

**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")**

**TWENTY-SECOND REPORT OF THE INFORMATION OFFICER**

**ALVAREZ & MARSAL CANADA INC.**

**November 17, 2014**

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**Appendix A** – Additional Background - the Canadian Proceedings since August, 2012

## 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 (as he then was) 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. Additional background discussing the Canadian proceedings after June, 2012 can be found in **Appendix “A”** attached to this report.

11. Throughout these Chapter 11 Cases, the LP Obligors have been funding their businesses through the use of Prepetition LP Collateral, including Cash Collateral (as such term is defined in

section 363 of the Bankruptcy Code (the “**Cash Collateral**”) and the proceeds of debtor-in-possession financing (“**DIP Financing**”), including the most recent Sixth Replacement LP DIP Order and Tenth Amended Cash Collateral Order (both as defined in Appendix “A” attached) which were recognized by the Canadian Court on September 2, 2014, providing DIP Financing to the LP Obligors through November 15, 2014.

### **PURPOSE OF THIS REPORT**

12. On November 14, 2014, the Foreign Representative served a Motion Record in these proceedings, including a Notice of Motion returnable on November 20, 2014 (the “**November 20<sup>th</sup> Motion**” or the “**Recognition Motion**”). The Motion Record includes an affidavit of Elizabeth Creary sworn on November 14, 2014 (the “**Creary Affidavit**”).

13. The purpose of this twenty-second report of the Information Officer (the “**Twenty-Second 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 orders entered by the U.S. Bankruptcy Court (the “**Foreign Orders**”):
  - i. Final Order (A) Authorizing LP DIP Obligors to Obtain Seventh Replacement 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 “**Seventh Replacement LP DIP Order**”);
  - ii. Tenth 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 “**Eleventh Amended Cash Collateral Order**”);

- b. update on the Chapter 11 Cases; and
- c. information concerning the activities of the Information Officer since the date of the Twenty-First Report (the “**Activities Report**”).

14. The limitations in this paragraph do not apply to the Activities Report in this Twenty-Second Report. In preparing this Twenty-Second 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 Twenty-Second 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.

15. All terms not otherwise defined in this Twenty-Second Report have the meanings ascribed to them in the Chapter 11 Cases.

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

## **SEVENTH REPLACEMENT LP DIP ORDER**

17. As noted above, the Sixth Replacement LP DIP Order and Tenth Amended Cash Collateral Order were recognized by the Canadian Court on September 2, 2014.

18. The Sixth Replacement LP DIP Facility provided for a Final Maturity Date of November 15, 2014. The plan confirmation process is now contemplated to extend into January 2015. As such, the Chapter 11 Debtors require a further extension of the LP DIP Facility to carry them through the plan confirmation process.

19. On November 11, 2014, the Chapter 11 Debtors filed the *Notice of Presentment of Final Order (A) Authorizing LP DIP Obligors To Obtain Seventh Replacement 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* with the U.S. Bankruptcy Court, in connection with a new DIP financing facility (the “**Seventh Replacement LP DIP Facility**”). The Seventh Replacement LP DIP Facility Order was entered by the U.S. Bankruptcy Court on November 14, 2014.

20. Each of the LP DIP Obligors (as defined in the Initial LP DIP Order) and the LP DIP Lenders under the Sixth Replacement LP DIP Facility have consented to the Seventh Replacement LP DIP Facility and entry of the Seventh Replacement LP DIP Order.

21. The Seventh Replacement LP DIP Facility, which terms are substantially similar to the terms set forth in the Sixth Replacement LP DIP Facility, provide the LP DIP Obligors with \$164,522,775 (including amounts to be used to repay outstanding advances under the Sixth Replacement LP DIP Facility) of replacement senior secured, priming, superpriority, postpetition financing through and including January 30, 2015.

22. Under the Seventh Replacement LP DIP Facility, the LP DIP Lenders (consisting of the LP DIP Lenders under the Sixth Replacement LP DIP Facility plus KKR Echo Investments 1 Limited and KKR Credit Relative Value Mast Fund LP) will provide an additional \$40M allocated in accordance with the seventh replacement LP DIP loan allocation schedule (found at Schedule 1 to Annex A of the Seventh Replacement LP DIP Order). These funds are to be used pursuant to a budget (the “**Budget**”) developed by the LP DIP Obligors and their financial advisor to enable the Chapter 11 Debtors to continue to meet their general corporate and working capital needs through January 30, 2015 and pay the LP DIP Professional Fees.

23. As a condition subsequent to the Seventh Replacement LP DIP Order, the LP DIP Lenders required that the LP DIP Obligors obtain the Canadian Court’s recognition of the Seventh Replacement LP DIP Order by no later than November 20, 2014.

