Court File No.: CV-13-10274-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. AND 8440522 CANADA INC.

(collectively, the "Applicants")

FIRST REPORT OF THE MONITOR

OCTOBER 23, 2013

INTRODUCTION

1. On September 29, 2013 Data & Audio-Visual Enterprises Holdings Inc. ("**Holdings**") and its wholly owned subsidiaries, Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**") and 8440522 Canada Inc. (collectively with Wireless and Holdings, the "**Applicants**" or "**Mobilicity**") filed an application before the Court for an Initial Order under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") in order to restructure their business and affairs or complete a sale of their business and assets.

2. On September 30, 2013, this Court made an order (the "**Initial Order**") granting the application and providing for, among other things, the appointment of Ernst & Young Inc. as monitor in the CCAA proceedings of the Applicants (the "**Monitor**") and a stay of proceedings against the creditors of the Applicants until October 30, 2013 or such later date as this Court may order. A copy of the Initial Order is attached hereto as Appendix "A".

PURPOSE

3. The purpose of this first report (the "**Report**") is to provide information to the Court on:

   (a) The Applicants' activities since the issuance of the Initial Order;

   (b) The Applicants' actual receipts and disbursements;

   (c) The Applicants' updated cash flow statement;

   (d) The motion by The Catalyst Capital Group Inc. pursuant to the come-back clause of the Initial Order, including the clarification by the Monitor of certain facts relevant to that motion;

   (e) The Applicants' request for an extension of the Stay Period (as defined below) until December 20, 2013; and

   (f) The Monitor's conclusions and recommendations.

DISCLAIMER

4. In preparing this Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by Mobilicity, and discussions with management of the Applicants ("**Management**") (collectively, the "**Information**"). Except as described in this Report in respect of the Applicants' cash flow statement:

   (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

(b) Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed.

5. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that, may not be ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

CONTEXT

6. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian dollars.

7. For convenience, capitalized terms not defined in this Report are as defined in the affidavit of Mr. William E. Aziz, President of BlueTree Advisors II Inc., which has been retained by Holdings to provide his services as Chief Restructuring Officer of Mobilicity (the "**CRO**"), sworn on October 16, 2013 (the "**Aziz Affidavit**"), attached (without exhibits) as Appendix "**B**" to this Report.

8. Copies of this Report and other court material filed in connection with these CCAA proceedings may be obtained from the Monitor's website established in connection with these proceedings (www.ey.com/ca/mobilicity) (the "**Monitor's Website**").

UPDATE ON THE ACTIVITIES OF THE MONITOR SINCE ITS APPOINTMENT

Service and Notices Update

9. Pursuant to paragraph 60 of the Initial Order, the Monitor:

   a) Within five business days of the issuance of the Initial Order, mailed a notice of the CCAA proceedings (the "**Notice to Creditors**") to all known creditors (except those which the Applicants' books and records indicated were owed less than $1,000 as of September 29, 2013). A copy of the Notice to Creditors is attached hereto as Appendix "**C**";

   b) caused a notice containing the information prescribed by section 23 of the CCAA to be published in the Monday October 7, 2013 edition of the Globe & Mail (National Edition). A copy of the relevant page of the newspaper is attached hereto as Appendix "**D**"; and

   c) prepared and posted on the Monitor's Website, based on the books and records of the Applicants, a list of creditors for each of the Applicants, including the names and addresses of those creditors and the estimated amounts of their claims (collectively, the "**List of Creditors**"). Pursuant to Paragraph 60 of the Initial Order, the List of Creditors did not publicize the names and addresses of the creditors who are individuals. A copy of the List of Creditors for each of the Applicants is attached hereto as Appendix "**E**".

10. The Monitor has established a toll free hotline number (1-855-287-4005) to allow creditors and other interested parties in Canada and the U.S. ("**Stakeholders**") to contact the Monitor to obtain additional information concerning the CCAA proceedings. As at the end of the day preceding the date of this Report, representatives of the Monitor had received and responded to 27 calls.

11. The Monitor has also established an email address (mobilicity.monitor@ca.ey.com) where Stakeholders can e-mail questions regarding the CCAA proceedings. As at the end of the day

preceding the date of this Report, representatives of the Monitor had received and responded to 17 e-mails.

12. The Monitor has made various materials relating to these proceedings available on the Monitor's Website including, among other things, the Applicants' Initial CCAA Application Record, the Pre-filing Report of the Monitor, the Initial Order, the Notice to Creditors and the List of Creditors.

<u>Discussions with the Applicants and the DIP Lenders</u>

13. The Monitor and its counsel have been in regular communication with the Applicants and their counsel regarding various aspects of these CCAA proceedings. Where appropriate, the Monitor and its counsel have also participated in communications between the Applicants and their counsel and counsel to the Ad Hoc Committee of Noteholders and to the DIP Lenders.

<u>Communications with Employees</u>

14. In advance of the issuance of the Initial Order, the Monitor provided assistance to the Applicants in preparing communications to their employees regarding the CCAA proceedings. After the issuance of the Initial Order, the Monitor attended meetings with the Applicants' employees at their head office in Vaughan, Ontario.

15. On October 15, 2013 Mr. Stewart Lyons, the Applicants' President, announced that he was leaving the company effective October 31, 2013. Mr. Lyons' departure is in accordance with the terms of Mr. Lyons' supplemental employment agreement that formed part of the key employee retention plan approved by this Court pursuant to the Initial Order. Following Mr. Lyons' departure, Mr. Anthony Booth, Chief Customer Officer of the Applicants, will become the Interim President of Mobilicity.

<u>Discussions with the Applicants' Vendors</u>

16. Following the issuance of the Initial Order, Mobilicity, with the assistance of the Monitor, scheduled calls and meetings with certain of its large suppliers to secure post-filing delivery of goods and services. These suppliers included Ericsson Canada Inc., Amdocs Canadian

Managed Services Inc., Ingram Micro Inc., Rogers Wireless Partnership, Sitel Teleservices Canada Inc., and Bell Canada. A representative of the Monitor attended these calls and meetings. As of the date of this Report, all of the Applicants' major suppliers are providing goods and services based on either the services agreements in effect before the date of the Initial Order or modified versions thereof.

17. The Applicants have begun discussions with their suppliers to reduce the scope of the applicable service agreements, without disrupting customer service, in order to preserve Mobilicity's financial resources and reflect the current level of services required by the Applicants. The Monitor has attended all of these discussions.

Communications with Customers

18. In advance of the issuance of the Initial Order, the Applicants engaged the services of a third party communications firm to provide a comprehensive social media and communications plan to their existing cellular subscribers. The Monitor was provided with copies of all of the communication plans prior to their release. As described in greater detail in the Aziz Affidavit, to date, the Applicants have experienced only a modest decline in active subscribers since the outset of these CCAA proceedings.

Head Office Lease

19. Mobilicity is in discussions with the landlord for its head office premises to remain at its current premises until the end of November 2013. The term of its head office lease expires at the end of October 2013 subject to certain over-holding provisions contained therein. Mobilicity is in the final stages of negotiating an agreement to lease new temporary space for its head office location beginning November 30, 2013. The Monitor understands from discussions with Management that virtually all of Mobilicity's computer and communications servers are located off site, and that therefore Mobilicity's head office personnel can be relocated to the temporary premises with negligible cost, disruption to operations or disruption to financial reporting.

