

Docket #1701 Date Filed: 8/13/2014

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

In re: LIGHTSQUARED INC., <i>et al.</i> , ¹ Debtors.	Chapter 11 Case No. 12-12080 (SCC) Jointly Administered
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**SPECIFIC DISCLOSURE STATEMENT FOR THE
JOINT PLAN OF REORGANIZATION FOR LIGHTSQUARED INC. AND ITS
SUBSIDIARIES PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC**

THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE, 11 U.S.C. § 1125. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED A DISCLOSURE STATEMENT. THIS 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: August 12, 2014
New York, New York

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



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**I.
INTRODUCTION.²**

THE INFORMATION CONTAINED IN THIS SPECIFIC DISCLOSURE STATEMENT (THE “HARBINGER SPECIFIC DISCLOSURE STATEMENT”) FOR THE JOINT PLAN OF REORGANIZATION FOR THE INC. DEBTORS (ATTACHED HERETO AS EXHIBIT A, AND AS THE SAME MAY BE AMENDED FROM TIME TO TIME, THE “HARBINGER INC. PLAN”) PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC (“HARBINGER”) IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE HARBINGER INC. PLAN, AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE HARBINGER INC. PLAN. NO SOLICITATION OF VOTES TO ACCEPT THE HARBINGER INC. PLAN MAY BE MADE EXCEPT PURSUANT TO SECTION 1125 OF TITLE 11 OF THE UNITED STATES CODE (“BANKRUPTCY CODE”). CERTAIN LANGUAGE OR SECTIONS CONTAINED IN THIS HARBINGER SPECIFIC DISCLOSURE STATEMENT REFLECT ONLY THE UNDERSTANDINGS OR OPINIONS OF HARBINGER.

THE HARBINGER SPECIFIC DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. ALL CREDITORS ENTITLED TO VOTE ON THE HARBINGER INC. PLAN ARE ADVISED AND ENCOURAGED TO READ THE FIRST AMENDED GENERAL DISCLOSURE STATEMENT FILED BY THE DEBTORS [DOCKET NO. 918] (THE “GENERAL DISCLOSURE STATEMENT”), THE HARBINGER SPECIFIC DISCLOSURE STATEMENT, AND THE HARBINGER INC. PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE HARBINGER INC. PLAN. ALL CREDITORS ENTITLED TO VOTE ON THE HARBINGER INC. PLAN SHOULD CAREFULLY READ AND CONSIDER FULLY THE RISK FACTORS SET FORTH IN ARTICLE V OF THE GENERAL DISCLOSURE STATEMENT AND ARTICLE VII OF THE HARBINGER SPECIFIC DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THE HARBINGER INC. PLAN OR ANY COMPETING PLAN.

THE STATEMENTS CONTAINED IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE HARBINGER INC. PLAN AND THE EXHIBITS ANNEXED TO THE HARBINGER INC. PLAN. THE STATEMENTS CONTAINED IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE. THE DELIVERY OF THE HARBINGER SPECIFIC DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. HARBINGER HAS NO DUTY TO UPDATE THE HARBINGER SPECIFIC DISCLOSURE STATEMENT UNLESS OTHERWISE ORDERED TO DO SO BY THE BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK (THE “BANKRUPTCY COURT”).

² Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Harbinger Inc. Plan.

THE HARBINGER SPECIFIC DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE HARBINGER INC. PLAN. THESE SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE HARBINGER INC. PLAN, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN THE HARBINGER INC. PLAN. IN THE EVENT OF ANY CONFLICT BETWEEN THE DESCRIPTIONS SET FORTH IN THE GENERAL DISCLOSURE STATEMENT, THE HARBINGER SPECIFIC DISCLOSURE STATEMENT AND THE TERMS OF THE HARBINGER INC. PLAN, THE TERMS OF THE HARBINGER INC. PLAN WILL GOVERN.

THE HARBINGER SPECIFIC 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 AND NOT NECESSARILY IN ACCORDANCE WITH NON-BANKRUPTCY LAW. CERTAIN STATEMENTS CONTAINED IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT ARE BASED, AT LEAST IN PART, ON ESTIMATES AND ASSUMPTIONS OBTAINED DIRECTLY FROM THE DEBTORS, AS SET FORTH IN THE GENERAL DISCLOSURE STATEMENT. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS ARE PROVIDED IN OR ADOPTED BY THE HARBINGER SPECIFIC DISCLOSURE STATEMENT PURSUANT TO THE SAFE HARBOR ESTABLISHED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN AND IN THE GENERAL DISCLOSURE STATEMENT.

FURTHER, YOU ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS HEREIN ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS INCLUDING, BUT NOT LIMITED TO, RISKS ASSOCIATED WITH (I) FUTURE FINANCIAL RESULTS AND LIQUIDITY, INCLUDING THE ABILITY TO FINANCE OPERATIONS IN THE NORMAL COURSE, (II) VARIOUS FACTORS THAT MAY AFFECT THE VALUE OF THE DEBT AND EQUITY RETAINED AND/OR ISSUED UNDER THE HARBINGER INC. PLAN, (III) THE RELATIONSHIPS WITH AND PAYMENT TERMS PROVIDED BY TRADE CREDITORS, (IV) ADDITIONAL FINANCING REQUIREMENTS POST-RESTRUCTURING, (V) FUTURE DISPOSITIONS AND ACQUISITIONS, (VI) THE EFFECT OF COMPETITIVE PRODUCTS, SERVICES OR PRICING BY COMPETITORS, (VII) THE PROPOSED RESTRUCTURING COSTS AND COSTS ASSOCIATED THEREWITH, (VIII) THE ABILITY TO OBTAIN RELIEF FROM THE BANKRUPTCY COURT TO FACILITATE THE SMOOTH OPERATION UNDER CHAPTER 11, (IX) THE CONFIRMATION AND CONSUMMATION OF THE HARBINGER INC. PLAN, AND (X) EACH OF THE OTHER RISKS IDENTIFIED HEREIN AND IN THE GENERAL DISCLOSURE STATEMENT. DUE TO THESE UNCERTAINTIES, YOU CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE CORRECT. HARBINGER IS UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING

STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THE HARBINGER SPECIFIC DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THE HARBINGER SPECIFIC DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE INC. DEBTORS, HARBINGER OR ANY OTHER PARTY, NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE HARBINGER INC. PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE INC. DEBTORS IN THESE CHAPTER 11 CASES.

HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE HEREBY NOTIFIED THAT, (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY HOLDERS OF CLAIMS OR EQUITY INTERESTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

HARBINGER BELIEVES THAT THE HARBINGER INC. PLAN IS FAIR AND EQUITABLE, WILL MAXIMIZE THE RECOVERY FOR THE INC. DEBTORS' CREDITORS AND EQUITY INTEREST HOLDERS, ENABLE THE INC. DEBTORS TO REORGANIZE SUCCESSFULLY AND EMERGE ON A QUICKER TIMETABLE THAN ANY ALTERNATIVE PLAN, AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11, AND THAT ACCEPTANCE OF THE HARBINGER INC. PLAN IS IN THE BEST INTEREST OF THE INC. DEBTORS AND THEIR CREDITORS.

HARBINGER URGES ALL CREDITORS AND EQUITY INTEREST HOLDERS ENTITLED TO VOTE TO ACCEPT THE HARBINGER INC. PLAN. HARBINGER BELIEVES THAT THE HARBINGER INC. PLAN PROVIDES THE HIGHEST AND BEST RECOVERY FOR THE INC. DEBTORS' CREDITORS AND EQUITY INTEREST HOLDERS ON A QUICKER TIMETABLE THAN ANY ALTERNATIVE PLAN.

II.
PATH TO THE HARBINGER INC. PLAN.

The following is a general summary of the significant events that occurred during the Chapter 11 Cases following the events described in Article III.B. of the General Disclosure Statement.

A. Second Amended Plan.

Beginning in November 2013, third parties, including Harbinger, expressed to the Debtors an interest in providing new debt financing and equity investments to support a reorganization of the Debtors. The Debtors and their advisors, at the direction of the special committee of the board of directors of LightSquared Inc. (the "Special Committee"), worked with such third parties over the course of two months to develop a new value reorganization proposal. Accordingly, on December 24, 2013, the Debtors filed the *Debtors' Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1133] and subsequently, on December 31, 2013, filed the *Debtors' Revised Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1166] (the "Second Amended Plan")³ that, among other things, contemplated a reorganization of the Debtors.

The Second Amended Plan also contained a "toggle" plan, contemplating that to the extent the Bankruptcy Court did not approve and confirm the transactions embodied in the Second Amended Plan, the confirmation of an alternate separate chapter 11 plan for the Inc. Debtors would proceed. This "toggle" plan contemplated, among other things, (a) \$300 million in senior secured exit facility financing (including a \$50 million working capital facility), (b) \$100 million in new equity contributions, (c) the conversion of \$50 million of existing claims into new equity securities, (d) the issuance of new equity instruments, (e) the assumption of approximately \$160 million in liabilities, and (f) the satisfaction in full of all allowed claims and equity interests with cash and other consideration. This "toggle" plan is the underlying predicate of the Harbinger Inc. Plan.

Following the filing of the Second Amended Plan, on January 7, 2014, L-Band Acquisition, LLC ("LBAC"), through its counsel, sent the Ad Hoc Secured Group written notice of LBAC's termination of the Plan Support Agreement, dated as of July 23, 2013 (the "Plan Support Agreement"), between the Ad Hoc Secured Group and LBAC, based on the alleged, among other things, failure to meet certain milestones set forth therein, and subsequently informed the Ad Hoc Secured Group of the termination of the LBAC Bid. On January 13, 2014, the Ad Hoc Secured Group filed the *Statement of the Ad Hoc Secured Group of LightSquared LP Lenders and Notice of Intent To Proceed with Confirmation of the First Amended 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. 1220] (the "Ad Hoc Secured Group Statement"), in which the Ad Hoc Secured Group challenged LBAC's termination of its bid for the LP Debtors' assets.

On January 22, 2014, following contested motion practice between LBAC and the Ad Hoc Secured Group regarding LBAC's ability to terminate the LBAC Bid and Plan Support

³ On August 30, 2013, the Debtors filed the *Debtors' Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 817] and subsequently filed on October 7, 2013, and commenced the solicitation of votes for, the *Debtors' First Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 919] (the "First Amended Plan") that, among other things, contemplated the sale of substantially all of the Debtors' assets.

