

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

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

GENERAL DISCLOSURE STATEMENT

- Voting Record Date: September 30, 2013 at 5:00 p.m. (prevailing Eastern time)
- Plan Objection Deadline: November 26, 2013 at 4:00 p.m. (prevailing Eastern time)
- Voting Deadline: November 29, 2013 at 4:00 p.m. (prevailing Pacific time)
- Confirmation Hearing: December 10, 2013 at 10:00 a.m. (prevailing Eastern time)

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF ANY PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE GENERAL DISCLOSURE STATEMENT AND SPECIFIC DISCLOSURE STATEMENTS HAVE BEEN APPROVED BY THE BANKRUPTCY COURT. THIS GENERAL DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL TO THE BANKRUPTCY COURT AND HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AT THIS TIME.

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Dated: New York, New York
August 29, 2013

¹ The Debtors in these Chapter 11 Cases (as defined below), along with the last four digits of each debtor's federal or foreign tax or registration identification number, are: LightSquared Inc. (8845), LightSquared Investors Holdings Inc. (0984), One Dot Four Corp. (8806), One Dot Six Corp. (8763), SkyTerra Rollup LLC (N/A), SkyTerra Rollup Sub LLC (N/A), SkyTerra Investors LLC (N/A), TMI Communications Delaware, Limited Partnership (4456), LightSquared GP Inc. (6190), LightSquared LP (3801), ATC Technologies, LLC (3432), LightSquared Corp. (1361), LightSquared Finance Co. (6962), LightSquared Network LLC (1750), LightSquared Inc. of Virginia (9725), LightSquared Subsidiary LLC (9821), Lightsquared Bermuda Ltd. (7247), SkyTerra Holdings (Canada) Inc. (0631), SkyTerra (Canada) Inc. (0629), and One Dot Six TVCC Corp. (0040). The location of LightSquared's corporate headquarters is 10802 Parkridge Boulevard, Reston, VA 20191.



THE DEADLINE TO ACCEPT OR REJECT THE COMPETING PLANS IS NOVEMBER 29, 2013 AT 4:00 P.M. (PREVAILING PACIFIC TIME) (THE “VOTING DEADLINE”), UNLESS THE DEBTORS, IN THEIR SOLE DISCRETION, EXTEND THE VOTING DEADLINE ON ONE OR MORE OCCASION. TO BE COUNTED, BALLOTS CAST ON BEHALF OF BENEFICIAL HOLDERS MUST BE RECEIVED BY KURTZMAN CARSON CONSULTANTS LLC, LIGHTSQUARED’S NOTICE, CLAIMS, SOLICITATION, AND BALLOTING AGENT (“KCC” OR THE “CLAIMS AND SOLICITATION AGENT”), NO LATER THAN THE VOTING DEADLINE.

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EXHIBITS

- Exhibit A** LightSquared's Prepetition Organizational Structure
- Exhibit B** August 7, 2013 Public Notice
- Exhibit C** Liquidation Analysis

ARTICLE I INTRODUCTION

On May 14, 2012 (the "Petition Date"), LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared" or the "Debtors") filed voluntary petitions for relief (collectively, the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

On May 18, 2012, the Chapter 11 Cases were recognized by the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") in accordance with Part IV of the Companies' Creditors Arrangement Act ("CCAA") as foreign main proceedings (collectively, the "Canadian Proceedings").

The purpose of this disclosure statement (including all exhibits hereto, the "General Disclosure Statement"), which was prepared by the Debtors, is to set forth information concerning the history of the Debtors, a description of their businesses, operations and capital structure, events leading up to the Chapter 11 Cases and the Canadian Proceedings, and significant events occurring in the Chapter 11 Cases. This General Disclosure Statement also contains general information regarding the solicitation of votes on any chapter 11 plan of reorganization that may be proposed in the Chapter 11 Cases (each, a "Competing Plan"). This General Disclosure Statement does not contain disclosures that are by their nature specific to individual Competing Plans.

Each proponent of a Competing Plan (a "Plan Proponent") is required to submit a specific disclosure statement (a "Specific Disclosure Statement") with respect to its Competing Plan.

Each Specific Disclosure Statement shall set forth information concerning, among other things, (a) the terms, provisions, and implications of the applicable Plan Proponent's Competing Plan and (b) the holders of Claims against, and Equity Interests in, the Debtors and their rights under the applicable Plan Proponent's Competing Plan.

THE STATEMENTS CONTAINED IN THIS GENERAL DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE OF SUCH DOCUMENTS, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED IN THIS GENERAL DISCLOSURE STATEMENT AND THE SPECIFIC DISCLOSURE STATEMENTS WILL BE CORRECT AT ANY TIME AFTER SUCH DATE. THE DELIVERY OF THIS GENERAL DISCLOSURE STATEMENT AFTER THE DATE HEREOF DOES NOT IMPLY THAT THERE HAS BEEN NO CHANGE IN INFORMATION SET FORTH HEREIN. LIGHTSQUARED HAS NO DUTY TO UPDATE THIS GENERAL DISCLOSURE STATEMENT UNLESS OTHERWISE ORDERED TO DO SO BY THE BANKRUPTCY COURT.

THIS GENERAL DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT A COMPETING PLAN IN THE CHAPTER 11 CASES. PLEASE READ THIS DOCUMENT WITH CARE. THE PURPOSE OF THIS GENERAL DISCLOSURE STATEMENT, ALONG WITH THE

SPECIFIC DISCLOSURE STATEMENTS OF ANY PLAN PROPONENT, IS TO PROVIDE “ADEQUATE INFORMATION” OF A KIND, AND IN SUFFICIENT DETAIL, AS FAR AS IS REASONABLY PRACTICABLE IN LIGHT OF THE NATURE AND HISTORY OF LIGHTSQUARED AND THE CONDITION OF LIGHTSQUARED’S BOOKS AND RECORDS, THAT WOULD ENABLE A HYPOTHETICAL, REASONABLE INVESTOR TYPICAL OF HOLDERS OF CLAIMS OR EQUITY INTERESTS OF THE RELEVANT CLASS TO MAKE AN INFORMED JUDGMENT CONCERNING EACH COMPETING PLAN. SEE 11 U.S.C. § 1125(A).

NO REPRESENTATIONS CONCERNING LIGHTSQUARED’S FINANCIAL CONDITION ARE AUTHORIZED BY LIGHTSQUARED OTHER THAN AS SET FORTH IN THIS GENERAL DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS). ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF ANY COMPETING PLAN THAT ARE OTHER THAN AS CONTAINED IN, OR INCLUDED WITH, THIS DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) OR A COURT-APPROVED SPECIFIC DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.

ALL CREDITORS AND HOLDERS OF EQUITY INTERESTS ARE ADVISED AND ENCOURAGED TO READ THIS GENERAL DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) AND EACH SPECIFIC DISCLOSURE STATEMENT AND COMPETING PLAN IN THEIR ENTIRETY. ALL CREDITORS AND HOLDERS OF EQUITY INTERESTS SHOULD READ CAREFULLY AND CONSIDER FULLY THE “GENERAL RISK FACTORS” SECTION HEREOF BEFORE VOTING FOR OR AGAINST ANY COMPETING PLAN. SEE **ARTICLE V HEREOF, “GENERAL RISK FACTORS.”**

THIS GENERAL DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(B) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (THE “BANKRUPTCY RULES”) AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. PERSONS OR ENTITIES TRADING IN, OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING SECURITIES OF LIGHTSQUARED, IF ANY, SHOULD NOT RELY UPON THIS GENERAL DISCLOSURE STATEMENT FOR SUCH PURPOSES AND SHOULD EVALUATE THIS GENERAL DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

THIS GENERAL DISCLOSURE STATEMENT HAS NEITHER BEEN REVIEWED, APPROVED, NOR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. NEITHER THE SOLICITATION OF VOTES TO ACCEPT OR REJECT A COMPETING PLAN (A “SOLICITATION”) NOR THIS GENERAL DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL, OR

THE SOLICITATION OF AN OFFER TO BUY, SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THE INFORMATION CONTAINED IN THE GENERAL DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES, AND CONFIRMATION, OF THE COMPETING PLANS AND MAY NOT BE RELIED UPON FOR ANY OTHER PURPOSE. THE GENERAL DISCLOSURE STATEMENT, THE SPECIFIC DISCLOSURE STATEMENTS, AND ANY ACCOMPANYING DOCUMENTS ARE THE ONLY DOCUMENTS TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ON THE COMPETING PLANS. ACCEPTANCES OF THE COMPETING PLANS MAY NOT BE SOLICITED UNTIL THE GENERAL DISCLOSURE STATEMENT AND SPECIFIC DISCLOSURE STATEMENTS HAVE BEEN APPROVED BY THE BANKRUPTCY COURT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE.

THIS GENERAL DISCLOSURE STATEMENT SUMMARIZES CERTAIN STATUTORY PROVISIONS, EVENTS IN THE RESTRUCTURING OF LIGHTSQUARED, AND FINANCIAL INFORMATION. LIGHTSQUARED BELIEVES THAT SUCH SUMMARIES ARE FAIR AND ACCURATE. FACTUAL INFORMATION CONTAINED IN THIS GENERAL DISCLOSURE STATEMENT HAS BEEN PROVIDED BY LIGHTSQUARED'S MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. LIGHTSQUARED IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT INACCURACY OR OMISSION.

THE INFORMATION CONTAINED IN THIS GENERAL DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE COMPETING PLANS AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON A COMPETING PLAN. HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE MUST RELY ON THEIR OWN EVALUATIONS OF LIGHTSQUARED AND THEIR OWN ANALYSES OF THE TERMS OF EACH COMPETING PLAN, INCLUDING, WITHOUT LIMITATION, ANY RISK FACTORS CITED HEREIN, IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT ANY COMPETING PLAN. NOTHING CONTAINED IN THIS GENERAL DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) SHALL CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT, LIABILITY, STIPULATION, OR WAIVER, AND FOR PURPOSES OF ANY CONTESTED MATTER, ADVERSARY PROCEEDING, OR OTHER PENDING OR THREATENED ACTION, THE CONTENTS HEREOF SHALL CONSTITUTE STATEMENTS MADE IN FURTHERANCE OF SETTLEMENT NEGOTIATIONS AND SHALL BE SUBJECT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY SIMILAR RULE OR STATUTE. THIS GENERAL DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) SHALL NOT BE ADMISSIBLE IN ANY PROCEEDING (OTHER THAN THE CHAPTER 11 CASES) INVOLVING LIGHTSQUARED OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE

ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF ANY COMPETING PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, LIGHTSQUARED. EACH HOLDER OF A CLAIM OR EQUITY INTEREST SHOULD CONSULT ITS OWN COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF EACH COMPETING PLAN ON HOLDERS OF CLAIMS OR EQUITY INTERESTS.

IRS CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX ADVICE CONTAINED IN THIS GENERAL DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE TAX CODE. TAX ADVICE CONTAINED IN THIS GENERAL DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THE GENERAL DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

LIGHTSQUARED PRESENTLY INTENDS TO CONSUMMATE A PLAN OF REORGANIZATION AS PROMPTLY AS POSSIBLE. THERE CAN BE NO ASSURANCE, HOWEVER, AS TO WHEN AND WHETHER CONFIRMATION OF A PLAN OF REORGANIZATION AND THE EFFECTIVE DATE OF A PLAN OF REORGANIZATION (THE "EFFECTIVE DATE") ACTUALLY WILL OCCUR.

A. OVERVIEW OF CHAPTER 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 of the Bankruptcy Code promotes equality of treatment for similarly situated creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the bankruptcy commencement date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Consummating a plan is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a plan binds the debtor, any person acquiring or receiving property under the plan, any creditor or equity interest holder of the debtor, and any other Entity as may be ordered by the bankruptcy court, in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtor's debt and equity interests in accordance with the terms of the confirmed plan.

B. OVERVIEW OF CCAA

The CCAA is one of the two primary insolvency statutes in Canada. The CCAA is a facilitative statute aimed at allowing financially distressed businesses to devise a plan of compromise or arrangement with their creditors, with a view to becoming viable in the future. Part IV of the CCAA provides for the recognition of foreign proceedings and largely reflects the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Cross-Border Insolvencies, aimed at advancing the fair and efficient administration of cross-border insolvencies.

C. SOLICITATION PROCESS AND VOTING PROCEDURES

The following summarizes the solicitation process and procedures for voting to accept or reject a Competing Plan. Holders of claims against the Debtors (each, a “Claim”) or equity interests in the Debtors (each, an “Equity Interest”) are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own attorneys.

1. Solicitation Process

a. General

This General Disclosure Statement and other documents described herein are being furnished by LightSquared to holders of Claims against, and Equity Interests in, the Debtors pursuant to the Bankruptcy Court’s order (the “Disclosure Statement Order”), as recognized in the Canadian Proceedings (the “Disclosure Statement Recognition Order”), for the purpose of soliciting votes on the Competing Plans. There will be no separate voting process for Canadian holders of Claims or Equity Interests, and Canadian holders of Claims or Equity Interests will be subject to the voting process set out in the Disclosure Statement Order, as recognized by the Disclosure Statement Recognition Order.

Copies of the Disclosure Statement Order entered by the Bankruptcy Court, the Disclosure Statement Recognition Order entered by the Canadian Court, and a notice (the “Confirmation Hearing Notice”) of, among other things, voting procedures and the dates set for objections to, and the hearing on, confirmation (the “Confirmation Hearing”) of the Competing Plans are also being transmitted with this General Disclosure Statement and the Specific Disclosure Statements. The Disclosure Statement Order and the Confirmation Hearing Notice set forth in detail the deadlines, procedures, and instructions for casting votes to accept or reject each of the Competing Plans, for filing objections to confirmation of any of the Competing Plans, the treatment for balloting purposes of certain types of Claims and Equity Interests, and the assumptions for tabulating ballots. In addition, detailed voting instructions will accompany each ballot, which are color-coded for each Class. Each Holder of a Claim or Equity Interest within a Class entitled to vote should read the General Disclosure Statement, the Specific Disclosure Statement(s) (including all exhibits, attachments, and other accompanying documents), the Competing Plan(s), the Disclosure Statement Order, the Confirmation Hearing Notice, and the instructions accompanying the ballots in their entirety before voting on any of the Competing Plan(s). These documents contain important information concerning how Claims and

Equity Interests are classified for voting purposes and how votes will be tabulated.

b. Who Is Entitled To Vote

Pursuant to the Disclosure Statement Order, the Bankruptcy Court has established September 30, 2013 (the "Voting Record Date") as the record date for determining the holders of Claims or Equity Interests entitled to vote to accept or reject the Competing Plan(s). Under the provisions of the Bankruptcy Code, not all parties in interest are entitled to vote on a chapter 11 plan. Creditors or equity interest holders whose claims or interests are not impaired by a plan are deemed to accept the plan under section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote. Creditors or equity interest holders whose claims or interests are impaired by a plan, but who will receive no distribution under a plan, are also not entitled to vote because they are deemed to have rejected the plan under section 1126(g) of the Bankruptcy Code.

Please refer to the Specific Disclosure Statement(s) for information concerning the parties in interest that are entitled to vote on each Competing Plan. You may be entitled to vote on one Competing Plan, multiple Competing Plans, or no Competing Plans.

c. Summary of Voting Procedures

If you are entitled to vote to accept or reject one or more Competing Plans, a ballot for each Competing Plan is enclosed for voting purposes. If you hold Claims or Equity Interests in more than one Class and you are entitled to vote Claims or Equity Interests in more than one Class, you will receive separate ballots, which must be used for each separate Class. Please vote and return your ballot(s) in accordance with the instructions set forth herein and the instructions accompanying your ballot(s).

TO BE COUNTED, YOUR VOTE INDICATING ACCEPTANCE OR REJECTION OF A COMPETING PLAN MUST BE PROPERLY COMPLETED IN ACCORDANCE WITH THE INSTRUCTIONS ON THE BALLOT, AND AN ORIGINAL COPY MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT NO LATER THAN 4:00 P.M. (PREVAILING PACIFIC TIME) ON NOVEMBER 29, 2013 (THE "VOTING DEADLINE") AT THE FOLLOWING ADDRESS (BY FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND-DELIVERY):

LightSquared Ballot Processing
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245

BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED. FAXED OR ELECTRONIC COPIES OF BALLOTS WILL NOT BE COUNTED.

ANY PROPERLY EXECUTED, TIMELY RECEIVED BALLOT THAT DOES NOT INDICATE EITHER ACCEPTANCE OR REJECTION OF THE COMPETING PLAN WILL NOT BE COUNTED. ANY PROPERLY EXECUTED, TIMELY RECEIVED BALLOT THAT INDICATES BOTH ACCEPTANCE AND REJECTION OF THE COMPETING PLAN WILL

NOT BE COUNTED. BALLOTS SHOULD NOT BE DELIVERED DIRECTLY TO LIGHTSQUARED, THE COURT, OR COUNSEL TO LIGHTSQUARED.

d. Inquiries

If you are a Holder of a Claim or Equity Interest entitled to vote on a Competing Plan and did not receive a ballot, received a damaged ballot, or lost your ballot, or if you have questions about the procedures for voting your Claim or Equity Interest or about the packet of materials that you received, please contact the Claims and Solicitation Agent, Kurtzman Carson Consultants LLC, by writing at 2335 Alaska Avenue, El Segundo, CA 90245, Attn: LightSquared, by telephone at (877) 499-4509, or by email at LightSquaredInfo@kccllc.com.

If you wish to obtain additional copies of the Competing Plan(s), this General Disclosure Statement, the Specific Disclosure Statement(s), or the exhibits to those documents, you may do so at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d): (i) from the Claims and Solicitation Agent (a) (except Ballots) at its website at <http://www.kccllc.net/lightsquared>, (b) by writing to Kurtzman Carson Consultants LLC, Attn: LightSquared, 2335 Alaska Avenue, El Segundo, CA 90245, (c) by calling (877) 499-4509, or (d) by emailing LightSquaredInfo@kccllc.com; or (ii) (except Ballots) for a fee via PACER at <http://www.nysb.uscourts.gov>.

2. Confirmation Hearing

Pursuant to section 1128 of the Bankruptcy Code, the Confirmation Hearing will be held on December 10, 2013 at 10:00 a.m. (prevailing Eastern time), before the Honorable Shelley C. Chapman, United States Bankruptcy Judge. The Bankruptcy Court has directed that objections, if any, to confirmation be filed and served so that they are received on or before November 26, 2013 at 4:00 p.m. (prevailing Eastern time). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court or LightSquared (at the Bankruptcy Court's direction) without further notice except for the announcement of the adjourned date made at the Confirmation Hearing or at any adjourned Confirmation Hearing. Should a confirmation order be entered, it is anticipated that recognition of such order will be sought in the Canadian Proceedings thereafter.

D. RISK FACTORS

Prior to deciding whether and how to vote on any Competing Plan, holders of Claims or Equity Interests in a voting class should read and consider carefully all of the information in the Competing Plan(s), the General Disclosure Statement, and the Specific Disclosure Statement(s), including the risk factors described in Article V hereof, entitled "**General Risk Factors.**"

E. DISCLAIMER

LightSquared represents that the contents of this General Disclosure Statement are true to the best of its knowledge. LightSquared nonetheless cannot, and does not, confirm the current accuracy of all statements appearing in this General Disclosure Statement. Moreover, the Bankruptcy Court has not yet determined whether any Competing Plan is confirmable, and the

Bankruptcy Court does not recommend whether you should vote to accept or reject any Competing Plan.

The discussion in this General Disclosure Statement regarding LightSquared may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as “may,” “expect,” “anticipate,” “estimate,” or “continue” or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward-looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. The liquidation analyses and other information are estimates only, and the timing and amount of actual distributions to holders of Claims and Equity Interests may be affected by many factors that cannot be predicted. Therefore, any analyses or estimates may or may not turn out to be accurate.

Nothing contained in this General Disclosure Statement is, or shall be deemed to be, an admission or statement against interest by LightSquared for purposes of any pending or future litigation matter or proceeding.

Although the attorneys, accountants, advisors, and other professionals employed by LightSquared have assisted in preparing this General Disclosure Statement based upon factual information and assumptions respecting financial, business, and accounting data found in the books and records of LightSquared, they have not independently verified such information and make no representations as to the accuracy thereof. The attorneys, accountants, advisors, and other professionals employed by LightSquared shall have no liability for the information in this General Disclosure Statement.

LightSquared and its professionals also have made a diligent effort to identify in this General Disclosure Statement pending litigation claims and projected objections to Claims and Equity Interests. However, no reliance should be placed on the fact that a particular litigation claim or projected objection to a claim and interest is, or is not, identified in this General Disclosure Statement.

F. RULES OF INTERPRETATION

The following rules for interpretation and construction shall apply to this General Disclosure Statement: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in such form or substantially on such terms and conditions; (3) any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified, or supplemented; (4) unless otherwise stated, all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time; (5) any reference herein to an

entity as a holder of a Claim or Equity Interest includes that entity's successors and assigns; (6) unless otherwise specified, all references herein to "**Articles**" are references to Articles hereof or hereto; (7) unless otherwise stated, the words "herein," "hereof," and "hereto" refer to the General Disclosure Statement in its entirety rather than to a particular portion of the General Disclosure Statement; (8) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of, or to affect, the interpretation hereof; (9) unless otherwise stated, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (10) any term used in capitalized form herein that is not otherwise defined herein or in the relevant Competing Plan, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules (as applicable); (11) in computing any period of time prescribed or allowed, the provisions of Bankruptcy Rule 9006(a) shall apply, and if the date on which a transaction may occur pursuant to this General Disclosure Statement shall occur on a day that is not a business day, then such transaction shall instead occur on the next succeeding business day; and (12) unless otherwise specified, all references in this General Disclosure Statement to monetary figures shall refer to currency of the United States of America.

