

**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-FIFTH REPORT OF THE INFORMATION OFFICER

ALVAREZ & MARSAL CANADA INC.

June 8, 2015

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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 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, and (D) Waiving Investment Guidelines of Sections 345(b) of Bankruptcy Code.

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. Since the inception of the proceedings, the Canadian Court has recognized and enforced in Canada several other orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases.

11. Additional background discussing the Canadian proceedings after June, 2012 can be found in **Appendix “A”** attached to this report.

PURPOSE OF THIS REPORT

12. On June 5, 2015, the Foreign Representative served a Motion Record in these proceedings, including a Notice of Motion returnable on June 11, 2015 (the “**June 11th Motion**” or the “**Recognition Motion**”). The Motion Record includes an affidavit of Elizabeth Creary sworn on June 5, 2015 (the “**Creary Affidavit**”).

13. The purpose of this twenty-fifth report of the Information Officer (the “**Twenty-Fifth Report**”) is to provide the Canadian Court with information concerning the Chapter 11 Cases, including:

- a. the Foreign Representative’s request for recognition by the Canadian Court of the following order entered by the U.S. Bankruptcy Court (the “**Foreign Order**”):
 - i. Order, Pursuant To 11 U.S.C. §§ 105(A) And 363, Authorizing LightSquared to (A) Enter Into And Perform Under Engagement Letter Related to Working Capital Facility, (B) Pay Fees and Expenses in Connection Therewith, And (C) Provide Related Indemnities (the “**Exit Financing Order**”);
- b. update on the Chapter 11 Cases; and
- c. information concerning the activities of the Information Officer since the date of the Twenty-Fourth Report (the “**Activities Report**”).

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

EXIT FINANCING ORDER

Background

17. As previously reported to the Canadian Court in our Twenty-Fourth Report, on March 27, 2015, the U.S. Bankruptcy Court confirmed the Chapter 11 Debtors' Modified Second Amended Plan (the "**Confirmation Order**"). On April 9, 2015, the Canadian Court granted an Order recognizing the Confirmation Order (the "**Confirmation Recognition Order**").

18. In the Creary Affidavit, the affiant states that since the entry of the Confirmation Order and the Confirmation Recognition Order, the Chapter 11 Debtors have been working towards satisfying all conditions precedent to the Effective Date (as defined in the Modified Second

Amended Plan). The Chapter 11 Debtors are targeting an Effective Date in the fourth quarter of 2015.

19. Raising a first lien exit credit facility (the “**Working Capital Facility**”) is a key element of the Modified Second Amended Plan and was authorized by the Confirmation Order. The proceeds are to be used, among other things, to repay obligations under the Chapter 11 Debtors’ current DIP facility and other administrative claims, to make distributions pursuant to the Modified Second Amended Plan, and to fund New LightSquared’s working capital needs post-emergence.

U.S. Bankruptcy Court Approval of the Exit Financing Order

20. On June 2, 2015, with no objections having been raised, the U.S. Bankruptcy Court entered the Exit Financing Order authorizing the Chapter 11 Debtors to:

- a. enter into, effective as of May 13, 2015, and perform under an engagement letter dated May 13, 2015 (the “**Engagement Letter**”) with Credit Suisse Securities (USA) LLC, Jefferies Finance LLC, and Morgan Stanley Senior Financing, Inc. (collectively, the “**Lead Arrangers**”);
- b. pay certain fees and expenses associated with the Engagement Letter and Working Capital Facility; and
- c. provide related indemnities.

21. A copy of the redacted Engagement Letter is attached as Exhibit “C” to the Creary Affidavit. Attached to the Engagement Letter, as an exhibit thereto, is a redacted term sheet (the “**Term Sheet**”) outlining the basic terms on which the Working Capital Facility was being marketed and the fees associated therewith, as of the date the Exit Financing Motion was filed with the U.S. Bankruptcy Court.

22. Certain information in the Term Sheet related to the commitment fee proposed therein was filed with the U.S. Bankruptcy Court in unredacted form in conjunction with a request for partial sealing of certain exhibits to the Exit Financing Motion. The requested sealing order was granted by the U.S. Bankruptcy Court. The Foreign Representative provided the unredacted Engagement Letter and Term Sheet to the Information Officer on a confidential basis.

23. After the Exit Financing Motion was filed with the U.S. Bankruptcy Court, certain economic terms of the Term Sheet were modified in response to market demands. On May 29, 2015, the Chapter 11 Debtors filed a Notice Regarding Exit Financing Motion (the “**Notice**”), which describes the changes to the Term Sheet. The changes outlined in the Notice include an increase in the interest rate, amendments to the call protections and an increase in the commitment fee. A copy of the Notice is attached to the Creary Affidavit as Exhibit “D”.