Proposed Transaction

20. As described in greater detail in the Aziz Affidavit and as further described below, since the issuance of the Initial Order, the Applicants have continued their efforts in furtherance of their proposed acquisition transaction (the "**Proposed Transaction**"). The Proposed Transaction is currently under review by Industry Canada. The Applicants have kept the Monitor abreast of developments with respect to the Proposed Transaction. While Mobilicity awaits a response from Industry Canada with respect to the review of the Proposed Transaction under the Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licenses for Commercial Mobile Spectrum DGSO-002-13 (the "**Framework**"), counsel for Mobilicity and counsel to the potential acquirer have continued to develop definitive documentation that will be required to consummate the Proposed Transaction following Industry Canada's response, if favourable. Upon the execution of the definitive documentation, the Proposed Transaction will be subject to final approval by this Court.

ACTUAL RECEIPTS AND DISBURSEMENTS

21. The Applicants, with the assistance of the Monitor, prepared a consolidated summary of their actual receipts and disbursements as compared to the cash flow projection included as Exhibit C to the report of the Proposed Monitor (the "**Original Cash Flow Statement**"). A summary of the actual receipts and disbursements for the three week period ended October 11, 2013, as compared to the projections in the Original Cash Flow Statement, is attached as Appendix "**F**" to this Report.

APPLICANTS' UPDATED CASH FLOW STATEMENT

22. The Applicants, with the assistance of the Monitor, have prepared an updated 13 week cash flow projection (the "**Cash Flow Statement**") for the period from October 12, 2013 to January 10, 2014 (the "**Cash Flow Period**") for the purposes of projecting the estimated results of the Applicants' planned operating and other activities during the Cash Flow Period. A copy of the Cash Flow Statement is attached as Appendix "**G**" hereto.

23. The Cash Flow Statement is presented on a weekly basis during the Cash Flow Period and represents the estimates of Management of the projected cash flow during the Cash Flow Period. The Cash Flow Statement has been prepared by Management of the Applicants, using the probable and hypothetical assumptions set out in notes 1 to 17 to the Cash Flow Statement (the "**Probable and Hypothetical Assumptions**" or the "**Assumptions**").

24. At this time, the Applicants' Cash Flow Statement estimates that during the Cash Flow Period, the Applicants will have total receipts of approximately $20.3 million and total disbursements of approximately $25.7 million. The Applicants' cash position at the commencement of the Cash Flow Period is estimated to be approximately $7.4 million. The negative cash flow of the Applicants is expected to reduce this balance below $2.0 million during the week ended December 6, 2013, with the result that by the end of the Cash Flow Period, the Applicants are projected to receive total proceeds of approximately $6.2 million from the issuance of DIP Notes (the "**DIP Advance**").

25. With the addition of the DIP Advance, the Cash Flow Statement projects that the Applicants will have sufficient liquidity to continue operations and to pay professional fees as set out in the Cash Flow Statement during the Cash Flow Period.

26. Section 23(1)(b) of the CCAA requires a Monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the Monitor's findings. The Canadian Association of Insolvency and Restructuring Professionals standards of professional practice include a standard for monitors fulfilling their statutory responsibilities under the CCAA in respect of a monitor's report on a Cash-Flow Statement. A copy of Standard 09-1 Cash Flow Statement is attached hereto as Appendix "**H**".

27. Pursuant to this standard, the Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to information supplied to it by certain key members of Management and employees of the Applicants. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Monitor also reviewed the support provided by Management for the

Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Statement.

28. The Monitor has discussed with Management and Mobilicity's counsel the projected payments for outsourced operations that represent key business process functions including network building and maintenance, call centre operations, handset logistics and distribution, and billing systems, and has reviewed certain of the underlying agreements and other relevant documentation. The Cash Flow Statement makes the significant assumption that (i) each of the key four service providers will continue to provide services to the Applicants as required by the Initial Order under their respective modified service agreements or, where no definitive modification to the existing service agreement has yet been agreed, their pre-filing credit terms or (ii) that, to the extent that additional payments to these service providers are required, the DIP Lenders would consent to the payments and the consequent amendment of the Cash Flow Statement, and would advance the additional funding required. There is currently no certainty that actual events will follow either of these assumptions.

29. The projected fees and expenses of the restructuring professionals including counsel to Mobilicity, counsel to the Ad Hoc Committee of Noteholders and to the DIP Lenders, the Monitor, and the Monitor's counsel have been estimated assuming a typical level of activity and do not reflect significant post-filing litigation with any creditors.

30. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:

(a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Statement;

(b) as at the date of this Report, the Probable and Hypothetical Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Statement, given the Probable and Hypothetical Assumptions; or

(c) the Cash Flow Statement does not reflect the Probable and Hypothetical Assumptions.

31. Since the Cash Flow Statement is based on Assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Cash Flow Statement will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Cash Flow Statement, or relied upon by the Monitor in preparing this Report.

32. The Cash Flow Statement has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

MOTION BY THE CATALYST CAPITAL GROUP INC.

33. On October 9, 2013, The Catalyst Capital Group Inc. ("**Catalyst**") served a notice of motion (the "**Catalyst Motion**") that states that Catalyst is seeking an order, *inter alia*:

    a) Providing direction to the Monitor with respect to a DIP financing solicitation process, in accordance with fair and proper procedures to be proposed by the Monitor and approved by the Court;

    b) Establishing a committee of creditors of Wireless, the composition of which would be determined by further order of this Court, to be made with the benefit of a recommendation from the Monitor, but which shall include one nominee of Catalyst (the "**Creditors' Committee**");

    c) Directing the Applicants to pay the reasonable and documented fees and expenses of legal and financial advisors to the proposed Wireless creditor committee and to add the fees and expenses of such advisors to the Administration Charge established by the Initial Order;

    d) Declaring that the Applicants shall indemnify the members of the proposed Wireless creditor committee against liabilities and obligations they may incur in that capacity and granting a charge to those members in respect of that indemnity, which charge would rank *pari passu* with the Directors' Charge as defined and established by the Initial Order, in an amount not to exceed $5 million;

e) Varying the Initial Order to, inter alia, delete the authorization to pay the professional fees and expenses of the Ad Hoc Committee of Noteholders; and

f) Directing legal counsel to the Ad Hoc Committee of Noteholders to reimburse the Applicants for all amounts paid to them by the Applicants, under the Initial Order or otherwise.

34. The Applicants have filed materials opposing the relief sought by Catalyst.

<u>Activities of the Monitor</u>

35. On October 9, 2013 Bellmore & Moore LLP, counsel to Catalyst, wrote to counsel to the Monitor (i) enclosing an indicative term sheet setting out the terms Catalyst is prepared to include in a DIP financing proposal to the Applicants (the "**Catalyst Term Sheet**"), but requesting, in the interests of fairness and propriety of the proposed DIP financing solicitation process, that the Catalyst Term Sheet not be shared with the Applicants (or, by extension due to the contractual requirements under the current DIP agreement, the DIP Lenders), and (ii) requesting a meeting with the Monitor to discuss the proposed Creditors' Committee. A copy of the letter without the enclosure from counsel to Catalyst is attached as Appendix "**I**" to this Report.

36. On October 15, 2013, representatives of the Monitor and its counsel met with representatives of Catalyst and its counsel Fasken Martineau LLP with a view to improving the Monitor's understanding of the facts and rationale underlying the Catalyst Motion.