ARTICLE II BACKGROUND

A. LIGHTSQUARED'S CORPORATE, BUSINESS OPERATIONS, AND CAPITAL STRUCTURE

1. Corporate History

LightSquared Inc., a mobile communications company, was incorporated under a predecessor name in Delaware in 1985. On March 29, 2010, SkyTerra Communications, Inc. ("SkyTerra"), LightSquared Inc.'s predecessor company, consummated a merger with Sol Private Corp. ("Sol Private"), resulting in certain Harbinger Capital Partners (together with each of its managed and affiliated funds and wholly owned subsidiaries, "Harbinger") investment funds acquiring all of the outstanding stock of SkyTerra not previously held by Harbinger. Following the consummation of the merger, SkyTerra continued as the surviving corporation and was wholly owned by Harbinger through HGW US Holding Company, L.P. ("HGW US"). SkyTerra subsequently changed its name to LightSquared Inc. on July 20, 2010.

As of the Petition Date, Harbinger indirectly owned approximately 96% of LightSquared Inc.'s outstanding common stock.

LightSquared Inc. owns, directly or indirectly, approximately twenty-six (26) domestic and foreign subsidiaries in various jurisdictions throughout the United States and in three (3) foreign countries. LightSquared Inc. and substantially all of its U.S. and Canadian subsidiaries are Debtors in these Chapter 11 Cases.²

² TVCC Holding Company, LLC, TVCC Intermediate Corp., Columbia One Six Partners IV, Inc., Columbia FMS Spectrum Partners IV, Inc., TVCC One Six Holdings LLC, and CCMM I LLC are not Debtors in these Chapter 11 Cases. Moreover, LightSquared (UK) Limited, LightSquared Inc.'s indirect British subsidiary, is not a Debtor in these Chapter 11 Cases.

A chart summarizing LightSquared's prepetition organizational structure is attached hereto as Exhibit A.

2. LightSquared's Business Operations

a. LightSquared's Satellite Business

LightSquared was the first private mobile satellite-communications company to offer mobile satellite services throughout North America, initially using two geostationary satellites³ as well as a portion of the electromagnetic spectrum known as the L-band. Since its first satellite became operational in 1996, LightSquared has provided mobile satellite services – which include data, voice, fax, and dispatch services – to companies and federal, state, provincial, local, and foreign governments that are wholesale purchasers of bandwidth power and capacity, resellers of telephony, data, and dispatch services, and retail voice users. As of the Petition Date, LightSquared's mobile satellite business generated approximately \$30 million in annual revenue and provided service to approximately 300,000 end users.

LightSquared launched SkyTerra-1 in November 2010, which is one of two next-generation satellites that have been constructed by Boeing Satellites Systems Inc. under contract to LightSquared. LightSquared's next-generation satellites are two of the most powerful mobile satellites ever constructed. Each is equipped with a twenty-two (22) meter (seventy-five (75) foot) diameter antenna, which provides ten (10) times better performance than that provided by LightSquared's prior satellites. The satellites have the capability of forming up to five hundred (500) beams over North America and can operate with devices that are as small as standard mobile phones or USB modems. The SkyTerra-1 and SkyTerra-2 satellite networks utilize state-of-the-art ground-based beam forming systems. Such systems allow flexibility in beam shapes, number, bandwidth allocation, and beam power allocation, all of which can be controlled through the ground systems, which is unprecedented in prior mobile satellite systems. SkyTerra-1 is fully operational, and SkyTerra-2 is constructed and stored in preparation for launch.

LightSquared currently operates three (3) lines of business, including Mobile Satellite Communications (“MSAT”), Mobile Data Services (“MDS”), and Private Network Carriers (“PNC”) through a wholesale business model whereby LightSquared bills its partners at a wholesale rate and its partners contract with and bill the end users directly. Through these three lines of business, LightSquared had over fifteen (15) wholesale partners as of the Petition Date, including, but not limited to, Viasat, Comtech Mobile Datacom Corporation, XATA Corporation, SkyBitz, Outerlink, Fugro Satellite Positioning Inc., Wireless Matrix, EMS Technologies/Honeywell, Network Innovations, Glentel, Astrum, Infosat, Inmosat, and International Satellite Service, that collectively supported approximately 300,000 end users across several markets throughout North America.

³ These two first-generation satellites, known as MSAT-1 and MSAT-2, currently provide services to some existing customers. Both MSAT-1 and MSAT-2 are approaching the ends of their useful lives and are part of the Prepetition LP Collateral (as defined below). They have, in the past, experienced anomalies and Solid State Power Amplifier failures and neither currently operates at full capacity.

(i) *MSAT Business*

LightSquared's MSAT business provides circuit-switched voice, low data rate services, and push-to-talk ("PTT") services, which are sold through LightSquared's authorized wholesale service providers and are utilized by a variety of governmental agencies at the federal, state, and local level, as well as by various markets in the enterprise space. LightSquared is currently the only commercial satellite operator in North America offering PTT service. LightSquared's two-way, PTT radio service over satellite is a popular option for communications in remote areas or during emergency situations, and its dispatch or two-way radio style is familiar to the public safety community and ideal for command and control. Thus, in the public/government sector, LightSquared's MSAT business serves end users in public safety, emergency management, and defense as well as health and education.

Specifically, LightSquared's PTT products and services were utilized by public safety and education (such as the University of North Carolina Wilmington) end users during, and in preparation for, several disasters, including, among others, Hurricane Katrina (Mississippi Department of Wildlife, Fisheries, and Parks), Hurricane Gustav (several federal, state, and local agencies), Hurricane Irene (DE State Police and MD Emergency Management Agency), Kentucky ice storms (Kentucky Department for Public Health), and the tornadoes in Kentucky (Kentucky Department for Public Health). In all of these disasters, LightSquared's mobile satellite service, with its PTT capability, provided instant communications for public safety agencies and a means for interoperability among disparate agencies.

Moreover, in recent years, the United States has faced a variety of costly natural and man-made disasters, including hurricanes, tornadoes, wildfires, flooding, and earthquakes, as well as the 9/11 terrorist attacks, which have amplified the need for dependable communications that enable organizations to communicate with each other. Often, the only means available to the public safety/emergency responder community to do so is through mobile satellite communications. To address these needs, federal, state, and local agencies have voluntarily banded together with LightSquared in a public-private partnership to create the Satellite Mutual Aid Radio Talkgroup ("SMART") program – enabling nationwide and regional interoperability at no additional cost to LightSquared users. Since SMART is a feature provided at no cost to LightSquared's public safety end users, the SMART program, incorporating such SMART feature, is a cost-efficient program that delivers measurable return on investment – swift and reliable communications interoperability for emergency response and contingency operations. With the rapid growth of SMART, public safety and emergency responders have a resource that enables communications interoperability that is immediate, reliable, and always available.

It is thus no surprise that the nationwide and regional SMART end users include, among others, (a) JSMART, utilized by public safety agencies across the country and managed by the DOJ Wireless Management, (b) LSMART, utilized nationally by law enforcement and managed by the U.S. Marshals Service, (c) USMART, utilized by urban search and rescue teams across the United States and managed by the Montgomery County, Maryland Fire & Rescue Service, (d) NE SMART, utilized by the northeast states and managed by the Connecticut State Police, (e) WSMART, utilized by the western states and managed by the California Emergency

Management Agency, and (f) MWSMART, utilized by the midwest states and managed by the Indiana Department of Homeland Security.

The MSAT line of business also serves various markets in the enterprise space, including maritime, oil and gas, utilities, transportation, media, and recreation. In the maritime vertical market, especially in Alaska, fishermen rely on LightSquared's PTT capability while at sea in extreme environments, especially north of 60° toward the Aleutians. Additionally, enterprise users in the oil and gas industry rely on LightSquared's mobile satellite service in the Gulf region to communicate with workboats and on oil rigs/platforms for instantaneous communication between rigs/boats and back to operations centers on the coast.

(ii) MDS Business

LightSquared's second line of business, MDS, is a low data rate service offering used primarily for applications such as fleet and load management, email, vehicle tracking, two-way messaging, and broadcast messaging. Like LightSquared's MSAT services, MDS is sold through LightSquared's authorized wholesale service providers and is utilized by various end users. One such end user, the New Mexico State Police, utilizes MDS in police cruisers to enable officers to perform database lookups on ruggedized laptops in remote areas where no terrestrial communications exist and LightSquared's satellite service is the only means by which to meet this critical data communications requirement in an effective manner.

(iii) PNC Business

Finally, LightSquared's third line of business, PNC, enables customers to lease bandwidth from LightSquared over which they offer custom satellite data solutions (typically, asset tracking services for truck and rail) to a wide variety of end users. In connection therewith, LightSquared's PNC customers are responsible for developing a custom air interface, providing hub, end user equipment, and servicing end users. One of LightSquared's largest PNC customers, SkyBitz, provides asset tracking services through LightSquared's satellite capacity for Tri State Motor Transit Co., an end user that hauls high-risk cargo such as munitions, explosives, and nuclear fuel bound for sites from coast to coast. LightSquared's satellite capacity ensures that trailers hauling this cargo are constantly tracked where terrestrial communications do not exist. Another PNC customer, Comtech Mobile Datacom Corp., provides service to the United States military, utilizing LightSquared's service in North America in connection with the Blue Force Tracking system that tracks all military assets.

b. LightSquared's Terrestrial Component of Satellite Business

In the late 1990s, LightSquared determined that adding a terrestrial (i.e., land-based) component to its satellite system would optimize the use of the L-band and provide a communications system with superior reliability and coverage. By combining a nationwide system of terrestrial base stations with one of the largest commercial satellites ever launched – the state-of-the-art SkyTerra-1 – LightSquared could offer the expansive coverage of a satellite system in North America and the capacity of a next-generation, high-speed wireless broadband network.

LightSquared determined that a significant market opportunity was created for a wholesale-only, 4th Generation Long Term Evolution (“4G LTE”) terrestrial wireless network due to, among other things, (i) the proliferation of new mobile devices, such as smartphones and tablets, which accelerated demand for ubiquitous, on-the-go, data-rich internet services, (ii) limited terrestrial wireless network capacity available to support increased data usage, and (iii) substantial costs and barriers to entry preventing smaller carriers and new operators from deploying nationwide 4G LTE networks. LightSquared believed that many wireless operators would face significant challenges meeting network demands due to the mismatch between spectrum availability and the forecasted demands for mobile broadband. This led LightSquared to conclude that many wireless carriers would be unable to deploy sufficient 4G LTE network capacity on their own in a timely and cost-effective manner. To address this imbalance, LightSquared’s strategy was, and currently remains, to deploy its 4G LTE terrestrial wireless network on a wholesale basis to be used by existing wireless network carriers as well as new and existing mobile virtual network operators that would serve retail wireless customers with new and innovative 4G data offerings.

Accordingly, LightSquared initiated the process of building a wholesale-only, 4G LTE terrestrial wireless network that incorporates satellite coverage throughout North America. Through its wholesale-only business model, service providers without their own wireless network, or that have limited geographic coverage or spectrum, would be able to market and sell their own services using the LightSquared network at a competitive price and without retail competition from LightSquared.

c. LightSquared’s Spectrum and Wholesale Agreements

(i) LightSquared’s Coordinated Spectrum

Key to the implementation of LightSquared’s 4G LTE terrestrial wireless network is the availability of licensed or leased 51 MHz of spectrum to LightSquared, which consists of the following:⁴

- 24 MHz. 24 MHz of L-band Mobile Satellite Service (“MSS”) coordinated spectrum held by LightSquared LP and SkyTerra (Canada) Inc. These spectrum holdings are subject to the following licenses granted by the Federal Communications Commission (“FCC”) or Industry Canada to LightSquared Subsidiary LLC or SkyTerra (Canada) Inc., each a wholly owned direct or indirect subsidiary of LightSquared LP:
 - A license to launch and operate (a) an L-band MSS satellite initially referred to as AMSC-1 (now named MSAT-2), which operates at the 103.3 West

⁴ LightSquared previously also had access to an additional 8 MHz of 1.4 GHz leased terrestrial spectrum held by One Dot Four Corp., a wholly owned direct subsidiary of LightSquared Inc. In July 2010, One Dot Four Corp. entered into that certain Long-Term De Facto Transfer Lease Agreement (the “One Dot Four Lease”) with TerreStar 1.4 Holdings LLC (a bankruptcy remote subsidiary of TerreStar Corporation) and TerreStar Corporation to lease the exclusive rights held by TerreStar 1.4 Holdings LLC, under licenses issued by the FCC, to use spectrum located at the 1390-1395 MHz and 1432-1435 MHz frequencies to offer service in the United States. The One Dot Four Lease, however, was terminated on April 20, 2012, thereby terminating LightSquared’s access to this portion of the spectrum.

Longitude orbital position, and (b) MSV-1 (re-named SkyTerra-1), a replacement second-generation L-band MSS satellite, which operates at the 101.3 West Longitude orbital position.

- A license to launch and operate an L-band MSS satellite known as MSAT-1, which operates at the 106.5 West Longitude orbital position and an Approval in Principle to launch and operate MSV-2 (re-named SkyTerra-2), a replacement second-generation L-band MSS satellite at the 107.3 West Longitude orbital position.
- Multiple spectrum licenses and authorizations to make use of LightSquared's portion of the 1626.5 – 1660.5 MHz (Uplink) and 1525 – 1559 MHz (Downlink) L-band spectrum for service links and the 12.75-13.25 GHz (Uplink) and 10.7-10.95, 11.2-11.45 GHz (Downlink) spectrum for feeder links in the provision of MSS services in Canada and the United States via the MSAT-1, MSAT-2, SkyTerra-1, and SkyTerra-2 satellites. The Canadian portion of the L-band spectrum has been authorized for use in the United States and the U.S. portion of this spectrum has been authorized for use in Canada.

In 2003, the FCC permitted MSS licensees, including LightSquared Subsidiary LLC (f/k/a SkyTerra Subsidiary LLC), to deploy Ancillary Terrestrial Component (“ATC”) networks (subject to certain technical and service requirements), which meant that LightSquared could operate a terrestrial wireless network. In March 2010, the FCC issued an order granting LightSquared Subsidiary LLC additional flexibility for the design of its ATC network and enabling it to operate with greater capacity and spectrum efficiency.

- Additional 22 MHz. The 24 MHz of L-band MSS coordinated spectrum held by LightSquared LP and SkyTerra (Canada) Inc. may be increased by 22 MHz to an aggregate of 46 MHz⁵ of aggregate L-band ATC spectrum pursuant to that certain Amended and Restated Cooperation Agreement, dated as of August 6, 2010 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the “Inmarsat Cooperation Agreement”), by and between LightSquared LP, SkyTerra (Canada) Inc., LightSquared Inc., and Inmarsat Global Limited (“Inmarsat”), which governs the use of L-band spectrum for both MSS and ATC services in North America. In the current phase of the Inmarsat Cooperation Agreement, LightSquared holds a total of 24 MHz of L-band spectrum. LightSquared LP and SkyTerra (Canada) Inc. will have the option to implement coordinated access for up to 2 x 23 MHz of L-band spectrum (including large 10 x 10 MHz blocks of contiguous channels) at their election until March 31, 2014. As a result, LightSquared ultimately will have access to 46 MHz of L-band coordinated spectrum in the United States and Canada, consisting of the coordinated 24 MHz currently allocated to LightSquared LP and SkyTerra (Canada) Inc. and the 22 MHz of additional coordinated spectrum through the implementation of the Inmarsat Cooperation Agreement.

⁵ Currently, 6 MHz of the 46 MHz must be used for satellite-only purposes.

- 5 MHz. An additional 5 MHz of 1.6 GHz leased terrestrial spectrum of One Dot Six Corp., a wholly owned direct subsidiary of LightSquared Inc., is available. On July 16, 2007, TVCC One Six Holdings LLC, an indirectly wholly-owned subsidiary of One Dot Six Corp., entered into a Master Agreement (the “Crown Castle Master Agreement”) with Crown Castle MM Holding LLC and OP LLC (“OP” and, together with Crown Castle MM Holding LLC, “Crown Castle”), in which the parties agreed to enter into either a long-term de facto transfer lease agreement or a spectrum management lease agreement with respect to the lease by OP of its rights to TVCC One Six Holdings LLC under a license issued by the FCC to use spectrum at the 1670-1675 MHz frequencies and Call Sign WPYQ831 in the United States. On April 13, 2010, One Dot Six Corp. acquired all of TVCC One Six Holdings LLC’s rights to use this spectrum under its lease with Crown Castle pursuant to that certain Lease Purchase Agreement, between One Dot Six Corp., as purchaser, TVCC One Six Holdings LLC, as seller, and TVCC Holding Company, LLC (the “One Dot Six Lease Purchase Agreement” and, collectively with all rights conveyed thereby to One Dot Six Corp. in that certain (a) Long-Term De Facto Transfer Lease Agreement, dated as of July 23, 2007, between OP LLC, as lessor, and TVCC One Six Holdings, LLC, as lessee, and (b) the Long-Term De Facto Transfer Sublease Agreement, dated as of August 13, 2008, between OP LLC, as lessee, and TVCC One Six Holdings, LLC, as lessor, the “One Dot Six Lease”). One Dot Six Corp. also acquired in the Crown Castle Master Agreement a purchase option to acquire the underlying FCC license for this spectrum.

(ii) *LightSquared’s Wholesale Agreements*

LightSquared’s success in attracting wholesale customers interested in purchasing capacity on its 4G LTE terrestrial wireless network has been key to the successful implementation of its wholesale-only business plan to date, and is indicative of the significant market opportunity that exists for LightSquared’s wholesale 4G LTE strategy. Prior to the deterioration of the FCC regulatory approval process in late 2011 and early 2012 (as discussed in further detail below), LightSquared had made exceptional progress marketing its wholesale 4G LTE services to a wide range of potential customers. As of the date hereof, LightSquared has entered into wholesale agreements with over thirty (30) customers, including regional wireless operators and national retailers. LightSquared had also entered into discussions or advanced negotiations with numerous potential wholesale customers within a variety of sectors, including wireless carriers and resellers, national retailers, consumer electronics manufacturers, cable operators, wireline carriers, satellite operators, and other communication service providers.

3. Prepetition Capital Structure

a. Loan Facilities

(i) *LightSquared Inc. Facility*

Certain of the Debtors are party to that certain Credit Agreement, dated as of July 1, 2011 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the “Prepetition Inc. Credit Agreement”), between LightSquared Inc., as borrower, the subsidiary guarantors party thereto, namely One Dot Four Corp., One Dot Six Corp., and One Dot Six

TVCC Corp. (each, a “Prepetition Inc. Subsidiary Guarantor” and, collectively, the “Prepetition Inc. Subsidiary Guarantors”), the lenders party thereto, including Harbinger (collectively, the “Prepetition Inc. Lenders”), and U.S. Bank National Association, as successor administrative agent to UBS AG, Stamford Branch (in such capacity, the “Prepetition Inc. Agent”). The Prepetition Inc. Lenders provided term loans in the original aggregate principal amount of \$263,750,000 (the “Prepetition Inc. Credit Facility”). Pursuant to that certain Waiver and Second Amendment to Credit Agreement, dated as of March 15, 2012 (the “Inc. Waiver and Amendment”), between LightSquared Inc., the Prepetition Inc. Subsidiary Guarantors, the Prepetition Inc. Lenders, and the Prepetition Inc. Agent, the maturity date for the Prepetition Inc. Credit Facility was extended from July 1, 2012 to December 31, 2012.

Amounts outstanding under the Prepetition Inc. Credit Facility are secured by a first-priority security interest in (a) the One Dot Six Lease, (b) the capital stock of each Prepetition Inc. Subsidiary Guarantor (i.e., One Dot Four Corp., One Dot Six Corp., and One Dot Six TVCC Corp.), and (c) all proceeds and products of each of the foregoing (collectively, the “Prepetition Inc. Collateral”).⁶

Pursuant to a certain Lender Subordination Agreement, dated as of March 29, 2012 (the “Inc. Lender Subordination Agreement”), between and among certain Affiliate Lenders and Non-Affiliate Lenders (each as defined in the Inc. Lender Subordination Agreement), Harbinger agreed to subordinate its Liens (as such term is used in the Inc. Lender Subordination Agreement) and Claims to those of the other Prepetition Inc. Lenders under the Prepetition Inc. Credit Facility.

As of the Petition Date, an aggregate amount of approximately \$322,203,486.02 was outstanding under the Prepetition Inc. Credit Facility. As of July 31, 2013, an aggregate amount of \$397,382,973.01 in principal and accrued interest, excluding prepayment fees, was outstanding under the Prepetition Inc. Credit Facility.

(ii) *LightSquared LP Facility*

Certain of the Debtors are also party to that certain Credit Agreement, dated as of October 1, 2010 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the “Prepetition LP Credit Agreement”), between LightSquared LP, as borrower, LightSquared Inc. and the other parent guarantors party thereto, namely LightSquared Investors Holdings Inc., LightSquared GP Inc., and TMI Communications Delaware, Limited Partnership (collectively, the “Prepetition LP Parent Guarantors”), the subsidiary guarantors party thereto, namely ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc. (collectively, the “Prepetition LP Subsidiary Guarantors”), the lenders party thereto (the “Prepetition LP Lenders” and, together with the Prepetition Inc. Lenders, the “Prepetition Lenders”), UBS AG, Stamford Branch, as administrative agent (in such capacity, and together with Wilmington Trust FSB,⁷ the “Prepetition LP Agent” and, together with the Prepetition Inc.

⁶ Previously, the Prepetition Inc. Credit Facility also was collateralized by the One Dot Four Lease. However, such lease is no longer part of the collateral package given that such lease has been terminated (as discussed above).

Agent, the “Prepetition Agents”), and other parties thereto, under which the Prepetition LP Lenders provided term loans in the aggregate principal amount of \$1,500,000,000 (the “Prepetition LP Credit Facility”).