Agreement, the Bankruptcy Court issued a preliminary ruling finding that the Plan Support Agreement and the LBAC Bid were appropriately and lawfully terminated by LBAC.

B. Third Amended Plan.

After the filing of the Second Amended Plan, the Debtors, at the direction of the Special Committee, and the parties sponsoring such plan, including Harbinger, discussed modifications to the Second Amended Plan to garner as much support as possible for the reorganization. These discussions led to the filing of the *Debtors' Third Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1482] (the "Third Amended Plan") to enhance the transactions contemplated by the Second Amended Plan and place the Debtors in a better position to reorganize and maximize value.

The Third Amended Plan contemplated, among other things, (A) \$1.65 billion in new debtor in possession financing (approximately \$930 million of which would be converted into second lien exit financing, \$300 million of which would be converted into a separate loan for Reorganized LightSquared Inc. and approximately \$115 million of which would be converted into equity, in each case, subject to adjustments as set forth in the Third Amended Plan), (B) first lien exit financing, including a facility of not less than \$1 billion, (C) the issuance of new debt and equity instruments, (D) the assumption of certain liabilities, (E) the satisfaction in full of all Allowed Claims and Allowed Equity Interests with Cash and other consideration, as applicable, and (F) the preservation of LightSquared's litigation claims. Notably, to expedite the Debtors' emergence from bankruptcy, effectiveness of the Third Amended Plan, in contrast to previous proposals, was not conditioned on the Debtors' receipt of a series of regulatory approvals from the FCC related to terrestrial spectrum rights (e.g., the grant of the License Modification Application). Rather, the only regulatory conditions precedent to the effectiveness of the Third Amended Plan were customary filings with, and approvals by, the FCC, Industry Canada, and other applicable governmental authorities and the expiry of statutory waiting periods (including under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* and the *Competition Act* (Canada)) that would be necessary for the Debtors to emerge from chapter 11.

C. The Ergen Adversary Proceeding.⁴

The Third Amended Plan was dependent upon the success of certain claims asserted by certain of the Debtors, including LightSquared Inc., against Charles W. Ergen, EchoStar Corporation, DISH Network Corporation, L-Band Acquisition LLC, SP Special Opportunities LLC ("SPSO"), and SP Special Opportunities Holdings LLC (collectively, the "Dish/Ergen Defendants"). The adversary proceeding (the "Ergen Adversary Proceeding"), originally commenced by Harbinger on August 6, 2013 (as described in more detail below) and into which the Debtors intervened on November 15, 2013, sought the disallowance of SPSO's claim against LightSquared LP, both on equitable grounds and as a matter of contract, because SPSO was not an Eligible Assignee under the Prepetition LP Credit Agreement. The Inc. Debtors also sought equitable subordination of SPSO's claim and affirmative damages based on claims for breach of contract and tortious interference.

⁴ Additional information concerning the Ergen Adversary Proceeding, as of October 7, 2013, is available in Article III.D.3 of the General Disclosure Statement.

Beginning on January 9, 2014, the Bankruptcy Court held a trial on the Ergen Adversary Proceeding. The evidentiary portion of such trial took place over a five (5) day period, and concluded on March 17, 2014 following closing arguments. On May 8, 2014, the Bankruptcy Court issued a bench ruling with respect to the Ergen Adversary Proceeding, finding, among other things, that SPSO engaged in misconduct warranting equitable subordination of SPSO's Claim in an amount to be determined at a later stage. The Bankruptcy Court denied the claims for relief against Ergen, EchoStar, and DISH. The bench ruling was subsequently issued in publication form on June 10, 2014 [Adv. Proc. Docket No. 165] (the "Ergen Adversary Decision").

D. Denial Of Confirmation Of The Third Amended Plan.

Following the solicitation of the Third Amended Plan, all impaired Classes of Claims and Equity Interests in which votes were cast, other than SPSO's Class 7B, overwhelmingly voted to accept such plan.

The Bankruptcy Court considered confirmation of the Third Amended Plan in tandem with the Ergen Adversary Proceeding and related litigation. The Debtors and various parties submitted extensive filings in support of the relief sought in the Third Amended Plan, the Ergen Adversary Proceeding, and related pleadings, including *LightSquared's Motion for Entry of Order Designating Vote of SP Special Opportunities, LLC* [Docket No. 1371] (the "Original Designation Motion"), which sought entry of an order, pursuant to section 1126(e) of the Bankruptcy Code, designating the vote of SPSO to reject the Third Amended Plan. SPSO submitted filings in opposition to such relief.

On March 19, 2014, the Bankruptcy Court commenced the confirmation hearing for the Third Amended Plan. The evidentiary portion of such confirmation hearing concluded on March 31, 2014, and closing arguments took place on May 5 and May 6, 2014. On May 8, 2014, the Bankruptcy Court (A) issued a bench decision denying confirmation of the Third Amended Plan, (B) directed that the parties work to reach a consensual resolution on a reorganization path, taking into account the Bankruptcy Court's findings with respect to both plan confirmation and the Ergen Adversary Proceeding, and (C) imposed a deadline of May 27, 2014 to reach any such resolution, absent which the Bankruptcy Court would appoint a mediator. The bench ruling was subsequently issued in publication form on July 11, 2014 [Docket No. 1631] (the "Confirmation Decision").

The Bankruptcy Court held a status conference on May 27, 2014, at which time the parties informed the Bankruptcy Court that no resolution had been reached. Accordingly, on May 28, 2014, the Bankruptcy Court entered an order appointing the Honorable Robert D. Drain, United States Bankruptcy Judge for the Southern District of New York, as the mediator [Docket No. 1557] (the "Mediation Order").

E. Mediation.

Pursuant to the Mediation Order, Judge Drain conducted mediation sessions on June 9, June 17, and June 23, 2014. Over the course of the mediation, the Debtors, certain parties that contributed to the Third Amended Plan (i.e., JPMorgan Chase & Co., Fortress Investment Group

LLC, and Harbinger Capital Partners, LLC), a certain new investor (i.e., Cerberus Capital Management, L.P.), existing stakeholders, and third parties continued discussions regarding key issues for a chapter 11 plan. In addition, Judge Drain and LightSquared engaged the parties in numerous other discussions during this period. On June 27, 2014, Judge Drain filed the *Mediator's Memorandum Under §§ 14 and 15 of Mediation Order* [Docket No. 1612] (the "Mediator's Memorandum"), reporting that (i) SPSO and Charles Ergen had not participated in the mediation in good faith, and (ii) with the exception of SPSO, all parties to the mediation (including LightSquared and the Plan Support Parties) had reached agreement on key business terms that would form the basis of a new plan of reorganization (i.e., the Plan) "that should be confirmable without the support of . . . SPSO." *Mediator's Memorandum* at 2.

On July 1, 2014, Judge Chapman convened a status conference at which the Debtors outlined a further developed framework for a plan of reorganization and agreed to a schedule pursuant to which, among other things, an amended plan and disclosure statement would be filed by July 14, 2014. Subsequent to the July 1 status conference, additional negotiations involving SPSO occurred. On July 14, 2014, Judge Drain filed the *Mediator's Supplemental Memorandum Under §§ 14 and 15 of Mediation Order* [Docket No. 1612] (the "Mediator's Supplemental Memorandum"), which stated that certain parties reached an agreement "on the key terms of SPSO/Ergen's treatment under a chapter 11 plan as well as new funding that is fundamentally consistent with the consensual plan terms previously negotiated by the other parties." On July 14, 2014, Judge Chapman convened another status conference. During this status conference, the Ad Hoc Secured Group, Mast, and Harbinger all raised significant concerns with the new plan terms. At the conclusion of the conference, the Bankruptcy Court scheduled another status conference for July 22, 2014 pending the resolution of these issues and the filing of the new plan. The new plan based upon the "framework" announced on July 1, 2014 was never filed.

F. The Fourth Amended Plan And Need For The Harbinger Inc. Plan.

On August 7, 2014, the Debtors filed the *Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed By Debtors and Ad Hoc Secured Group of LightSquared LP Lenders* [Docket No. 1686] (the "Fourth Amended Plan") and *Specific Disclosure Statement For Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed By Debtors and Ad Hoc Secured Group of LightSquared LP Lenders* [Docket No. 1689] ("Fourth Amended Plan Disclosure Statement"). Harbinger believes that certain terms embedded within the Fourth Amended Plan are entirely antithetical to positions that the Debtors have taken throughout the Chapter 11 Cases. First, the Fourth Amended Plan imposes an illegal death trap upon Holders of Prepetition Inc. Facility Non-Subordinated Claims and Prepetition Inc. Facility Subordinated Claims, compelling such Holders to accept their treatment and release certain claims against the threat of litigation considered by Harbinger to be frivolous. Second, the Fourth Amended Plan values the LP Debtors far lower than the Debtors' had valued them in connection with the Third Amended Plan three months ago. As a result, all creditors and interest holders of the Inc. Debtors will receive a distribution under the Fourth Amended Plan that is much lower than they are entitled. Finally, the Fourth Amended Plan seeks to settle the Ergen Adversary Proceeding and gives up on the Debtors' attempt to subordinate SPSO's claim for little or no consideration upon SPSO's vote in favor of the Fourth Amended Plan, even though the Bankruptcy Court already concluded in the Ergen Adversary Decision that a legitimate basis exists to subordinate SPSO's claim. The

Fourth Amended Plan would also dismiss the pending appeal that the Debtors filed with respect to the Ergen Adversary Decision.

Accordingly, Harbinger disagrees with the Fourth Amended Plan and instead, proposes the Harbinger Inc. Plan.