37. On the evening of October 18, 2013 counsel to the Monitor received a further letter from Bellmore & Moore LLP. In that letter, a copy of which is attached as Appendix "**J**" to this Report, counsel to Catalyst set out Catalyst's proposed framework for a DIP financing solicitation process, being approximately two weeks in length and concluding in a report and recommendation by the Monitor, to be administered by the Monitor. In the letter counsel to

Catalyst also indicates that Catalyst intends to provide a copy of the Catalyst Term Sheet to Mobilicity and to the Court, which has now occurred.

38. The Monitor and its counsel have also had discussions with the CRO, the Applicants and the Applicants' counsel to obtain an understanding of the Applicants' views on the facts and reasons for the Applicants' objection to the Catalyst Motion. The Monitor and its counsel have also communicated directly with Goodmans LLP, counsel to the Ad Hoc Committee of Noteholders and the DIP Lenders, to obtain the views of those parties on the Catalyst Motion. Counsel to the Monitor also attended the cross-examinations of the CRO and the Catalyst affiant on October 21, 2013.

<u>Clarification of Certain Facts by the Monitor</u>

39. The Monitor has been asked by the Applicants to confirm or clarify certain facts in respect of expected proceeds of the Proposed Transaction, Mobilicity's subscriber base, and Mobilicity's operating and cash flow information during the months preceding the issuance of the Initial Order. Those facts are summarized in the immediately following paragraphs and, as applicable, the appendices referenced in those paragraphs.

Observations with respect to the Proposed Transaction

40. Counsel to the Applicants has provided the Monitor with draft documentation in respect of the Proposed Transaction (the "**Proposed Transaction Documents**") and has informed the Monitor that the Proposed Transaction Documents were negotiated or, in some cases, continue to be negotiated, between the Applicants, the purchaser in the Proposed Transaction (the "**Proposed Purchaser**"), and their respective counsel. The identity of the Proposed Purchaser and the transaction price of the Proposed Transaction Documents have not been disclosed to Catalyst.

41. The Monitor has reviewed the Proposed Transaction Documents and has reviewed an analysis prepared by the Financial Advisors to Mobilicity summarizing the expected waterfall of sale proceeds based on the business terms of the Proposed Transaction Documents. The Monitor has not had any communication with the Proposed Purchaser or with Industry Canada .

42. Having reviewed the Proposed Transaction Documents, the Monitor confirms that if a sale transaction is concluded upon the business terms of the Proposed Transaction Documents, the combined amount of (i) the liabilities of Wireless assumed by the Proposed Purchaser and (ii) the cash consideration to be paid by the Proposed Purchaser for the Proposed Transaction (other than through the assumption of liabilities) would exceed the aggregate amount of all known and contingent liabilities of Wireless (including the potential make-whole payment in respect of the First Lien Notes) that are known to the Monitor. It is therefore the Monitor's understanding that if a sale transaction closed on a basis consistent with the business terms of the Proposed Transaction Documents, the First Lien Notes would be paid in full, including any potential make whole payment, the current DIP loan and the Bridge Notes would be paid in full, the trade liabilities of Wireless would be assumed by the Proposed Purchaser and there would be residual proceeds available to the creditors of Holdings.

Subscriber Base

43. Appendix "**K**" to this Report is a schedule summarizing the number of subscribers of Mobilicity, according to information provided to the Monitor by Management, as at the end of each calendar month from October 2012 through September 2013. The schedule distinguishes between "active" subscribers (defined by Mobilicity as revenue-generating subscribers who are receiving and have paid for service) and "inactive" subscribers (defined by Mobilicity as subscribers who, following a paid period, have not pre-paid their subscription for a period not exceeding 90 days and were not receiving service). Appendix "K" indicates that during the period from December 31, 2012 through September 30, 2013, active subscribers have declined, at what appears to the Monitor to be a relatively consistent rate, from 235,980 to 189,239 (or approximately 5,200 per month) and total subscribers have declined, at what appears to the Monitor to be a relatively consistent rate, from 271,337 to 215,944 (or approximately 6,200 per month).

Operating and Cash Flow Information

44. Appendix "**L**" to this Report is a schedule, prepared by the Monitor using unaudited quarterly financial information prepared by the Applicants, that summarizes the consolidated quarterly operating results of Mobilicity (including key operating metrics such as Average

Revenue Per User and Cost Per Gross Addition that formed part of the Applicant's unaudited quarterly financial information) and the consolidated quarterly cash flows of Mobilicity for each of the calendar quarters ended December 31, 2012, March 31, 2013, June 30, 2013 and September 30, 2013.

45. It is the Monitor's understanding that the unaudited quarterly financial information from which the Monitor prepared Appendix "L" is provided on a quarterly basis to the trustee of the First Lien Note indenture for distribution to holders of the First Lien Notes. During the cross-examinations conducted in respect of the Catalyst Motion, Catalyst requested monthly cash flow information, but after reviewing both monthly and quarterly unaudited financial information, the Monitor was of the view that the quarterly information allowed a clearer view of Mobilicity's operations and cash flow trends during the period in question due to ordinary month-to-month fluctuations.

<u>Views and Recommendation of the Monitor</u>

46. In the view of the Monitor:

a) the Applicants have been able to negotiate, or are in the process of negotiating, mutually acceptable terms and conditions with their major suppliers to pay for post-filing goods and services, thereby allowing Mobilicity to continue to provide service to its existing subscribers in the ordinary course;

b) as described in greater detail in the Aziz Affidavit, the Applicants have experienced only a modest decline in total subscribers since the outset of these CCAA proceedings;

c) as described above, the Applicants have a $0.8 million positive cash flow variance relative to the Original Cash Flow Statement, are not projected to require DIP funding until the week ending December 6, 2013, and are projected to require DIP funding of only $6.2 million during the Cash Flow Period; and

d) The Applicants are pursuing a transaction that they believe, based on an extensive marketing process conducted over many months before the date of the Initial

Order, represents the best available opportunity to maximize value for all stakeholders. As discussed above, Mobilicity is awaiting a response from Industry Canada with respect to the review of the Proposed Transaction under the Framework; this review currently represents the most significant variable in respect of the Proposed Transaction.

47. Based on the above, it is the view of the Monitor that neither the proposed DIP financing solicitation process nor the proposed Creditors' Committee (and ancillary relief such as professional fee funding and indemnities) sought in the Catalyst Motion is necessary at this time.

48. First, it is the Monitor's view based on the fractious history between the Applicants and Catalyst that any DIP solicitation process and the process of selecting a creditors' committee, and delineating the role and powers of that committee, is likely to be contentious and litigious. Both processes therefore pose the risk of distracting the Applicants, the CRO and counsel to the Applicants from their primary focus of preserving the value of Mobilicity and completing a sale transaction.

49. Second, there would be an incremental professional fee cost to either process, which cost could be substantial especially if that process does prove contentious. There is no certainty that the incremental professional fee cost of a DIP solicitation process, in particular, would be recaptured through enhanced DIP terms. It is difficult to compare the cost and benefit of the existence of a creditors' committee.