Amounts outstanding under the Prepetition LP Credit Facility are secured by a first-priority security interest in (a) substantially all of the assets of LightSquared LP and the Prepetition LP Subsidiary Guarantors, (b) the equity interests of LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.), (c) the equity interests of the Prepetition LP Subsidiary Guarantors, and (d) the rights of LightSquared Inc. under and arising out of the Inmarsat Cooperation Agreement (collectively, the “Prepetition LP Collateral”).⁸

As of the Petition Date, an aggregate amount of approximately \$1,700,571,106 was outstanding under the Prepetition LP Credit Facility.

b. Stockholders’ Equity

(i) LightSquared Inc. Series A and B Preferred Stock

LightSquared Inc., a privately-held company, has issued 50,505 shares of Convertible Series A Preferred Stock and 175,872.34 shares of Convertible Series B Preferred Stock (collectively, the “Existing Inc. Preferred Stock”). The Existing Inc. Preferred Stock is entitled to vote on all matters on which holders of common stock of LightSquared Inc. are entitled to vote, on an as-converted basis voting as a single class with all other shares entitled to vote on such matters. The shares of Existing Inc. Preferred Stock are convertible into shares of common stock of LightSquared Inc. at any time and are subject to mandatory conversion at LightSquared Inc.’s option upon the occurrence of certain events. The Existing Inc. Preferred Stock is subject to mandatory redemption on the date that is five (5) years after the issue date of such Existing Inc. Preferred Stock and at the option of the holder of such Existing Inc. Preferred Stock upon

⁷ Wilmington Trust FSB serves as collateral trustee pursuant to that certain Collateral Trust Agreement, dated as of October 1, 2010 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the “LP Collateral Trust Agreement”), between LightSquared LP, UBS AG, Stamford Branch, and Wilmington Trust FSB.

⁸ The Prepetition LP Collateral does not include the following: (a) any permit or license issued by a Governmental Authority (as defined in the Prepetition LP Credit Agreement) or other agreement to the extent the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license, or other agreement; (b) property subject to any purchase money or vendor financing if the contract or other agreement in which such lien is granted validly prohibits the creation of any other lien on such property; (c) property subject to any capital lease; (d) any intent-to-use trademark application to the extent a security interest therein would result in the loss by the pledgor thereof of any material rights therein; (e) certain deposit and securities accounts securing currency hedging or credit card vendor programs or letters of credit provided to vendors in the ordinary course of business; (f) equity interests in (i) excess of 66% in non-U. S. subsidiaries held by a US subsidiary, (ii) LightSquared Network LLC, and (iii) any joint venture or similar entity to extent the terms of such investment restrict such security interest; and (g) any consumer goods subject to the Canadian Security Agreement (as defined in the Prepetition LP Credit Agreement) (collectively, the “Prepetition LP Excluded Collateral”).

the occurrence of certain events. The Existing Inc. Preferred Stock ranks senior with respect to distributions to LightSquared Inc.'s outstanding common stock.

(ii) *LightSquared LP Series A Preferred Units*

LightSquared LP has 164,646.47 outstanding non-voting Series A Preferred Units ("Existing LP Preferred Units"). Subject to certain consent rights, the Existing LP Preferred Units have no voting rights. Consent of a majority of the Existing LP Preferred Units is required to make certain amendments to LightSquared LP's organizational documents, effect certain capital contributions, issue securities that are senior or *pari passu* to the Existing LP Preferred Units with respect to distributions, pay certain dividends, or incur certain indebtedness. The Existing LP Preferred Units are exchangeable into shares of common stock of LightSquared Inc. at any time at the option of the holders and are subject to mandatory exchange at LightSquared Inc.'s option upon the occurrence of certain events. The Existing LP Preferred Units are subject to mandatory redemption on the date that is five (5) years after the issue date of such Existing LP Preferred Units and at the option of LightSquared LP or the holder of such Existing LP Preferred Units upon the occurrence of certain events. The Existing LP Preferred Units rank senior with respect to distributions to LightSquared LP's outstanding common units.

(iii) *LightSquared Inc. Common Stock*

LightSquared Inc. has issued 91,878,629 shares of common stock to HGW US, an indirect wholly owned subsidiary of Harbinger, and 3,387,916 shares to SK Telecom Co., Ltd. (collectively, the "Existing Inc. Common Stock"). Each holder of Existing Inc. Common Stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders.

(iv) *LightSquared LP Common Units*

LightSquared LP's common units (the "Existing LP Common Units") are all indirectly owned by LightSquared Inc.

(v) *LightSquared Inc. Warrants*

As of July 31, 2013, LightSquared Inc. has issued warrants (the "Warrants") to purchase approximately 7,214,405 shares of common stock of LightSquared Inc., exercisable at strike prices ranging between \$0.01 to \$34.39 per common share. The Warrants are exercisable at any time up to five (5) years following the applicable issuance dates. The Warrants contain customary anti-dilution protections.

ARTICLE III CHAPTER 11 CASES

The following is a general summary of the significant events leading to the Chapter 11 Cases and the events that took place during the Chapter 11 Cases.

A. EVENTS LEADING TO CHAPTER 11 CASES

1. FCC Process

LightSquared's FCC authority to provide terrestrial services over the coordinated spectrum on which its MSS satellites currently operate is the result of over a decade of regulatory processes involving scores of interested parties, including members of the Global Positioning System ("GPS") industry and numerous federal agencies. Those proceedings started in 2001. By March 2010, (i) LightSquared held FCC authorizations allowing it to operate a terrestrial wireless system at power levels and with a geographic scope similar to those used by other wireless operators, (ii) the terms of those authorizations had been coordinated with all affected government agencies, and (iii) LightSquared had executed two written agreements with the leading GPS industry association, and that association itself claimed the agreements addressed all GPS concerns about the LightSquared network.

In March 2010, the FCC also approved the acquisition by Harbinger of the entity now known as LightSquared Subsidiary LLC (the "2010 FCC Change of Control Order"). The FCC conditioned its approval of that transfer of control on LightSquared actually moving forward with its plan to provide 4G LTE mobile broadband service which would consist of a nationwide terrestrial network utilizing tens of thousands of base stations and would be capable of serving tens of millions of customers. Namely, the FCC imposed an aggressive network build-out schedule on LightSquared, requiring coverage of at least 100 million people by December 31, 2012, at least 145 million by December 31, 2013, and at least 260 million people by December 31, 2015. LightSquared, in reliance on this approval and to ensure that it satisfied the FCC's conditions for approval in full, invested billions of dollars and entered into (a) that certain Master Services Agreement, dated as of June 3, 2011 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the "Sprint Master Services Agreement"), with SprintCom, Inc. ("Sprint"), pursuant to which Sprint agreed to design, deploy, operate, manage, and maintain a nationwide terrestrial broadband mobile network that would utilize LightSquared's coordinated spectrum to provide 4G wireless services throughout the United States, and (b) other agreements to deploy its nationwide terrestrial wireless network.

In November 2010, LightSquared sought a modification of its ATC authorizations to provide LightSquared with additional flexibility with respect to the mobile devices (such as handsets) that end users utilize. To allow LightSquared's wholesale customers to provide a competitive offering to end users, LightSquared sought, and received, permission from the FCC to allow end users to purchase terrestrial-only mobile devices, rather than requiring them to only purchase combined terrestrial and satellite-based mobile devices that they might not desire (the "Conditional Waiver Order"). The FCC conditioned this approval on LightSquared also making available some mobile devices that work with both the satellite and terrestrial components of its integrated network, and LightSquared structuring all of its wholesale pricing with a single rate

for access to both the satellite and terrestrial network, regardless of whether end users used both services.

In the course of the proceeding that resulted in the issuance of the Conditional Waiver Order, the GPS community raised concerns that certain GPS receivers might not operate properly in the vicinity of LightSquared's terrestrial network – despite its prior agreement with LightSquared that all such concerns had been addressed.⁹

Based on those concerns, the FCC established conditions that LightSquared must satisfy before it can provide terrestrial-only mobile service over the LightSquared network pursuant to the Conditional Waiver Order. Specifically, the FCC required LightSquared to work with the commercial GPS industry to investigate certain technical issues related to concerns raised by GPS interests and to develop constructive solutions to address any documented threat of “harmful interference” from LightSquared's operations into GPS receivers. The FCC stated that this condition would be deemed satisfied when the FCC – after consultation with the National Telecommunications and Information Administration (the “NTIA”) – concluded that those concerns had been resolved sufficiently. On February 14, 2012 – after LightSquared had worked with the GPS industry and a variety of government agencies for a number of months – NTIA provided the FCC with a letter (the “NTIA Letter”) asserting that there currently was no practical way to mitigate the interference concerns of the GPS industry arising from the operation of LightSquared's planned terrestrial base stations in the 1525-1559 MHz band.

The next day, on February 15, 2012, the FCC issued a public notice (the “2012 Public Notice”) soliciting comment on the conclusions in the NTIA Letter and asking whether the FCC should vacate the Conditional Waiver Order and modify LightSquared's satellite licenses to suspend indefinitely LightSquared's underlying ATC authority. Significantly, the 2012 Public Notice explained that the concerns addressed by the NTIA Letter were associated “with LightSquared's planned terrestrial base stations rather than the mobile handsets at issue in the Conditional Waiver Order.”¹⁰

The FCC invited interested parties to comment on these proposals. LightSquared filed its comments to the 2012 Public Notice on March 16, 2012 and filed its reply to the comments of other interested parties on March 30, 2012.

2. Cost-Cutting Measures and Negotiations with Respect to Prepetition Inc. Credit Agreement and Prepetition LP Credit Agreement

Throughout the first quarter of 2012, LightSquared faced liquidity challenges. Specifically, LightSquared LP was obligated to make a \$25 million interest payment to the Prepetition LP Lenders on March 30, 2012, which reduced the availability of cash on hand to LightSquared LP. Moreover, although LightSquared was able to extend the maturity date of the

⁹ The source of the concern stems from the fact that unlicensed GPS receivers operate in the 1559-1610 MHz band, directly adjacent to the 1525-1559 MHz band in which LightSquared operates on a licensed basis. The GPS industry has designed many of its unlicensed receivers in a manner that renders them incapable of filtering out signals transmitted in LightSquared's licensed portion of the spectrum.

¹⁰ (2012 Public Notice ¶ 9.)

Prepetition Inc. Credit Facility to December 31, 2012 in connection with the Inc. Waiver and Amendment, in light of, among other things, the turn of events in the FCC process and the GPS industry's allegations, LightSquared was not able to refinance the facility or raise capital to aid it in the deployment of its 4G LTE terrestrial wireless network (as required by the FCC).

In an attempt to ease its liquidity constraints and preserve cash, LightSquared began to undertake substantial cost-cutting initiatives during the first quarter of 2012, including executing a major reduction in staff and entering into negotiations with its contractual counterparties to defer or reduce payments. As part of this effort, LightSquared successfully renegotiated the Inmarsat Cooperation Agreement, pursuant to that certain Amendment No. 2, dated as of April 18, 2012 with more certainty and options to elect spectrum for Phase 2, to (a) suspend Phase 2 (as defined in the Inmarsat Cooperation Agreement) of the Inmarsat Cooperation Agreement until March 31, 2014, with the understanding that LightSquared may, at its option, elect to restart Phase 2 prior to such date; (b) during such period of suspension, eliminate any Phase 2 payments to Inmarsat, including the quarterly payment of approximately \$29.6 million due on March 31, 2012 (which, if not paid, would have triggered cross-defaults under both the Prepetition Inc. Credit Agreement and the Prepetition LP Credit Agreement), and (c) on April 1, 2014, or an earlier date as elected by LightSquared, recommence Phase 2 payments based on a restructured payment plan that would differ from the previous Phase 2 payments and be dependent on certain future outcomes with regard to deployment of the LightSquared network. In addition, a payment for certain transition efforts was renegotiated within the scope of the amended terms for Phase 2. LightSquared also terminated the One Dot Four Lease at this time, thereby obviating the requirement to pay TerreStar 1.4 Holdings LLC \$2 million on March 23, 2012 and an additional \$2 million on April 23, 2012.

On March 16, 2012, Sprint terminated the Sprint Master Services Agreement, an event which LightSquared considered to be in its ultimate best interests. Since Sprint's entry into the Sprint Master Services Agreement with LightSquared, LightSquared and Sprint had worked closely together to weather the delays – engendered by the GPS interference resolution process – in the build-out of a terrestrial wireless network throughout the United States. Indeed, Sprint on numerous occasions had agreed to amend the Sprint Master Services Agreement to extend the date by which it was entitled to unwind the Sprint Master Services Agreement (the “Sprint Unwind Period”). However, on March 16, 2012, the date on which the Sprint Unwind Period commenced, Sprint determined not only that it would not extend the Sprint Unwind Period beyond such date, but it also chose to unwind the Sprint Master Services Agreement. Given the reduced operations and liquidity of LightSquared at this juncture, LightSquared concluded that it made good economic sense for it not to be burdened with the costs of the Sprint Master Services Agreement, and the unwind of the Sprint Master Services Agreement was thus in the best interests of LightSquared and its stakeholders. After termination of the Sprint Master Services Agreement, certain Prepetition Lenders asserted that such termination would trigger cross-defaults under both the Prepetition Inc. Credit Agreement and the Prepetition LP Credit Agreement.

3. Prepetition Discussions with Prepetition Lenders

Recognizing the (a) impact of the foregoing events and the liquidity constraints on its business operations and (b) necessity of an extended period in which to resolve its issues with the

FCC as well as to streamline its business operations and financial obligations, LightSquared began negotiations with the Prepetition Lenders in February 2012 to, among other things, waive the then potential events of default asserted by the Prepetition Lenders. On March 15, 2012, LightSquared secured the Inc. Waiver and Amendment with the requisite number of Prepetition Inc. Lenders and a short, forty-five (45)-day waiver, subsequently extended by two (2) waivers each granting an additional seven (7) days, with the requisite number of the Prepetition LP Lenders (the “LP Waiver”). In connection with the Inc. Waiver and Amendment, (x) as mentioned above, the maturity date for the Prepetition Inc. Credit Facility was extended from July 1, 2012 to December 31, 2012, (y) a two percent (2%) non-cash fee was paid to the UBS AG, Stamford Branch, as administrative agent, for the ratable account of each Prepetition Inc. Lender, and (z) as noted above, Harbinger agreed to subordinate its Liens (as such term is used in the Inc. Lender Subordination Agreement) and Claims under the Prepetition Inc. Credit Facility to those of the other Prepetition Inc. Lenders under the Prepetition Inc. Credit Facility in exchange for 2.5 million penny warrants.

During the fifty-nine (59)-day period afforded by the LP Waiver, as well as the Inc. Waiver and Amendment, LightSquared and the Prepetition Lenders attempted to negotiate a global restructuring that would provide LightSquared with the liquidity and runway necessary to resolve its issues with the FCC. Despite working diligently and in good faith, however, LightSquared and the Prepetition Lenders were not able to consummate a global restructuring on terms acceptable to all interested parties. LightSquared was thus faced with no option but to commence these Chapter 11 Cases on May 14, 2012 as LightSquared believed the Prepetition Lenders would attempt to exercise remedies and sweep the very cash necessary to conduct LightSquared’s business and provide LightSquared with the requisite time to address FCC concerns.¹¹

B. CHAPTER 11 CASES

To facilitate the Chapter 11 Cases and minimize disruption to LightSquared’s operations, LightSquared sought certain relief, including, without limitation, the relief summarized below.

1. Voluntary Petitions

On the Petition Date, the following entities filed voluntary chapter 11 petitions with the Bankruptcy Court commencing the Chapter 11 Cases: 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.

¹¹ LightSquared also commenced ancillary proceedings in the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada to recognize these Chapter 11 Cases and implement the relief provided thereby to LightSquared.

2. First Day and Other Relief

LightSquared presented certain motions to the Bankruptcy Court on the Petition Date and shortly thereafter seeking various relief (the “Initial Pleadings”),¹² which included, without limitation, the following.

a. Joint Administration

LightSquared requested and, on May 15, 2012, the Bankruptcy Court entered, an order directing joint administration of the Chapter 11 Cases [Docket No. 33] for procedural purposes only. Joint administration of the Chapter 11 Cases has reduced, and will continue to reduce, fees and costs by avoiding duplicative filings and objections, and it will allow all parties in interest to monitor the Chapter 11 Cases with greater ease and efficiency.

b. Cash Management, Intercompany Transactions, and Intercompany Claims

LightSquared sought and received interim and final authority to (i) continue using its prepetition cash management systems, bank accounts, and business forms after the Petition Date, (ii) open new debtor in possession bank accounts with authorized depository banks and close any existing bank accounts as LightSquared deems necessary and appropriate, and (iii) continue performing ordinary course Intercompany Transactions and have Intercompany Claims resulting from Intercompany Transactions be granted administrative priority [Docket Nos. 36 and 115]. This relief minimized unnecessary expenses and administrative delays and facilitated LightSquared’s seamless transition into chapter 11. In connection with the Cash Collateral Order (as defined below), LightSquared was permitted to pay the costs of administration of the chapter 11 cases of the LP Obligors using the Prepetition LP Lenders’ cash collateral. The costs of administration of the chapter 11 cases of the Inc. Obligors are funded through the proceeds of the DIP Inc. Facility (as defined below). All parties in interest preserved their rights to contest any allocation of overhead among the Debtors’ estates.

c. Wages

LightSquared sought and received interim and final authority to (i) pay certain prepetition wages, salaries, and other compensation, such as the rank and file bonus program, taxes, withholdings, and reimbursable expenses, (ii) pay and honor obligations relating to employee benefits programs, and (iii) continue their employee benefits programs on a postpetition basis [Docket Nos. 38 and 116]. This relief will allow, and continues to allow, LightSquared to maintain employee morale while preventing costly distractions and retention issues.

d. Insurance

LightSquared sought and received interim and final authority, but not direction, to (i) maintain and continue to honor certain insurance programs and policies (including the renewal of those policies and agreements due to expire during these Chapter 11 Cases) and

¹² Capitalized terms used but not otherwise defined in this Article III have the meaning ascribed to them in the respective Initial Pleading described.

(ii) pay certain obligations in respect thereof including, without limitation, the payment of all premiums, premium financing payments, claims, deductibles, administrative expenses, and all other charges and expenses incurred and that would have become due and payable on an uninterrupted basis, consistent with LightSquared's practices in effect prior to the commencement of LightSquared's Chapter 11 Cases, whether relating to the period prior to or after the commencement of these Chapter 11 Cases [Docket Nos. 41 and 118]. This relief was essential because LightSquared is required to maintain certain insurance policies by various regulations, laws, and contracts governing its commercial activities, and failure to pay insurance policy premiums may have resulted in the loss of insurance coverage or the subsequent need to obtain replacement insurance on an emergency basis, likely at a higher price.

e. Taxes and Fees

LightSquared sought and received authority to pay certain taxes and fees, including business, franchise, personal property, sales and use, goods and services, harmonized sales, excise, and other taxes, as well as certain annual reporting fees, FCC Fees, and Canadian Regulatory Fees, in the ordinary course of business [Docket Nos. 39 and 117]. LightSquared's failure to pay the taxes and fees could have materially and adversely impacted LightSquared's business operations in several ways. To avoid such harm and prevent costly distractions to key management, LightSquared sought and received authority to pay these taxes in the ordinary course of business.

f. Tax Attributes

LightSquared sought, negotiated, and received interim and final authority to establish procedures to protect the potential value of LightSquared's consolidated net operating tax loss carryforwards and certain other tax attributes, including, potentially, a net unrealized built-in loss in its assets [Docket Nos. 40 and 84]. This relief was, and continues to be, necessary to protect the value of LightSquared's tax attributes.

g. Cash Collateral

On June 13, 2012, LightSquared sought, negotiated, and received approval to (i) consensually use, through June 13, 2013, (y) over \$190 million of cash collateral of the Prepetition LP Lenders for working capital and general corporate purposes, permitted payments of costs of administration of the Chapter 11 Cases, and payment of certain prepetition expenses as approved by the Bankruptcy Court and (z) the Prepetition Inc. Collateral and (ii) grant certain adequate protection to the Prepetition LP Lenders and the Prepetition Inc. Lenders in exchange therefor [Docket No. 136] (as amended, the "Cash Collateral Order"). The Cash Collateral Order was subsequently amended on February 19, 2013 to permit consensual use of the Prepetition LP Lenders' cash collateral through December 31, 2013 [Docket No. 544].

As part of the adequate protection granted to the Prepetition LP Lenders and Prepetition Inc. Lenders, the Cash Collateral Order provides that (i) LightSquared shall pay the LP Professional Fees and all reasonable, actual, and documented fees and expenses incurred and accrued by the Prepetition Inc. Agent, (ii) the Prepetition Inc. Obligations shall accrue postpetition interest at the default rate, and (iii) the LP Obligors shall pay the Prepetition LP

Agent for the benefit of the Prepetition LP Lenders a monthly interest payment in the amount of \$6,250,000. The Prepetition Inc. Obligations have accrued postpetition interest in an amount of approximately \$75,179,486.99 million through July 31, 2013 (excluding the Roll-Up transferred to the DIP Inc. Facility (each, as defined below)), and the LP Obligors have made monthly interest payments to the Prepetition LP Agent totaling \$87.5 million through August 1, 2013 (with \$76.81 million paid on account of interest on the Prepetition LP Credit Facility). The foregoing relief was necessary to ensure that LightSquared could continue to operate in the ordinary course during the Chapter 11 Cases.

h. Utilities

LightSquared sought and received approval of proposed adequate assurance for utility providers, approval of the procedures governing utility providers' requests for additional or different adequate assurance, and a prohibition of utility providers from altering, refusing, or discontinuing service to, or discriminating against, LightSquared on account of prepetition amounts outstanding or on account of any perceived inadequacy of the proposed adequate assurance [Docket No. 120]. LightSquared believes that uninterrupted utility services were, and continue to remain, essential to LightSquared's ongoing operations and, therefore, to the success of LightSquared's reorganization.

i. Ordinary Course Professionals

LightSquared sought and received authority to retain and compensate certain professionals utilized in the ordinary course of LightSquared's business (each, an "OCP") [Docket No. 123]. Due to the number of OCPs that are regularly retained by LightSquared and the significant costs associated with the preparation of employment applications for professionals who receive relatively modest fees, it would have been impractical, inefficient, and burdensome to LightSquared and its legal advisors to prepare and submit individual applications and fee applications for each OCP.

j. Employment and Compensation of Chapter 11 Professionals

To assist LightSquared in carrying out its duties as a debtor in possession and to otherwise represent LightSquared's interests in the Chapter 11 Cases, the Bankruptcy Court entered orders authorizing LightSquared to retain and employ KCC, as its notice and claims agent on May 15, 2012 [Docket No. 34], Milbank, Tweed, Hadley & McCloy LLP as its counsel on June 11, 2012 [Docket No. 124], Fraser Milner Casgrain LLP (now known as Dentons Canada LLP) as its Canadian counsel on June 11, 2012 [Docket No. 125], and Moelis & Company LLC ("Moelis") as its financial advisor and investment banker on June 11, 2012 [Docket No. 127].

