name of Skyterra Holdings (Canada) Inc. and Skyterra (Canada) Inc. in Ontario. Those searches revealed only registrations by the Agent for the Prepetition LP Lenders, which is already on the service list for these proceedings.
35. In addition, the Chapter 11 Debtors have already called for claims under a notice procedure approved in the Bar Date Order which was recognized by this Honourable Court last year pursuant to the August 21st Order. There has been widespread notice of these proceedings and of the Chapter 11 Proceedings and ample time for a party to come forward if they had a property claim against any of the Chapter 11 Debtors.
36. With respect to the proceeds from the sale of the Canadian Assets, the Consignment Agreement provides that such amounts are to be paid by Rincon directly to the Canadian debtor, LightSquared Corp. The Information Officer understands that once the proceeds are paid to LightSquared Corp. they will be subject to the provisions of the Cash Management Order previously recognized by the Canadian Court in the June 14th Order. In particular, we have been advised by counsel for the Foreign Representative that amounts paid in Canadian currency will be kept in a Canadian bank account and used by LightSquared Corp. for its normal operating costs. Amounts paid to it in U.S. currency will most likely flow from LightSquared Corp. in to LightSquared LP's bank accounts in the U.S. and be used for its normal operating expenses there. Since those transfers are governed by the Cash Management Order

the intercompany claims of LightSquared Corp. arising from such a payment are protected by post-petition administrative expense priority in the Chapter 11 Cases.

37. In the event that the Consignor wishes to sell additional equipment through the Consignment Agreement that is not described on Exhibit 1 when the Consignment Agreement Order is entered by the U.S. Bankruptcy Court, the Chapter 11 Debtors have proposed in the U.S. Motion that they will file a notice listing the requested additional equipment with the U.S. Bankruptcy Court, serving it on the service parties in the Chapter 11 Cases. If no objection is received within the seven days following service of the notice, the Chapter 11 Debtors would be authorized to transfer the additional equipment to Rincon. If an objection is received within the following seven days, the Chapter 11 Debtors would try to resolve the objection consensually or by order of the U.S. Bankruptcy Court. After making enquiries with the Foreign Representative's Canadian counsel, the Information Officer understands that such notice will also be served on the service list in these proceedings – or at least on the one party on this service list that is not a service party in the Chapter 11 Proceedings.

38. At paragraph 22 of the Creary Affidavit, the affiant states that:

[t]he Foreign Representative is of the view that the Canadian Court should recognize the Foreign Order and approve the Consignment Agreement and the transactions contemplated thereunder, as it is appropriate and necessary for the protection of the Chapter 11 Debtors' property and the interest of their creditors for the following reasons:

- a. The Consignor no longer believes it has a viable use for the Consigned Property. The Consigned Property is highly specialized technical equipment that is depreciating rapidly. Even if the Chapter 11 Debtors continue their network build-out in the near term, the Consigned Property will either be too old or too incompatible with the Chapter 11 Debtors' spectrum bands;
- b. The expenditures necessary to maintain, store and insure the Consigned Property are a drain on estate resources and cannot be justified in the circumstances;
- c. Contracting with a professional equipment broker to liquidate the Consigned Property should maximize consideration to the estates for the

Consigned Property by utilizing the broker's focused efforts, specialized knowledge and industry connections;

- d. Rincon is a leader in the secondary telecommunications industry, having brokered over \$400 million in buy/sell transactions over the last decade. Rincon has extensive knowledge, expertise and experience in conducting sales in the secondary telecommunication assets market;
- e. In comparison to other brokers, Rincon offered better terms and predicted better results for aggregate sales. The Consignor believes that they may realize net proceeds of between \$1 and \$2 million from the sale of the Consigned Property;
- f. The Consignment Agreement was negotiated in an arms' length manner by the parties;
- g. The terms of the Consignment Agreement are fair and reasonable under the circumstances and provide for appropriate allocation and payment in respect of the Canadian assets;
- h. The combination of revenue splitting and assumption of costs by Rincon contemplated under the Consignment Agreement incentives Rincon to sell the Consigned Property at the highest and best price, but also in the most efficient manner possible;
- i. Rincon is bearing all risk of loss and expense of the marketing and sale of the processes including storage, maintenance and insurance;
- j. The transfer of liability and cost for the Consigned Property to Rincon improves the liquidity of the Chapter 11 Debtors; and
- k. Outsourcing the sale of the Consigned Property allows the Chapter 11 Debtors to focus their attention on more important operational and Chapter 11 issues.