50. Third, the DIP financing currently available to the Applicants under the DIP Note Purchase and Guarantee Agreement (the "**DIP Agreement**") is consistent with the funding that Management considers necessary in the current circumstances to maximize value. If in the future the Applicants' funding needs were to diverge materially from the funding available under the DIP Agreement or if the conditions precedent to that funding are not met, the Monitor, if so directed by the Court, could conduct an expedited DIP solicitation process with the intention of securing replacement DIP funding. In that regard, Catalyst's expressed willingness to provide DIP financing as described in the Catalyst Term Sheet is advantageous to the Applicants.

51. Fourth, the Monitor is actively involved in these proceedings and has participated in ongoing discussions with Wireless' creditors. The Monitor will inform the Court of any material issues that arise in respect of these creditors. To date, the Monitor is unaware of any creditor of Wireless (other than Catalyst) that has raised material concerns about the conduct of these CCAA proceedings.

52. With respect to the relief sought regarding the past and future professional fees paid to the advisors of the Ad Hoc Committee of Noteholders, the Monitor notes that:

a) the Ad Hoc Committee of Noteholders collectively holds both the majority of the indebtedness of Wireless and the vast majority of the indebtedness of the Applicants considered as a whole and the committee consolidates the interest of an otherwise disparate group of noteholders. In such circumstances, it is not unusual in CCAA proceedings for the fees of such parties to be paid from the assets of the debtor; and

b) the amount of incremental funding provided by members of the Ad Hoc Committee of Noteholders through the purchase of the Bridge Notes significantly exceeds the professional fees paid by the Applicants to the advisors of the Ad Hoc Committee of Noteholders prior to the Initial Order. As such, the members of the Ad Hoc Committee of Noteholders have essentially funded the costs of their professional advisors and it does not seem appropriate to claw back those fees for the potential benefit of other stakeholders.

53. Consequently, at this time the Monitor recommends that the Court not grant the relief sought in the Catalyst Motion.

EXTENSION OF THE STAY PERIOD

54. The current stay of proceedings under the Initial Order expires on October 30, 2013. The Applicants are seeking an extension of the stay period to December 20, 2013 in order to provide the Applicants with time to pursue the finalization of the Proposed Transaction, further negotiate the scope of service and other contract concessions with their suppliers,

without affecting the customer experience for its existing subscribers, and continue to advance these CCAA proceedings.

55. The Cash Flow Statement projects that, subject to the availability of DIP financing, the Applicants will have sufficient liquidity to operate during the proposed extended Stay Period.

56. In the event that a response from Industry Canada results in the Applicants making material changes to their strategy or operations the Applicants, with the assistance of the Monitor will file new cash flow projections to reflect this change.

MONITOR'S CONCLUSIONS AND RECOMMENDATION

57. The Monitor is of the view that the Applicants have acted in accordance with the Initial Order, in good faith, and with due diligence.

58. The Monitor recommends that the Court not grant the relief sought in the Catalyst Motion.

59. The Monitor recommends that the Court approve the Applicants' request for an order extending the Stay Period to December 20, 2013 and requests that the Court approve the actions of the Monitor as described in this Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 23RD DAY OF OCTOBER 2013

ERNST & YOUNG INC.

in its capacity as the court-appointed Monitor of
Data & Audio-Visual Enterprises Holdings Inc.,
Data & Audio-Visual Enterprises Wireless Inc., and
8440522 Canada Inc.

Per:

Mike Dean
Senior Vice President

Alex Morrison
Senior Vice President

Christopher Mediratta
Vice President

APPENDIX A

Court File No. CV-13-10274-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 30TH
	)	
JUSTICE NEWBOULD	)	DAY OF SEPTEMBER, 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 8440522 CANADA INC., DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., AND DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Applicants

INITIAL ORDER

THIS APPLICATION, made by Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc. and 8440522 Canada Inc. (collectively, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of William E. Aziz sworn September 29, 2013 and the Exhibits thereto (the "Aziz Affidavit"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, Ernst & Young Inc. (as the proposed Monitor), the Ad Hoc Committee of Noteholders (as defined in the Aziz Affidavit), the DIP Lenders (as defined in the Aziz Affidavit), The Catalyst Capital Group Inc., and Equity Financial Trust Company, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn September 30, 2013 and on reading the consent of Ernst & Young Inc. to act as the Monitor,

, QCP CW S.A.R.L.

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel, including counsel to any board of directors of the Applicants, and such other persons (collectively "Assistants") currently retained or employed by any of them, with liberty to retain, subject to the prior approval of the Chief Restructuring Officer, such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the cash management systems currently in place with, among others, National Bank, TIO Networks Corp., and Chase Paymentech Solutions ("Paymentech") as described in the Aziz Affidavit or, with the consent of the DIP Lenders, replace those systems with other substantially similar central cash management systems (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation

whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that, subject to the terms and conditions of the DIP Loan Agreement, including the applicable terms therein that refer to the cash flow forecast approved by the DIP Lenders pursuant to the DIP Loan Agreement (the "Cash Flow Forecast"), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, commissions, employee benefits, vacation pay (excluding any severance or termination payments without the consent of the Chief Restructuring Officer (as defined below) and the DIP Lenders) and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) any amounts owing to Dealers (as such term is defined in the Aziz Affidavit) and incurred in the ordinary course of business and consistent with existing Dealer compensation policies and arrangements, subject to the prior approval of the Chief Restructuring Officer; and

(c) the reasonable fees and disbursements of any Assistants retained or employed by an Applicant in respect of these proceedings, at their standard rates and charges, subject to the prior approval of the Chief Restructuring Officer.

7. THIS COURT ORDERS that the Applicants shall be authorized but not required to continue to perform and provide services for which customers of any of the Applicants prepaid prior to the date of this Order in the ordinary course.

8. THIS COURT ORDERS that, subject to the terms and conditions of and availability under the DIP Loan Agreement, including the applicable terms therein that refer to the Cash Flow Forecast, and except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services, subject to the prior approval of the Chief Restructuring Officer; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the

Applicants, subject to the prior approval of the Chief Restructuring Officer.

10. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, monthly in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their respective Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding $500,000 in any one transaction or $2,000,000 in the aggregate, subject to the prior approval of the Chief Restructuring Officer.

(b) terminate the employment of such of their employees as they deem appropriate, subject to the prior approval of the Chief Restructuring Officer;

(c) disclaim, in whole or in part, with prior consent of the Monitor and the DIP Lenders or further Order of the Court, such of their arrangements or agreements, whether oral or written, as the Applicants deem appropriate, in accordance with Section 32 of the CCAA, with such disclaimers to be on such terms as may be agreed upon between the Applicants and such counter-parties, or failing such agreement, with the consequences thereof to be dealt with in the Plan; and

(d) pursue all avenues of refinancing and offers for material parts of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

13. THIS COURT ORDERS that an Applicant shall provide each of the relevant landlords with notice of that Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the applicable Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable Applicant, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to that Applicant's claim to the fixtures in dispute.

14. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against an Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. THIS COURT ORDERS that until and including October 30, 2013, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of any of the Applicants, the Monitor, the DIP Lenders, the holders of the Bridge Notes (in such capacities, the "Bridge Lenders") or Equity Financial Trust Company (in its capacity as Trustee and Collateral Agent under the Bridge Notes, the DIP Facility and the First Lien Notes (as such term is defined in the Aziz Affidavit)) (in such capacity, the "Trustee") or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. This Paragraph 15 shall apply to Proceedings commenced or continued against or in respect of the Trustee, DIP Lenders or the Bridge Lenders solely to the extent that such Proceedings relate to the DIP Lenders' or the Bridge Lenders' lending arrangements with the Applicants.