The Bankruptcy Court also entered orders authorizing LightSquared to retain and employ Kirkland & Ellis LLP as its special litigation counsel on June 11, 2012 [Docket No. 128], Latham & Watkins LLP as its special FCC counsel on July 17, 2012 [Docket No. 222], Gibson, Dunn & Crutcher LLP as its special litigation counsel on August 30, 2012 [Docket No. 295], and Pillsbury Winthrop Shaw Pittman LLP as its special counsel on July 17, 2013 [Docket No. 752].

3. DIP Inc. Facility

Since the Petition Date, One Dot Six Corp., LightSquared Inc., One Dot Four Corp., and One Dot Six TVCC Corp. (the “DIP Inc. Obligors”), temporarily funded their businesses through the use of certain unencumbered cash. Notwithstanding such use, the DIP Inc. Obligors did not have sufficient available sources of working capital and financing to operate their businesses and maintain their properties in the ordinary course of business throughout the Chapter 11 Cases. Accordingly, on July 17, 2012, the Bankruptcy Court, pursuant to the *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 224] (the “DIP Inc. Order”), authorized the DIP Inc. Obligors to enter into that certain Senior Secured, Super-Priority Debtor-in-Possession Credit Agreement, dated as of July 19, 2012 (as amended, supplemented, restated, or otherwise modified from time to time, the “DIP Inc. Credit Agreement”), with the DIP Inc. Agent and the DIP Inc. Lenders. The DIP Inc. Lenders provided term loans to the DIP Inc. Obligors in the original aggregate principal amount of \$41.4 million, which was subsequently increased to \$46.4 million (the “DIP Inc. Facility”), and was to be used to finance certain build-out requirements, make necessary lease payments, and administer the Chapter 11 Cases of the DIP Inc. Obligors.

Amounts outstanding under the DIP Inc. Facility (the “DIP Obligations”) were, and continue to be, secured by continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected priming, postpetition security interests in and liens on any and all presently owned or hereafter acquired personal property, real property, and other assets of the DIP Inc. Obligors (including proceeds of avoidance actions of the DIP Inc. Obligors), whether owned or consigned by or to, or leased from or to, the DIP Inc. Obligors; provided, however, that the (a) DIP Liens only attach to the assets of LightSquared Inc. in an amount equal to the amount of the proceeds of the DIP Inc. Facility distributed, lent, or otherwise provided to LightSquared Inc. by One Dot Six Corp., One Dot Four Corp., or One Dot Six TVCC Corp., and (b) DIP Collateral (as defined in the DIP Inc. Order) does not include assets of LightSquared Inc. in excess of the amount of the proceeds of the DIP Inc. Facility distributed, lent, or otherwise provided to LightSquared Inc.

On March 13, 2013, LightSquared amended the DIP Inc. Order pursuant to the *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* [Docket No. 579] (the “Amended DIP Inc. Order”). The Amended DIP Inc. Order provides, among other things, that all default interest owing to each Prepetition Debt Holder (as defined in the DIP Inc. Credit Agreement) that is also a DIP Inc. Lender and accruing on the Prepetition Inc. Obligations, from and after the Petition Date until entry of the Amended DIP Inc. Order, would be added to and become DIP Obligations under the DIP Facility (the “Roll-Up”). The Roll-Up constitutes a DIP Obligation, entitled to the same treatment as all other DIP Obligations.

The DIP Inc. Facility matures upon the earliest to occur of (a) the date on which all of the DIP Obligations (as defined in the DIP Inc. Order) have been indefeasibly repaid in full,

(b) December 31, 2013, (c) the date of the closing of a sale of all or substantially all of the DIP Inc. Obligors' assets or stock under section 363 of the Bankruptcy Code, (d) the effective date of a confirmed plan of reorganization in any Chapter 11 Case of a DIP Inc. Obligor pursuant to chapter 11 of the Bankruptcy Code, and (e) the date of termination of the DIP Inc. Facility commitments and/or acceleration of the DIP Obligations following an Event of Default under the DIP Inc. Credit Agreement. Upon maturity, in addition to the other DIP Obligations, the DIP Inc. Obligors are obligated to pay an exit fee to the DIP Inc. Agent equal to 2% of the aggregate principal amount of the DIP Obligations repaid at such time.

As of July 31, 2013, interest has accrued on the DIP Obligations in an amount of approximately \$5,051,317.89, excluding up-front and amendment fees. This amount includes interest accrued on the Roll-Up loans, which became part of the DIP Obligations in the amount of approximately \$8,429,469.57 on or about March 13, 2013 pursuant to the terms of the third amendment to the DIP Inc. Credit Agreement.

The aggregate amount of all principal and accrued interest due on the DIP Inc. Facility as of July 31, 2013 is approximately \$61,804,787.46. The aggregate amount of all principal and interest due on the Prepetition Inc. Credit Facility and the DIP Inc. Facility as of July 31, 2013 is approximately \$459,187,760.47.

4. Canadian Proceedings

On the Petition Date, LightSquared LP commenced the Canadian Proceedings (Court File No. CV-12-9719-00CL) with respect to the Chapter 11 Cases in the Canadian Court pursuant to Part IV of the CCAA. On May 15, 2012, the Honourable Justice Morawetz granted an order in the Canadian Proceedings providing certain interim relief, including a stay of proceedings in respect of the Debtors. On May 18, 2012, the Honourable Justice Morawetz granted an initial recognition order, declaring that the Chapter 11 Cases are recognized as a "foreign main proceeding" as defined in the CCAA and staying all proceedings against the Debtors. The initial recognition order also prohibited the Debtors from selling or otherwise disposing of their Canadian property outside the ordinary course of business without approval of the Canadian Court.

On May 18, 2012, at the same time as the granting of the initial recognition order, the Canadian Court also granted a supplemental order in the Canadian Proceedings, which, among other things, (a) appointed Alvarez & Marsal Canada Inc. as the Information Officer in the Canadian Proceedings and (b) granted a super-priority charge over the Debtors' property in Canada for the maximum amount of \$200,000 in favor of the Information Officer and its counsel as security for their professional fees and disbursements incurred during the pendency of the Canadian Proceedings.

Subsequent to the granting of the initial recognition order, LightSquared LP, as foreign representative, has sought, from time to time, recognition of various orders granted by the Bankruptcy Court in the Canadian Proceedings.

5. Sprint Settlement Agreement

On February 13, 2013, LightSquared filed a motion [Docket No. 525] (the “Sprint Settlement Motion”) seeking authority for LightSquared to enter into, and perform obligations under, a settlement agreement (the “Sprint Settlement Agreement”) with Sprint resolving all claims under, arising from, relating to, pursuant to, in respect of, or in connection with the Sprint Master Services Agreement.

Pursuant to the Sprint Master Services Agreement, LightSquared LP initially paid to Sprint \$310 million in advance payments (the “Advance Payment”) in connection with work performed on LightSquared’s nationwide terrestrial broadband mobile network. Upon Sprint’s termination of the Sprint Master Services Agreement, LightSquared and Sprint agreed that Sprint should retain \$3,737,604 of the remaining Advance Payment (the “Remaining Balance”) pending further reconciliation by the parties. Under the terms of the Sprint Settlement Agreement, LightSquared and Sprint mutually agreed (a) that the appropriate allocation of the Remaining Balance required a payment by Sprint to LightSquared LP in an amount equal to \$1,011,371 (the “Settlement Payment”), and Sprint would retain an amount equal to \$2,726,233 and (b) to release each other from all claims under, arising from, relating to, pursuant to, in respect of, or in connection with the Sprint Master Services Agreement.

On February 27, 2013, the Bankruptcy Court entered an order approving the Sprint Settlement Motion [Docket No. 565].

C. FILING OF SCHEDULES AND STATEMENTS AND ESTABLISHMENT OF CLAIMS BAR DATE

1. Filing of Schedules and Statements

On June 27, 2012, each of the Debtors filed their schedules of assets and liabilities (“Schedules”) and statements of financial affairs (“Statements”) with the Bankruptcy Court pursuant to section 521 of the Bankruptcy Code.

2. Establishment of Claims Bar Date

On August 14, 2012, the Bankruptcy Court entered an *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* [Docket No. 266] (the “Claims Bar Date Order”). The Claims Bar Date Order was recognized in the Canadian Proceedings pursuant to an order of the Canadian Court dated August 21, 2012. The Claims Bar Date Order sets (a) September 25, 2012 at 5:00 p.m. (prevailing Eastern time) as the deadline for all entities, other than governmental units, holding a Claim that arose or is deemed to have arisen prior to the Petition Date to file a proof of claim and (b) November 12, 2012 at 5:00 p.m. (prevailing Eastern time) as the deadline for governmental units holding a Claim that arose or is deemed to have arisen prior to the Petition Date to file a proof of claim (collectively, the “Claims Bar Dates”). A deadline by which proofs of claim for administrative claims (and except to the extent such Claims are asserted pursuant to section 503(b)(9) of the Bankruptcy Code, which are subject to the Claims Bar Dates) are required to be filed has not

been established as of the date of this General Disclosure Statement, and LightSquared will request that the Bankruptcy Court set such date as part of the Confirmation of any Competing Plan.

As of the date hereof, approximately 275 proofs of claim have been filed in the Chapter 11 Cases. The Claims asserted by these proofs of claim total approximately \$2.2 billion.

D. PENDING LITIGATION PROCEEDING

1. Samar Helwani v. LightSquared

Samar Helwani (the “Claimant”) alleges that prior to the Petition Date, in January 2011, the Claimant sustained injuries as a result of an accident involving a motor vehicle operated by an employee of LightSquared (the “Alleged Injury”). The Claimant sought to commence an action against LightSquared in state court in California with respect to the Alleged Injury (an “Action”), but the automatic stay created by section 362 of the Bankruptcy Code barred the Claimant from commencing the Action.

On October 9, 2012, LightSquared and the Claimant entered into a stipulation (the “Stipulation”) to modify the automatic stay solely to permit the Claimant to commence and prosecute an Action against LightSquared solely to determine LightSquared’s liability and/or the Claimant’s damages, if any, with respect to the Alleged Injury, and collect from available insurance proceeds payable as a result of such liability or settlement of such prospective liability. The Stipulation provides that the Claimant’s right to collect on or enforce a judgment, settlement, claim, or award, if any, arising from resolution of an Action is limited in that Claimant may not collect or enforce a judgment, settlement, claim, or award, if any, arising from resolution of an Action against assets (other than insurance policies) of LightSquared. The Stipulation further provides that the Claimant may not file a proof of claim in any of LightSquared’s Chapter 11 Cases for any judgment, settlement, claim, or award, if any, arising from resolution of an Action.

On November 5, 2012, the Bankruptcy Court entered the *Stipulation and Agreed Order Granting Samar Helwani Limited Relief from the Automatic Stay* [Docket No. 407], thereby approving the Stipulation.

2. Ad Hoc Secured Group of LightSquared LP Creditors v. Harbinger Capital Partners SP, Inc. et al.

On September 15, 2012, the Ad Hoc Secured Group filed the *Motion of the Ad Hoc Secured Group of LightSquared LP Lenders for Entry of an Order Granting Leave, Standing and Authority To Commence, Prosecute and/or Settle Certain Claims of the Debtors’ Estates* [Docket No. 323] (the “STN Motion”). The STN Motion seeks authority from the Bankruptcy Court to grant derivative standing to the Ad Hoc Secured Group to bring an adversary proceeding on behalf of LightSquared Inc., One Dot Four Corp., One Dot Six Corp., and One Dot Six TVCC Corp. against the Prepetition Inc. Lenders, Harbinger Capital Partners SP, Inc., Blue Line DZM Corp., Mast AK Fund LP, Mast Credit Opportunities I Master Fund Limited, Mast OC I Master Fund, Mast PC Fund LP, Mast Select Opportunities Master Fund, Seawall Credit Value Master Fund, Ltd., Seawall OC Fund, Ltd., and the Prepetition Inc. Agent (“Proposed Defendants”).

The STN Motion argues that the Ad Hoc Secured Group is entitled to derivative standing because (a) derivative standing is necessary to address the inherent conflict between Harbinger and LightSquared, (b) its proposed claims for relief are colorable, and (c) the estates will benefit from prosecution of the proposed claims.

The STN Motion attached a proposed complaint (the "Original Proposed Complaint"). The Original Proposed Complaint alleged that the Prepetition Inc. Obligations: (a) constitute preferential transfers because the Prepetition Inc. Obligations transferred an interest in LightSquared's property to insiders during the relevant statutory period for the benefit of creditors on account of antecedent debt, when LightSquared was insolvent; (b) constitute fraudulent transfers because Prepetition Inc. Obligations transferred an interest in LightSquared's property to insiders during the relevant statutory period, when LightSquared was insolvent, and LightSquared did not receive reasonably equivalent value; (c) should be recharacterized as equity, not debt, because repayment was contingent on the success of a highly speculative business plan, the predominant purpose of the warrants was investment, LightSquared Inc. was inadequately capitalized at the time, and the proceeds were used for capital purposes, and not to fund operations; and (d) should be equitably subordinated because Harbinger engaged in inequitable conduct in causing the transactions to occur, the transactions caused injury to creditors and conferred an unfair advantage on Harbinger and the other defendants, and equitable subordination is consistent with bankruptcy law. The Original Proposed Complaint thus sought to avoid the fraudulent and preferential transfers, recover them for the estates, and disallow any claims based on them. The Original Complaint also sought to subordinate the Prepetition Inc. Facility Claims beneath the Prepetition LP Facility Claims and recharacterize as equity any claims filed by the Proposed Defendants.

In total, the Original Proposed Complaint asserted eight claims for relief based on federal bankruptcy law: (a) avoidance and recovery of preferential transfer (LightSquared Inc. against all of the Proposed Defendants); (b) equitable subordination (LightSquared Inc. against all of the Proposed Defendants); (c) recharacterization of debt to equity (LightSquared Inc. against all of the Proposed Defendants); (d) avoidance and recovery of fraudulent transfers (One Dot Six Corp. against all of the Proposed Defendants); (e) avoidance and recovery of preferential transfers (One Dot Six Corp. against all of the Proposed Defendants); (f) avoidance and recovery of fraudulent transfers (One Dot Four Corp. against all of the Proposed Defendants); (g) avoidance and recovery of preferential transfers (One Dot Four Corp. against all of the Proposed Defendants); and (h) avoidance and recovery of fraudulent transfers (One Dot Six TVCC Corp. against all of the Proposed Defendants).

On October 17, 2012, the Proposed Defendants filed objections to the STN Motion [Docket Nos. 377, 378, and 380]. They contended that the claims in the Proposed Complaint were not colorable and were unlikely to benefit the estates. LightSquared filed a statement concerning the STN Motion [Docket No. 379]. In its statement, LightSquared reserved its right to settle the litigation and requested that discovery in the proposed action be limited so as to limit costs to the estates.

On November 14, 2012, the Ad Hoc Secured Group filed a reply brief in support of the STN Motion [Docket No. 416]. The reply brief attached a revised proposed complaint (the

“Revised Proposed Complaint”), which alleges that (a) Harbinger aided and abetted the directors and officers of each of LightSquared Inc., One Dot Four Corp., One Dot Six Corp., and One Dot Six TVCC Corp. in breaching their fiduciary duties of care, loyalty, and good faith by causing those entities to incur additional debt, guarantee debt, and pledge their securities and (b) the other Proposed Defendants aided and abetted Harbinger and the respective directors and officers in breaching their duties to each of LightSquared Inc., One Dot Four, One Dot Six, and One Dot Six TVCC.

The Revised Proposed Complaint thus added four new claims for relief based on Delaware law against all of the Proposed Defendants: (a) aiding and abetting breach of fiduciary duty (LightSquared Inc. against all of the Proposed Defendants), (b) aiding and abetting breach of fiduciary duty (One Dot Four Corp. against all of the Proposed Defendants), (c) aiding and abetting breach of fiduciary duty (One Dot Six Corp. against all of the Proposed Defendants), and (d) aiding and abetting breach of fiduciary duty (One Dot Six TVCC Corp. against all of the Proposed Defendants). The Revised Proposed Complaint seeks to recover unspecified damages for these claims.

On December 12, 2012, the Proposed Defendants filed sur-replies, and LightSquared filed a statement [Docket Nos. 449-451], contending that the new claims were not colorable and would burden the estates. Subsequently, on January 4, 2013, the Ad Hoc Secured Group filed a response [Docket No. 477].

On January 9, 2013, the Bankruptcy Court held oral argument on the STN Motion. On February 13, 2013, the Ad Hoc Secured Group, the Proposed Defendants, and LightSquared filed supplemental briefs concerning the STN Motion [Docket Nos. 526-527] at the request of the Bankruptcy Court.

The Bankruptcy Court has not yet issued a ruling on the STN Motion.

3. Harbinger Capital Partners LLC v. Charles W. Ergen (Adversary Proceeding No. 13-01390 (SCC))

On August 6, 2013, Harbinger,¹³ in its capacity as owner of LightSquared, filed an adversary proceeding (the “Ergen Adversary Proceeding”). The Ergen Adversary Proceeding names as defendants Charles W. Ergen (“Ergen”), EchoStar Corporation (“EchoStar”), Dish Network Corporation (“Dish”), L-Band Acquisition LLC (“LBAC” and, collectively with Ergen, EchoStar, and Dish, the “Dish/EchoStar Defendants”), SP Special Opportunities LLC (“Sound Point”), SP Special Opportunities Holdings LLC (“SP Holdings”), Sound Point Capital Management LP (“SP Capital” and, collectively with Sound Point and SP Holdings, (the “Sound Point Defendants”), and Stephen Ketchum (“Ketchum”).

Harbinger alleges that the defendants engaged in a series of fraudulent and tortious conduct that deprived Harbinger of its investment in LightSquared and interfered with

¹³ With respect to the Ergen Adversary Proceeding, Harbinger is defined as Harbinger Capital Partners LLC, HGW US Holding Company LP, Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc.

Harbinger's contractual rights and business opportunities. First, the Dish/EchoStar Defendants secretly acquired, through Sound Point, a substantial majority of LightSquared LP's secured debt by misrepresenting that it was an "Eligible Assignee" under the Prepetition LP Credit Agreement, although the agreement prohibits Dish, EchoStar, and entities they directly or indirectly control from holding LightSquared LP's debt. Second, the Dish/EchoStar Defendants caused Sound Point to refuse to settle over \$600 million in debt trades. This made it impossible for Harbinger to negotiate a consensual plan of reorganization with LightSquared's stakeholders because Harbinger could not identify the true holders of LightSquared's debt with whom to negotiate. Third, the Dish/EchoStar Defendants caused Sound Point to refuse to settle trades of LightSquared LP's debt and preferred shares (which Harbinger alleges Sound Point was ineligible to purchase under LightSquared LP's stockholders' agreement). These "hung trades" impeded Harbinger's efforts to locate exit financing for LightSquared because some potential financiers were sellers of LightSquared LP's debt to Sound Point and could not assume new LightSquared exposure as long as their trades had not closed. Fourth, the Dish/EchoStar Defendants, through LBAC, made an unsolicited, low-ball, bad faith bid for LightSquared's spectrum assets and leaked the confidential bid to the public. The bid and its public disclosure disrupted Harbinger's efforts to negotiate a consensual plan of reorganization for LightSquared. Finally, the Dish/EchoStar Defendants caused Sound Point to join the Ad Hoc Secured Group, to propose a plan of reorganization that would displace Harbinger, and to enter into a plan support agreement with the other members of the Ad Hoc Secured Group. This prohibited those members of the Ad Hoc Secured Group from negotiating any alternative plan of reorganization with Harbinger.

Based on these allegations, Harbinger asserts seven "Causes of Action." The First Cause of Action is for equitable disallowance against Sound Point. The Second Cause of Action is for fraud against the Dish/EchoStar Defendants, Sound Point, and SP Holdings. The Third Cause of Action is for aiding and abetting fraud against SP Capital and Ketchum. The Fourth Cause of Action is for tortious interference with prospective economic advantage against Dish/EchoStar Defendants, Sound Point, and SP Holdings. The Fifth Cause of Action is for tortious interference with Harbinger's relationship with Jefferies LLC against the Dish/EchoStar Defendants, Sound Point, and SP Holdings. The Sixth Cause of Action is for unfair competition against all defendants. The Seventh Cause of Action is for civil conspiracy against all defendants. Harbinger seeks a judgment (a) equitably disallowing Sound Point's claims in their entirety, or to the extent that payment on those claims would allow the defendants to profit from their alleged wrongdoing and (b) awarding (i) compensatory damages in excess of \$2 billion; (ii) punitive damages in excess of \$2 billion; (iii) costs and fees, including attorneys' fees; (iv) pre- and post- judgment interest; and (v) such other relief as the Bankruptcy Court deems appropriate.

On August 19, 2013, the Bankruptcy Court entered a scheduling order (the "Scheduling Order"). The Scheduling Order required all parties that desired to intervene in the Ergen Adversary Proceeding to do so by August 22, 2013. The Scheduling Order allows LightSquared to wait until November 15, 2013 to intervene in claims that it believes in good faith require further factual development before it makes a decision on whether to intervene.