39. Based on its review of the materials filed in support of the March 20th Motion and its communications with the Foreign Representative's counsel as outlined above, the Information Officer notes that the nature of the Consigned Property and the value attributed to it means that it could likely have been disposed of by the Chapter 11 Debtors piecemeal without further order under the authority of the De Minimis Order as recognized by this Court in the August 21st Order. Instead, in an effort to maximize recoveries from the Consigned Property, the Chapter 11 Debtors have negotiated the Consignment Agreement which requires that the property be transferred first to one

buyer, being Rincon, before then being sold to unknown third parties. It is because of the single intervening purchaser that the amounts being dealt with here would exceed the thresholds in the De Minimis Order.

ACTIVITIES OF THE INFORMATION OFFICER

40. The activities of the Information Officer since the date of our Fifth Report have included:
- a. Reviewing and monitoring the materials filed in the Chapter 11 Cases and discussions with its counsel, Goodmans LLP (“**Goodmans**”), regarding same;
 - b. Reviewing the draft materials for this Recognition Motion, discussions with Goodmans and provision of comments regarding same;
 - c. Updating the Information Officer’s website at www.amcanadadocs.com/lightsquared to make available copies of the Applicant’s March 20th Motion materials and the Fifth Report; and
 - d. Preparing this Sixth Report and discussions with Goodmans regarding same.
41. The Applicant is seeking approval of this Sixth Report and the activities of the Information Officer set out herein in respect of this proceeding.

OTHER MATTERS

42. The U.S. Bankruptcy Court entered the following order on March 13, 2013:
- a. Order Amending 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 (the “**DIP Amendment Order**”).
43. As indicated in the Information Officer’s Fourth Report dated February 15, 2013, the Chapter 11 Debtors had filed notices of pending amendments to the DIP Agreement.

The DIP Amendment Order approves the Third Amendment to the DIP Agreement and makes certain amendments to the Final DIP Order (first reported on in the Third Report dated November 14, 2012). As previously reported by the Information Officer, the Final DIP Order does not directly affect the Canadian Debtors or their assets.

RECOMMENDATION

44. Based on its review of the materials as described in this 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.
45. The Information Officer is of the view that:
- a. It is reasonable for the Chapter 11 Debtors to be able to sell the Consigned Property through a streamlined process which recognizes the interests of the secured parties;
 - b. The Chapter 11 Debtors' cash position should be improved by monetizing unneeded and rapidly depreciating assets and by the elimination of costs associated with maintaining unnecessary assets;
 - c. The process for abandoning unsaleable assets in accordance with the De Minimis Order is appropriate in the circumstances; and
 - d. To the extent the Chapter 11 Debtors identify additional assets to be sold, the Consignment Order establishes an adequate process to enable creditors with an interest in the additional assets the opportunity to object to the disposition.

46. 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.

47. The Information Officer's recommendation is based on the Creary Affidavit and exhibits thereto. To the extent any significant or relevant changes are made to the Consignment Agreement Order entered into pursuant to the U.S. Bankruptcy Court hearing on March 19, 2013, the Information Officer will consider providing a Supplemental Report to the Canadian Court.

ALL OF WHICH IS RESPECTFULLY SUBMITTED at Toronto, Ontario this 15th day of March, 2013.