NO EXERCISE OF RIGHTS OR REMEDIES

16. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Applicants, except with

the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, including without limitation National Bank and Paymentech, TIO Networks Corp., payroll services, insurance, transportation services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by any of the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with normal payment practices of that Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such

obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. THIS COURT ORDERS that each Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of that Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of $550,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 53 and 55 herein.

23. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) an Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

APPOINTMENT OF MONITOR

24. THIS COURT ORDERS that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and

obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants, to the extent required by the Applicants, in its dissemination, to the DIP Lenders and its counsel at the times required under the DIP Loan Agreement (as such term is defined in the Aziz Affidavit) of financial and other information as agreed to between the Applicants and the DIP Lenders which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lenders;

(d) advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the DIP Lenders, which information shall be reviewed with the Monitor and delivered to the DIP Lenders and their counsel on a periodic basis at the times required in the DIP Loan Agreement, or as otherwise agreed to by the DIP Lenders;

(e) advise the Applicants in their development of the Plan and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(h) assist the Applicants, to the extent required by the Applicants, with their restructuring activities and/or any sale of the Property and the Business or any part thereof;

(i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

26. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

27. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

28. THIS COURT ORDERS that the Monitor shall provide any creditor of an Applicant and the DIP Lenders with information provided by that Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by any of the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or

obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

30. THIS COURT ORDERS that, subject to the terms and conditions of and availability under the DIP Loan Agreement, including the applicable terms therein that refer to the Cash Flow Forecast, and the prior approval of the Chief Restructuring Officer (i) the Monitor, counsel to the Monitor, counsel to the Applicants, counsel to the DIP Lenders and the Ad Hoc Committee of Noteholders, and the Trustee shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings; and (ii) the Financial Advisors and the Chief Restructuring Officer (each as defined in the Aziz Affidavit) shall be paid their reasonable fees and disbursements, in each case in accordance with the terms of the Engagement Letters (as defined in the Aziz Affidavit). The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicants and counsel for the DIP Lenders and the Ad Hoc Committee of Noteholders on a weekly basis, or on such basis as otherwise agreed by the Applicants and the applicable payee. The Applicants are hereby authorized and directed to pay amounts owing to the Chief Restructuring Officer in accordance with the terms of its Engagement Letter monthly in advance.

31. THIS COURT ORDERS that if requested by the Applicants, the DIP Lenders, or this Court, the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, the Applicants' counsel, counsel for the DIP Lenders and the Ad Hoc Committee of Noteholders, the Financial Advisors, the Chief Restructuring Officer and counsel to any board of directors of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of $10,000,000, as security for their professional fees and disbursements incurred (i) at the standard rates and charges of the Monitor and such counsel both before and after the making of this Order in respect of these proceedings; or (ii) as prescribed in the Engagement Letters in the case of the Financial Advisors and the Chief Restructuring Officer. The Administration Charge shall have

the priority set out in paragraphs 53 and 55 hereof.

APPROVAL OF FINANCIAL ADVISORS' ENGAGEMENT

33. THIS COURT ORDERS that the Applicants are authorized to continue the engagement of the Financial Advisors on the terms and conditions set out in the FA Engagement Letters (as such term is defined in the Aziz Affidavit).

34. THIS COURT ORDERS that the FA Engagement Letters be and are hereby ratified and confirmed and the Applicants are authorized to perform their obligations thereunder.

35. THIS COURT ORDERS that any obligations of the Applicants under the FA Engagement Letters, whether for payment of fees, expenses, indemnities or otherwise, shall be entitled to the benefit of the Administration Charge.

36. THIS COURT ORDERS that any claims of the Financial Advisors under the FA Engagement Letters shall be treated as unaffected in any Plan.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

37. THIS COURT ORDERS that the Applicants are authorized to continue the engagement of BlueTree Advisors II Inc. as Chief Restructuring Officer (in such capacity, the "Chief Restructuring Officer") on the terms and conditions set out in the CRO Engagement Letter (as such term is defined in the Aziz Affidavit).

38. THIS COURT ORDERS that the CRO Engagement Letter be and is hereby ratified and confirmed and the Applicants are authorized to perform their obligations thereunder.

39. THIS COURT ORDERS that any obligations of the Applicants under the CRO Engagement Letter, whether for payment of fees, expenses, indemnities or otherwise, shall be entitled to the benefit of the Administration Charge.

40. THIS COURT ORDERS that any claims of the Chief Restructuring Officer under the CRO Engagement Letter shall be treated as unaffected in any Plan.

DIP FINANCING

41. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to

obtain and borrow under a credit facility (the "DIP Facility") from the DIP Lenders in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under the DIP Facility shall not exceed the amounts prescribed in the DIP Loan Agreement.

42. THIS COURT ORDERS that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Loan Agreement.

43. THIS COURT ORDERS that the DIP Facility and the DIP Loan Agreement be and are hereby approved.

44. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the DIP Loan Agreement or as may be reasonably required by the DIP Lenders pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lenders under and pursuant to the DIP Loan Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

45. THIS COURT ORDERS that the DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lenders' Charge**") on the Property as security for any and all obligations of the Applicants under the DIP Loan Agreement and the Definitive Documents (including on account of principle, interest, fees, expenses and other liabilities) (the aggregate of all such obligations being the "**DIP Indebtedness**"), which DIP Lenders' Charge shall be in the aggregate amount of the DIP Indebtedness outstanding at any given time. The DIP Lenders' Charge shall not secure an obligation that exists before this Order is made. The DIP Lenders' Charge shall have the priority set out in paragraphs 53 and 55 hereof.

46. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

(a) the DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the DIP Lenders' Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Loan Agreement, the Definitive Documents or the DIP Lenders' Charge (A) the DIP Lenders may cease making advances to the Applicants, (B) the DIP Lenders may (i) set off and/or consolidate any amounts owing by the DIP Lenders to the Applicants against the obligations of the Applicants to the DIP Lenders under the DIP Loan Agreement, the Definitive Documents, or the DIP Lenders' Charge and make demand, accelerate payment and give other notices, and (ii) following an Order of the Court, granted on 5 days' notice to the Applicants and the Monitor, exercise any and all of their respective rights and remedies against the Applicants or the Property under or pursuant to the DIP Loan Agreement, the Definitive Documents, the DIP Lenders' Charge, or the *Personal Property Security Act* of Ontario or any other applicable jurisdiction, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants;

(c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property; and

(d) notwithstanding any other provision hereof, the DIP Lenders shall not take any steps to enforce their security granted in connection with DIP Loan Agreement or the Definitive Documents without prior approval of the Court.

47. THIS COURT ORDERS AND DECLARES that the DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by any of the Applicants under the CCAA, or any proposal (the "Proposal") filed by any of the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

48. THIS COURT ORDERS that the obligations under ~~the Bridge Notes,~~ the DIP Loan Agreement and the Definitive Documents shall be treated as unaffected by any Plan or any Proposal and the Applicants shall not file a Plan in these proceedings or any Proposal that does not provide for the indefeasible payment in full in cash of the obligations outstanding in respect of ~~the Bridge Notes,~~ the DIP Loan Agreement and the Definitive Documents as a pre-condition

to the implementation of any such Plan.