III.
SUMMARY OF THE HARBINGER INC. PLAN.

A. Introduction.

The following summary of the Harbinger Inc. Plan is a general overview only, which is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information, and financial statements and notes thereto appearing elsewhere in the Harbinger Specific Disclosure Statement, the General Disclosure Statement and the Harbinger Inc. Plan. Harbinger is the proponent of the plan within the meaning of Section 1129 of the Bankruptcy Code. Harbinger reserves the right to modify the Harbinger Inc. Plan consistent with Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

The Harbinger Inc. Plan described herein constitutes a separate plan of reorganization for each of LightSquared Inc., One Dot Four Corp., One Dot Six Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, SkyTerra Investors LLC, One Dot Six TVCC Corp, LightSquared Investors Holdings Inc., and TMI Communications Delaware, Limited Partnership (collectively, the "Inc. Debtors"). The Harbinger Inc. Plan provides that on the New DIP Closing Date \$200 million of the Prepetition Inc. Facility Non-Subordinated Claims will be sold by the Inc. Facility Claim Sellers pursuant to the Inc. Facility Claim Purchase Agreement and the Inc. Facility Claim Sellers will have the remainder of their Allowed Prepetition Inc. Facility Non-Subordinated Claims and all of their Allowed DIP Inc. Facility Claims satisfied in full in Cash with the proceeds of the New DIP Facility. The Acquired Inc. Facility Claims sold pursuant to the Inc. Facility Claim Purchase Agreement will be converted into the New Junior DIP Facility on a dollar for dollar basis. On the Effective Date, (i) all Holders of Claims against the Inc. Debtors (other than Insider General Unsecured Claims) that have not previously been satisfied will be paid substantially in full through the distribution of Cash and certain Equity Interests, (ii) all Holders of Existing Inc. Preferred Stock Equity Interests will receive a distribution of Reorganized LightSquared Inc. Common Shares or Reorganized One Dot Six Common Shares, as applicable, and (iii) Intercompany Claims and Interests will be Reinstated, in each instance subject to certain Plan Transactions described in Article IV.D of the Plan.

The Harbinger Inc. Plan provides, pursuant to the Prepetition LP Facility Guarantee Claim Order, that the Prepetition LP Guarantee Claims are estimated at zero dollars and/or will be expunged together with any Liens securing the same. Accordingly, there will be no Prepetition LP Facility Claims against the Inc. Debtors to satisfy.

The Harbinger Inc. Plan also provides that, on the Effective Date, certain direct and indirect the Equity Interests in LightSquared LP will be transferred to Reorganized One Dot Six such that substantially all the residual value attributable to such Equity Interests will be allocated to Reorganized One Dot Six.

B. Business And Operations Of The Inc. Debtors And Reorganized Inc. Debtors.

The Harbinger Inc. Plan reflects a recapitalization of the Inc. Debtors' existing debts and interests, without any material changes to the Inc. Debtors' existing business and/or operations and with the Inc. Debtors assets vesting in the Reorganized Inc. Debtors. The Inc. Debtors' business, operations and certain assets are discussed in detail in Article II.A.2.c of the General Disclosure Statement.

The Inc. Debtors primary asset consists of a lease of the 1670-1675 MHz terrestrial spectrum (the "1.6 Spectrum") by One Dot Six Corp. ("One Dot Six"), a wholly owned direct subsidiary of LightSquared Inc. 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.

Pursuant to an agreement with the FCC, One Dot Six originally had until October 1, 2013, to complete construction of a one-way video network. When it filed its notification of construction at that time, One Dot Six showed that the network was comprised of 59 transmitters, deployed at a total capital investment of \$7 million, and operated at a cost approximately \$1 million annually, and covered approximately 88.5 million people, or 28.3 percent of the United States population. In May 2014, the FCC found that the service did not amount to "substantial service." However, the FCC extended the October 1, 2013 deadline through October 2015, finding that there had been sufficient progress to warrant providing One Dot Six with an additional two years to develop service offerings further.

Separately from the 1.6 Spectrum, LightSquared Inc. is also a party to and has an interest in 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. The Inmarsat Cooperation Agreement governs the use of L-band spectrum for both Mobile Satellite Service and Ancillary Terrestrial Component services in North America. LightSquared Inc.'s interest in the Inmarsat

Cooperation Agreement is a valuable asset and LightSquared Inc. will seek an appropriate allocation of value of such asset to its estate.

Moreover, Reorganized One Dot Six will pursue the acquisition of the 5MHz of spectrum that is contiguous to the 1.6 Spectrum at 1675-1680MHz (the "NOAA Spectrum") currently held by the National Oceanic and Atmospheric Administration. The 2015 budget of the Executive Branch of the United States government proposes to auction or assign for a fee the NOAA Spectrum. If an auction does occur and Reorganized One Dot Six does successfully acquire the NOAA Spectrum, such acquisition would provide Reorganized One Dot Six with highly valuable 10MHz of contiguous spectrum. If, however, the NOAA Spectrum is assigned for a fee, Reorganized One Dot Six would seek to negotiate with the relevant federal authorities to secure such assignment.

C. Other Assets Of The Inc. Debtors.

The Inc. Debtors' assets also include certain causes of action, which, likewise, will vest in the Reorganized Inc. Debtors upon the Effective Date. These causes of action consist of, among other claims, the following:

Ergen Adversary Proceeding: As set forth in above in Article II.C, certain of the Debtors, including LightSquared Inc. asserted claims in the Ergen Adversary Proceeding. Although the Ergen Adversary Decision denied relief with respect to each of the Debtors' claims except equitable subordination, the Debtors have appealed and Harbinger believes that the damages claims remain viable and very valuable even after the Effective Date.

GPS Adversary Proceeding: On November 1, 2013, certain of the Debtors, including LightSquared Inc., filed a complaint in the Bankruptcy Court against Deere, Garmin, Trimble, the U.S. GPS Industry Council, and the Coalition to Save Our GPS (the "GPS Defendants") alleging claims of breach of contract and promissory estoppels (the "GPS Adversary Proceeding"). On November 15, 2013, the defendants filed a motion in the District Court to withdraw the reference of the LightSquared complaint from the Bankruptcy Court in an action captioned *LightSquared Inc. v. Deere & Company*, 13-cv-8157-RMB. On January 31, 2014, the Court granted the defendants' motion to withdraw the reference of the action from Bankruptcy Court. As a result, the GPS Adversary Proceeding is being administered together with similar claims brought by Harbinger against the GPS Defendants. On May 28, 2014, the defendants jointly filed a motion to dismiss both the Harbinger and LightSquared actions. On July 29, 2014, LightSquared and Harbinger filed memoranda in opposition to the defendants' joint motion. On July 31, 2014, at the defendants' request, the Court ordered LightSquared to resubmit its opposition to comply with the page limits. Reply papers were previously due on August 18, 2014; however, the defendants will have additional time to reply to compensate for the time it takes LightSquared to resubmit its opposition.⁵

⁵ An additional description of the GPS Adversary Proceeding, as of October 7, 2013, appears in Article III.D.4 of the General Disclosure Statement.

D. Harbinger Inc. Plan Financing.

As described below, the Harbinger Inc. Plan is dependent upon (i) a new debtor-in-possession facility in the amount of \$460 million of which \$360 million will roll into various exit facilities and \$100 million will be contributed back to the Reorganized Inc. Debtors, and (ii) a \$100 million revolving loan facility.

1. The New DIP Facility Replaces The Existing DIP Inc. Facility And Provides Liquidity Through The Effective Date.

The Harbinger Inc. Plan provides that on the New DIP Facility Closing Date, the Initial Investors and New Senior DIP Facility Lenders will fund the \$460 million replacement DIP facility (the “New DIP Facility”), with the Initial Investors providing \$300 million through the New Junior DIP Facility and the New Senior DIP Facility Lenders providing \$160 million through the New Senior DIP Facility. The New DIP Facility will be secured by liens on substantially all the assets of the Inc. Debtors, with the New Senior DIP Facility secured by first priority liens on such assets and the New Junior DIP Facility being secured by second priority liens on such assets. Harbinger will consent to the priming of the Liens securing the Prepetition Inc. Facility Subordinated Claims. The New DIP Facility will be used to (a) replace the DIP Inc. Facility by satisfying such Claims in full in cash, (b) satisfy the Prepetition Inc. Facility Non-Subordinated Claims in full in cash other than the Acquired Inc. Facility Claims which will be converted into the New DIP Facility, and (c) provide liquidity to the Inc. Debtors through the Effective Date.

On the Effective Date, the New DIP Facility will (a) roll into the One Dot Six Term Loan Facility, (b) roll into the LightSquared Inc. Exit Facility, and (c) be contributed to Reorganized One Dot Four and TVCC.

2. The One Dot Six Exit Facility, One Dot Six Second Lien Exit Facility, And LightSquared Inc. Exit Facility Funds Plan Distributions And Provides Reorganized Inc. Debtors With Liquidity.

On the Effective Date of the Harbinger Inc. Plan, the New Senior DIP Facility will convert into the One Dot Six Exit Term Loan Facility, the portion of the New Junior DIP Facility not held by Harbinger will convert into the LightSquared Inc. Exit Facility and the portion of the New Junior DIP Facility held by Harbinger will be contributed to TVCC and Reorganized One Dot Four and such contributed Claims held by TVCC and Reorganized will be satisfied through the distribution of Reorganized One Dot Six Preferred Shares having an original stated principal value of \$100 million. Additionally, Reorganized One Dot Six, as borrower, and certain other Reorganized Inc. Debtors (other than Reorganized LightSquared Inc., Reorganized One Dot Four, TVCC and their respective post-Effective Date wholly owned subsidiaries), as guarantors, shall become party to, and be bound by the terms of, the One Dot Six Revolving Loan Facility in an amount not less than \$100 million. As depicted in the sources and uses chart, attached hereto as Exhibit B, this amount is sufficient, along with the other sources of consideration for plan distributions, to satisfy all obligations under the Harbinger Inc. Plan due on the Effective Date, including, without limitation, the payment in full in Cash of all Administrative Claims and Priority Claims, as well as a providing sufficient

liquidity to satisfy Disputed Claims and Accrued Professional Compensation Claims that are Allowed after the Effective Date.

3. Harbinger Inc. Plan Sources And Uses.

The Inc. Debtors' existing Cash, together with the proceeds of the New DIP Facility and the One Dot Six Revolving Loan Facility shall be used to fund (A) the Cash obligations under the Harbinger Inc. Plan, including (i) payment in full of Allowed Prepetition Inc. Facility Non-Subordinated Claims, (ii) payment in full of the principal amount of the General Unsecured Claims and (iii) payment in full of Administrative and priority claims, and (B) meeting the Reorganized Inc. Debtors' ongoing liquidity requirements.⁶ An illustrative chart depicting the sources and uses is attached hereto as Exhibit B.