Support for the Exit Financing Order

24. In the Creary Affidavit, the affiant states that following the entry of the Confirmation Order, the Chapter 11 Debtors, working with the New Investors (as defined in the Modified Second Amended Plan), began evaluating market conditions with respect to exit financing and, specifically, raising the Working Capital Facility. Potential lenders and arrangers expressed confidence that the market would provide financing in excess of \$1.25 billion in first-lien exit financing. In light of these current market conditions, the Chapter 11 Debtors, at the direction of the Special Committee of the Board of Directors, concluded that it is in the best interests of their estates to proceed with raising the Working Capital Facility in an amount up to \$1.75 billion. The ability to raise up to \$500 million more than \$1.25 billion under the Working Capital Facility is contemplated in the Junior Lien Loan Agreement authorized by the Confirmation Order.

25. The Engagement Letter provides for certain fees, expenses and indemnities to be provided to the Lead Arrangers in consideration of the time and resources that have been and will be expended in arranging, structuring and syndicating the Working Capital Facility. To the extent that such fees, expenses, and indemnities are payable by the reorganized Chapter 11 Debtors upon or after the closing of the Working Capital Facility, their payment is already authorized pursuant to the Confirmation Order. However, certain fees, expenses, and customary indemnities potentially earned prior to the Effective Date are required to be payable as administrative expense claims and it is these items that were the subject of the Exit Financing Motion and approved by the Exit Financing Order.

26. In addition, as set forth in the Notice, the proposed Exit Financing Order was revised to approve the Chapter 11 Debtors' agreement to a "Right of First Refusal" provision (as defined in the Notice) in favour of the committing lenders under the Working Capital Facility. The Right of First Refusal provides in substance that, as long as the Federal Communications Commission (the "FCC") grants the Change in Control application (and other such license or application required for the Chapter 11 Debtors' emergence) by December 15, 2015, the Chapter 11 Debtors will not incur first lien exit financing on terms better to the company and its subsidiaries until at least June 15, 2016, unless existing lenders are offered to participate in an amount equal to at least their ratable share of the Commitments under the Working Capital Facility. The Right of First Refusal has been required by the lenders to protect their role in the Chapter 11 Debtors' exit financing and does not place any incremental liabilities on the estates.

27. At the hearing in respect of the Exit Financing Motion, counsel to the Chapter 11 Debtors read into evidence a proffer of Mr. Mark S. Hootnick, a managing director at Moelis & Company, the Chapter 11 Debtors' financial advisors. The proffer provided that if called to

testify by the U.S. Bankruptcy Court, Mr. Hootnick would have testified as to a number of points, including the following:

- a. the Chapter 11 Debtors negotiated with the Lead Arrangers in good faith and at arm's length;
- b. the current terms on which the Working Capital Facility is being arranged, which include a five-year maturity and interest rate of LIBOR plus 8.75%, subject to a LIBOR floor of 1% and a 3% original issue discount, are reasonable, consistent with current market conditions for debt of this type, and are the best available terms for the financing that is necessary to implement the Modified Second Amended Plan;
- c. the fees, including an arrangement fee, quarterly administration fee, ticking commitment fees and an alternative transaction fee, expenses and indemnities contemplated by the Engagement Letter are reasonable and appropriate in light of current market conditions, the services being provided by the Lead Arrangers under the Engagement Letter, and the benefits the Chapter 11 Debtors will receive when the Working Capital Facility is funded;
- d. the amount of the Lead Arrangers' fee depends in part on the yield of the Working Capital Facility such that the higher the cost of borrowing to the Chapter 11 Debtors, the lower the fees paid to the Lead Arrangers;
- e. the Chapter 11 Debtors also agreed to the Right of First Refusal provision in the Working Capital Facility agreement, which requires the Chapter 11 Debtors to offer existing lenders an opportunity to participate in the event that the Chapter 11 Debtors incur more favourable first-lien exit financing after they entered into this Working Capital Facility agreement and before June 15, 2016; and
- f. entry into and performance under the Engagement Letter are in the best interests of the Chapter 11 Debtors' estates and in exercise of the Chapter 11 Debtors' sound business judgment.