49. THIS COURT ORDERS that, subject to the terms of this Order, including without limitation paragraph 11, the Applicants are hereby authorized and empowered to take all steps and actions in respect of, and comply with all of their obligations pursuant to, the Bridge Notes and such other agreements, security documents, guarantees and other definitive documents as executed in connection with the Bridge Notes.

KEY EMPLOYEE RETENTION PLAN

50. THIS COURT ORDERS that the payments to be made pursuant to the Key Employee Retention Plan (as such terms are defined in the Aziz Affidavit) as described in the supplemental employment agreements of the Key Employees (as such term is defined in the Aziz Affidavit), which are attached as confidential exhibits to the Aziz Affidavit, are hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms of such supplemental employment agreements.

51. THIS COURT ORDERS that the Key Employees shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property, which charge shall not exceed an aggregate amount of $600,000, to secure the amounts payable to the Key Employees pursuant to paragraph 50 of this Order.

52. THIS COURT ORDERS that the KERP Charge shall have the priority set forth in paragraphs 53 and 55.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

53. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge, the DIP Lenders' Charge, and the KERP Charge as among them and relative to the liens securing the obligations under the First Lien Notes and the Bridge Notes, shall be as follows:

(a) First, liens securing obligations under the First Lien Notes and the First Lien Notes Indenture (as defined in the Aziz Affidavit) (collectively, the "First Lien Notes Liens");

(b) Second, the Administration Charge and the KERP Charge on a *pari passu* basis;

(c) Third, the Directors' Charge;

(d) Fourth, the DIP Lenders' Charge and the liens securing the obligations under the Bridge Notes, on a *pari passu* basis.

54. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the KERP Charge or the DIP Lenders' Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

55. THIS COURT ORDERS that each of the Directors' Charge, the Administration Charge, the KERP Charge and the DIP Lenders' Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person with the exception of the First Lien Notes Liens and the Encumbrances ranking in priority to the First Lien Notes Liens.

56. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lenders' Charge, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lenders and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

57. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, the KERP Charge, the Definitive Documents and the DIP Lenders' Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of

Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Loan Agreement or the Definitive Documents shall create or be deemed to constitute a breach by an Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from an Applicant entering into the DIP Loan Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the DIP Loan Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

58. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in an Applicant's interest in such real property leases.

59. THIS COURT ORDERS that the deposit accounts held by Paymentech and containing cash collateral pledged to Paymentech in an amount not to exceed $1,200,000 shall be excluded from the DIP Lenders' Charge, the Administration Charge, the KERP Charge and the Directors' Charge and shall be held as security for any Chargebacks (as such term is defined in the Select Merchant Application and Agreement dated as of April 16, 2010 between Wireless and Paymentech) arising after the date of this Order.

SERVICE AND NOTICE

60. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner

prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against an Applicant of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder. The list included in subparagraph (C) above shall not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual.

61. THIS COURT ORDERS that the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

62. THIS COURT ORDERS that the Applicants, the Monitor, the DIP Lenders, the Ad Hoc Committee of Noteholders and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.ey.com/ca/mobilicity.

SEALING OF CONFIDENTIAL EXHIBITS

63. THIS COURT ORDERS that Confidential Exhibits "K", "L" and "W" through "DD" be and are hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

64. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

65. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting

as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of an Applicant, the Business or the Property.

66. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

67. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

68. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided, however, that the DIP Lenders shall be entitled to rely on this Order as issued for all advances made under the DIP Loan Agreement and Definitive Documents up to and including the date this Order may be varied or amended.

69. THIS COURT ORDERS that, notwithstanding the immediately preceding paragraph, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the DIP Loan Agreement and the Definitive Documents, including, without limitation, Paragraphs 42 to 49, and 53 to 58, inclusive, unless notice of a motion is served on the Monitor, the Applicants and the DIP Lenders, returnable no later than October ~~9~~, 2013.

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70. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

SEP 3 0 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No:

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 8440522 CANADA INC., DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., AND DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicants

APPENDIX B

Court File No. CV-13-10274-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 8440522 CANADA INC., DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., AND DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Applicants

AFFIDAVIT OF WILLIAM E. AZIZ
(sworn October 16, 2013)

I, **WILLIAM E. AZIZ**, of the Town of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President of BlueTree Advisors II Inc. ("**BlueTree**"), which has been retained by Data & Audio-Visual Enterprises Holdings Inc. ("**Holdings**") to provide my services to Holdings and its affiliates[1] (collectively, with Holdings, the "**Mobilicity Group**") as Chief Restructuring Officer of the Mobilicity Group. I am a director of each of the Mobilicity Group entities. BlueTree was retained pursuant to an Engagement Letter dated April 24, 2013.

2. My engagement was ratified and confirmed by Order of this Court on September 30, 2013 (the "**Initial Order**").

[1] The affiliates of Holdings are 8440522 Canada Inc. and Data & Audio-Visual Enterprises Wireless Inc.

3. As described in my affidavit sworn September 29, 2013 (the "**Initial Order Affidavit**") in these proceedings, I have been overseeing the restructuring efforts of the Mobilicity Group since April 24, 2013 and, as such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have spoken with certain of the directors, officers, advisors and/or employees of the Mobilicity Group, as necessary, and, where I have relied upon information from such discussions, I believe such information to be true.

4. This affidavit is sworn in support of a motion by the Mobilicity Group to extend the Stay Period, as such term is defined in the Initial Order, to December 20, 2013.

5. This affidavit is also sworn in response to a motion by The Catalyst Capital Group Inc. ("**Catalyst**") that seeks, among other things:

(a) the approval of a debtor-in-possession ("**DIP**") financing solicitation process that would re-open the DIP financing review process that the board of directors of the Mobilicity Group has already undertaken and completed with the assistance of its financial advisors;

(b) the establishment of a "creditors' committee" (the "**Wireless Creditors' Committee**") comprised of an undetermined group of creditors of Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**") only, the mandate of which is unclear;

(c) the creation of an obligation for the Mobilicity Group to pay the fees and expenses of legal and financial advisors to the Wireless Creditors' Committee;

(d) the creation of a $5 million charge upon the assets of the Mobilicity Group to secure certain indemnities in favour of the proposed Wireless Creditors' Committee; and

(e) certain variations to the relief provided under the Initial Order as it relates to the ad hoc committee of certain noteholders of the Mobilicity Group (the "**Ad Hoc Committee of Noteholders**") and to the holders (the "**Bridge Lenders**") of the 15.5% Second Lien Secured Notes issued by Wireless (the "**Bridge Notes**").

6. The Mobilicity Group opposes the relief sought by Catalyst on its motion. The Ad Hoc Committee of Noteholders, the DIP Lenders (as defined below), the Bridge Lenders and QCP CW S.A.R.L. ("**Quadrangle**") support the position of the Mobilicity Group.

STAY EXTENSION

Activities since the issuance of the Initial Order

7. Since the issuance of the Initial Order on September 30, 2013, the Applicants have focussed on maintaining the stability of their business and have continued their efforts in furtherance of their proposed acquisition transaction (the "**Proposed Transaction**").

8. Immediately after the issuance of the Initial Order, the Mobilicity Group issued a press release (the "**Press Release**") advising of the these proceedings, the Proposed Transaction, and Court approval of the DIP financing. A copy of the Press Release is attached hereto as Exhibit "A".