Harbinger intends to use its best efforts to obtain confirmation and consummation of its plan by December 31, 2014. Harbinger believes that the Harbinger Inc. Plan is capable of consummation within this timeframe because the FCC review and approval of the Harbinger Inc. Plan is limited to approving a reversion of ownership of One Dot Six Corp. – the FCC regulated Entity – to its prepetition majority owner. Nonetheless, factors beyond any party's control -- including the requirement of FCC approval incident to the Harbinger Inc. Plan⁷ -- dictate that the Inc. Debtors retain the necessary liquidity for an additional three months to achieve regulatory relief and the anticipated benefits that will deliver enormous incremental value to the Inc. Debtors' estates. Harbinger believes that it would be unfortunate and imprudent for the Inc. Debtors' estates not to have financing available to continue operations through the first quarter of 2015.

E. Certain Confirmation Date And Effective Date Plan Transactions.

On the Confirmation Date, or as soon as practical thereafter, the Inc. Debtors will enter into certain Plan Transactions, as described more fully in Article IV.D.a of the Harbinger Inc. Plan. On the Effective Date, or as soon as practical thereafter, the Inc. Debtors will enter into certain Plan Transactions, as described more fully in Article IV.D.b of the Harbinger Inc. Plan. As a result of the Plan Transactions, (A) Reorganized One Dot Six shall directly or indirectly wholly own LightSquared GP Inc. and 98% of the Equity Interests in LightSquared LP; (B) Reorganized LightSquared Inc. shall retain its 100% direct or indirect ownership, as applicable, of Reorganized SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, LightSquared Investors Holdings Inc., SkyTerra Investors LLC and TMI, and, indirectly, 2% of the Equity Interests in LightSquared LP; (C) Reorganized LightSquared Inc. will own 22% of Reorganized One Dot Six Common Shares; (D) Other Existing Inc. Preferred Equity Interest Holders will own 8% of Reorganized One Dot Six Common Shares; (E) Reorganized One Dot Four and TVCC will own, collectively, 70% of Reorganized One Dot Six Common Shares; (F) SIG will own 100% of Reorganized LightSquared Inc. Common Shares; and (G) Harbinger will own 100% of Reorganized One Dot Four Common Shares and TVCC Common Shares.

⁶ The prepetition capital structure of the Inc. Debtors is fully described in Article II.A.3 of the General Disclosure Statement.

⁷ The need for FCC approval was emphasized by the FCC in its filing dated August 30, 2013 and statements given on the record of the hearing on September 30, 2013. (See Article VII.B.1.(a) below.)

F. Other Key Terms.

1. Releases By Inc. Debtors.

The Harbinger Inc. Plan provides that pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Inc. Debtors and the implementation of the restructuring transactions contemplated by the Plan, on and after the Effective Date, the Released Parties are deemed released and discharged by the Inc. Debtors, the Reorganized Inc. Debtors, and the Estates from any and all claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including, but not limited to, any derivative claims asserted on behalf of the Inc. Debtors or the Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, that the Inc. Debtors, the Reorganized Inc. Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Inc. Debtors, the Chapter 11 Cases, the prepetition or postpetition purchase, sale, or rescission of the purchase or sale of any debt or Security of the Inc. Debtors, the DIP Inc. Facility, the New DIP Facility, the One Dot Six Exit Facility, the One Dot Six Second Lien Exit Facility, the LightSquared Inc. Exit Facility, or the Reorganized One Dot Six Interests, as applicable, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between any Inc. Debtor and any Released Party, the restructuring of Claims or Equity Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan and the Inc. Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including fraud) or gross negligence. Notwithstanding anything contained herein to the contrary, the foregoing release does not release any obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the New DIP Credit Agreement, One Dot Six Exit Facility Agreement, One Dot Six Second Lien Exit Facility Agreement, LightSquared Inc. Exit Facility Agreement, Reorganized Inc. Debtors Corporate Governance Documents, and the Plan Supplement) executed to implement the Plan.

2. Exculpation.

The Harbinger Inc. Plan provides that except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, Cause of Action, or liability for any exculpated Claim, except for willful misconduct (including fraud) or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated

Parties have, and upon Confirmation of the Harbinger Inc. Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions of the Securities pursuant to the Harbinger Inc. Plan, and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Harbinger Inc. Plan or such distributions made pursuant to the Harbinger Inc. Plan.

3. Injunction.

The Harbinger Inc. Plan provides that except as otherwise expressly provided in the Harbinger Inc. Plan or for obligations issued pursuant to the Harbinger Inc. Plan, all Entities who have held, hold, or may hold Claims or Equity Interests that have been discharged pursuant to Article VIII.A of the Harbinger Inc. Plan or are subject to exculpation pursuant to Article VIII.D of the Harbinger Inc. Plan are permanently enjoined, from and after the Effective Date, from taking any of the following actions against the Inc. Debtors or the Reorganized Inc. Debtors: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of, in connection with, or with respect to any such Claims or Equity Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or estates of such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property or Estates of such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Confirmation Date, and notwithstanding an indication in a Proof of Claim or Equity Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of, in connection with, or with respect to any such Claims or Equity Interests released or settled pursuant to the Harbinger Inc. Plan. Nothing in the Harbinger Inc. Plan or Confirmation Order shall preclude any Entity from pursuing an action against one or more of the Inc. Debtors in a nominal capacity to recover insurance proceeds so long as the Inc. Debtors or Reorganized Inc. Debtors, as applicable, and any such Entity agree in writing that such Entity shall: (1) waive all Claims against the Inc. Debtors, the Reorganized Inc. Debtors, and the Estates related to such action; and (2) enforce any judgment on account of such Claim solely against applicable insurance proceeds, if any.

G. Identity Of Persons To Contact For More Information.

Any interested party desiring further information about the Harbinger Inc. Plan should contact: Kasowitz, Benson, Torres & Friedman LLP, 1633 Broadway, New York, New York 10019 Attn: David M. Friedman (DFriedman@kasowitz.com), Adam L. Shiff

(AShiff@kasowitz.com), and Matthew B. Stein (MStein@kasowitz.com), or by phone at (212) 506-1700.

H. Disclaimer.

In formulating the Harbinger Inc. Plan, Harbinger has relied on financial data derived from the books and records of the Inc. Debtors. Harbinger, therefore, represents that everything stated in the Harbinger Specific Disclosure Statement is true to the best of its knowledge. Harbinger nonetheless cannot, and does not, confirm the current accuracy of all statements appearing in the General Disclosure Statement and the Harbinger Specific Disclosure Statement. Moreover, the Bankruptcy Court has not yet determined whether the Harbinger Inc. Plan is confirmable, and the Bankruptcy Court provides no recommendation as to whether you should vote to accept or reject the Harbinger Inc. Plan.

Although the attorneys, accountants, advisors, and other professionals employed by Harbinger have assisted in preparing the Harbinger Specific Disclosure Statement based upon factual information and assumptions respecting financial, business, and accounting data found in the books and records of the Inc. Debtors, 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 Harbinger shall have no liability for the information in the Harbinger Specific Disclosure Statement or the General Disclosure Statement.

Harbinger and its professionals also have made a diligent effort to identify the 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 or Equity Interest is, or is not, identified in the Harbinger Specific Disclosure Statement.

I. Rules Of Interpretation.

The following rules for interpretation and construction shall apply to the Harbinger Specific 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 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 Harbinger Specific Disclosure Statement in its entirety rather than to a particular portion of the Harbinger Specific 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 shall have the meaning ascribed to that term in the Harbinger Inc. Plan; (11) any term used in capitalized form herein that is not otherwise defined herein or in the Harbinger Inc. 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; (12) 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 the Harbinger Specific 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 (13) unless otherwise specified, all references in the Harbinger Specific Disclosure Statement to monetary figures shall refer to currency of the United States of America.

**IV.
TREATMENT AND ESTIMATED RECOVERIES
UNDER THE HARBINGER INC. PLAN.**

A. Chart Of Consideration Allocable To Non-Classified Claims.

Class	Treatment	Estimated Recovery
Inc. DIP Facility Claims	Payment in full, in Cash, on the New DIP Closing Date	100%
Administrative Expense and Tax Priority Claims	Payment in full, in Cash, on the Effective Date or at the time such Administrative Expense Claim or Priority Claim becomes Allowed.	100%

B. Chart Of Consideration Allocable To Classified Claims.

Class Number	Class	Treatment	Estimated Recovery
Class 1	Other Priority Claims	Payment in full, in Cash, on the Effective Date or at such time such Other Priority Claim becomes Allowed.	100%
Class 2	Other Secured Claims	Either (i) payment in full, in Cash; (ii) delivery of the collateral securing such Allowed Other Secured Claim and payment of interest required to be paid under Section 506(b) of the Bankruptcy Code, if any; or (iii) treatment of such Allowed Other Secured Claim in any other manner such that the Allowed Other Secured Claim shall be rendered Unimpaired, on the Effective Date or at such time such Other Secured Claim becomes Allowed.	100%

Class Number	Class	Treatment	Estimated Recovery
Class 3	Prepetition Inc. Facility Non-Subordinated Claims	Payment in full, in Cash, on the New DIP Facility Closing Date other than the Acquired Inc. Facility Claims which shall be converted into the New Junior DIP Facility on a dollar for dollar basis.	100%
Class 4	Prepetition Inc. Facility Subordinated Claims	Payment in full, by receiving a pro rata share of 100% of the Reorganized One Dot Four Common Shares and TVCC Common Shares, 70% of the Reorganized One Dot Six Common Shares and Reorganized One Dot Six Preferred Shares having an original stated principal value of \$75 million.	100%
Class 5	General Unsecured Claims	Payment of principal amount of Claim plus any accrued interest at the legal rate in full, in Cash, on the Effective Date or at the time such General Unsecured Claim becomes Allowed.	100%
Class 6	Insider General Unsecured Claims	No Recovery.	0%
Class 7	Existing Inc. Preferred Equity Interests	On the Effective Date, Holders of Existing Inc. Preferred Equity Interests (other than SIG) shall receive their pro rata share of 8.0% of the Reorganized One Dot Six Common Shares and SIG, on the Effective Date, shall receive 100% of the Reorganized LightSquared Inc. Common Shares.	N/A
Class 8	Existing Inc. Common Stock Equity Interests	No Recovery.	0%
Class 9	Intercompany Interests	On the Effective Date or as soon thereafter as practicable, each Allowed Intercompany Interests shall be Reinstated for the benefit of the Holder thereof.	100%
Class 10	Inc. Intercompany Claims	On the Effective Date or as soon thereafter as practicable, each Allowed Intercompany Claim shall be Reinstated for the benefit of the Holder thereof.	100%

V.
CLASSES ENTITLED TO VOTE ON THE HARBINGER INC. PLAN.

The following chart describes whether each Class of Claims and Equity Interests is entitled to vote to accept or reject the Harbinger Inc. Plan. For a complete description of voting procedures and deadlines, please see the *Stipulated Order (I) Approving Solicitation and Notice Procedures, (II) Approving Forms of Various Ballots and Notices in Connection Therewith, (III) Approving Scheduling of Certain Dates in Connection with Confirmation, and (IV) Granting Related Relief* [Docket No. ____] (the “Solicitation Procedures Stipulation”).