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

Exhibit A

EXHIBIT 1 to Consignment Agreement

ALU			
Can	MD	Part Number	Description
		4 3HE05867AA	7450ESS-7 SLOT CHASSIS BUNDLE
		4 3HE04166AA	REDUNDANT SWITCH FABRIC
		8 3HE03620AA	IOM-INPUT/OUTPUT MODULE
		4 3HE03615AA	20 PORT 1G MDA
		12 3HE03687AA	2 PORT 10G MDA
		80 3HE00028CA	SFP
		24 3HE00564CA	XFP
		4 3HE05029AB	7210 SAS-M -48V DC SYSTEMS WITH 24 GE (SFP)
		4 3HE04415AA	DC -48V POWER SUPPLY
JUNIPER			
Can	MD	Part Number	Description
	2	DPCE-R-40GE-SFP	JNP:DPCE-R40GE-SFP
2	3	FFANTRAY-MX240-HC-BB	JUI:FFANTRAY-MX240-HC-BB
	3	FFANTRAY-MX480-HC-BB	FFANTRAY-MX480-HC-BB
	1	FFANTRAY-MX960-HC-BB	JUI:FFANTRAY-MX960-HC-BB
	1	FFILTER-MX960-HC-BB	JUI:FFILTER-MX960-HC-BB
2	2	MIC-3D-20GE-SFP	20x10/100/1000 MIC for MX, requires optics sold separately
4	2	MIC-3D-4XGEXFP	4x10G MIC for MX, requires optics sold separately
	5	MPC-3D-16XGE-SFPP-R-B	JUI:MPC-3D-16XGE-SFPP-R-B
2	3	MX240 -PREMIUM-DC	MX240 -PREMIUM-DC
	3	MX480 -PREMIUM-DC	MX480 -PREMIUM-DC
	1	MX960 -PREMIUM-DC	JUI: MX960 -PREMIUM-DC
4	2	MX-MPC2-3D	MX-MPC2-3D
4	6	PWR-MX480-2400-DC-BB	PWR-MX480-2400-DC-BB
	1	PWR-MX960-4100-DC-BB	JUI:PWR-MX960-4100-DC-BB
30	2	SFP-1GE-FE-E-T	SFP capable of support 10/100/1000 speeds
14	11	SFP-1GE-SX	Small Form Factor Pluggable 1000Base-SX Gigabit Ethernet Optic Module
	1	SFP-1GE-T	SFP-1GE-T
	5	SFPP-10GE-SR	SFPP-10GE-SR

4	2	SRX1K-NPC-SPC-1-10-40	Network and Services Processing Card for SRX1x00, Single Processor, 1Ghz, 4GB Memory/CPU
8	2	SRX-SFP-10GE-SR	Small Form Factor Pluggable 10 Gigabit Ethernet (SFP+) SR Optics
4	2	SRX1400BASE-XGE-AC	SRX 1400 Chassis, Midplane, Fan, RE, XGE-SYSIO, AC PEM
	5	SRX5800BASE-DC	SRX5800 chassis, includes RE, 2xSCB, 2 DC power supplies
CISCO			
Can	MD	Part Number	Description
	1	ASR5K-0110G-MM-K9 or ASR5K-0110G-SM-K9	1 port 10 GigE Linecards
1	1	ASR5000-CHS-SYS-K9	ASR-5000 Multimedia Core Platform Complete Chassis
2	1	ASR5K-SMC-K9	System Management Card 4GB
2	1	ASR5K-SPIO-3PN-K9	Switch Processor I/O, 3-Pin BITS
2	1	ASR5K-RCC-K9	Redundancy Crossbar
2	1	ASR5K-PFU=	ASR5000 Power Filter Unit, Non-Redundant, Single 165A
2	0	ASR5K-041GE-SX-K9	QGLC 4-Port Ethernet 1000 Line Card w/SX MM Short Haul SFP
4	2	ASR5K-PSC-32G-K9	Packet Services Card (PSC2) 32GB
1	1	ASR5K-ACCY-LUG=	ASR-5000 Chassis Lug Accessory Kit

NSN

MD

94	LS10NM3353	BBU 4 hrs with 2.0M 170AH OD Fan power cabinet_eNB Model C (0-250 units)
6	LS10NM3363	BBU 4 hrs with 2.0M 190AH OD Fan power cabinet_eNB Model C (0-250 units)
	FlexiBTS_3x1_2x2MIMO_5 MHz_20W_TypeA_SP_V01_	Flexi Base Station 3 Sectors, 5MHz 2X2 MIMO 20W, L band support, FSMEin cabinet, 2 RF Modules mounted together and 3 sectors collocated, 30 users. eNB configured for a maximum FSME and RF

18	FlexiBTS_3x1_2x2MIMO_5 MHz_20W_TypeC_SP_V01_ 001	Flexi Base Station 3 Sectors, 5MHz 2X2 MIMO 20W, L band support, FSMEin cabinet and 2 RF Modules mounted together at Tower base, 3 collocated sector, 30 users. eNB configured for a maximum FSME and RF Module separation of 200m
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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

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

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

Proceeding commenced at Toronto

**SIXTH REPORT OF
INFORMATION OFFICER
(Dated March 15, 2013)**

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