Business Operations

9. On the day of the Initial Order, the Mobilicity Group held a town hall meeting for its head office employees, advising them of the filing and providing information about the nature and need for these proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

10. On the days that followed, several calls and meetings took place with various suppliers of the Applicants, including major suppliers Ericsson Canada Inc. ("**Ericsson**"), Amdocs Canadian Managed Services Inc. ("**Amdocs**"), Ingram Micro Inc. ("**Ingram**"), Rogers Wireless Partnership ("**Rogers**"), Bell Canada ("**Bell**"), and Sitel Services Canada in order to discuss the CCAA proceedings and post-filing supply arrangements. The Monitor has been present during material discussions and has been involved in all material correspondence with such suppliers since the commencement of the CCAA proceedings.

11. At the date of swearing this Affidavit, arrangements have either been reached, or are being finalized, with the Mobilicity Group's major suppliers, which will ensure undisrupted supplies of goods and services during the CCAA proceedings.

12. Since the commencement of the CCAA proceedings, the subscriber base of the Mobilicity Group has remained relatively stable with only minimal customer attrition. In the 10 business days following September 30, 2013, the Mobilicity Group has recorded a net customer loss of only 942 subscribers.

13. The Mobilicity Group now expects to end October with over 180,000 active customers. [2]

14. Mobile device orders have been placed with Ingram such that the supply to dealers of product for their customers has restarted with the view to continuing to attract new customers and upgrade existing customers.

15. Since the issuance of the Initial Order, the Applicants have operated within their cash flow forecast (as previously filed with the Court in my Initial Order Affidavit) and honoured their post-filing commitments as they became due.

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[2] This figure would exceed 210,000 if inactive subscribers were included.

Restructuring Steps

16. The Applicants are currently reviewing their contractual arrangements and consulting with the Monitor to determine whether negotiation of amendments to any contracts, or disclaimers, are appropriate in the circumstances.

17. The Applicants have already approached some suppliers about adapting their service offerings to the levels that the Applicants now require. The Monitor has been involved in a number of these discussions.

Proposed Transaction

18. Since the issuance of the Initial Order, I have continued to have business discussions with senior management of the potential acquirer in the Proposed Transaction. There have been further due diligence requests that the Mobilicity Group and its counsel, Norton Rose Fulbright Canada LLP, have responded to and there have been further exchanges of information and documentation.

19. Since the issuance of the Initial Order, I have communicated on numerous occasions with Industry Canada to keep Industry Canada apprised of the circumstances of the Mobilicity Group, including the implications of the Initial Order and these CCAA proceedings, and to provide information to ensure that Industry Canada has the relevant and required information to review the Proposed Transaction under the *Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licenses for Commercial Mobile Spectrum DGSO-002-13* (the "**Framework**"). It is clear from discussions with Industry Canada that Industry Canada is actively reviewing the Mobilicity Group's Proposed Transaction request.

20. While the Mobilicity Group awaits a response from Industry Canada with respect to the review of the Proposed Transaction under the Framework, counsel for the Mobilicity

Group and counsel to the potential acquirer have continued to develop definitive documentation that will be required to consummate the Proposed Transaction following a positive response from Industry Canada.

Request for a Stay Extension

21. The Applicants require more time to pursue the Proposed Transaction, and, if Industry Canada's approval is obtained, to complete the necessary documentation to finalize the Proposed Transaction, subject to this Court's approval.

22. It is possible that the Proposed Transaction may need to be modified in order to meet the requirements of Industry Canada and the Framework. Additional time would be required for discussion and negotiation with the potential acquirer in connection with any potential conditions that may be imposed by Industry Canada.

23. As such, the Applicants are requesting an extension of the Stay Period to and including December 20, 2013 (the "**Stay Extension**").

24. The Applicants, with the assistance of the Monitor, have prepared updated cash flow projections for the period between the week ending October 18, 2013 and the week ending January 10, 2014 (the "**Updated Cash Flow Statement**"), which corresponds to the proposed Stay Extension period. I understand that the Updated Cash Flow Statement will be attached as an appendix to the Monitor's first report to be served in connection with this motion.

25. The Updated Cash Flow Statement shows that the Applicants have sufficient resources, including access to the DIP loan facility, during the proposed Stay Extension period, to meet their post-filing obligations during that same period.

26. Since the issuance of the Initial Order, the Applicants have worked in good faith and with due diligence in the pursuit of the Proposed Transaction and of their restructuring efforts.

27. The Stay Extension is required in order to maintain stability in the Applicants' business and operations, and to pursue the Proposed Transaction.

28. I am advised that the Monitor, the Ad Hoc Committee of Noteholders, the DIP Lenders, the Bridge Lenders and Quadrangle all support the Stay Extension.

THE CATALYST MOTION

29. The Mobilicity Group does not believe that the relief sought by Catalyst on its motion is appropriate or necessary in the circumstances. In particular, the Mobilicity Group believes:

(a) that the process that the board of directors of the Mobilicity Group undertook, with the advice of financial and legal advisors, to evaluate DIP financing proposals was comprehensive and fair and took into account the interests of the Mobilicity Group's stakeholders;

(b) that the creation of a Wireless Creditors' Committee would be unnecessary, disruptive and destabilizing; and

(c) that the relief sought in relation to the Ad Hoc Committee of Noteholders and the Bridge Lenders would be destabilizing and would disregard the value that such creditors have provided and continue to provide to the Mobilicity Group's restructuring process.

DIP Financing Solicitation

30. The Initial Order approved a DIP Note Purchase and Guarantee Agreement (the "**DIP Loan Agreement**") entered into between the Mobilicity Group and certain holders of 15.5% Second Lien Secured Notes issued by Wireless (the "**DIP Lenders**").

31. The DIP Loan Agreement provides for DIP financing in five tranches in an aggregate amount of up to $30 million. The charge securing the DIP financing ranks behind the 9.5% First Lien Senior Secured Notes (the "**First Lien Notes**") issued by Wireless. The DIP financing ranks *pari passu* with the Bridge Notes.

32. The DIP financing proposal accepted by the Mobilicity Group differs materially from any proposals that Catalyst has provided to date.

33. The DIP financing is essential not only because of the funding provided thereunder but also because it demonstrates that the Mobilicity Group continues to be a stable enterprise with adequate funding to operate. This stability is particularly important in an industry where the Mobilicity Group's subscribers depend upon continuous service without interruption and where those subscribers could move their wireless services to one of the Mobilicity Group's competitors as they are not bound by long term contracts.

34. The existing DIP Loan Agreement is supported by creditors collectively holding approximately $444 million (84%) of the Mobilicity Group's total outstanding debt.

(i) Mobilicity Group's Extensive DIP Review Process

35. In determining to enter into, and seek court approval of, the DIP Loan Agreement, the board of directors of the Mobilicity Group undertook a thorough process to evaluate DIP

financing alternatives available to it on the basis of, among other things: quantum, conditions, price, timing, ranking and execution risk.

36. Since January of 2013, the Mobilicity Group's financial advisors have had discussions with an extensive group of parties that those financial advisors believed may be interested in extending DIP financing to the Mobilicity Group. Those discussions generated DIP financing proposals or expressions of interest from not less than seven well known financing providers. Attached hereto as Confidential Exhibit "B" is the list of parties that provided DIP financing proposals or expressions of interest. These parties provided proposals on the understanding that their identities would not be publicly disclosed unless ultimately selected as the DIP lender to the Mobilicity Group.