Class Number	Class	Impaired/Unimpaired	Entitled To Vote
Class 1	Other Priority Claims	Unimpaired	No
Class 2	Other Secured Claims	Unimpaired	No
Class 3	Prepetition Inc. Facility Non-Subordinated Claims	Unimpaired	No
Class 4	Prepetition Inc. Facility Subordinated Claims	Unimpaired	No
Class 5	General Unsecured Claims	Unimpaired	No
Class 6	Insider General Unsecured Claims	Impaired	No
Class 7	Existing Inc. Preferred Equity Interests	Impaired	Yes
Class 8	Existing Inc. Common Stock Equity Interests	Impaired	No
Class 9	Intercompany Interests	Unimpaired	No
Class 10	Inc. Intercompany Claims	Unimpaired	No

VI.
CONFIRMATION OF THE HARBINGER INC. PLAN.

A. Confirmation Related Procedures.

A full description of the procedures relating to confirmation of the Harbinger Inc. Plan is set forth in the Solicitation Procedures Stipulation. Pursuant to the Solicitation Procedures Stipulation, the Bankruptcy Court approved the following dates and deadlines with respect to confirmation and related processes:

Plan Voting Deadline: September 29, 2014 at 4:00 p.m. PDT

Deadline To Submit Voting Report: October 2, 2014

Plan Objection Deadline: October 3, 2014 at 12:00 p.m. EDT

Deadline To Submit Confirmation Brief: October 10, 2014 at 5:00 p.m. EDT

Commencement Of Confirmation Hearing: October 20, 2014 at 10:00 a.m. EDT

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court or Harbinger (at the Bankruptcy Court's discretion) without further notice except for the announcement of the adjourned date made at the Confirmation Hearing or at any adjourned Confirmation Hearing.

B. Confirmation Requirements.

1. General Requirements.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements specified in Section 1129(a) of the Bankruptcy Code have been satisfied. Such requirements are more fully set forth in Article IV.C of the General Disclosure Statement. Harbinger believes that the Harbinger Inc. Plan satisfies (or will satisfy on or prior to the Effective Date as required by law) these requirements, including for the reasons discussed in Article VII.C below.

2. The Best Interest Test And The Debtors' Liquidation Analysis.

Pursuant to Section 1129(a)(7) of the Bankruptcy Code (the "Best Interest Test"), Holders of Allowed Claims and Equity Interests must either (a) accept the Harbinger Inc. Plan or (b) receive or retain under the Harbinger Inc. Plan property of a value, as of the Harbinger Inc. Plan's assumed Effective Date, that is not less than the value such non-accepting Holder would receive or retain if the Inc. Debtors were to be liquidated under chapter 7 of the Bankruptcy Code ("Chapter 7").

The first step in meeting the Best Interest Test is to determine the dollar amount that would be generated from a hypothetical liquidation of the Inc. Debtors' assets and properties in the context of Chapter 7 cases. The gross amount of Cash available would be the sum of the proceeds from the disposition of the Inc. Debtors' assets and the Cash held by the Inc. Debtors at the time of the commencement of the Chapter 7 cases. The next step is to reduce that total by the amount of any Claims secured by such assets, the costs and expenses of the liquidation, and such additional administrative expenses and priority Claims that may result from the termination of the Inc. Debtors' businesses and the use of Chapter 7 for the purposes of liquidation. Any remaining net Cash would be allocated to creditors and shareholders in strict priority in accordance with Section 726 of the Bankruptcy Code. Finally, taking into account the time necessary to accomplish the liquidation, the present value of such allocations may be compared to the value of the property that is proposed to be distributed under the Harbinger Inc. Plan on the Effective Date.

The Inc. Debtors' costs of liquidation under Chapter 7 would include the fees payable to a Chapter 7 trustee in bankruptcy, as well as those that might be payable to attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Inc. Debtors during the Chapter 11 Cases and allowed in the Chapter 7 cases, such as compensation for attorneys, financial advisors, appraisers, accountants and other professionals, and costs and

expenses of members of the Creditors' Committee appointed by the United States Trustee pursuant to Section 1102 of the Bankruptcy Code and any other committee so appointed. Moreover, in a Chapter 7 liquidation, additional Claims would arise by reason of the breach or rejection of obligations incurred and executory contracts or leases entered into by the Debtors both prior to, and during the pendency of, the Chapter 11 Cases.

The foregoing types of Claims, costs, expenses, fees and such other Claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay pre-Chapter 11 priority and unsecured claims. Under the absolute priority rule, no junior creditors would receive any distribution until all senior creditors are paid in full, with interest, and no equity holder would receive any distribution until all creditors are paid in full, with interest.

The Debtors, with the assistance of the restructuring and financial advisors, have prepared a hypothetical liquidation analysis ("Liquidation Analysis") in connection with the Specific Disclosure Statement for the Debtors' Fourth Amended Plan. Harbinger adopts the Liquidation Analysis for illustrative purposes relating to the Harbinger Inc. Plan and the Harbinger Specific Disclosure Statement. A copy of the Liquidation Analysis is attached hereto as Exhibit C.

After consideration of the effects that a Chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in a Chapter 7 case, including (i) the increased costs and expenses of a liquidation under Chapter 7 arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, as well as potential added expenses related to FCC approvals arising from the liquidation process; (ii) where applicable, the erosion in value of assets in a Chapter 7 case in the context of the expeditious liquidation required under Chapter 7 and the "forced sale" atmosphere that would prevail; and (iii) substantial increases in claims which would be satisfied on a priority basis, Harbinger has determined that Confirmation of the Harbinger Inc. Plan will substantially mitigate each of the foregoing risks and will provide each Holder of a Claim or Equity Interest against the Inc. Debtors with a recovery that is either greater than or is equal to such Holder's recovery in a liquidation. UNDERLYING THE LIQUIDATION ANALYSIS ARE NUMEROUS ESTIMATES AND ASSUMPTIONS MADE BY THE DEBTORS AND THEIR ADVISORS REGARDING LIQUIDATION PROCEEDS THAT, ALTHOUGH DEVELOPED AND CONSIDERED REASONABLE BY THE DEBTORS' MANAGEMENT AND THEIR ADVISORS, ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, REGULATORY AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS AND THEIR MANAGEMENT. FURTHERMORE, HARBINGER HAS NOT CONDUCTED AN INDEPENDENT ANALYSIS OF THE DEBTORS' LIQUIDATION ANALYSIS AND CANNOT ENSURE THE ACCURACY THEREOF. THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO UNDERGO SUCH A LIQUIDATION. HARBINGER IS USING THE DEBTORS' ANALYSIS SOLELY FOR ILLUSTRATIVE PURPOSES.

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 a debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is contemplated by the plan.” In addition to the sources and uses, attached hereto as Exhibit D, is a projection of the Inc. Debtors’ cash flow following the Effective Date through the end of the first quarter of 2016. The sources and uses and the cash flow projection demonstrates that the Reorganized Inc. Debtors’ are able to meet their financial obligations under the Harbinger Inc. Plan and their liquidity needs through the first quarter of 2016. Accordingly, Harbinger believes that the Harbinger Inc. Plan satisfies the financial feasibility requirements of Section 1129(a)(11) of the Bankruptcy Code.

4. Requirements Of Section 1129(b) Of The Bankruptcy Code.

The Bankruptcy Court may confirm the Harbinger Inc. Plan over the rejection or deemed rejection of the Harbinger Inc. Plan by a Class of Claims or Equity Interests if the Harbinger Inc. Plan “does not discriminate unfairly” and is “fair and equitable” with respect to such Class.⁸

(a) No Unfair Discrimination.

This test applies to Classes of Claims or Equity Interests that are of equal priority and are receiving different treatment under a plan of reorganization. The test does not require that the treatment be the same or equivalent, but that such treatment is “fair.”

(b) Fair And Equitable.

This test applies to Classes of different priority (e.g., unsecured versus secured) and includes the general requirement that no Class of Claims receives more than 100% of the Allowed amount of the Claims in such Class. As to the dissenting Class, the test sets different standards depending on the type of Claims or Equity Interests in such Class:

Secured Claims. Each Holder of an Impaired secured Claim either (i) retains its Liens on the property (or if sold, on the proceeds thereof) to the extent of the Allowed amount of its secured Claim and receives deferred Cash payments having a value, as of the effective date of the Harbinger Inc. Plan, of at least the Allowed amount of such Claim, or (ii) receives the “indubitable equivalent” of its Allowed secured Claim.

Unsecured Claims. Either (i) each Holder of an Impaired unsecured Claim receives or retains under the Harbinger Inc. Plan property of a value equal to the amount of its Allowed unsecured Claim, or (ii) the Holders of Claims and Equity Interests that are junior to the Claims of the dissenting Class will not receive or retain any property under the Harbinger Inc. Plan.

⁸ A complete description of the “cram down” requirements of Section 1129(b) of the Bankruptcy Code is included in Article IV.C.5 of the General Disclosure Statement.

Equity Interests. Either (i) such Holder of an Equity Interest will receive or retain under the Harbinger Inc. Plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock, and (b) the value of the stock, or (ii) the Holders of Equity Interests that are junior to the Equity Interests of the dissenting Class will not receive or retain any property under the Harbinger Inc. Plan.

Harbinger believes that the Harbinger Inc. Plan satisfies both the “unfair discrimination” requirement and the “fair and equitable” requirement notwithstanding the rejection of the Harbinger Inc. Plan by any Class of Claims or Equity Interests.

VII.

CERTAIN RISK FACTORS SPECIFIC TO THE HARBINGER INC. PLAN.