Relief Requested

28. In the Creary Affidavit, the affiant states that in the period following the confirmation of the Modified Second Amended Plan, the Chapter 11 Debtors and the Special Committee of the Board of Directors have focused on the steps necessary to bring about the Effective Date and facilitate the Chapter 11 Debtors' emergence from the Chapter 11 Cases. The Chapter 11 Debtors have placed particular emphasis on securing exit financing that is on what they consider to be the best possible terms and maximizes value in light of current market conditions. The Chapter 11 Debtors believe that the engagement of the Lead Arrangers to arrange, structure and syndicate the Working Capital Facility is consistent with, and supportive of, such goals. Moreover, the Chapter 11 Debtors believe that the fees, expenses, indemnities and other terms approved by the Exit Financing Order are appropriate in the circumstances and justified by the advantageous terms on which the Chapter 11 Debtors expect the Working Capital Facility to be funded.

29. The Foreign Representative is seeking recognition of the Exit Financing Order by the Canadian Court on the basis that:

- a. the Exit Financing Order is central to the Chapter 11 Debtors' ability to effectuate the Modified Second Amended Plan in accordance with the Confirmation Order and emerge from the Chapter 11 Cases expeditiously; and
- b. the relief sought by the Exit Financing Order is in the best interests of the Chapter 11 Debtors, as well as their estates, creditors and other parties in interest.

UPDATE ON THE CHAPTER 11 CASES

30. At the June 2, 2015 U.S. Bankruptcy Court hearing for the Exit Financing Motion, the Chapter 11 Debtors' counsel provided a brief update on the Chapter 11 Cases since the date the Confirmation Order was entered, as follows:

- a. the DIP Financing has closed (being the financing authorized by the Eighth Replacement DIP Order recognized by the Canadian Court on January 30, 2015 and the Cash Collateral Extension Order recognized by the Canadian Court on April 9, 2015);
- b. the purchase by SIG of all Prepetition Inc. Facility Non-Subordinated Claims and \$41 million of DIP Inc. Claims referred to as the "Mast Claims" has been made;
- c. the FCC posted its official notice of the commencement of the change of control process. The process, including responses to the comments or oppositions to petitions, is anticipated to take forty-five days. At the end of the forty-five day period, anticipated to be on or around July 20, 2015, an information package will be presented to the FCC to enable the FCC to make its decision on whether or not a change of control should be approved in connection with the Modified Second Amended Plan;
- d. the Chapter 11 Debtors have available cash of approximately \$220 million; and
- e. two appeals of the Confirmation Order were scheduled to be heard by the United States District Court for the Southern District of New York on June 4, 2015.

31. The Information Officer understands that the appeals referred to above were heard as scheduled and are under reserve.

ACTIVITIES OF THE INFORMATION OFFICER

32. The activities of the Information Officer since the date of the Twenty-Fourth Report have included:

- a. attending the April 9th Canadian Court hearing;
- b. attending via telephone the U.S. Bankruptcy Court hearing on June 2, 2015 regarding the Exit Financing Motion; and
- c. reviewing and monitoring the materials filed in the Chapter 11 Cases, reviewing the Motion Record in respect of the June 11th Motion, and discussing same with its counsel, Goodmans, and with counsel for the Foreign Representative;
- d. updating the Information Officer's website at www.amcanadadocs.com/lightsquared to make available copies of the Twenty-Fourth Report, Recognition Order and motion materials; and
- e. preparing this Twenty-Fifth Report and discussing same with Goodmans.

33. In its Recognition Motion, the Foreign Representative is seeking approval of this Twenty-Fifth Report as well as the activities of the Information Officer set out therein in respect of this proceeding.

RECOMMENDATION

34. 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.

35. Based on its review of the materials, as described in this Twenty-Fifth Report, the Information Officer understands that the Foreign Order sought to be recognized and approved in

the Recognition Motion and the additional relief 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 8th day of June, 2015.

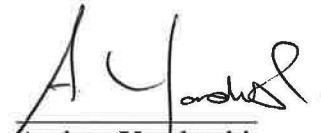
ALVAREZ & MARSAL CANADA INC.
in its capacity as the Information Officer of
LightSquared LP and not in its personal or corporate capacity

Per:



John J. Walker
Senior Vice President

Per:



Andrea Yandreski
Vice President

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 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; 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 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.

3. 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 (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 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.