24. The Chapter 11 Debtors are of the view that without the availability of capital from the Seventh Replacement LP DIP Facility, serious and irreparable harm to the Chapter 11 Debtors and their estates would occur as the Chapter 11 Debtors would not have sufficient available sources of capital and financing to operate their businesses and maintain their properties in the ordinary course of business.

#### **ELEVENTH AMENDED CASH COLLATERAL ORDER**

25. As noted above, pursuant to the Tenth Amended Cash Collateral Order, the Chapter 11 Debtors were permitted to use the Prepetition LP Collateral, including Cash Collateral, through November 15, 2014. The Canadian Court recognized the Tenth Amended Cash Collateral Order on September 2, 2014.

26. Also, as noted above, the plan confirmation process in the Chapter 11 Cases is now contemplated to extend into January 2015.

27. On November 11, 2014, the Chapter 11 Debtors filed the *Notice of Presentment of Tenth 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 Eleventh Amended Cash Collateral Order was entered by the U.S. Bankruptcy Court on November 14, 2014.

28. The Eleventh Amended Cash Collateral Order, among other things,

- a. permits the LP Debtors to continue to use the Prepetition LP Collateral, including Cash Collateral, through and including January 30, 2015;
- b. allows the LP Debtors to make capital expenditures of up to \$1.7 million at any time until January 30, 2015;
- c. provides a conditional waiver with respect to LightSquared's obligation to pay the LP Adequate Protection Payments (as defined in the Eleventh Amended Cash Collateral Order), for the benefit of the Prepetition LP Lenders until January 30, 2015; and
- d. preserves for the benefit of the Prepetition LP Secured Parties the LP Adequate Protection Liens and the LP Section 507(b) Claims.

29. The LP Obligors will not be required to pay the LP Adequate Protection Payments to the Prepetition LP Agent, for the benefit of the Prepetition LP Lenders, for the months of July through January, provided:

- a. the LP Obligors pay for the benefit of the Prepetition LP Lenders, all reasonable, actual and documented fees and expenses of White & Case LLP and The Blackstone Group L.P. on the first Business Day of September 2014, October 2014, November 2014, December 2014 and

January 2015 or as otherwise previously agreed to for the months of July 2014 and August 2014; and

- b. the payment of the LP Adequate Protection Payments for the months of July 2014 through January 2015 will not be deemed waived in the event that the Amended Cash Collateral Order is further extended and such unpaid amounts shall be paid by an Order approving additional DIP financing to the LP Obligors in these Chapter 11 Cases.

30. The Budget attached as Schedule 1 to the Tenth Amended Cash Collateral Order will be replaced in its entirety by the Budget attached as Schedule 1 to the Eleventh Amended Cash Collateral Order.

31. The Applicant is seeking recognition of this Eleventh Amended Cash Collateral Order by the Canadian Court. The Chapter 11 Debtors are of the view that the Eleventh Amended Cash Collateral Order should be recognized by the Canadian Court as:

- a. the LP Obligors have agreed to continue to use Cash Collateral in accordance with a Budget developed by the Chapter 11 Debtors, in consultation with their financial advisor;
- b. the Budget is achievable and will continue to allow the LP Obligors to operate without the accrual of unpaid administrative expenses and will continue to adequately protect the Prepetition LP Agent and the Prepetition LP Lenders from diminution in the value of their interests in the Cash Collateral;
- c. the only alternative to the LP Obligors' use of Cash Collateral – the immediate liquidation of their assets – would be catastrophic for both the Chapter 11 Debtors and the Prepetition LP Lenders given that an orderly conclusion to the Chapter 11 Cases is achievable; and
- d. the terms and conditions contained in that Order are fair and reasonable and in the best interests of the Chapter 11 Debtors, their estates and their creditors.

## UPDATE ON THE CHAPTER 11 CASES

32. As previously reported in our Twentieth Report, on August 15, 2014, the U.S. Bankruptcy Court entered the Joint Plan Confirmation Schedule Order which was recognized by the Canadian Court on August 26, 2014. The Joint Plan Confirmation Schedule Order provided an anticipated timeline for the Chapter 11 Debtors to obtain confirmation of a plan (the “**August Timeline**”) which included Plan Confirmation hearing dates during the weeks of October 20<sup>th</sup> and 27<sup>th</sup>, 2014.

33. Due to a number of developments in the Chapter 11 Cases, which are described in more detail in the Creary Affidavit, the August Timeline became unachievable and is no longer relevant.