On August 22, 2013, U.S. Bank National Association and Mast Capital Management LLC, on behalf of itself and its management funds and accounts, intervened as plaintiffs in the

Ergen Adversary Proceeding. The Ad Hoc Secured Group intervened as a defendant. LightSquared intervened as a plaintiff in the First Cause of Action against Sound Point only to the extent that the First Cause of Action seeks declaratory relief on the issue of whether the Sound Point Defendants' purchase of LightSquared's debt was in compliance with the Prepetition LP Credit Agreement. LightSquared also intervened to the extent that any other claim or cause of action against the Sound Point Defendants raises the issue of whether the Sound Point Defendants' purchase of LightSquared's debt was in compliance with the Prepetition LP Credit Agreement.

Discovery in the case is ongoing. The trial is scheduled to commence on December 2, 2013.

With the exception of the litigation proceeding described above, LightSquared does not believe that it is party to any other pending litigation proceedings.

E. EXCLUSIVITY

Under the Bankruptcy Code, a debtor has the exclusive right to file and solicit acceptance of a plan or plans of reorganization for an initial period of one hundred and twenty (120) days from the date on which the debtor filed for voluntary relief. If a debtor files a plan within this exclusive period, then the debtor has the exclusive right for one hundred and eighty (180) days from the commencement date to solicit acceptance of the plan. During these exclusive periods, no other party in interest may file a competing plan of reorganization. A court, however, may extend these periods upon request of a party in interest.

LightSquared's initial exclusive periods to file and solicit acceptance of a plan or plans of reorganization were set to expire on September 11, 2012 and November 10, 2012, respectively. On October 1, 2012, the Court entered the *Agreed Order Pursuant to 11 U.S.C. § 1121(d) Extending LightSquared's Exclusive Periods To File a Plan of Reorganization and Solicit Acceptances Thereof* [Docket No. 343], extending LightSquared's exclusive periods to file and solicit acceptance of a plan or plans of reorganization through and including April 1, 2013. Prior to the expiration of LightSquared's exclusive periods, LightSquared requested a further extension of its exclusive periods through and including May 31, 2013. After extensive negotiations with certain parties in interest, including, but not limited to, the ad hoc secured group of Prepetition LP Lenders (the "Ad Hoc Secured Group"), the Prepetition Inc. Lenders, and the DIP Lenders, LightSquared entered into a stipulation with such parties in interest to extend LightSquared's exclusive periods to file and solicit acceptance of a plan or plans of reorganization through and including July 15, 2013. On February 13, 2013, the Court entered the *Order Pursuant to 11 U.S.C. § 1121(d) Further Extending LightSquared's Exclusive Periods To File a Plan of Reorganization and Solicit Acceptances Thereof* [Docket No. 522] (the "Second Exclusivity Extension Order"), approving such stipulation and the extension of LightSquared's exclusive periods through and including July 15, 2013. The Second Exclusivity Order was recognized in the Canadian Proceedings pursuant to an order of the Canadian Court dated March 8, 2013.

On July 23, 2013, the Ad Hoc Secured Group filed the *Joint Chapter 11 Plan for LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia,*

LightSquared Subsidiary LLC, LightSquared Finance Co., LightSquared Network LLC, Lightsquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc., Proposed by the Ad Hoc Secured Group of LightSquared LP Lenders [Docket No. 764] and the Disclosure Statement for Joint Chapter 11 Plan for LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, LightSquared Finance Co., LightSquared Network LLC, Lightsquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc., Proposed by the Ad Hoc Secured Group of LightSquared LP Lenders [Docket No. 765] (the “Ad Hoc Secured Group Disclosure Statement”). As of the date hereof, the Bankruptcy Court has not approved the Ad Hoc Secured Group Disclosure Statement.

F. RESTRUCTURING EFFORTS

LightSquared commenced these Chapter 11 Cases to take advantage of the breathing room afforded by chapter 11 as it attempted to restructure its businesses in a value-maximizing manner for the benefit of all of its stakeholders. LightSquared has always believed, and operated on the premise, that continuing discussions with the FCC and interested government agencies regarding the terrestrial deployment of its wireless spectrum represents the path most likely to lead towards a value-maximizing solution. In pursuit of maximizing value for all of its stakeholders, LightSquared has worked, and continues to work, diligently with the FCC and numerous interested government agencies to formulate and implement a constructive solution that (i) addresses the FCC’s and each interested government agency’s concerns and (ii) allows for terrestrial deployment of its wireless spectrum.

At the time the Chapter 11 Cases were commenced, LightSquared was subject to three distinct, but interrelated, regulatory challenges:

- As part of the 2010 FCC Change of Control Order, LightSquared was required to meet stringent network build-out and coverage milestones. As a consequence of the concerns raised by the GPS industry and the terms of the Conditional Waiver Order (as defined below), as of the Petition Date, it was clear that these milestones could not be met.
- On February 15, 2012, the FCC, among other things, proposed to suspend indefinitely the authorizations on which LightSquared’s terrestrial broadband network was premised. As of the Petition Date, the FCC had not indicated that it was considering any other approach regarding the GPS industry’s concerns.
- LightSquared had not yet publicly articulated a comprehensive regulatory proposal that would permit terrestrial deployment of its wireless spectrum.

Today, LightSquared has completely eliminated the first challenge, effectively mooted the second, and made substantial and tangible progress implementing a solution to the third, all of which has had the effect of further securing the value of the estates for all stakeholders.

First, pursuant to the 2010 FCC Change of Control Order, LightSquared was subject to certain network build-out and coverage milestones requiring, among other things, that LightSquared construct a terrestrial broadband network capable of providing coverage to at least

100 million Americans by December 31, 2012. By the Petition Date, however, it had become clear that this milestone would not be met given the issuance of the 2012 Public Notice and LightSquared's inability to deploy a terrestrial network on the terms mandated by the FCC. Accordingly, by letter dated September 24, 2012 to the FCC (the "Build-Out Deferral Request"), LightSquared sought to confirm that the application of the terrestrial network build-out conditions previously imposed by the FCC would not apply until such time as the issues surrounding the terrestrial use of its coordinated spectrum were clarified. On October 10, 2012, the FCC issued a public notice seeking comment on the Build-Out Deferral Request (the "Build-Out Deferral Notice for Comment"), and on November 28, 2012, the comment period closed. By order dated December 20, 2012 (the "Build-Out Deferral Order"), the FCC granted LightSquared's request and found that it served the public interest to toll indefinitely the network build-out requirements previously imposed. This result was particularly notable because the FCC could have instead allowed the milestone to pass and then cite LightSquared's inability to meet it as the reason to terminate LightSquared's FCC authorizations and avoid the need to address the constructive solutions that LightSquared has proposed to the FCC.¹⁴

Second, as noted above, at the time the Chapter 11 Cases were initiated, the only "solution" to the GPS concerns that formally had been proposed (in the 2012 Public Notice) was to indefinitely suspend the FCC authorizations on which LightSquared's terrestrial broadband network is premised. The FCC has concluded that the public interest is better served by its consideration of the specific spectrum solution proposed by LightSquared, which it is actively engaged in reviewing.

Finally, LightSquared has made substantial and tangible progress on a regulatory resolution that will permit terrestrial deployment of its wireless spectrum. On September 28, 2012, LightSquared filed with the FCC – and FCC staff have expressed to Congress a willingness to consider¹⁵ – a series of applications seeking to modify various of its licenses (collectively, the "License Modification Application"), to

¹⁴ In addition to the Build-Out Deferral Request, additional filings were made with the FCC to address certain other issues that arose as a result of the issuance of the 2012 Public Notice. Specifically, to preserve LightSquared's access to its leased downlink spectrum at 1670 – 1675 MHz (otherwise known as the One Dot Six spectrum), Crown Castle (in consultation with LightSquared) made an October 9, 2012 filing with the FCC (the "Crown Castle Extension Request"), in which it sought a three (3)-year extension of the October 2013 build-out requirement deadline that applies to that spectrum. On November 5, 2012, the FCC issued a public notice (the "Crown Castle Extension Public Notice") soliciting comments on the requested extension. The comment and reply period with respect to the Crown Castle Extension Public Notice has elapsed, and no party has expressed any opposition to the proposed extension on the record. Given that the FCC has not yet ruled on the extension request, LightSquared has undertaken actions that it believes will allow it to satisfy the build-out requirements by the October 2013 deadline or, alternatively, justify an FCC grant of a limited extension to enable it to meet the build-out requirements.

¹⁵ In a letter to Congressman James P. Moran, dated as of August 13, 2012, then FCC Chairman Julius Genachowski noted that "Commission staff has continued to meet with representatives of LightSquared, and is working with them through the complex issues of this proceeding." Chairman Genachowski then indicated that if the FCC had a petition before it regarding alternative spectrum for LightSquared, it "will coordinate with NTIA as necessary, and consider any proposals carefully."

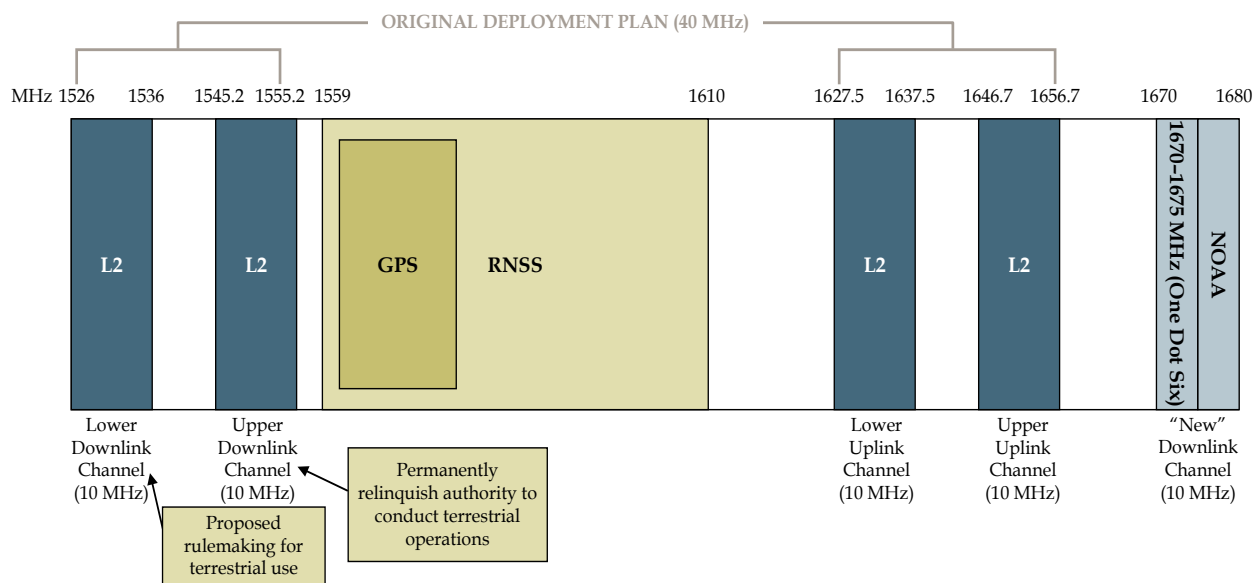
- authorize LightSquared to use the 1675 – 1680 MHz spectrum band on a shared basis with certain government users, including the National Oceanic and Atmospheric Administration (“NOAA”),
- permit LightSquared to conduct terrestrial operations “pairing” the 1670-1680 MHz downlink band with two (2) 10 MHz L-band uplink channels in which LightSquared currently is authorized to operate, and
- permanently relinquish its right to use the upper 10 MHz of L-band downlink spectrum for terrestrial purposes (that portion of the spectrum closest to the band designated for GPS devices).

In conjunction with submitting the License Modification Application, LightSquared also asked that the FCC open a proceeding via a petition for rulemaking, filed on November 2, 2012, to make an administrative change amending the U.S. Table of Frequency Allocations to add a primary allocation permitting non-federal terrestrial mobile use of the 1675-1680 MHz band (the “Spectrum Allocation Petition for Rulemaking”).

At the same time, LightSquared requested that the FCC open an additional proceeding via a petition for rulemaking, filed on September 28, 2012, to examine the conditions and operational parameters under which its additional 10 MHz (1526-1536 MHz) of licensed L-band downlink spectrum could be used sometime in the future for terrestrial service (the “Downlink Spectrum Petition for Rulemaking” and, together with Spectrum Allocation Petition for Rulemaking, the “Petitions for Rulemaking” and, collectively with the License Modification Application, the Build-Out Deferral Request, and the Crown Castle Extension Request, the “FCC Applications”).

The Downlink Spectrum Petition for Rulemaking proceeding would provide LightSquared and other interested spectrum users the opportunity to determine collaboratively whether and, if so, under what conditions, the lower 10 MHz of L-band downlink spectrum could be used for terrestrial purposes. Thus, LightSquared is pursuing a solution through the License Modification Application that would provide it with 30 MHz of spectrum, which is sufficient to implement its business plan, and, inviting the FCC, through the Downlink Spectrum Petition for Rulemaking, to develop terms under which the additional 10 MHz of its coordinated spectrum closer to GPS could also be used in the future business plans of LightSquared for terrestrial service over the longer term.

The chart below demonstrates LightSquared’s proposed new spectrum deployment plan as compared against its original spectrum deployment plan (the “Alternative Spectrum Plan”).



Note: Chart excludes 6 MHz of LightSquared’s spectrum dedicated to satellite services.

Following the filing of the License Modification Application and the Petitions for Rulemaking, the FCC issued public notices of the filings, which established pleading cycles for the submission of comments from interested parties and the public. On November 9, 2012 and November 16, 2012, the FCC issued public notices seeking comment on, respectively, the Spectrum Allocation Petition for Rulemaking (the “Spectrum Allocation Public Notice”) and the Downlink Spectrum Petition for Rulemaking (the “Downlink Spectrum Public Notice”). More importantly, on November 16, 2012, the FCC issued a public notice seeking comment on LightSquared’s License Modification Application (the “License Modification Public Notice”) and, collectively with the Build-Out Deferral Notice for Comment, the Crown Castle Extension Public Notice, the Spectrum Allocation Public Notice, and the Downlink Spectrum Public Notice, the “Public Notices”). The formal pleading cycle for each of the Spectrum Allocation Public Notice, the Downlink Spectrum Public Notice, and the License Modification Public Notice has closed.

The vast majority of submissions filed in response to the License Modification Application – the primary vehicle on which the terrestrial deployment of wireless spectrum depends – have been supportive and reflect widespread recognition of the public interest benefits that would flow from facilitating the terrestrial deployment of its wireless spectrum by granting the License Modification Application.¹⁶

With the formal pleading cycle complete, further action on the License Modification Application is now in the hands of the FCC. Although the timetable for a decision by the FCC is difficult to predict, LightSquared strongly believes that the focus of the government agencies has

¹⁶ Moreover, the discrete concerns raised by a handful of parties consist of (a) unsubstantiated claims that LightSquared’s modified operations *could* result in interference to other spectrum users, (b) mischaracterizations of the FCC’s broad statutory authority to grant license modification applications, and (c) suggestions that the FCC could now take the punitive actions proposed in the 2012 Public Notice instead of considering the comprehensive solution of which the License Modification Application is a part (a course of action that the FCC has already rejected, as discussed above).

shifted from indefinitely suspending LightSquared's terrestrial authorizations, as originally proposed in the 2012 Public Notice, to considering the types of constructive solutions that LightSquared has proposed and that are embodied in the License Modification Application. Indeed, the FCC and other government agencies have provided indications that they are, and continue to be, receptive to finding solutions that will provide LightSquared the necessary regulatory approvals to build its terrestrial wireless network. For example, at a House Energy and Commerce Committee hearing on September 21, 2012 (the "FCC Hearing"), the chief of the FCC's Office of Engineering Technology acknowledged that the FCC is willing to consider alternative solutions with respect to LightSquared and stated in connection therewith that "LightSquared has put some new ideas on the table and we think everything is worth considering at this point."¹⁷ Chief of the International Bureau at the FCC agreed "absolutely" that the "review process is still open because [the FCC is] still trying to find a solution" and that "LightSquared has come forward with [proposals] to use different parts of the spectrum."¹⁸

Such indications have further been reflected in FCC correspondence with members of Congress during the public notice and comment process, including:

- "Commission staff has continued to meet with representatives of LightSquared and is working through the complex issues of this proceeding. LightSquared recently filed a series of license modification requests and a related petition for rulemaking that seeks access to spectrum that is currently shared with the Federal Government. The Commission is in the process of coordinating this request with our counterparts at NTIA as necessary. Please be assured that the Commission will consider this matter carefully;"¹⁹ and
- "LightSquared recently submitted various filings proposing alternatives to its existing authorizations in the L-band. Commission staff is reviewing these filings and the complex technical issues associated with LightSquared's proposals."²⁰

Moreover, in the Build-Out Deferral Order issued at the end of 2012, the FCC International Bureau expressly declined to act first on the 2012 Public Notice because it stated that it was in the public interest for the FCC to consider LightSquared's proposals for an alternative spectrum plan. It noted:

We find that addressing the build-out requirements will maintain the *status quo* while the Commission considers the *February 2012 Public Notice* issues in light of LightSquared's *ATC Modification Application*. In this case, we find that it

¹⁷ Video Recording of House Energy and Commerce Committee, Subcommittee on Investigations and Oversight Hearing at <http://energycommerce.house.gov/hearing/lightsquared-network-investigation-fccs-role>.

¹⁸ Id.

¹⁹ Letter to Senator Kent Conrad, dated as of November 27, 2012, from Chief of the International Bureau at the FCC.

²⁰ See Letter to Senator Mark Begich, dated as of December 3, 2012, from FCC Chairman Julius Genachowski.

would further the public interest to maintain the *status quo* while considering the proposals in the record developed pursuant to the *February 2012 Public Notice*, as well as the *ATC Modification Application*. In addition, we conclude that the public interest in this case is better served by maintaining the *status quo* by tolling the build-out requirements than by acting first on the *February 2012 Public Notice*, as proposed by commenters, without considering the proposals in LightSquared's *ATC Modification Application* and petitions for rulemaking. . . . We believe that it is in the public interest to maintain the *status quo* while the Commission considers LightSquared's most recent proposal before rendering a decision about whether LightSquared is able to provide service without causing harmful interference to the GPS industry.²¹

It further noted that "we find that it is in the public interest to provide for an orderly deliberative process in which LightSquared will have the opportunity to explore solutions to GPS interference concerns."²² Finally, a spokesperson for NTIA,²³ in responding to a request for comment on the License Modification Application, stated that NTIA is

aware of LightSquared's interest in sharing the 1675-1680 MHz band with federal users. . . . The primary federal agency using this spectrum is [National Oceanic and Atmospheric Administration], which operates satellites and radiosondes in this band. If requested by the FCC, NTIA will work with NOAA to evaluate LightSquared's request as it affects federal government spectrum users.²⁴

Thus, not only are the FCC and other federal agencies on the record stating their desire to consider LightSquared's proposed solutions, they are actively doing so.

1. Current Status of FCC Process

On April 29, 2013 and again on July 20, 2013, the FCC granted to LightSquared experimental authority to allow LightSquared to evaluate the feasibility of conducting terrestrial wireless operations on the spectrum bands identified in the License Modification Application, including the 1675-1680 MHz spectrum band currently used by NOAA. The grant of experimental authority represents an important step towards the granting of LightSquared's License Modification Application.

On August 7, 2013, the FCC issued a public notice seeking comment on the presentation filed by LightSquared on July 15, 2013 (the "July 15, 2013 Presentation") regarding (a) potential operations of LightSquared's terrestrial handsets in the 16.26.5-1660.5 MHz MSS uplink portion

²¹ Build-Out Deferral Order at 6.

²² Id. at 5.

²³ NTIA manages the federal government's use of spectrum, ensuring that United States' domestic and international spectrum needs are met while making efficient use of this limited resource. In determining whether to grant the FCC Applications, the FCC will consult with NTIA in certain cases.

²⁴ Paul Barbagallo, *Latest LightSquared Plan Hinges on Sharing Spectrum with Federal Government Agencies*, Telecommunications MonitorTM (Oct. 2, 2012).

of the L-band and (b) the potential interaction of LightSquared's terrestrial wireless devices with GPS devices used for general location/navigation, high precision, and aviation services. The FCC invited parties to comment on the July 15, 2013 Presentation by September 6, 2013, and set September 23, 2013 as the deadline by which replies to any comments must be submitted. The August 7, 2013 public notice is attached as Exhibit B to this General Disclosure Statement. Accordingly, after September 23, 2013, the FCC will have all of the requisite information before it to make a determination on the July 15, 2013 Presentation.

It is eminently clear that LightSquared has made substantial and tangible regulatory progress since the issuance of the 2012 Public Notice and commencement of the Chapter 11 Cases. Such progress is perhaps best summed up by then outgoing Chairman Genachowski's comments at Jefferies LLC's 2013 Global Technology, Media & Telecom Conference on May 8, 2013, in which he expressed optimism that LightSquared would get approval for terrestrial deployment of its wireless spectrum. Chairman Genachowski first noted that LightSquared's airwaves were, and continue to be, "too valuable" to be left unused, and, accordingly, work was underway on solutions such as possible swaps of frequencies for cleaner airwaves and tighter enforcement of signal parameters in GPS devices to enable LightSquared's L-band radio waves to become usable. Chairman Genachowski then concluded that "[c]learance will ultimately happen in the L-band for LightSquared The spectrum will be freed for terrestrial use."²⁵

ARTICLE IV CONFIRMATION PROCEDURES

A. OBJECTING TO THE COMPETING PLANS

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan of reorganization.

The deadline to file objections to any Competing Plan is November 26, 2013 at 4:00 p.m. (prevailing Eastern time) (the "Plan Objection Deadline"). All objections to any Competing Plan must be filed with the Bankruptcy Court and served on LightSquared and certain other entities in accordance with the Disclosure Statement Order on or before the Plan Objection Deadline.

In accordance with the Confirmation Hearing Notice filed with the Bankruptcy Court, and recognized in the Canadian Proceedings, an objection to a Competing Plan or request for modifications to a Competing Plan, if any, must:

- be in writing;
- conform to the Bankruptcy Rules and Local Bankruptcy Rules for the Southern District of New York;

²⁵ Scott Moritz & Todd Shields, FCC Chief Sees LightSquared Getting Cleared for Airwaves, BLOOMBERG (May 8, 2013).