5. On March 20, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the “**March 20th 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 20th Order, the Information Officer filed its Sixth Report to the Canadian Court on March 15, 2013 (the “**Sixth Report**”). The March 20th 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 13th 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 13th Order, the Information Officer filed its Eighth Report to the Canadian Court on August 9, 2013 (the “**Eighth Report**”). The August 13th 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 9th 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 9th Order, the Information Officer filed its Ninth Report to the Canadian Court on October 4, 2013 (the “**Ninth Report**”). The October 9th 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 17th 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 17th Order, the Information Officer filed its Tenth Report to the Canadian Court on October 11, 2013 (the “**Tenth Report**”). The October 17th 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 3rd 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 3rd 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 3rd 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 3rd 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 3rd 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 5th 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 5th Order, the Information Officer filed its Thirteenth Report to the Canadian Court on February 4, 2014 (the “**Thirteenth Report**”). The February 5th

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 26th 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 26th Order, the Information Officer filed its Fourteenth Report to the Canadian Court dated February 25, 2014 (the "**Fourteenth Report**"). The February 26th 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 11th 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 11th Order, the Information Officer filed its Fifteenth Report to the Canadian Court dated April 8, 2014 (the “**Fifteenth Report**”). The April 11th 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 8th 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 8th Order, the Information Officer filed its Sixteenth Report to the Canadian Court dated July 4, 2014 (the “**Sixteenth Report**”). The July 8th 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 15th 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 15th 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 30th 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 30th Order also approved the Seventeenth Report and the activities of the Information Officer described therein.

29. In connection with the July 30th 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 6th 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 6th 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 6th 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 26th 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 26th Orders, the Information Officer filed its Twentieth Report to the Canadian Court dated August 21, 2014 (the “**Twentieth Report**”). The August 26th 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 2nd 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 2nd Order, the Information Officer filed its Twenty-First Report to the Canadian Court dated August 27, 2014. The September 2nd Order also approved the Information Officer's Twenty-First Report and the activities of the Information Officer set out therein.

37. On November 20, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the "**November 20th Order**") recognizing the following orders of the U.S. Bankruptcy Court:

- a. 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**"); and
- b. 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**").

38. In connection with the November 20th Order, the Information Officer filed its Twenty-Second Report to the Canadian Court dated November 17, 2014. The November 20th Order also approved the Information Officer's Twenty-Second Report and the activities of the Information Officer set out therein.

39. On February 2, 2015, on a motion brought by the Applicant, the Canadian Court granted an order (the "**February 2th Order**") recognizing the following orders of the U.S. Bankruptcy Court:

- a. Final Order (A) Authorizing LP DIP Obligors to Obtain Eighth 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 “**Eighth Replacement DIP Order**”);
- b. Eleventh 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 “**Twelfth Amended Cash Collateral Order**”);
- c. Order Scheduling Certain Hearing Dates and Establishing Deadlines in Connection With Chapter 11 Plan Process (the “**December 2014 Scheduling Order**”); and
- d. Order Approving (A) Second Amended Specific Disclosure Statement for Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code and (B) Solicitation Procedures and Shortened Deadlines With Respect to Confirmation of Such Plan (the “**Second Amended Specific Disclosure Statement Approval Order**”).

40. In connection with the February 2nd Order, the Information Officer filed its Twenty-Third Report to the Canadian Court dated January 30, 2015.

41. On April 9, 2015, on a motion brought by the Applicant, the Canadian Court granted an order (the “**April 9th Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order Confirming Modified Second Amended Joint Plan Pursuant To Chapter 11 Of Bankruptcy Code (the “**Confirmation Order**”);
- b. Order, Pursuant To 11 U.S.C. §§ 105(A) AND 363, Authorizing LightSquared to (A) Enter into and Perform Under Letters Related to \$1,515,000,000 Second Lien Exit Financing Arrangements, (B) Pay Fees and Expenses in Connection Therewith, and (C) Provide Related Indemnities (the “**Jefferies Exit Financing Order**”);

- c. Order Authorizing Payment of Alternative Transaction Fee in Connection with Proposed Plan of Reorganization (the “**Alternative Transaction Fee Order**”); and
- d. Order (A) Authorizing Use of Cash Collateral, if any, Through Plan Effective Date, (B) Establishing that Prepetition Secured Parties are Adequately Protected, and (C) Modifying Automatic Stay (the “**Cash Collateral Extension Order**”).

42. The April 9th Order also granted additional relief sought by the Foreign Representative related to the implementation of the Modified Second Amended Plan, releases and injunctions, and the termination of the stay of proceedings, among other things.

43. In connection with the April 9th Order, the Information Officer filed its Twenty-Fourth Report to the Canadian Court dated April 6, 2014. The April 9th Order also approved the Information Officer’s Twenty-Third Report and Twenty-Fourth 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-FIFTH REPORT OF
INFORMATION OFFICER
(Dated June 8, 2015)**

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