In addition to the risk factors set forth in Article V of the General Disclosure Statement, the following provides a summary of various important considerations and risk factors associated with the Harbinger Inc. Plan:⁹

A. Regulatory Risks.

The Harbinger Inc. Plan reflects a recapitalization of the Inc. Debtors’ existing debts and interests, without any material changes to the Inc. Debtors’ existing businesses and/or operations. The regulatory risks facing the Reorganized Inc. Debtors are substantially the same identified by the Debtors in the Section of the General Disclosure Statement titled “Regulatory Risk.” (See General Disclosure Statement, Art. V.A.2.) Specifically, the Inc. Debtors are subject to significant government regulation and any change of control of LightSquared Inc. is subject to prior regulatory approval.

Additionally, the FCC has extended the deadline within which One Dot Six must complete construction of a one-way video network to October 1, 2015. In May 2014, the FCC found that the Debtors’ existing service did not amount to “substantial service.” There is no guarantee that the Reorganized Inc. Debtors will meet the substantial service requirement before the October 2015 deadline, nor is there any guarantee that the FCC will provide the Inc. Debtors with an additional extension if the one-way video network is not completed before the October 2015 deadline.

B. Consummation Of New DIP Facility, One Dot Six Exit Facility, One Dot Six Second Lien Exit Facility, And LightSquared Inc. Exit Facility.

As a condition precedent for the occurrence of the New DIP Closing Date, One Dot Six shall enter into the New DIP Facility in the amount of not less than \$460 million to provide the Reorganized Inc. Debtors with the requisite Cash to satisfy their obligations under the Harbinger Inc. Plan and capitalize the Inc. Debtors with sufficient liquidity between the Confirmation Date and Effective Date. The funding of the One Dot Six Exit Facility will be conditioned on the availability of the \$100 million One Dot Six Revolving Loan Facility in

⁹ Not all of the risks identified in Article V of the General Disclosure Statement are applicable to the Inc. Debtors or the Harbinger Inc. Plan.

addition to rolling over \$160 million of the New Senior DIP Facility. Additionally, each of the New DIP Facility, One Dot Six Exit Facility, One Dot Six Second Lien Facility, and LightSquared Inc. Exit Facility will be subject to certain conditions precedent. These conditions will include, without limitation, confirmation of the Harbinger Inc. Plan by the Bankruptcy Court. There is no certainty that the Bankruptcy Court will confirm the Harbinger Inc. Plan (as discussed below). Finally, even if all conditions precedent to funding of the each exit facility occurs, there is no guaranty each exit facility will be funded as required, in which case, the Effective Date of the Harbinger Inc. Plan may be threatened and/or delayed.

C. Confirmation Of The Harbinger Inc. Plan.

The Harbinger Inc. Plan requires the acceptance by a requisite number of Holders of Claims and/or Equity Interests that are Impaired and entitled to vote on the Plan, and the approval of the Court. There can be no assurance that such acceptances and approvals will be obtained and therefore, that the Harbinger Inc. Plan will be confirmed.

As set forth above in Article VI.B.4, in the event that any Impaired Class of Claims or Equity Interests of a particular Inc. Debtor does not accept or is deemed not to accept the Harbinger Inc. Plan, the Court may nevertheless confirm the Harbinger Inc. Plan as to that Inc. Debtor if at least one Impaired Class of Claims of the Inc. Debtor has accepted the plan (with such acceptance being determined without including the vote of any “insider” in such Class), and, as to each Impaired Class that has not accepted the Harbinger Inc. Plan, the Court determines that the Harbinger Inc. Plan “does not discriminate unfairly” and is “fair and equitable” with respect to the dissenting Classes.

Harbinger believes that the Harbinger Inc. Plan comports with the “cram-down” requirements in Section 1129(b) of the Bankruptcy Code as described in Section IV.C.5 of the General Disclosure Statement. Harbinger believes that, as to any Impaired Classes, the Harbinger Inc. Plan “does not discriminate unfairly” and is “fair and equitable.”

Further, confirmation of the Harbinger Inc. Plan is dependent upon the entry by the Bankruptcy Court of the Prepetition LP Facility Guarantee Claim Order. There is no assurance that the Bankruptcy Court will enter Prepetition LP Facility Guarantee Claim Order. If the Bankruptcy Court does not enter the Prepetition LP Facility Guarantee Claim Order, the Harbinger Inc. Plan will not be confirmed.

D. Risks Related To Reorganized Inc. Debtors Equity Interests.

1. Liquid Trading Of Reorganized Inc. Debtors Equity Interests.

The Reorganized Inc. Debtors Equity Interests will not initially be listed on an exchange and Harbinger makes no assurance that liquid trading markets for the Reorganized Inc. Debtors Equity Interests will develop. The liquidity of the Reorganized Inc. Debtors Equity Interests will depend upon, among other things, the number of Holders of Reorganized Inc. Debtors Equity Interest, the Reorganized Inc. Debtors’ financial performance and the market for similar securities, none of which can be determined or predicted. Harbinger therefore cannot make assurances as to the development of an active trading market or, if a market develops, the liquidity or pricing characteristics of that market.

2. Trading Reorganized Inc. Debtors Equity Interests.

Holders of Reorganized Inc. Debtors Equity Interests may seek to sell such securities in an effort to obtain liquidity. These sales and the volume of Reorganized Inc. Debtors Equity Interests available for trading could cause the trading price for the Reorganized Inc. Debtors Equity Interests to be depressed, particularly in the absence of an established trading market for the stock.

E. Additional Risks.

1. Harbinger Has No Duty To Update.

The statements contained in the Harbinger Specific Disclosure Statement are made by Harbinger as of the date hereof, unless otherwise specified herein, and the delivery of the Harbinger Specific Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. Harbinger has no duty to update the Harbinger Specific Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

2. No Representations Outside The Harbinger Specific Disclosure Statement.

No representations concerning or related to the Inc. Debtors, the Chapter 11 Cases, or the Harbinger Inc. Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in the Harbinger Specific Disclosure Statement. Any representations or inducements made to secure acceptance or rejection of the Harbinger Inc. Plan that are other than as contained in, or included with, the Harbinger Specific Disclosure Statement should not be relied upon by you in arriving at your decision.

**3. No Legal Or Tax Advice Is Provided To You
By The Harbinger Specific Disclosure Statement.**

The contents of the Harbinger Specific Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of a Claim or Equity Interest should consult his, her or its own legal counsel and accountant as to legal, tax and other matters concerning his, her or its Claim or Equity Interest. The Harbinger Specific Disclosure Statement is not legal advice to you. The Harbinger Specific Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Harbinger Inc. Plan or object to Confirmation of the Harbinger Inc. Plan.

4. No Admission Made.

The Harbinger Inc. Plan and this Harbinger Specific Disclosure Statement is an offer to resolve the claims against and interests in the Inc. Debtors. Accordingly, nothing contained herein shall constitute an admission of, or be deemed evidence of, the tax or other legal effects of the Harbinger Inc. Plan on the Inc. Debtors or on Holders of Claims or Equity Interests or be deemed an admission in any litigation to which Harbinger is a party.

VIII.
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES.

The following is a discussion of certain United States federal income tax consequences of the Harbinger Inc. Plan to the Inc. Debtors and certain Holders of Claims and Equity Interests. This discussion does not address the United States federal income tax consequences to Holders of Claims or Holders of Equity Interests who are Unimpaired or Holders who are not entitled to vote because they are deemed to reject the Plan. Further, this discussion does not address the Canadian federal or provincial income or transactional tax considerations of the Plan (if any) to the Holders of Claims and Equity Interests. Holders to whom Canadian tax rules may be relevant should consult their own tax advisors.

ALL HOLDERS OF CLAIMS AND HOLDERS OF EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE UNITED STATES FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

This discussion is based on the Internal Revenue Code of 1986 (as amended, the “Tax Code”), Treasury Regulations thereunder, and administrative and judicial interpretations and practice, all as in effect on the date of this Harbinger Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty exists with respect to some of the tax consequences described below. No opinion of counsel has been obtained, and the Inc. Debtors do not intend to seek a ruling from the Internal Revenue Service as to any of the tax consequences of the Harbinger Inc. Plan, including those items discussed below. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences of the Harbinger Inc. Plan. This discussion does not apply to Holders of Claims or Equity Interests that are not United States persons (as such term is defined in the Tax Code (except to the limited extent specifically noted herein)), or that are otherwise subject to special treatment under United States federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, regulated investment companies, partnerships, or other pass-through entities (and partners or members in such entities)). The following discussion assumes that Holders of Claims and Equity Interests hold such Claims and Equity Interests as “capital assets” within the meaning of section 1221 of the Tax Code. Moreover, this discussion does not purport to cover all aspects of United States federal income taxation that may apply to the Inc. Debtors and Holders of Claims and Equity Interests based upon their particular circumstances. Additionally, this discussion does not discuss any tax consequences that may arise under any laws other than United States federal income tax law, including under state, local, or foreign tax law and does not address the United States “Medicare” tax on certain net investment income.

THE FOLLOWING DISCUSSION OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE SPECIFIC CIRCUMSTANCES OF A HOLDER OF A CLAIM OR AN EQUITY INTEREST. ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE URGED TO CONSULT

THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND OTHER TAX
CONSEQUENCES APPLICABLE UNDER THE HARBINGER INC. PLAN.

**A. Certain Federal Income Tax Consequences
Of The Harbinger Inc. Plan To Inc. Debtors.**

For United States federal income tax purposes, LightSquared Inc. is the parent of an affiliated group of corporations that files a consolidated federal income tax return. Through December 31, 2012, this group has reported that it incurred United States federal tax net operating loss carryforwards (“NOLs”) of approximately \$2.3 billion, and it expects that additional NOLs were generated in 2013. Some small portion of these NOLs may be subject to existing limitations.

1. Cancellation Of Debt And Reduction Of Tax Attributes.

In general, absent an exception, a debtor will realize and recognize cancellation of debt income (“COD Income”) upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (i) the amount of cash paid and (ii) the fair market value of any other consideration given in satisfaction of such indebtedness at the time of the exchange. A debtor will not, however, be required to include any amount of COD Income in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to section 108 of the Tax Code. In general, tax attributes will be reduced in the following order: (w) NOLs; (x) most tax credits and capital loss carryovers; (y) tax basis in assets; and (z) foreign tax credits. A debtor with COD Income may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the Tax Code.