- state the name and address of the objecting entity and the amount and nature of the Claim or Equity Interest of such entity;
- state with particularity the basis and nature of the objection to the Competing Plan and, if practicable, a proposed modification to the Competing Plan that would resolve such objection; and
- be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served on all of the following parties so that it is **actually received** by such parties: (i) LightSquared Inc., 10802 Parkridge Boulevard, Reston, VA 20191, Attn: Marc R. Montagner and Curtis Lu, Esq., (ii) counsel to LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq., Steven Z. Szanzer, Esq., and Karen Gartenberg, Esq., (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, NY 10004, Attn: Susan D. Golden, Esq., (iv) counsel to U.S. Bank National Association, as administrative agent under the Prepetition Inc. Credit Agreement and administrative agent under the DIP Inc. Credit Agreement, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Philip C. Dublin, Esq. and Kenneth A. Davis, Esq., (v) counsel to UBS AG, Stamford Branch, as administrative agent under the Prepetition LP Credit Agreement, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude, Esq., (vi) counsel to the Ad Hoc Secured Group, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attn: Thomas E Lauria, Esq. and Glenn M. Kurtz, Esq., and (vii) counsel to Harbinger Capital Partners LLC, Kasowitz, Benson, Torres & Friedman LLP, 1633 Broadway, New York, NY 10019, Attn: David M. Friedman, Esq. and Adam L. Shiff, Esq.

B. CONFIRMATION HEARING

Section 1128(a) of the Bankruptcy Code requires a bankruptcy court, after notice, to hold a confirmation hearing on confirmation of a plan filed under chapter 11 of the Bankruptcy Code.

The Confirmation Hearing will commence on December 10, 2013 at 10:00 a.m. (prevailing Eastern time), before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Southern District of New York. The Confirmation Hearing may be continued from time to time without further notice other than a notice of adjournment filed with the Bankruptcy Court and served on the notice parties identified in the Confirmation Hearing Notice. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. A Competing Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest. It is anticipated that if an order approving a plan is entered by the Bankruptcy Court at the Confirmation Hearing, recognition of such order will be sought from the Canadian Court in the Canadian Proceedings.

C. STATUTORY REQUIREMENTS FOR CONFIRMATION OF COMPETING PLANS

Among the requirements for confirmation of a Competing Plan are that the Competing Plan is (i) accepted by all impaired classes of Claims and Equity Interests or, if rejected by an impaired class, that the Competing Plan “does not discriminate unfairly” and is “fair and equitable” as to such class, (ii) feasible, and (iii) in the “best interests” of creditors and equity interest holders that are Impaired under the Competing Plan.

1. Requirements of Section 1129(a) of Bankruptcy Code

At the Confirmation Hearing, the Bankruptcy Court will determine with respect to each Competing Plan whether the following confirmation requirements specified in section 1129(a) of the Bankruptcy Code have been satisfied:

- The Competing Plan complies with the applicable provisions of the Bankruptcy Code.
- The Plan Proponent has complied with the applicable provisions of the Bankruptcy Code.
- The Competing Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or to be made by a Plan Proponent or by a person issuing securities or acquiring property under a plan, for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Competing Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.
- Any governmental regulatory commission with jurisdiction, after confirmation, over the rates of LightSquared has approved any rate change provided for in the Competing Plan, or such rate change is expressly conditioned on such approval.
- With respect to each class of Claims or Equity Interests, each holder of an impaired Claim or Equity Interest either has accepted the Competing Plan or will receive or retain under the Competing Plan on account of such holder’s Claim or Equity Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if LightSquared were liquidated under chapter 7 of the Bankruptcy Code on such date.
- Except to the extent the Competing Plan meets the requirements of section 1129(b) of the Bankruptcy Code, each class of Claims or Equity Interests has

either accepted the Competing Plan or is not Impaired under the Competing Plan.

- Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Competing Plan provides that administrative expenses and priority claims (including priority tax claims and non-priority tax claims) will be paid in full on the effective date of the Competing Plan.
- Confirmation of the Competing Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of LightSquared or any successor to LightSquared under the Competing Plan, unless such liquidation or reorganization is proposed in the Competing Plan.
- All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court, have been paid or the Competing Plan provides for the payment of all such fees on the Effective Date of the Competing Plan.
- All transfers of property of the Competing Plan will be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business or commercial corporation or trust.

2. Best Interests of Creditors Test and Liquidation Analysis

Under the Bankruptcy Code, confirmation of a plan requires a finding that the plan is in the “best interests” of holders of claims and equity interests. Under the “best interests” test, the bankruptcy court must find (subject to certain exceptions) that the plan provides, with respect to each impaired class, that each holder of an allowed claim or equity interest in such impaired class has accepted the plan, or will receive or retain under the plan property of a value, as of the effective date of such plan, that is not less than the amount that such holder would receive or retain if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

The analysis under the “best interests” test requires that the bankruptcy court determine what holders of allowed claims and equity interests in each impaired class would receive if the chapter 11 cases were converted to liquidation cases under chapter 7 of the Bankruptcy Code, and the bankruptcy court appointed a chapter 7 trustee to liquidate all of the debtor’s assets into cash. The debtor’s “liquidation value” would consist primarily of unencumbered and unrestricted cash held by the debtor at the time of the conversion to a chapter 7 case, and the proceeds resulting from the chapter 7 trustee’s sale of the debtor’s remaining unencumbered assets. The gross cash available for distribution would be reduced by the costs and expenses incurred in effecting the chapter 7 liquidation and any additional administrative claims incurred during the chapter 7 case.

The bankruptcy court then must compare the value of the distributions from the proceeds of the hypothetical chapter 7 liquidation of the debtor (after subtracting the chapter 7-specific claims and administrative costs) with the value to be distributed to the holders of allowed claims

and equity interests under the plan. It is possible that in a chapter 7 liquidation, claims and equity interests may not be classified in the same manner as set forth in the plan. In a hypothetical chapter 7 liquidation of the debtor's assets, the rule of absolute priority of distribution would apply (i.e., no junior creditor would receive any distribution until payment in full of all senior creditors, and no holder of an equity interest would receive any distribution until all creditors have been paid in full). Further, in chapter 7 cases, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order: (a) holders of secured claims (to the extent of the value of their collateral), (b) holders of priority claims, (c) holders of unsecured claims, (d) holders of claims expressly subordinated by their terms or bankruptcy court order, and (e) holders of equity interests.

An analysis of the estimated aggregate amount of liquidation proceeds available to holders of Claims against, and Equity Interests in, LightSquared in a chapter 7 liquidation is attached as Exhibit C to this General Disclosure Statement (the "Liquidation Analysis"). THE LIQUIDATION ANALYSIS WAS PREPARED BY LIGHTSQUARED WITH THE ASSISTANCE OF ITS ADVISORS.

PLEASE REVIEW EACH SPECIFIC DISCLOSURE STATEMENT FOR INFORMATION CONCERNING THE ALLOCATION OF PROCEEDS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTORS UNDER A PARTICULAR COMPETING PLAN AS WELL AS FOR INFORMATION CONCERNING HOW SUCH ALLOCATIONS COMPARE TO RECOVERIES THAT WOULD BE RECEIVED IN A CHAPTER 7 LIQUIDATION.

3. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires the Bankruptcy Court to find, as a condition to confirmation, that confirmation "is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is contemplated by the plan." This condition is often referred to as the "feasibility" of the plan of reorganization.

PLEASE REVIEW EACH SPECIFIC DISCLOSURE STATEMENT FOR INFORMATION CONCERNING THE FEASIBILITY OF THE APPLICABLE COMPETING PLAN.

4. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section titled "**Confirmation Without Acceptance by All Impaired Classes**," each class of claims or equity interests that is impaired under the plan accept the plan. A class that is unimpaired under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptance with respect to such class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable, and contractual rights to which the claim or equity interest entitles the holder of that claim or equity interest, (b) cures any default and reinstates the original terms of the obligation, or (c) provides that, on the consummation date, the holder of the claim or equity interest receives cash equal to the allowed amount of that claim or, with respect

to any interest, any fixed liquidation preference to which the equity interest holder is entitled or any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims in that class, but for that purpose, counts only those who actually vote to accept or to reject the plan. Thus, a class of claims will have accepted the plan if the plan is accepted by at least two-thirds in amount and a majority in number of the Claims of such classes (other than any claims of creditors designated under section 1126(e) of the Bankruptcy Code) that have voted to accept or reject the plan. Under section 1126(d) of the Bankruptcy Code, a class of equity interests has accepted the plan if holders of such equity interests holding at least two-thirds (2/3) in amount (other than any holder of interests designated under section 1126(e) of the Bankruptcy Code) have voted to accept or reject the plan.

PLEASE REVIEW EACH SPECIFIC DISCLOSURE STATEMENT FOR
INFORMATION CONCERNING IMPAIRMENT OF CLASSES OF CLAIMS OR EQUITY
INTERESTS UNDER EACH COMPETING PLAN.

5. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows the bankruptcy court to confirm a plan, even if all impaired classes entitled to vote have not accepted it, provided that the plan has been accepted by at least one impaired class. Section 1129(b) of the Bankruptcy Code provides that, notwithstanding an impaired class's failure to accept a plan, the plan shall be confirmed, at the plan proponent's request, in a procedure commonly known as "cramdown," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

In general, a plan does not discriminate unfairly if it treats a class substantially equivalent to the treatment of other classes of equal rank. Courts will take into account a number of factors in determining whether a plan discriminates unfairly, including whether the discrimination has a reasonable basis, whether the debtor can carry out a plan without such discrimination, whether such discrimination is proposed in good faith, and the treatment of the class discriminated against. Courts have also held that it is appropriate to classify unsecured creditors separately if the differences in classification are in the best interest of the creditors, foster reorganization efforts, do not violate the absolute priority rule, and do not needlessly increase the number of classes.

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims requires that: (a) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtors or transferred to another entity under the plan, (b) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens, or (c) such holders realize the indubitable equivalent of such secured claims.

The condition that a plan be “fair and equitable” with respect to a non-accepting class of unsecured claims includes the requirement that either: (a) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim or (b) the holder of any claim or equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or equity interest any property.

The condition that a plan be “fair and equitable” to a non-accepting class of equity interests includes the requirements that either: (a) the plan provides that each holder of an equity interest in that class receives or retains under the plan, on account of that equity interest, property of a value, as of the effective date of the plan, equal to the greater of (i) the allowed amount of any fixed liquidation preference to which such holder is entitled, (ii) any fixed redemption price to which such holder is entitled, or (iii) the value of such equity interest or (b) if the class does not receive such an amount as required under (a), no class of equity interests junior to the non-accepting class may receive a distribution under the plan.

AS EXPLAINED ABOVE, THE BANKRUPTCY CODE CONTAINS PROVISIONS FOR CONFIRMATION OF A PLAN EVEN IF IT IS NOT ACCEPTED BY ALL CLASSES. THESE SO-CALLED “CRAMDOWN” PROVISIONS ARE SET FORTH IN SECTION 1129(B) OF THE BANKRUPTCY CODE, WHICH PROVIDES THAT A PLAN OF REORGANIZATION CAN BE CONFIRMED EVEN IF IT HAS NOT BEEN ACCEPTED BY ALL IMPAIRED CLASSES OF CLAIMS AND INTERESTS AS LONG AS, AMONG OTHER THINGS, AT LEAST ONE IMPAIRED CLASS OF NON-INSIDER CLAIMS HAS VOTED TO ACCEPT THE PLAN.

ARTICLE V GENERAL RISK FACTORS

THE IMPLEMENTATION OF ANY OF THE COMPETING PLANS IS SUBJECT TO A NUMBER OF MATERIAL RISKS, INCLUDING THOSE ENUMERATED BELOW. IN EVALUATING WHETHER TO VOTE TO ACCEPT OR REJECT A COMPETING PLAN, HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, ANY OF THE DEBTORS ENTITLED TO VOTE ON THE COMPETING PLANS SHOULD READ AND CAREFULLY CONSIDER THE GENERAL RISK FACTORS SET FORTH BELOW, IN ADDITION TO THOSE SET FORTH IN THE SPECIFIC DISCLOSURE STATEMENTS (AND THE DOCUMENTS DELIVERED TOGETHER HERewith AND THEREwith), PRIOR TO VOTING TO ACCEPT OR REJECT ANY COMPETING PLAN. THESE GENERAL RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISK INVOLVED IN CONNECTION WITH THE COMPETING PLANS AND THEIR IMPLEMENTATION, OR ALTERNATIVES TO THE COMPETING PLANS.

A. FACTORS AFFECTING LIGHTSQUARED

LightSquared is exposed to various factors and risks that include, without limitation, the following.

1. Business-Related Risks

a. **LightSquared Has No Significant Operations, Revenues, or Operating Cash Flow and Will Need Additional Liquidity To Fund Operations and Fully Fund All Necessary Capital Expenditures**

LightSquared has no significant operations or revenues and does not generate significant cash from operations. Moreover, LightSquared expects to continue to incur significant net losses for the foreseeable future. LightSquared continues to incur expenses, which must be funded out of cash reserves. It is unclear when, or if, LightSquared will be able to generate sufficient cash from operations to cover its expenses and fund capital expenditures.

b. **There Are Significant Risks Associated with Operating Satellites Contemplated Under LightSquared's Business Plan**

LightSquared operates the MSAT 1, MSAT 2, and SkyTerra-1 satellites, exposing LightSquared to the many risks inherent in maintaining satellites. During and after their launch, all satellites are subject to the risk of equipment failures, malfunctions, and other problems. If one of LightSquared's satellites were to fail prematurely, it could affect the quality of the satellite service and back-up capacity, interrupt the continuation of LightSquared's satellite service, or result in the loss of LightSquared's licenses, any of which could materially adversely impact LightSquared's business, prospects, financial condition, and results of operations.

LightSquared has obtained in-orbit insurance coverage for SkyTerra-1 and intends to maintain such in-orbit coverage in the future and to obtain such coverage for SkyTerra-2 once launched. It has obtained insurance containing customary satellite insurance exclusions and/or deductibles. As is common in the industry, LightSquared is not insuring against business interruption, lost revenues, or delay of revenues in the event of a total or partial loss of the communications capacity or life of its satellite. Additionally, LightSquared no longer insures the two MSAT satellites, as they have reached their contractual life or have been the subject of insurance settlements in the past. The total amount of insurance LightSquared may receive through the policy may not cover the cost to launch or insure a replacement satellite. Accordingly, LightSquared is not fully insured for all of the potential losses that may be incurred in the event of a satellite system failure.

c. **Major Network Failures Could Have an Adverse Effect on LightSquared's Business**

Equipment failures, power outages, natural disasters, terrorist acts, accidents, computer viruses or cyber-attacks, criminal conduct, employee error, or other events within or outside LightSquared's control that damage its networks, transport facilities, communications switches, routers, microwave links, cell sites, satellites, satellite-related ground equipment, other equipment, or third-party networks on which LightSquared relies could cause major network

failures and/or unusually high network traffic demands that could have a material adverse effect on LightSquared's operations or its ability to provide service to its customers and their consumer end users. These events could disrupt LightSquared's operations, require significant resources to resolve, or result in legal costs or liability, which, in turn, could have a material adverse effect on LightSquared's business, prospects, financial condition, and results of operations.

In addition, with the growth of wireless data services, enterprise data interfaces, and Internet-based or IP-enabled applications, LightSquared's network and customer devices are exposed to a greater degree to third-party data or applications over which LightSquared has less direct control. As a result, LightSquared's network infrastructure and information systems, as well as its customers' wireless devices, may be subject to a wider array of potential security risks, including viruses and other types of computer-based attacks, which could cause lapses in LightSquared's service or adversely affect the ability of consumer end users to access LightSquared's service. Such lapses could have a material adverse effect on LightSquared's business, prospects, financial condition, and results of operations.

d. LightSquared May Not Be Able To Protect Proprietary Information and Intellectual Property Rights Upon Which LightSquared's Operations and Future Growth Depend

LightSquared's success depends, in part, on its ability to develop or acquire technical know-how and remain current on new technological developments. As a result, LightSquared's ability to compete effectively will depend, in part, on its ability to protect proprietary technologies and system designs.

LightSquared has filed certain patent applications in the United States and abroad, and LightSquared owns U.S. and foreign patents that are believed to cover aspects of its technology. There can be no assurance that the patents for which LightSquared has applied will be issued or, if issued, will be sufficient to prevent competitors from deploying and operating their own 4G LTE terrestrial wireless networks using similar technology. Such technology may be superior in some respects to that of LightSquared, and competitors may be able to develop and deploy such technology without infringing on LightSquared's intellectual property rights. In addition, LightSquared's patents could be challenged, and their claims invalidated or their scope narrowed, particularly if LightSquared were to attempt to enforce them against suspected infringers. LightSquared also relies upon unpatented proprietary technology and other trade secrets. While it is LightSquared's policy to enter into confidentiality agreements with employees and third parties to protect its proprietary expertise and other trade secrets, these agreements might not be enforceable or provide for adequate remedies for breach. LightSquared has not exhaustively searched third-party patents relevant to, or third-party technology competitive with, its systems and technologies, and therefore it is possible that LightSquared may be unknowingly infringing third-party intellectual property and, in the alternative, that third parties may be infringing LightSquared's intellectual property rights. If LightSquared decides to take legal action to protect, defend, or enforce its intellectual property rights, any suits or proceedings could result in substantial costs and diversion of its resources and its management's and employees' attention and could have a material adverse effect on its financial condition and results of operations, regardless of the final outcome of such legal action.

In addition, LightSquared itself could become the target of patent or other intellectual property infringement claims. Any suits alleging infringement of intellectual property rights could result in substantial costs and diversion of LightSquared's resources and its management's and employees' attention and could materially adversely affect its financial condition and results of operations, regardless of the final outcome of such legal action. If LightSquared is found by a court or administrative body of competent jurisdiction to infringe or otherwise violate the intellectual property rights of others, LightSquared might be required to pay substantial damages or be enjoined from making, using, licensing, or selling the infringing services or technology or both.

e. LightSquared Is Highly Dependent on Performance of Inmarsat Under the Inmarsat Cooperation Agreement, and Any Failure To Perform Could Have a Substantial Adverse Impact on LightSquared's Estates

LightSquared is highly dependent on Inmarsat's fulfillment of its obligations under the Inmarsat Cooperation Agreement. Following the full implementation of the Inmarsat Cooperation Agreement, which involves the phased rebanding of certain L-band spectrum licensed to Inmarsat and LightSquared, LightSquared will have access to approximately 46 MHz of contiguous blocks of L-band coordinated spectrum, 22 MHz of which will be available for LightSquared's use as a result of its coordination with Inmarsat. If Inmarsat terminates, defaults, or otherwise fails to perform under the agreement, LightSquared's business, prospects, financial condition, and results of operations could be materially and adversely affected.

2. Regulatory Risks

a. LightSquared Is Subject to Significant U.S. and International Governmental Regulation

LightSquared's ownership and operation of satellite and wireless communication systems is subject to regulation by the FCC and Industry Canada. In general, laws, policies, and regulations affecting the satellite and wireless communications industries are subject to change in response to industry developments, new technology, or political considerations. Legislators or regulatory authorities are considering or may consider, or may in the future adopt, new laws, policies, and regulations, or changes to existing regulations regarding a variety of matters that could, directly or indirectly, affect LightSquared's operations.

LightSquared is subject to a large number of FCC and Industry Canada regulations. FCC and Industry Canada authorizations to provide wireless communication services and operate certain equipment are a necessary part of an MSS/ATC network. LightSquared's authority to provide ATC services in the United States is predicated on meeting certain gating criteria, including maintaining an in-orbit spare satellite within one (1) year after commencing ATC operation and offering commercial MSS throughout the United States and certain territories. Failure to comply with relevant FCC and Industry Canada rules or with the terms of the licenses and authorizations that may be granted to LightSquared to provide MSS or ATC services could result in the termination, revocation, or cancellation of its MSS or ATC authorizations, unless a waiver of the rules or conditions is obtained.

Increased competition for spectrum and orbital locations may make it difficult and costly for LightSquared to obtain or retain the right to use the spectrum and orbital resources required for LightSquared's operations. In the future, LightSquared may not be able to coordinate its satellite operations successfully under international telecommunications regulations and may not be able to obtain or retain spectrum and orbital resources required to provide future services. If LightSquared fails to obtain authorizations for orbital locations or spectrum or fails to coordinate LightSquared's use of the spectrum successfully, it could lose the right to operate, which would have a material adverse effect on LightSquared's business.

b. Any Future Changes in Control of LightSquared Inc., LightSquared LP, or SkyTerra (Canada) Inc. Are Subject to Prior Regulatory Approval

Any investment in LightSquared Inc., LightSquared LP, or their subsidiaries that hold various FCC licenses and authorizations, that could result in a change of control of those subsidiaries would be subject to prior FCC approval. A request for FCC approval may involve a lengthy review period prior to consummation of any change of control transaction. LightSquared may be unable to obtain the necessary FCC approvals in a reasonably timely fashion, if at all, and the FCC could impose new or additional license conditions as part of such a review.