34. Among these developments was the withdrawal (notice of which was filed on October 1, 2014) of the Joint Plan (which had been co-sponsored by the Chapter 11 Debtors and the Ad Hoc LP Secured Group). The other Plan contemplated by the August Timeline, the Harbinger Plan which would involve only the Inc. estates of the Chapter 11 Debtors, has not proceeded to Confirmation because the Guarantee Expungement Motion (as defined in the Creary Affidavit), the granting of which is a precondition to the Harbinger Plan, was dismissed by the U.S. Bankruptcy Court following a hearing on October 27, 2014. On November 13, 2014 Harbinger filed a notice that it intends to appeal that decision.

35. On November 3, 2014, the U.S. Bankruptcy Court was advised that, with the exception of Harbinger, the parties to the mediation being conducted by Judge Drain had agreed on the principal terms of a new plan for all of the Chapter 11 Debtors (the “**New Plan**”).

36. On the expectation that the New Plan would be filed by November 14, 2014, a status conference with the U.S. Bankruptcy Court was scheduled for noon on November 14, 2014

which was anticipated to result in a revised plan confirmation schedule. However, the status conference was cancelled and the New Plan has not been filed as of November 16, 2014 . As such, the Chapter 11 Debtors have indicated that the Chapter 11 Cases are anticipated to extend into 2015 and, as of the date of this report, there is no clear timeline for the Chapter 11 Debtors to achieve confirmation.

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

37. The activities of the Information Officer since the date of the Twenty-First Report have included:

- a. attending the September 2<sup>nd</sup> Canadian Court hearing;
- b. attending the October 27, 2014 U.S. Bankruptcy Court hearing;
- c. attending via telephone various U.S. Bankruptcy Court status conferences and hearings;
- d. reviewing and monitoring the materials filed in the Chapter 11 Cases, reviewing the Motion Record in respect of the November 20<sup>th</sup> Motion, and discussing same with its counsel, Goodmans, and with counsel for the Foreign Representative;
- e. updating the Information Officer's website at [www.amcanadadocs.com/lightsquared](http://www.amcanadadocs.com/lightsquared) to make available copies of the Twenty-First Report, Recognition Order and motion materials; and
- f. preparing this Twenty-Second Report and discussions with Goodmans regarding same.

38. In its Recognition Motion, the Foreign Representative is seeking approval of this Twenty-Second Report and the activities of the Information Officer set out therein in respect of this proceeding.

**RECOMMENDATION**

39. 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.

40. Based on its review of the materials, as described in this Twenty-Second Report, the Information Officer understands that the Foreign Orders sought to be recognized and approved in the Recognition Motion are necessary for the protection of the Chapter 11 Debtors' property and the interests of their creditors. The terms of the Recognition Order being sought are appropriate in the circumstances. The Information Officer does not believe that the relief sought in the Recognition Motion is contrary to Canadian public policy. 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 17<sup>th</sup> day of November, 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

## Appendix “A”

### Additional Background - the Canadian Proceedings Since August, 2012

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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**”).

8. 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.

9. 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; 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.

10. 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.

11. 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**” or “**Disclosure Statement Order**”).

12. 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.

13. 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; 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**”).

14. 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.

15. 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**”).

16. 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**”).

17. 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**”).

18. 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**”). 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.

19. On February 26, 2014, on a motion brought by the Applicant with respect to the chapter 11 plan filed by the Chapter 11 Debtors, the *Debtors' Third Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (the "**Third Amended Plan**"), the Canadian Court granted an order (the "**February 26<sup>th</sup> Order**") recognizing the following order of the U.S. Bankruptcy Court:

- a. 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**").

20. In connection with the February 26<sup>th</sup> Order, the Information Officer filed its Fourteenth Report to the Canadian Court dated February 25, 2014 (the "**Fourteenth Report**"). The February 26<sup>th</sup> Order also approved the Information Officer's Thirteenth Report and the activities of the Information Officer set out therein.

21. On April 11, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the "**April 11<sup>th</sup> Order**") recognizing the following orders of the U.S. Bankruptcy Court:

- a. Final Order (A) Authorizing LP DIP Obligors to Obtain Replacement 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 "**Replacement LP DIP Order**"); and
- b. Third 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 "**Fourth Amended Cash Collateral Order**").

22. In connection with the April 11<sup>th</sup> Order, the Information Officer filed its Fifteenth Report to the Canadian Court dated April 8, 2014 (the “**Fifteenth Report**”). The April 11<sup>th</sup> Order also approved the Information Officer’s Fourteenth Report, Fifteenth Report and the activities of the Information Officer set out therein.