Under the Harbinger Inc. Plan, the Inc. Debtors will satisfy most of the Claims for Cash, debt obligations, and equity interests of the Reorganized Inc. Debtors. Whether LightSquared Inc. and its corporate subsidiaries will recognize COD Income will depend, in part, on the amount that they are considered to owe on the Claims against them for federal income tax purposes and the value of the equity interests transferred in exchange for the Claims, in each case as of the Effective Date. To the extent LightSquared Inc. or its subsidiaries that are taxed as corporations recognize (or are treated as recognizing) COD Income, such income will reduce tax attributes, including NOLs, that may remain available to the Inc. Debtors.

2. Potential Limitations On NOLs And Other Tax Attributes.

Following the Effective Date, the NOLs and certain other tax attributes of the Inc. Debtors that remain and are allocable to periods prior to the Effective Date (collectively, “pre-change losses”) may be subject to limitation under section 382 of the Tax Code. Any section 382 limitations apply in addition to, and not in lieu of, the use of attributes or the attribute reduction that results from COD Income, if any, arising in connection with the Plan.

Under section 382, if a corporation undergoes an “ownership change” and the corporation does not qualify for (or elects out of) the special bankruptcy exception in section 382(l)(5) of the Tax Code discussed below, the amount of its pre-change losses that may be utilized to offset future taxable income is subject to an annual limitation.

The transactions contemplated by the Harbinger Inc. Plan are likely to constitute an “ownership change” of LightSquared Inc. and its corporate subsidiaries other than Reorganized One Dot Four and TVCC, and could constitute an ownership change of Reorganized One Dot Four and TVCC, for these purposes.

(a) **General Annual Limitation.**

In general, the amount of the annual limitation to which a corporation that undergoes an ownership change will be subject is equal to the product of (i) the fair market value of the stock of the corporation *immediately before* the ownership change (with certain adjustments) multiplied by (ii) the “long term tax exempt rate” in effect for the month in which the ownership change occurs (e.g., 3.27% for ownership changes occurring in July, 2014). As discussed below, this annual limitation often may be increased in the event the corporation has an overall “built-in” gain in its assets at the time of the ownership change. For a corporation in bankruptcy that undergoes an ownership change pursuant to a confirmed bankruptcy plan, the fair market value of the stock of the corporation is generally determined immediately *after* (rather than before) the ownership change after giving effect to the discharge of creditors’ claims, but subject to certain adjustments; in no event, however, can the stock value for this purpose exceed the pre-change gross value of the corporation’s assets.

Any portion of the annual limitation that is not used in a given year may be carried forward, thereby adding to the annual limitation for the subsequent taxable year. However, if the corporation does not continue its historic business or use a significant portion of its historic assets in a new business for at least two (2) years after the ownership change, the annual limitation resulting from the ownership change is reduced to zero (0), thereby precluding any utilization of the corporation’s pre-change losses, absent any increases due to recognized built-in gains discussed below. Generally, NOLs expire twenty (20) years after the year in which they arose.

Section 382 of the Tax Code adjusts, in certain cases, for built-in gain or loss. If the loss corporation has a net unrealized built-in gain at the time of an ownership change, any built-in gains recognized (or, according to an Internal Revenue Service notice, treated as recognized) during the following five (5) years (up to the amount of the original net unrealized built-in gain) generally will increase the annual limitation in the year recognized, such that the loss corporation would be permitted to use its pre-change losses against such built-in gain income in addition to its regular annual allowance. Corresponding rules may reduce the corporation’s ability to use losses if it has a built-in loss in its assets. In general, a loss corporation’s (or consolidated group’s) net unrealized built-in gain or loss will be deemed to be zero unless the amount is greater than the lesser of (i) \$10 million or (ii) 15% of the fair market value of its assets (with certain adjustments) before the ownership change. The Inc. Debtors expect that they have a substantial net unrealized built-in gain in their assets.

If section 382(1)(5) of the Tax Code, described below, does not apply (either because the Reorganized Inc. Debtors do not qualify or elects not to apply it), and the Reorganized Inc. Debtors are treated as continuing its historic business or uses a significant portion of its historic assets in a new business for at least two (2) years after the ownership change of LightSquared Inc. (there is no dispositive guidance on the application of the continuing business requirement on these particular facts), the Reorganized Inc. Debtors would retain the use and benefit of LightSquared's NOLs subject to the limitations described above.

(b) Section 382(1)(5) Bankruptcy Exception.

Under section 382(1)(5) of the Tax Code, an exception to the foregoing annual limitation rules generally applies where the shareholders and/or qualified (so-called "old and cold") creditors of a debtor receive or retain, in respect of their claims or equity interests, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in bankruptcy) pursuant to a confirmed chapter 11 plan. If section 382(1)(5) applies, the loss corporation's losses and tax credits will be reduced by the interest deductions claimed during the current and preceding three (3) taxable years with respect to any debt that was exchanged for equity pursuant to the Chapter 11 Cases. Moreover, if section 382(1)(5) applies and the debtor thereafter undergoes another ownership change within two (2) years, the debtor's pre-change losses with respect to such ownership change (which would include any pre-change loss as of the effective date of the plan of reorganization, to the extent not yet used or otherwise reduced, and any NOLs incurred in the interim) will be subject to a section 382 limitation of zero (0), which may effectively render such pre-change losses unavailable.

It is uncertain whether section 385(1)(5) of the Tax Code will apply to the ownership changes that occur as a result of the consummation of the Plan or, if it does apply, whether the Reorganized Inc. Debtors (including Reorganized One Dot Four and TVCC, if the transactions contemplated by the Harbinger Inc. Plan constitute an ownership change of Reorganized One Dot Four and TVCC) will elect not to apply it. Even if the Reorganized Inc. Debtors qualify for this exception, they may, if they so desire, elect not to have the exception apply and instead remain subject to the annual limitation described above. If section 382(1)(5) of the Tax Code does apply, the Reorganized Inc. Debtors would retain the full use and benefit of LightSquared's NOLs remaining after taking into account the use of NOLs to offset any COD Income. Any such NOLs may be substantial and will be available to the Reorganized Inc. Debtors.

3. Alternative Minimum Tax.

In general, an alternative minimum tax ("AMT") is imposed on a corporation's alternative minimum taxable income ("AMTI") at a 20% rate to the extent such tax exceeds the corporation's regular federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. For example, only 90% of a corporation's AMTI generally may be offset by available NOLs. The effect of this rule could cause the Inc. Debtors to be liable for federal income taxes in connection with gain, if any, arising in connection with the transactions contemplated by the Harbinger Inc. Plan, even if the Inc. Debtors have NOLs in excess of the amount of any such gain.

**B. Certain Federal Income Tax Consequences
Of The Harbinger Inc. Plan To Holders Of Claims Under Plan.**

As used in this section of the Disclosure Statement, the term “U.S. Holder” means a beneficial owner of Claims that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership or other entity taxable as a partnership for U.S. federal income tax purposes holds Claims or Equity Interests, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership holding any of such instruments, you should consult your own tax advisor. Where gain or loss is recognized by a Holder of a Claim, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the Holder and how long the Claim has been held.

1. Consequences To Holders Of Claims.

(a) Holders Of Prepetition Inc. Facility Subordinated Claims.

Pursuant to the Plan, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition Inc. Facility Subordinated Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder agrees to any other treatment, each Holder of an Allowed Prepetition Inc. Facility Subordinated Claim will receive such Holder’s Pro Rata share of (a) 100% the Reorganized One Dot Four Common Shares and TVCC Common Shares; (b) 70% of the Reorganized One Dot Six Common Shares; and (c) Reorganized One Dot Six Preferred Shares having an original stated principal value of \$75 million. A U.S. Holder of an Allowed Prepetition Inc. Facility Subordinated Claim will recognize gain or loss in an amount equal to the different, if any, between (i) the sum of the fair market value their share of the Reorganized One Dot Four Common Shares and TVCC Common Shares received in the exchange (other than amounts allocable to accrued but unpaid interest), fair market value of the Reorganized One Dot Six Common Shares and the fair market value of the Reorganized One Dot Six Preferred Shares and (ii) the Holder’s adjusted tax basis in the Claim (other than in respect of accrued but unpaid interest).

(b) **Holders Of Prepetition Inc. Facility Non-Subordinated Claims.**

Pursuant to the Plan, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition Inc. Facility Non-Subordinated Claim (other than an Acquired Inc. Facility Claim, on the New DIP Closing Date), except to the extent that a Holder agrees to any other treatment, each Holder of an Allowed Prepetition Inc. Facility Non-Subordinated Claim will receive Cash in the amount equal to such Allowed Prepetition Inc. Facility Non-Subordinated Claim. A U.S. Holder of an Allowed Prepetition Inc. Facility Non-Subordinated Claim will recognize gain or loss in an amount equal to the different, if any, between (i) the amount of Cash received in the exchange (other than amounts allocable to accrued but unpaid interest) and (ii) the Holder's adjusted tax basis in the Claim (other than in respect of accrued but unpaid interest).

(c) **Holders Of Inc. General Unsecured Claims.**

Pursuant to the Plan, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed General Unsecured Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder agrees to any other treatment, each Holder of an Allowed General Unsecured Claim against an individual Inc. Debtor will receive Cash. A U.S. Holder of an Allowed General Unsecured Claim generally will recognize gain or loss in an amount equal to the difference, if any, between (i) the amount of Cash received in the exchange (other than amounts allocable to accrued but unpaid interest) and (ii) the Holder's adjusted tax basis in the Claim (other than in respect of accrued but unpaid interest).

(d) **Issue Price.**

The issue price of a debt instrument will depend on whether it or property for which it is exchanged is considered to be "traded on an established market." In general, a debt instrument will be treated as traded on an established market if, at any time during the thirty-one (31)-day period ending fifteen (15) days after the issue date, (i) a "sales price" for an executed purchase of the debt instrument appears on a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments, or persons that broker purchases or sales of debt instruments; (ii) a "firm" price quote for the debt instrument is available from at least one broker, dealer, or pricing service for property and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property; or (iii) there are one or more "indicative" quotes available from at least one broker, dealer, or pricing service for property. If a debt instrument (or property for which it is exchanged) is traded on an established market, the issue price of the debt instrument is generally its fair market value (or the fair market value of the property for which it was issued) as of the date of the exchange. If a debt instrument (and property for which it is exchanged) is not traded on an established market, its issue price is generally its stated principal amount.