Any investment that results in a material change in the ownership or control of SkyTerra (Canada) Inc. would be subject to prior approval by Industry Canada (which might also include approval under the *Investment Canada Act* and pre-merger notification under the *Competition Act*), as well as separate filings with the FCC. Either or both the request for Industry Canada approval and the related filings with the FCC may involve a lengthy review period prior to consummation of any material change in the ownership or control of SkyTerra (Canada) Inc. LightSquared may be unable to obtain the necessary regulatory approvals in a reasonably timely fashion, if at all, and Industry Canada or the FCC could impose new or additional authorization and/or license conditions as part of such a review. The requirement to obtain regulatory approval could discourage, delay, or prevent a merger, acquisition, or other change in control of LightSquared Inc., LightSquared LP or SkyTerra (Canada) Inc.

c. LightSquared Cannot Currently Provide ATC Service Without Its FCC Authorizations, and the Loss of those Authorizations Could Have Material Adverse Effect on the Ability To Implement Terrestrial Deployment of Its Wireless Spectrum and the Underlying Asset Value of the Business

As discussed in detail above, due to the concerns raised by the GPS community regarding alleged interference to GPS receivers, the FCC proposed over a year ago to revoke or suspend indefinitely LightSquared's ATC authorizations. If the FCC were to vacate the Conditional Waiver Order and/or modify LightSquared's satellite licenses to suspend indefinitely LightSquared's ATC authority, such events would likely cause significant harm to LightSquared.

d. LightSquared Might Not Be Able To Coordinate Successfully With Other L-band Satellite Operators To Access and Use the Full Amount of L-band Spectrum Needed for Terrestrial Deployment of Its Wireless Spectrum

The use of LightSquared's licensed spectrum is subject to treaty commitments made by the United States and Canada to the International Telecommunication Union ("ITU") and the terms of multilateral and bilateral coordination agreements entered into pursuant to the ITU Radio Regulations. LightSquared has not completed coordination of its new satellites with all of the relevant satellite operators, which it will need to do in order to maintain its authorizations with the FCC and Industry Canada.

Increased competition for satellite spectrum and associated orbital locations may make it difficult and costly for LightSquared to obtain or retain the right to use the spectrum and associated orbital resources required for its operations. In the future, LightSquared may not be able to coordinate its satellite operations successfully under ITU rules and may not be able to obtain or retain satellite spectrum and associated orbital resources required to provide future services. If LightSquared is unable to coordinate its satellites internationally or loses U.S. or Canadian regulatory authorizations for spectrum or associated orbital locations, LightSquared could lose the right to operate part or all of its system or services, which would have a material adverse effect on its business, prospects, financial condition, and results of operations.

3. Legal Proceedings

In the normal course of business, LightSquared is subject to various legal proceedings and claims. Accordingly, although LightSquared believes that it has made adequate provisions for all current and threatened legal disputes, LightSquared may in the future become involved in legal disputes arising from its relationships with its employees, shareholders, business partners and creditors, or from other sources. Such legal disputes could result in large settlements or judgments that could materially impair LightSquared's financial condition. In addition, the defense of such proceedings could result in significant expense and the diversion of management's time and attention from the operation of the business, which could impede LightSquared's ability to achieve its business objectives. Some or all of the amount LightSquared may be required to pay to defend or to satisfy a judgment or settlement of any or all of these proceedings may not be covered by insurance.

B. RISK THAT INFORMATION IN THIS GENERAL DISCLOSURE STATEMENT MAY BE INACCURATE

The statements contained in this General Disclosure Statement are made by LightSquared as of the date hereof, unless otherwise specified herein, and the delivery of this General Disclosure Statement after that date does not imply that there has not been a change since that date in the information set forth herein. LightSquared may subsequently update the information in this General Disclosure Statement, but it has no duty to update this General Disclosure Statement unless ordered to do so by the Bankruptcy Court. Further, the performance and prospective financial information contained herein, unless otherwise expressly indicated, is unaudited. Finally, neither the SEC nor any other governmental authority has passed upon the

accuracy or adequacy of this General Disclosure Statement, the Specific Disclosure Statements, the Competing Plans, or any exhibits thereto.

C. LIQUIDATION UNDER CHAPTER 7

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of holders of Claims and Equity Interests and LightSquared's Liquidation Analysis is set forth in Article IV.C.2 hereof and Exhibit C attached hereto.

These risk factors contain certain statements that are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are made pursuant the safe harbor provisions thereof. These statements are subject to a number of assumptions, risks, and uncertainties, many of which are beyond the control of LightSquared, including, without limitation, the implementation of the Competing Plans, the continuing availability of sufficient borrowing capacity, and other financing to fund operations, currency exchange rate fluctuations, terrorist actions or acts of war, operating efficiencies, labor relations, actions of governmental bodies, and other market and competitive conditions. Holders of Claims and Equity Interests are cautioned that the forward-looking statements speak as of the date made and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements and LightSquared undertakes no obligation to update any such statements.

**ARTICLE VI
CONCLUSION**

Please refer to each of the Specific Disclosure Statements for each Plan Proponent's view regarding the implications and consequences of confirmation of its respective Competing Plan. Following such review, please vote to accept or reject the Competing Plans by returning your Ballot(s) so that they are **actually received** by the Notice and Claims Agent no later than 4:00 p.m. (prevailing Pacific time) on November 29, 2013.

New York, New York
Dated: August 29, 2013

LightSquared Inc. (for itself and all other Debtors)

/s/ Douglas Smith

Douglas Smith

Chief Executive Officer, President, and
Chairman of the Board of LightSquared Inc.

Exhibit A

LightSquared's Prepetition Organizational Structure

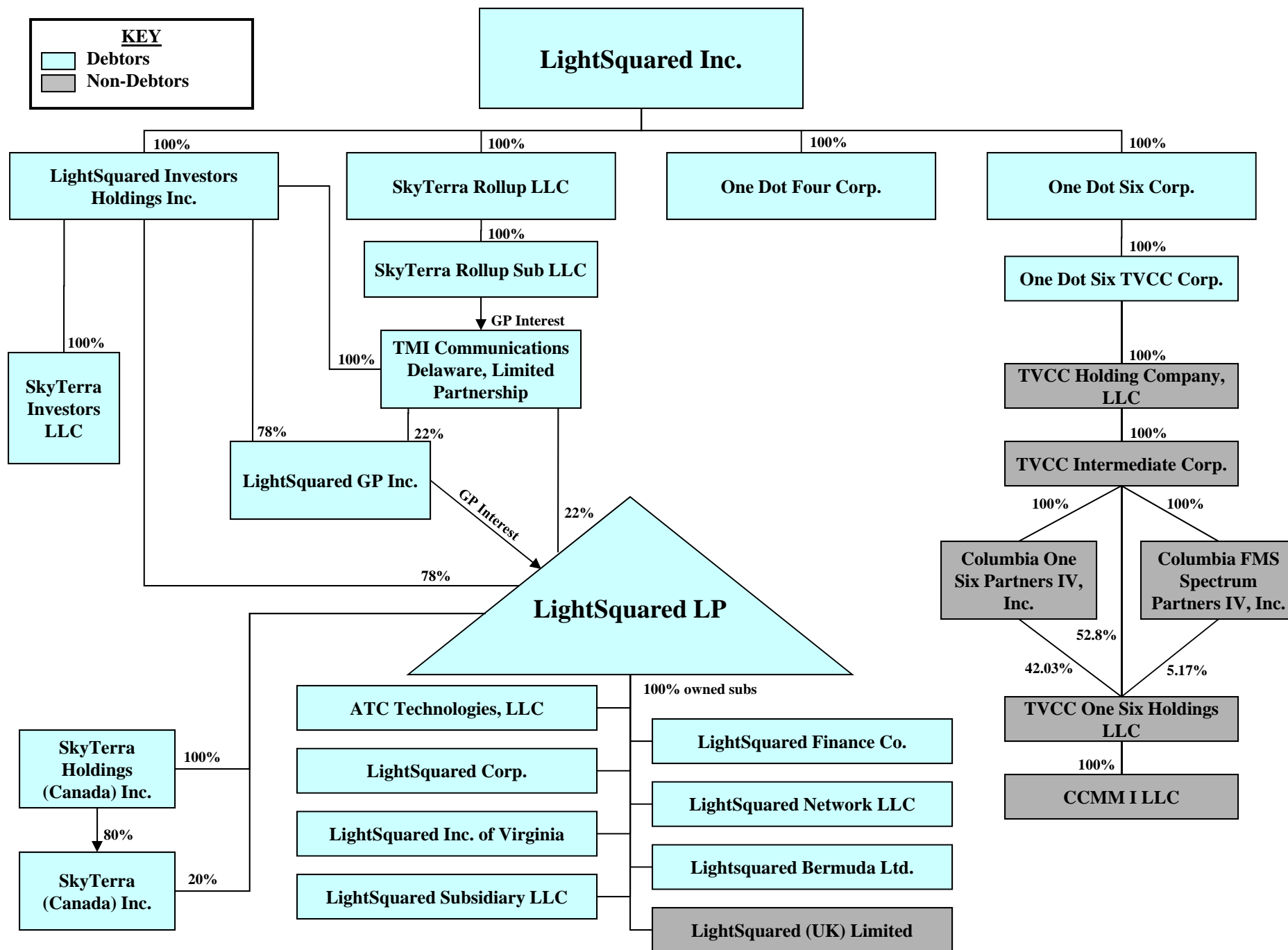


Exhibit B

August 7, 2013 Public Notice



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 13-1717
August 7, 2013

COMMENTS SOUGHT ON LIGHTSQUARED SUBSIDIARY LLC *EX PARTE* FILING

IB Docket Nos. 12-340, 11-109; IBFS File Nos. SAT-MOD-20120928-00160,-00161; SAT-MOD-20101118-00239; SES-MOD-20121001-00872; RM-11681; WT Docket No. 12-327

Report No. SPB-253

Comment Date: September 6, 2013

Reply Comment Date: September 23, 2013

On July 15, 2013, LightSquared Subsidiary LLC (LightSquared) filed an *ex parte* presentation in these proceedings that is related solely to terrestrial handsets (and does not address the technical matters associated with terrestrial base stations).¹ Specifically, the report provides an “overview of the assessments” concerning the potential operations of LightSquared’s terrestrial wireless handsets in the 1626.5-1660.5 MHz Mobile Satellite Service (MSS) uplink portion of the L-band.² In particular, the report provides technical analyses of the potential interaction of LightSquared terrestrial wireless devices with GPS devices used for general location/navigation, high precision and aviation services.³ LightSquared states that the presentation includes a focused response to questions raised by several government agencies.⁴ LightSquared concludes that the presentation provides validation to its proposed plan for proceeding with the modified deployment of its terrestrial network.⁵ We seek comment on the *July 15, 2013 Presentation*, including its analyses, assessments, and its conclusions.

¹ Letter from John P. Janka, Counsel for LightSquared Subsidiary LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, IB Docket No. 12-340; IBFS File Nos. SAT-MOD-20120928-00160, -00161, SES-MOD-20121001-00872 (filed Jul. 15, 2013) (*July 15, 2013 Presentation*).

² *Id.* at 1.

³ *See generally id.*

⁴ LightSquared indicates that since early 2012, it has sought a path to resolve the GPS issue and create a new deployment plan in cooperation with government and military stakeholders. *Id.* at 1.

⁵ LightSquared further indicates that it has engaged with government stakeholders to build use cases to properly evaluate the potential for conflict between its proposed modified operation and those of existing users in other bands. *Id.* at 20.

PROCEDURAL MATTERS

These proceedings, with the exception of RM-11681, shall be treated as “permit-but-disclose” proceedings in accordance with the Commission’s *ex parte* rules.⁶ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceedings, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (*e.g.*, .doc, .xml, .ppt, searchable .pdf). Participants in these proceedings should familiarize themselves with the Commission’s *ex parte* rules.

Interested parties must file comments no later than **September 6, 2013**. Replies to such pleadings must be filed no later than **September 23, 2013**. All filings concerning matters referenced in this Public Notice should refer to **DA 13-1717, IB Docket Nos. 12-340, 11-109; IBFS File Nos. SAT-MOD 20120928-00160, -00161; SAT-MOD-20101118-00239; SES-MOD-20121001-00872; RM-11681; WT Docket No. 12-327** as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.

⁶ All of the proceedings listed in the caption above, with the exception of RM-11681, were designated as “permit-but-disclose.” See *Federal Communications Commission Invites Comment on LightSquared Request to Modify its ATC Authorization*, IB Docket 12-340, Public Notice, DA 12-1863 (Int’l Bur., Nov. 16, 2012); *Wireless Communications Bureau Seeks Comment on Request by OP LLC for Extension or Waiver of the Construction Deadline Concerning its 1670-1675 MHz Band License*, WT Docket No. 12-237, DA 12-1776 (WTB, Nov. 5, 2012); *Comment Deadlines Established Regarding the LightSquared Technical Working Group Report*, IB Docket No. 11-109, DA 11-1133 (Int’l Bur., June 30, 2011); Report No. SAT-00738, *Public Notice* (Int’l. Bur., Nov. 19, 2010). RM-11681 is exempt from the Commission’s *ex parte* rules. 47 C.F.R. § 1.1204(b)(2).

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

For further information, contact:

International Bureau: Robert Nelson, at Robert.Nelson@fcc.gov or (202) 418-2341

Office of Engineering and Technology: Ronald T. Repasi, at Ronald.Repasi@fcc.gov or (202) 418-0768

Office of Strategic Planning & Policy Analysis: Nicholas Alexander, at Nicholas.Alexander@fcc.gov or (202) 418-2173

Wireless Telecommunications Bureau: Charles Mathias, at Charles.Mathias@fcc.gov or (202) 418-7147.

Action by the Chiefs, International Bureau, Office of Engineering and Technology, Office of Strategic Planning & Policy Analysis and Wireless Telecommunications Bureau.

-FCC-

Exhibit C

Liquidation Analysis

Introductory Notes

General Assumptions

The Liquidation Analysis assumes that the Debtors' Chapter 11 Cases are converted to liquidation cases under Chapter 7 of the Bankruptcy Code on December 31, 2013. The Bankruptcy Court-appointed Chapter 7 Trustee would proceed to liquidate all of the Debtors' assets over a twelve-month period and the cases would conclude on December 31, 2014. A twelve-month wind-down period is assumed due to the fact that certain key assets of the Debtors will require regulatory approvals to enable a transfer of control, and such approvals could take six to nine months to obtain. The Liquidation Analysis assumes that the Debtors' assets, including their spectrum and satellite assets as well as their mobile satellite services business, would be sold in the aggregate as a going concern to maximize liquidation value. To the extent the various assets are instead sold individually, on a piecemeal basis, liquidation values would be significantly below those shown in this Liquidation Analysis. The Liquidation Analysis does not include any potential recovery from lawsuits that the Debtors could file, or any value related to Net Operating Losses at any of the Debtor entities.

Cash and Equivalents

The "Cash and Equivalents" balances are the projected cash balances as of December 31, 2013 based on the Debtors' cash forecast. Cash will be used for payroll and overhead costs prior to liquidation. The Liquidation Analysis assumes that, to the extent necessary to fund operations, LightSquared LP will use cash currently reflected on the books of TMI Communications Delaware, LP.

Investment Securities

"Investment Securities" consist of short-term marketable securities insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States. The Debtors do not expect to have any "Investment Securities" balance as of December 31, 2013 as these assets are expected to be converted into Cash & Equivalents by that point in time.

Accounts Receivable

The "Accounts Receivable" balance represents outstanding amounts due for the sale of service and equipment to the Debtors' customers. Customers include wholesalers, which resell mobile satellite voice and data services, and private network capacity customers.

Inventory

The Debtors' "Inventory" consists primarily of satellite phones and antenna equipment purchased from manufacturers and held for sale.

Other Property, Plant & Equipment

The Debtors' "Property, Plant & Equipment" (excluding satellites and related equipment) include office furniture and equipment, office network equipment, and leasehold improvements.

Satellite System Under Construction

The "Satellite System Under Construction" represents the cost of the Debtors' SkyTerra-2 satellite (currently in storage) and the related ground systems. The Book Value of the "Satellite System Under Construction" also includes performance incentive payments expected to be paid to the satellite manufacturer and capitalized interest and labor associated with the construction of the satellite.

The estimated Liquidation Value of the Satellite Based Network is based on an estimated gross recovery rate on the SkyTerra-2 satellite and related ground systems, which is approximately 35% to 45% of Book Value, or a value range of \$150 million to \$200 million. The analysis then reduces the estimated gross liquidation value of the "Satellite System Under Construction" assets by obligations and other costs associated with these assets, including the payment of orbital performance incentives and liquidated damage earnbacks owed to the satellite manufacturer.

Satellite Based Network

The "Satellite Based Network" represents the cost of the Debtors' SkyTerra-1 satellite and related ground systems. The SkyTerra-1 satellite has been in orbit since November 2010, and the satellite was placed into service in February 2011 when the Debtors took full ownership. The Book Value of the "Satellite Based Network" also includes costs associated with launch (including launch insurance), performance incentive payments expected to be paid to the satellite manufacturer (recorded at their present value), and capitalized interest and labor associated with the construction of the satellite.

The estimated Liquidation Value of the Satellite Based Network is based on an estimated gross recovery rate on the SkyTerra-2 satellite and related ground systems (see "Satellite System Under Construction"). The SkyTerra-2 satellite system provides a reasonable comparable for the SkyTerra-1 system due to the fact that these systems are nearly identical. Despite the fact that the SkyTerra-1 satellite has been launched, the satellite can be moved to cover other geographies at a modest cost in terms of reduced fuel life and a modest investment in ground infrastructure. Furthermore, the fact that SkyTerra-1 has been successfully launched is a positive contributor to value due to the fact that it significantly reduces risks associated with the program. Therefore, the Liquidation Analysis captures an additional \$150 million in value for SkyTerra-1 by including system costs associated with the launch of the satellite, including launch insurance. The analysis then reduces the estimated gross liquidation value of the "Satellite Based Network" assets by obligations and other costs associated with these assets, including (i) the payment of

orbital performance incentives and liquidated damage earnbacks owed to the satellite manufacturer, (ii) a discount based on the expected useful life of SkyTerra-1 due to the fact that its 15-year useful design life began in February 2011 upon being placed into service, and (iii) estimated incremental costs associated with moving the satellite to a new geography, to the extent required by a potential purchaser.

Network Under Construction

“Network Under Construction” refers to the cost of equipment to build the Debtors’ LTE terrestrial wireless network. Equipment includes IP networking gear, LTE base station gear, and servers.

Spectrum

L-Band Spectrum:

“Spectrum” Book Value is partially based on the Debtors’ access to up to 46 MHz of L-band spectrum. The Book Value includes the amortized cost for the fair value adjustment recorded at the time in which SkyTerra Communications (LightSquared’s predecessor company) was acquired by Harbinger Capital Partners’ investment funds in March 2010. At the time of the acquisition, the Debtors recorded a fair value of \$2.16 billion for these assets. Additional value related to the Inmarsat Cooperation Agreement is also captured in the Book Value of the spectrum.

As it relates to the Debtors’ L-Band spectrum, the Liquidation Analysis is consistent with a comparable set of precedent spectrum/satellite bankruptcies -- DBSD North America, Inc. and TerreStar Networks Inc. The estimated liquidation value for the L-Band spectrum is shown net of the present value of the future obligations required under the Inmarsat Cooperation Agreement.

1670-1675 MHz Spectrum:

The other key component of “Spectrum” Book Value is related to One Dot Six Corp.’s sub-license of 5 MHz of spectrum in the 1670–1675 MHz band. The sub-license is effective until October 1, 2013 and has a maximum of one ten-year renewal option and an option to purchase the underlying 1.6 GHz spectrum license each October 1st beginning October 1, 2013 for \$130.0 million plus an increase related to the consumer price index from 2007 until the date acquired (estimated cost of approximately \$150 million as of October 1, 2013). If licensee is granted a renewal of less than ten years, Debtor can only sub-license the spectrum for the term licensee is awarded or a maximum of ten years. The Debtor recently renewed the sub-license for an additional 10-year term. The Book Value of the “Spectrum” includes the amortized cost for the fair value recorded at the time in which Harbinger contributed the spectrum to One Dot Six Corp in October 2010. At the time of the contribution, the One Dot Six Corp recorded a fair value of \$40.7 million for the asset, and assumed that the book value would be amortized over a 3-year period based on the duration of the sub-license in place at the time.

The estimated liquidation value of the 1670-1675 MHz spectrum was based on pricing achieved in Auction 66. A discount was applied to account for the spectrum being unpaired. An additional discount was then applied for a distressed sale scenario. The estimated liquidation of the 1670-1675 MHz spectrum is also net of the costs associated with exercising the purchase option on these assets.

The analysis assumes additional value of approximately \$4.5 million related to certain expenditures of the Debtor in connection with the build-out of a broadcast network utilizing the 1670-1675 MHz spectrum. Items captured in this value include transmitters, cabinets, racks, antennae, construction and acquisition costs related to the 1670-1675 MHz network deployment.

Other Current Assets

“Other Current Assets” include prepaid expenses, vendor deposits, and certain receivables due from TerreStar, Inc.

Other Non-Current Assets

“Other Non-Current Assets” include debt issuance costs and long-term prepaid expenses. No recovery is expected related to these assets.

Patents/Other Intangibles

The book value of the Debtors’ “Patents and Other Intangibles” consists primarily of their patent portfolio which includes know-how necessary to deploy and operate a satellite network in the same spectrum frequencies as a terrestrial-based network.

Costs Associated with Liquidation

Estimated amounts for corporate payroll and certain operating costs during the twelve-month liquidation period are based upon the assumption that certain corporate functions would be retained to oversee the liquidation process. Some staff would also be needed to maintain and close the accounting records and to complete certain administrative tasks including payroll, tax forms, and records. Certain minimum staff would be required at the physical locations to complete the closure of the facilities, disassemble the equipment, and oversee the sale process of spectrum, spectrum sub-lease, and equipment.

Chapter 7 trustee fees include those fees associated with the appointment of a Chapter 7 trustee in accordance with section 326 of the Bankruptcy Code.

Chapter 7 professional fees include legal, appraisal, broker, and accounting fees expected to be incurred during the twelve-month liquidation period and not already deducted from liquidation values.

Carve-Out for Professional Fees

Carve-Out includes estimated accrued and unpaid professional fees and disbursements at December 31, 2013.

Secured Claims

The Debtors' Secured Claims consist of amounts owed under the DIP Inc. Facility, amounts owed under the Prepetition LP Credit Facility, and amounts owed under the Prepetition Inc. Credit Facility, as indicated.