23. On July 8, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the “**July 8<sup>th</sup> Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Final Order (A) Authorizing LP DIP Obligors to Obtain Second Replacement 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 “**Second Replacement LP DIP Order**”);
- b. Fourth 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 “**Fifth Amended Cash Collateral Order**”);
- c. Fifth 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 “**Sixth Amended Cash Collateral Order**”);
- d. Order Selecting Mediator and Governing Mediation Procedure (the “**Mediation Order**”); and
- e. Order Scheduling Certain Hearing Dates and Establishing Deadlines In Connection With Chapter 11 Plan Process And Subordination Trial (the “**Fourth Amended Plan Confirmation Schedule Order**”).

24. In connection with the July 8<sup>th</sup> Order, the Information Officer filed its Sixteenth Report to the Canadian Court dated July 4, 2014 (the “**Sixteenth Report**”). The July 8<sup>th</sup> Order also

approved the Information Officer's Sixteenth Report and the activities of the Information Officer set out therein.

25. On July 15, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the "**July 15<sup>th</sup> Order**") recognizing the following orders of the U.S. Bankruptcy Court:

- a. Final Order (A) Authorizing LP DIP Obligors to Obtain Third Replacement 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 "**Third Replacement LP DIP Order**"); and
- b. Sixth 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 "**Seventh Amended Cash Collateral Order**").

26. In connection with the July 15<sup>th</sup> Order, the Information Officer filed its Seventeenth Report to the Canadian Court dated July 14, 2014 (the "**Seventeenth Report**").

27. On July 30, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the "**July 30<sup>th</sup> Order**") recognizing the following orders of the U.S. Bankruptcy Court:

- a. Final Order (A) Authorizing LP DIP Obligors to Obtain Fourth Replacement 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 "**Fourth Replacement LP DIP Order**"); and
- b. Seventh 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 **“Eighth Amended Cash Collateral Order”**).

28. The July 30<sup>th</sup> Order also approved the Seventeenth Report and the activities of the Information Officer described therein.

29. In connection with the July 30<sup>th</sup> Order, the Information Officer filed its Eighteenth Report to the Canadian Court dated July 28, 2014 (the **“Eighteenth Report”**).

30. On August 6, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the **“August 6<sup>th</sup> Order”**) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Final Order (A) Authorizing LP DIP Obligors to Obtain Fifth Replacement 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 **“Fifth Replacement LP DIP Order”**); and
- b. Eighth 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 **“Ninth Amended Cash Collateral Order”**).

31. The August 6<sup>th</sup> Order also approved the Information Officer’s Eighteenth Report and the activities of the Information Officer set out therein.

32. In connection with the August 6<sup>th</sup> Order, the Information Officer filed its Nineteenth Report to the Canadian Court dated August 5, 2014 (the **“Nineteenth Report”**).

33. On August 26, 2014, on a motion brought by the Applicant, the Canadian Court granted two orders (the **“August 26<sup>th</sup> Orders”**) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order (A) Conditionally Approving Specific Disclosure Statements, (B) Approving Solicitation and Notice Procedures In Connection With Voting On Certain Chapter 11 Plans, (C) Approving Form of Ballot and Notices in Connection Therewith, (D) Scheduling Certain Dates and Deadlines in Connection with Confirmation of All Competing Chapter 11 Plans, and (E) Granting Related Relief (the “**Disclosure and Solicitation Order**”); and
- b. Order Scheduling Certain Hearing Dates and Establishing Deadlines In Connection With Chapter 11 Plan Process (the “**Joint Plan Confirmation Schedule Order**”).

34. In connection with the August 26<sup>th</sup> Orders, the Information Officer filed its Twentieth Report to the Canadian Court dated August 21, 2014 (the “**Twentieth Report**”). The August 26<sup>th</sup> Orders also approved the Information Officer’s Nineteenth Report and Twentieth Report and the activities of the Information Officer set out therein.

35. On September 2, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the “**September 2<sup>nd</sup> Order**”) recognizing the following orders of the U.S.

Bankruptcy Court:

- a. Final Order (A) Authorizing LP DIP Obligors to Obtain Sixth Replacement 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 “**Sixth Replacement LP DIP Order**”); and
- b. Ninth 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 “**Tenth Amended Cash Collateral Order**”).

36. In connection with the September 2<sup>nd</sup> Order, the Information Officer filed its Twenty-First Report to the Canadian Court dated August 27, 2014. The September 2<sup>nd</sup> Order also approved the Information Officer's Twenty-First Report and the activities of the Information Officer set out therein.

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

**TWENTY-SECOND REPORT OF  
INFORMATION OFFICER  
(Dated November 17, 2014)**

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