(e) **Accrued But Untaxed Interest.**

A portion of the consideration received by a Holder of Claims may be attributable to accrued but unpaid interest on such Claims. Any amounts treated as received for accrued interest

should be taxable to that Holder as interest income if such accrued interest has not been previously included in the Holder's gross income for United States federal income tax purposes. If the fair value of the consideration received by a Holder of Claims is not sufficient to fully satisfy all principal and interest on such Claims, the extent to which the consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to a Holder of Claims will be allocated first to the principal amount of the Holder's Claims, with any excess allocated to accrued but unpaid interest, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan is binding for United States federal income tax purposes. The Internal Revenue Service could take the position, however, that the consideration received by the Holder should be allocated in some way other than as provided in the Plan. A Holder of an Allowed Claim should generally recognize a deductible loss to the extent the Holder previously included accrued interest in its gross income and such interest is not paid in full. A Holder of Claims that receives property other than cash in satisfaction of accrued interest should generally have a tax basis in such property that equals the fair market value of the property on the Effective Date and the Holder's holding period for such property should begin on the day following the Effective Date. Holders of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

(f) **Market Discount.**

Holders of Claims may be affected by the "market discount" provisions of sections 1276 through 1278 of the Tax Code. Under these provisions, some or all of the gain recognized by a Holder may be treated as ordinary income (instead of capital gain), to the extent of the amount of accrued "market discount" on such Claims.

In general, a debt obligation with a fixed maturity of more than one (1) year that is acquired by a holder on the secondary market (or, in certain circumstances, upon original issuance) is considered to be acquired with "market discount" as to that holder if the debt obligation's stated redemption price at maturity (or revised issue price as defined in section 1278 of the Tax Code, in the case of a debt obligation issued with original issue discount) exceeds the tax basis of the debt obligation in the holder's hands immediately after its acquisition. However, a debt obligation is not a "market discount bond" if the excess is less than a statutory *de minimis* amount (equal to 0.25% of the debt obligation's stated redemption price at maturity, or revised issue price in the case of a debt obligation issued with original issue discount, multiplied by the number of complete years remaining until maturity at the time of the acquisition).

Any gain recognized by a Holder on the taxable disposition of Claims (determined as described above) that were acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claims were considered to be held by the Holder (unless the Holder elected to include market discount in income as it accrued).

2. Consequences To Holders Of Equity Interests.

(a) Consequences To Holders Of Existing Inc. Preferred Stock.

Pursuant to the Plan, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Existing Inc. Preferred Stock Equity Interest held by an Other Existing Inc. Preferred Equity Interest Holder, except to the extent that a Holder agrees to any other treatment, will receive, such Holder's Pro Rata share of 8.0% of the Reorganized One Dot Six Common Shares. A Holder generally will recognize gain or loss in an amount equal to the difference, if any, between (i) the fair market value of the Reorganized One Dot Six Common Shares received and (ii) the Holder's adjusted tax basis in its Existing Inc. Preferred Stock Equity Interests. Notwithstanding the foregoing, if (i) there is accrued but unpaid yield on the Existing Inc. Preferred Stock Equity Interests and (ii) LightSquared Inc. has current or accumulated earnings and profits (as determined for United States federal income tax purposes) at the end of that taxable year, a portion of the consideration received may be treated as received in exchange for the unpaid yield. Any such amount will be treated as dividend income to the extent of such Holder's share of LightSquared Inc.'s earnings and profits. A Holder's basis in the consideration received in respect of accrued yield paid out of LightSquared Inc.'s earnings and profits would be the fair market value of such consideration on the Effective Date, and the Holder's holding period for the consideration should begin on the day following the Effective Date.

SIG, in its capacity as a Holder of the Existing Inc. Series B Preferred Stock Equity Interests, should contact its advisor regarding the U.S. federal income tax consequences of the Plan to it in light of its particular circumstances.

3. Consequences Of Holding Certain Reorganized Inc. Debtors Shares And Debt Obligations.

(a) Reorganized One Dot Six Common Interests.

Reorganized One Dot Six is expected to be taxed as a partnership for United States federal income tax purposes and not as a publicly traded partnership taxed as a corporation. Assuming Reorganized One Dot Six is taxed as a partnership, it will generally not be subject to United States federal income tax. Instead, its taxable income or loss will be allocated to Holders of Reorganized One Dot Six equity interests based on United States federal income tax rules. Allocation of taxable income to a holder of Reorganized One Dot Six Common Interests may result in such Holder being required to pay tax on such income in advance of its receipt of cash distributions from Reorganized One Dot Six. In that case, a Holder would be required to fund any such taxes from other sources.

While this discussion of Certain United States Federal Income Tax Consequences generally does not apply to a Holder that is not a U.S. Holder (a "Non-U.S. Holder"), we note that a Non-U.S. Holder of Reorganized One Dot Six Common Interests may, as a result of owning an interest in a United States partnership, be attributed income effectively connected with a United States trade or business, and be subject to United States tax and tax filing requirements with respect to its share of income from such trade or business as if it were a U.S. Holder.

(b) **Reorganized One Dot Six Preferred Shares.**

Assuming Reorganized One Dot Six is taxed as a partnership for United States federal income tax purposes, it will generally not be subject to income tax. Instead, its taxable income or loss will be allocated to Holders of Reorganized One Dot Six equity interests based on United States federal income tax rules. Allocation of taxable income to a holder of Reorganized One Dot Six Preferred Shares may result in such Holder being required to pay tax on such income in advance of its receipt of cash distributions from Reorganized One Dot Six. In that case, a Holder would be required to fund any such taxes from other sources. In addition, to the extent a Holder of Reorganized One Dot Six Preferred Shares is or will be entitled to a payment that is determined without regard to Reorganized One Dot Six's income, such Holder may be treated as receiving guaranteed payments under section 707(c) of the Tax Code. A Holder would generally have ordinary income to the extent of any guaranteed payment received (or deemed received as it accrues) with respect to a Reorganized One Dot Six Preferred Share.

While this discussion of Certain United States Federal Income Tax Consequences generally does not apply to a Non-U.S. Holder (defined above), we note that a Non-U.S. Holder of Reorganized One Dot Six Preferred Shares that is a Non-U.S. Holder may, as a result of owning an interest in a United States partnership, be attributed income effectively connected with a United States trade or business, and be subject to United States tax and tax filing requirements with respect to its share of income from such trade or business as if it were a U.S. Holder.

4. **Information Reporting And Backup Withholding.**

In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder of a Claim or Equity Interest may be subject to backup withholding (at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact or (b) provides a correct taxpayer identification number and certifies under penalty of perjury that its taxpayer identification number is correct and that the Holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided, however, that the required information is provided to the Internal Revenue Service.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM OR EQUITY INTEREST IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE RESTRUCTURING, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

IX.
ALTERNATIVES TO CONFIRMATION AND
CONSUMMATION OF THE HARBINGER INC. PLAN.

If the Harbinger Inc. Plan is not confirmed and consummated, alternatives to the Harbinger Inc. Plan include (i) liquidation of the Debtors under Chapter 7 of the Bankruptcy Code, or (ii) confirmation of an alternative plan of reorganization proposed in the Chapter 11 Cases.

A. 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 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 recovery of Holders of Claims and Equity Interests is set forth in Article VI.A.1(b) above. Harbinger believes that liquidation under Chapter 7 would result in smaller distributions being made to creditors than those provided for in the Harbinger Inc. Plan because the Harbinger Inc. Plan would distribute to all Holders of Claims an amount greater than the amount that they would be entitled to in a liquidation. Moreover, a liquidation of the Inc. Debtors is undesirable because of (i) the likelihood that the assets of the Inc. Debtors would have to be sold or otherwise disposed of in a less orderly fashion over a shorter period of time; (ii) additional administrative expenses involved in the appointment of a Chapter 7 trustee; and (iii) additional expenses and Claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of the Inc. Debtors' operations.

B. Alternative Plans.

On August 7, 2014, the Debtors filed their Fourth Amended Plan. As described above in Article II.D, Harbinger does not believe that the Fourth Amended Plan sufficiently maximizes the assets of the Inc. Debtors. Specifically the Harbinger Inc. Plan is better for creditors of the Inc. Debtors than the Fourth Amended Plan because under the Harbinger Inc Plan:

- (a) Holders of Prepetition Inc. Facility Non-Subordinated Claims will receive payment in full *in Cash*;
- (b) Holders of Prepetition Inc. Facility Subordinated Claims will receive 100% of the Reorganized One Dot Four Common Shares and TVCC Common Shares;
- (c) Holders of Existing Inc Preferred Equity Interests will receive a distribution of Reorganized LightSquared Inc. Common Shares and/or Reorganized One Dot Six Common Shares; and
- (d) All causes of action currently held by the Inc. Debtors are preserved for the benefit of the Reorganized Inc. Debtors, including highly valuable claims against SPSO and its affiliates.

X.
CONCLUSION.

Harbinger respectfully submits that the Harbinger Inc. Plan maximizes the value of the Inc. Debtors' estates, provides for the Inc. Debtors' to maximize the recovery of their creditors and minimizes to the greatest possible extent the enormous risk and delay of approval of a transfer of control. For these reasons, Harbinger urges all Holders of Claims entitled to vote to accept the Harbinger Inc. Plan.

Dated: August 12, 2014
New York, New York

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EXHIBIT A

*Harbinger Capital Partners LLC's Joint Plan of Reorganization For The Inc. Debtors
Pursuant To Chapter 11 Of The Bankruptcy Code*

[Filed at Docket No. 1696]

EXHIBIT B

Sources and Uses

SOURCES & USES

<u>SOURCES</u>		<u>USES</u>	
New First Lien Term Loan	\$160	Inc. DIP Repayment ^(b)	\$101
New Second Lien Term Loan	40	Mast Inc. Pre-petition Debt Repayment ^{(b)(c)}	325
New Revolver/Delayed Draw (\$100 Facility Size)	-	Estimated Admin. & Priority Claims	7
Preferred New Money Equity Investment	260	General Unsecured Claims	0.1
Existing Cash ^(d)	-	Cash to Balance Sheet at Close ^(d)	27
Total Sources	\$460	Total Uses	\$460

Memo:
Liquidity at Close ^{(d)(e)} \$127

Note: Calculated as of 9/30/14.

- (a) Assumes \$0 cash at 9/30/14.
- (b) Includes 2% fec.
- (c) Assumes accrual at default interest rate.
- (d) Subject to adjustments for costs of financing.
- (e) Pursuant to \$100 million revolver.

EXHIBIT C

Liquidation Analysis

[To Come]

EXHIBIT D

Projections

[To Come]