Administrative Claims, Priority Tax Claims, and Other Priority Claims

Administrative Claims, Priority Tax Claims, Other Priority Claims, Chapter 11 Postpetition Accounts Payable, and Accrued Liabilities include unpaid postpetition operating expenses of the Debtors' estates as projected at December 31, 2013, assuming the amount of trade credit advanced by creditors during the Chapter 11 Cases remains comparable to the actual amount of trade credit advanced at July 31, 2013. Administrative Claims are assumed to be paid on a *pro rata* basis from the net proceeds, if any, remaining after the payment of, and distributions on account of, liquidation costs, the Carve-Out, and Secured Claims. Priority Tax Claims are assumed to be paid on a *pro rata* basis from the net proceeds available, if any, after the payment of and distributions on account of liquidation costs, the Carve-Out, Secured Claims, and Administrative Claims. Other Priority Claims, Chapter 11 Postpetition Accounts Payable, and Accrued Liabilities would be paid in the priority as set forth in the Bankruptcy Code.

General Unsecured Claims

For purposes of the Liquidation Analysis, the Debtor's management has assumed that unsecured claims will consist of estimated General Unsecured Claims as defined in the Plan. It should be noted that the Liquidation Analysis does not attempt to estimate potential additional General Unsecured Claims that would likely arise as a result of the rejection of remaining executory contracts and unexpired leases or the failure of the Debtors to perform under existing contracts with their suppliers. Such additional claims would likely result from a cessation of operations as contemplated in a Chapter 7 Liquidation and would likely be substantial in amount. Additionally, potential litigation claims have not been included. General Unsecured Claims do, however, include prepetition intercompany payables, costs associated with the assumed rejection of employment contracts, and repayment fees associated with the Prepetition LP Credit Facility. General Unsecured Claims are assumed to be paid on a *pro rata* basis from the net liquidation proceeds available, if any, after distributions on account of all other Claims at each Debtor entity.

Liquidation Analysis
LightSquared Inc. and Related Entities
(\$ in millions, Unaudited)

	LightSquared LP Subsidiaries and/or Guarantors												LightSquared Inc. Guarantors			LightSquared Inc. and Misc. Entities				Consol.	
	12-12081	12-12086	12-12082	12-12092	12-12094	12-12089	12-12083	12-12088	12-12085	12-12093	12-12091	12-12098	12-12097	12-12084	12-12095	12-12096	12-12080	12-12101	12-12102		12-12099
	Light-Squared LP	ATC Tech., LLC	Light-Squared Corp.	Light-Squared Inc. of Virginia	Light-Squared Subsidiary LLC	Light-Squared Finance Co.	Light-Squared Network LLC	Light-squared Bermuda Ltd.	TMI Comm. Delaware, Ltd. Ptnrship	Light-Squared Inv. Holdings Inc.	Light-Squared GP Inc.	SkyTerra Holdings (Canada) Inc.	SkyTerra (Canada) Inc.	One Dot Six Corp.	One Dot Four Corp.	One Dot Six TVCC Corp.	Light-Squared Inc.	SkyTerra Rollup LLC	SkyTerra Rollup Sub LLC	SkyTerra Investors LLC	
Hypothetical Recovery % to Holders of:																					
Claims Satisfied by Professional Fees Carve-Out	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Secured Claims of Inc. DIP Loan Facility at One Dot Six Corp.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Secured Guarantee Claims of Prepetition Inc. Lenders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	49.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Secured Claims at LightSquared LP	53.2%	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
507(b) Claim of Prepetition LP Lenders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
507(b) Claim of Prepetition Inc. Lenders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Administrative Claims, Priority Tax Claims, and Other Priority Claims	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unsecured Claims	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Exchangeable Preferred Equity (LP)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Convertible Preferred Equity (Inc.)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Liquidation Analysis
LightSquared Inc. and Related Entities
(\$ in millions, Unaudited)

	LightSquared LP Subsidiaries and/or Guarantors												
	12-12081	12-12086	12-12082	12-12092	12-12094	12-12089	12-12083	12-12088	12-12085	12-12093	12-12091	12-12098	12-12097
	LightSquared LP	ATC Technologies, LLC	LightSquared Corp.	LightSquared Inc. of Virginia	LightSquared Subsidiary LLC	LightSquared Finance Co.	LightSquared Network LLC	LightSquared Bermuda Ltd.	TMI Communications Delaware, LP	LightSquared Investors Holdings Inc.	LightSquared GP Inc.	SkyTerra Holdings (Canada) Inc.	SkyTerra (Canada) Inc.
Gross Estimated Liquidation Proceeds⁽¹⁾													
Cash & Equivalents at Conversion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9.25	\$ -	\$ -	\$ -	\$ -
Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	0.68	0.08	0.49	-	-	-	-	-	-	-	-	-	-
Inventory	1.09	-	-	-	-	-	-	-	-	-	-	-	-
Other PP&E	0.35	-	-	-	-	-	-	-	-	-	-	-	-
Satellite System Under Construction	146.71	-	2.84	-	-	-	-	-	-	-	-	-	-
Satellite Based Network	161.50	-	11.60	-	-	-	-	-	-	-	-	-	-
Network Under Construction	-	-	0.24	-	-	-	0.84	-	-	-	-	-	-
Spectrum ⁽²⁾	894.40	-	-	-	-	-	-	-	-	-	-	-	782.60
Other Current Assets	0.45	-	0.02	-	-	-	-	-	-	-	-	-	0.02
Other Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Interest (Network to LP)	0.84	-	-	-	-	-	(0.84)	-	-	-	-	-	-
Patents / Other Intangibles	-	18.05	-	-	-	-	-	-	-	-	-	-	-
Gross Estimated Liquidation Proceeds Available for Distribution (1)	\$ 1,206.02	\$ 18.13	\$ 15.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9.25	\$ -	\$ -	\$ -	\$ 782.62
Costs Associated with Liquidation:													
Chapter 7 Trustee Fees ⁽³⁾	27.14	0.41	0.34	-	-	-	-	-	0.21	-	-	-	17.61
Chapter 7 Professional Fees ⁽³⁾	12.06	0.18	0.15	-	-	-	-	-	0.09	-	-	-	7.83
Wind-down Costs	31.41	0.36	0.99	-	-	-	-	-	-	-	-	-	0.80
Net Estimated Proceeds Available for Distribution	1,135.41	17.18	13.70	-	-	-	-	-	8.95	-	-	-	756.39
Less Professional Fees Carve-Out													
Total Carve-Out for Professional Fees ⁽⁴⁾	7.3	-	-	-	-	-	-	-	-	-	-	-	-
Hypothetical Recovery to Holders of Claims Satisfied by Carve-Out	7.3	-	-	-	-	-	-	-	-	-	-	-	-
% Recovery	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross Proceeds Available after Distributions on Account of the Carve-Out	\$ 1,128.08	\$ 17.18	\$ 13.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8.95	\$ -	\$ -	\$ -	\$ 756.39
Less Secured Claims at LightSquared LP													
Prepetition LP Loan ⁽⁷⁾	2,119.00	2,119.00	2,119.00	2,119.00	2,119.00	-	-	-	-	-	-	2,119.00	2,119.00
Hypothetical Recovery to Holders of Secured Claims	1,128.08	17.18	13.70	-	-	-	-	-	-	-	-	-	756.39
% Recovery	53.2%	0.8%	0.6%	0.0%	0.0%	-	-	-	-	0.0%	0.0%	0.0%	35.7%
Proceeds Available after Distributions on Account of Secured Claims at LightSquared LP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8.95	\$ -	\$ -	\$ -	\$ -
Less 507(b) Claim of Prepetition LP Lenders													
507(b) Claim of Prepetition LP Lenders ⁽⁸⁾	-	-	-	-	-	-	-	-	203.64	203.64	203.64	-	-
Prepetition Inc. Loan -- Non-Affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepetition Inc. Loan -- Affiliate	-	-	-	-	-	-	-	-	203.64	203.64	203.64	-	-
Hypothetical Recovery to Holders of 507(b) Claims and Prepetition Inc. Loan Claims	-	-	-	-	-	-	-	-	8.95	-	-	-	-
% Recovery	-	-	-	-	-	-	-	-	4.4%	0.0%	0.0%	-	-
Proceeds Available after Distributions on Account of 507(b) Claims and Prepetition Inc. Loan Claims	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Administrative Claims, Priority Tax Claims, and Other Priority Claims													
Administrative Claims, Priority Tax Claims, Other Priority Claims, Chapter 11 Postpetition Accounts Payable and Accrued Liabilities (10)	7.82	0.05	1.09	-	-	-	-	-	-	-	-	-	-
Hypothetical Recovery to Holders of Administrative Claims, Priority Tax Claims, and Other Priority Claims	-	-	-	-	-	-	-	-	-	-	-	-	-
% Recovery	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proceeds Available after Distributions on Account of Administrative Claims, Priority Tax Claims, and Other Priority Claims	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less General Unsecured Claims													
General Unsecured Claims ⁽¹¹⁾	75.76	-	0.09	-	-	-	-	-	-	-	-	-	-
Hypothetical Recovery to Holders of Unsecured Claims	-	-	-	-	-	-	-	-	-	-	-	-	-
% Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds Available after Distributions on Account of General Unsecured Claims	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Less Exchangeable Preferred Equity (LP)													
Exchangeable Preferred Equity (LP) ⁽¹²⁾	296.10	-	-	-	-	-	-	-	-	-	-	-	-
Hypothetical Recovery to Holders of Exchangeable Preferred Equity (LP)	-	-	-	-	-	-	-	-	-	-	-	-	-
% Recovery	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proceeds Available after Distributions on Account of Exchangeable Preferred Equity (LP)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Liquidation Analysis LightSquared Inc. and Related Entities (\$ in millions, Unaudited)	LightSquared Inc. Guarantors		
	12-12084	12-12095	12-12096
	One Dot Six Corp.	One Dot Four Corp.	One Dot Six TVCC Corp.
Gross Estimated Liquidation Proceeds⁽¹⁾			
Cash & Equivalents at Conversion	\$ 4.87	\$ -	\$ -
Investment Securities	-	-	-
Accounts Receivable	-	-	-
Inventory	-	-	-
Other PP&E	-	-	-
Satellite System Under Construction	-	-	-
Satellite Based Network	-	-	-
Network Under Construction	-	-	-
Spectrum ⁽²⁾	309.51	-	-
Other Current Assets	0.11	-	-
Other Non-Current Assets	-	-	-
Equity Interest (Network to LP)	-	-	-
Patents / Other Intangibles	-	-	-
Gross Estimated Liquidation Proceeds Available for Distribution (1)	\$ 314.50	\$ -	\$ -
Costs Associated with Liquidation:			
Chapter 7 Trustee Fees ⁽³⁾	7.08	-	-
Chapter 7 Professional Fees ⁽³⁾	3.14	-	-
Wind-down Costs	18.70	-	-
Net Estimated Proceeds Available for Distribution	285.58	-	-
Less Professional Fees Carve-Out			
Total Carve-Out for Professional Fees ⁽⁴⁾	1.7	-	-
Hypothetical Recovery to Holders of Claims Satisfied by Carve-Out	1.7	-	-
% Recovery	100.0%	0.0%	0.0%
Gross Proceeds Available after Distributions on Account of the Carve-Out	\$ 283.89	\$ -	\$ -
Less Secured Claims of Inc. DIP Loan Facility at One Dot Six Corp.			
Inc. DIP Facility ^{(5),(6)}	66.41	66.41	66.41
Hypothetical Recovery to Holders of Secured Claims	66.41	-	-
% Recovery	100.0%	0.0%	0.0%
Proceeds Available after Distributions on Account of Secured Claims at One Dot Six Corp.	\$ 217.48	\$ -	\$ -
Less Secured Claims of Prepetition Inc. Lenders (if applicable)			
Secured Claims of Prepetition Inc. Loan - Non-Affiliate	281.40	281.40	281.40
Secured Claims of Prepetition Inc. Loan - Affiliate	158.58	158.58	158.58
Hypothetical Recovery to Holders of Secured Claims	217.48	-	-
% Recovery	49.4%	0.0%	0.0%
Proceeds Available after Distributions on Account of Secured Guarantee Claims at One Dot Six Corp.	\$ -	\$ -	\$ -
Less 507(b) Claim of Prepetition Inc. Lenders (if applicable)			
507(b) Claim of Prepetition Inc. Loan - Non-Affiliate ⁽⁹⁾	63.92	63.92	63.92
507(b) Claim of Prepetition Inc. Loan - Affiliate ⁽⁹⁾	158.58	158.58	158.58
	224.75	224.75	224.75
Hypothetical Recovery to Holders of 507(b) Claims	-	-	-
% Recovery	0.0%	0.0%	0.0%
Proceeds Available after Distributions on Account of 507(b) Claims	\$ -	\$ -	\$ -
Less Administrative Claims, Priority Tax Claims, and Other Priority Claims			
Administrative Claims, Priority Tax Claims, Other Priority Claims, Chapter 11 Postpetition Accounts Payable and Accrued Liabilities (10)	1.36	-	-
Hypothetical Recovery to Holders of Administrative Claims, Priority Tax Claims, and Other Priority Claims	-	-	-
% Recovery	0.0%	0.0%	0.0%
Proceeds Available after Distributions on Account of Administrative Claims, Priority Tax Claims, and Other Priority Claims	\$ -	\$ -	\$ -
Less General Unsecured Claims			
General Unsecured Claims ⁽¹¹⁾	0.05	-	-
Hypothetical Recovery to Holders of Unsecured Claims	-	-	-
% Recovery	-	-	-
Proceeds Available after Distributions on Account of General Unsecured Claims	\$0.0	\$0.0	\$0.0

LightSquared Inc. and Misc. Entities

	12-12080	12-12101	12-12102	12-12099
	LightSquared Inc.	SkyTerra Rollup LLC	SkyTerra Rollup Sub LLC	SkyTerra Investors LLC
Gross Estimated Liquidation Proceeds⁽¹⁾				
Cash & Equivalents at Conversion	\$ 1.22	\$ -	\$ -	\$ -
Investment Securities	-	-	-	-
Accounts Receivable	-	-	-	-
Inventory	-	-	-	-
Other PP&E	-	-	-	-
Satellite System Under Construction	-	-	-	-
Satellite Based Network	-	-	-	-
Network Under Construction	-	-	-	-
Spectrum ⁽²⁾	-	-	-	-
Other Current Assets	1.91	-	-	-
Other Non-Current Assets	-	-	-	-
Equity Interest (Network to LP)	-	-	-	-
Patents / Other Intangibles	-	-	-	-
Gross Estimated Liquidation Proceeds Available for Distribution (1)	\$ 3.13	\$ -	\$ -	\$ -
Costs Associated with Liquidation:				
Chapter 7 Trustee Fees ⁽³⁾	0.07	-	-	-
Chapter 7 Professional Fees ⁽³⁾	0.03	-	-	-
Wind-down Costs	2.11	-	-	-
Net Estimated Proceeds Available for Distribution	0.91	-	-	-
Less Professional Fees Carve-Out				
Total Carve-Out for Professional Fees ⁽⁴⁾	0.9	-	-	-
Hypothetical Recovery to Holders of Claims Satisfied by Carve-Out	0.9	-	-	-
% Recovery	100.0%	0.0%	0.0%	0.0%
Gross Proceeds Available after Distributions on Account of the Carve-Out	\$ -	\$ -	\$ -	\$ -
Less Secured Claims of Inc. DIP Loan Facility at One Dot Six Corp.				
Inc. DIP Facility ^{(5),(6)}	66.41	-	-	-
Hypothetical Recovery to Holders of Secured Claims	-	-	-	-
% Recovery	0.0%	-	-	-
Proceeds Available after Distributions on Account of Secured Claims at One Dot Six Corp.	\$ -	\$ -	\$ -	\$ -
Less Secured Claims of Prepetition Inc. Lenders (if applicable)				
Secured Claims of Prepetition Inc. Loan – Non-Affiliate	281.40	-	-	-
Secured Claims of Prepetition Inc. Loan – Affiliate	158.58	-	-	-
Hypothetical Recovery to Holders of Secured Claims	-	-	-	-
% Recovery	-	-	-	-
Proceeds Available after Distributions on Account of Secured Guarantee Claims at One Dot Six Corp.	\$ -	\$ -	\$ -	\$ -
Less 507(b) Claim of Prepetition LP Lenders				
507(b) Claim of Prepetition LP Lenders ⁽⁸⁾	203.64	-	-	-
Prepetition Inc. Loan – Non-Affiliate	63.92	-	-	-
Prepetition Inc. Loan – Affiliate	158.58	-	-	-
	426.15	-	-	-
Hypothetical Recovery to Holders of 507(b) Claims and Prepetition Inc. Loan Claims	-	-	-	-
% Recovery	0.0%	-	-	-
Proceeds Available after Distributions on Account of 507(b) Claims and Prepetition Inc. Loan Claims	\$ -	\$ -	\$ -	\$ -
Less Administrative Claims, Priority Tax Claims, and Other Priority Claims				
Administrative Claims, Priority Tax Claims, Other Priority Claims, Chapter 11 Postpetition Accounts Payable and Accrued Liabilities ⁽¹⁰⁾	1.65	-	-	-
Hypothetical Recovery to Holders of Administrative Claims, Priority Tax Claims, and Other Priority Claims	-	-	-	-
% Recovery	0.0%	0.0%	0.0%	0.0%
Proceeds Available after Distributions on Account of Administrative Claims, Priority Tax Claims, and Other Priority Claims	\$ -	\$ -	\$ -	\$ -
Less General Unsecured Claims				
General Unsecured Claims ⁽¹¹⁾	10.46	-	-	-
Hypothetical Recovery to Holders of Unsecured Claims	-	-	-	-
% Recovery	-	-	-	-
Proceeds Available after Distributions on Account of General Unsecured Claims	\$0.0	\$0.0	\$0.0	\$0.0
Less Convertible Preferred Equity (Inc.)				
Convertible Preferred Equity (Inc.) ⁽¹²⁾	276.58	-	-	-
Hypothetical Recovery to Holders of Convertible Preferred Equity (Inc.)	-	-	-	-
% Recovery	0.0%	-	-	-
Proceeds Available after Distributions on Account of Convertible Preferred Equity (Inc.)	\$ -	\$ -	\$ -	\$ -

Liquidation Analysis Footnotes

1. Gross estimated proceeds from liquidation do not include any potential recovery from lawsuits that the Debtors could file or any value related to Net Operating Losses at any of the Debtor entities.
2. With respect to the Debtors' L-Band spectrum, amount represents projected net spectrum value after taking into account present value of the Inmarsat spectrum lease. For the 1670-1675 MHz spectrum, estimated liquidation value is net of costs associated with exercising purchase option for this spectrum.
3. While the Carve-Out for a Trustee is only \$50,000 per the terms of the Cash Collateral Order and the DIP Order, the Debtors recognize that these fees are likely to be significantly higher given the complexities associated with selling the Debtors' assets. The Chapter 7 Trustee commission is calculated at 2.25% of distributable assets as a proxy for 11 U.S.C. § 326(a) and Chapter 7 professional fees are assumed to be 1% of distributable assets.
4. Carve-Out includes the following:
 - a. LightSquared LP (i) \$3.0 million in accrued bankruptcy professional fees estimated to be outstanding as of December 31, 2013, (ii) \$200,000 in costs allowed for Canadian Trustee fees, (iii) \$50,000 in costs allowed for Chapter 7 Trustee fees, (iv) \$50,000 in estimated costs related to the U.S. Trustee fees, and (v) \$4.0 million general basket for the Carve-Out per the terms of the Cash Collateral Order;
 - b. One Dot Six Corp. (i) \$20,000 in estimated costs related to the U.S. Trustee, and (ii) \$1.5 million general basket for the Carve-Out per the terms of the DIP Inc. Order; and
 - c. LightSquared Inc. (i) \$1.1 million in accrued bankruptcy professional fees estimated to be outstanding as of December 31, 2013, (ii) \$50,000 in costs allowed for Chapter 7 Trustee fees, and (iii) \$10,000 in projected costs related to the U.S. Trustee. To the extent proceeds from the liquidation of Lightsquared Inc.'s assets are insufficient to satisfy these items, the shortfall is picked up in One Dot Six Corp. Distribution Analysis.
5. The DIP Loan Facility of \$66.4 million was borrowed by One Dot Six Corp. and is guaranteed by LightSquared Inc., One Dot Four Corp., and One Dot Six TVCC Corp. Based on the analysis it will be repaid in full by One Dot Six Corp.
6. To the extent that the proceeds from the liquidation of One Dot Six Corp. are insufficient to repay the DIP Inc. Facility of \$66.4 million, the DIP Inc. Facility balance of \$66.4 million would be reduced by the Post-Petition Intercompany Secured Payables of \$5.2 million owed to One Dot Six Corp. by LightSquared Inc. Based on this analysis, we anticipate the DIP Inc. Facility being paid in full by One

Dot Six Corp. Furthermore, this analysis does not anticipate there being any meaningful proceeds available from LightSquared Inc. to satisfy claims beyond the Professional Fees Carve-Out.

7. For LightSquared LP, this analysis assumes a secured claim at LightSquared LP of \$2.119 million, which equals the Prepetition LP Credit Facility of \$1.7 billion plus post-petition accrued default rate interest. For LightSquared LP, this analysis assumes the \$63.6 million in repayment fees related to the Prepetition LP Credit Facility are reclassified as Unsecured Claims.
8. For LightSquared Inc., the 507(b) Claim of the Prepetition LP Lenders is dependent upon payout that the Prepetition LP Lenders receive from LightSquared LP.
9. For One Dot Six Corp., claims of the Prepetition Inc. Lenders are dependent upon payout that the Prepetition Inc. Lenders receive from LightSquared Inc.
10. For LightSquared Inc., this analysis includes post-petition Intercompany Payables owed to LightSquared LP (\$1.5 million) to the extent these amounts are not satisfied by the proceeds from the liquidation of LightSquared LP.
11. For LightSquared LP, this analysis includes projected costs associated with repayment fees of \$63.6 million related to the Prepetition LP Credit Facility. For LightSquared Inc., this analysis includes prepetition Intercompany Payables owed to LightSquared LP of \$10.5 million.
12. For LightSquared LP, this analysis includes post-petition accrued PIK dividends and potential redemption premium.
13. For LightSquared Inc., this analysis includes post-petition accrued PIK dividends.