37. With the exception of the proposals from Catalyst and from the DIP Lenders, all of the potential DIP financing proposals would have provided financing only on a priming first-priority basis.

38. The Mobilicity Group's board of directors, with legal and financial advice, exercised its business judgment to determine that it could not move forward with a DIP financing proposal that would either rank ahead of the First Lien Notes or *pari passu* with the First Lien Notes. The Mobilicity Group's board of directors was of the view that the existing holders of First Lien Notes (the "**First Lien Noteholders**"), substantially all of which are represented by Catalyst and the Ad Hoc Committee of Noteholders, would both have resisted such a proposal. In particular, counsel to the Ad Hoc Committee of Noteholders had advised the Mobilicity Group that it would oppose any priming first lien DIP financing. Similarly, in an Affidavit sworn on February 26, 2013, Gabriel De Alba, Managing Director and Partner of Catalyst, described the possibility of super-priority debtor-in-possession financing as a

concern. Mr. De Alba stated that such financing would be "to the direct economic prejudice of Senior Note Holders".

39. Based upon the above information, the Mobilicity Group's board of directors concluded that it would not be appropriate to pursue DIP financing ranking ahead of, or *pari passu* with, the First Lien Notes and that, in any event, such financing would have excessive execution risk.

40. The practical impediments to implementation of DIP financing ranking ahead of, or *pari passu* with, the First Lien Notes left the Mobilicity Group with only two potential DIP financing sources: Catalyst and the DIP Lenders. No other party was willing to provide DIP financing in a subordinate position.

41. Each of the DIP Lenders and Catalyst were provided with several opportunities to present DIP financing proposals to the Mobilicity Group, and each did provide such proposals.

(ii) DIP Financing Proposals From Catalyst

42. During the period from December 27, 2012 until the date of the Initial Order, Catalyst provided not less than five documented DIP financing proposals to the Mobilicity Group (the "**Catalyst Proposals**"). Copies of certain of the term sheets describing the Catalyst Proposals are attached hereto as Exhibits "C" through "E".[3]

43. The first two Catalyst Proposals can be summarized as follows:

(a) December 28, 2012: A $200 million revolving commitment was offered for a 12 month term. Interest would be payable at a floating rate with a minimum

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[3] Two of the Catalyst DIP financing proposals are excluded from this affidavit as they were provided on an agreed upon confidential and "without prejudice" basis.

rate of 10%. Each draw under the facility would be subject to a "draw down fee" of 2%. A "commitment fee" of $3 million would be payable on signing. An early payment premium equal to 12 months interest on drawn amounts would be charged in the event that the DIP facility was pre-paid prior to the end of the term. This would have been a priming first lien facility.

(b) June 6, 2013: A $100 million revolving commitment was offered for a 12 month term. Costs of this facility were substantially the same as the December 28, 2012 proposal, but adjusted proportionally for the reduced size of the facility. Again, an early payment premium equal to 12 months interest on drawn amounts would be charged in the event that the DIP facility was pre-paid prior to the end of the term. This financing would rank senior to the Bridge Notes. This proposal was open to acceptance for one day until June 7, 2013.

44. Neither of these facilities was acceptable to the Mobilicity Group. They did not meet the Mobilicity Group's needs, primarily in terms of their excessive quantum, they were not definitive and were subject to detailed documentation with execution risk.

45. The Mobilicity Group did not believe that a DIP facility of the size proposed by Catalyst, and having the fees associated therewith, were warranted in the circumstances. These DIP facilities proposed by Catalyst would have represented a substantial restructuring of the balance sheet and would have placed the Mobilicity Group in a position of unacceptable vulnerability to a single creditor that, as discussed below, appears to be interested in taking a more active role in the Canadian wireless telecommunications sector.

46. On August 6, 2013, Jim Riley, Managing Director and Partner of Catalyst, wrote to me and suggested that a meeting be held at an early date for me to bring Catalyst up to date regarding the Mobilicity Group's financial circumstances. A copy of that letter is attached hereto as Exhibit "F".

47. I responded to Mr. Riley's letter by email on August 8, 2013. In that email I suggested a meeting with Catalyst on August 16th. I also suggested that it would be helpful if Catalyst was able to come to the meeting with a proposed business solution for the Mobilicity Group's consideration. A copy of my email is attached hereto as Exhibit "G"

48. Mr. Riley responded to my August 8, 2013 email on the same date suggesting that any discussion of a business solution commence with a review of Catalyst's December 28th and June 6th term sheets. The Mobilicity Group reconsidered those term sheets and again concluded that neither was acceptable to the Mobilicity Group. A copy of Mr. Riley's email is attached hereto as Exhibit "H".

49. No meeting with Mr. Riley ensued. Rather than meeting with Mr. Riley on August 16, 2013, I attended a five-hour cross-examination requested by Catalyst's counsel in connection with Catalyst's ongoing oppression application against the Mobilicity Group.

50. On August 28, 2013, a letter was received from David Moore, as counsel to Catalyst, in which Mr. Moore stated "Catalyst repeats its earlier willingness to discuss the term sheet provided some time ago and other options, and requests a meeting as soon as possible for this purpose." A copy of Mr. Moore's letter is attached hereto as Exhibit "I".

51. Marc Kestenberg of Norton Rose Fulbright Canada LLP, counsel to the Mobilicity Group, responded to Mr. Moore's letter on August 29, 2013. Mr. Kestenberg wrote that:

> The Mobilicity Group is always open to consider reasonable and executable financing offers. As you know, all previous offers provided by Catalyst Capital Group Inc. ("Catalyst") were not acceptable to the Mobilicity Group.
>
> If Catalyst is prepared to make a materially different financing proposal with materially different terms, we would be pleased to provide that proposal to the Board of Directors for its consideration.

> As you know, time is of the essence. If Catalyst is interested in making any further proposals, we look forward to hearing from your client.

A copy of Mr. Kestenberg's letter is attached hereto as Exhibit "J".

52. On August 31, 2013, Mr. Kestenberg wrote to Mr. Moore by email stating:

> Further to my letter dated August 29, 2013, if Catalyst is in fact prepared to offer financing, we would request that it provide new term sheets contemplating financing both inside and outside of a court process. Time is of the essence and we look forward to your reply, if any, by Tuesday noon.

A copy of Mr. Kestenberg's email is attached hereto as Exhibit "K".

53. On September 2, 2013, Mr. Moore responded to Mr. Kestenberg's email by letter suggesting that:

> a confidential, off the record, meeting take place forthwith between representatives of [Catalyst and the Mobilicity Group], so that Catalyst can make appropriate inquiries regarding Mobilicity's current business issues and plans and its financing needs, and so that Mobilicity can explain what issues it has with Catalyst's recent financing proposals in light of those issues and plans.

A copy of Mr. Moore's email is attached hereto as Exhibit "L".

54. Mr. Kestenberg responded by email on September 3, 2013 inviting Mr. Riley to contact Mr. Aziz to discuss financing proposals that Catalyst may wish to offer. Mr. Kestenberg confirmed that such discussions would be without prejudice. A copy of that response is attached hereto as Exhibit "M".

55. Without prejudice discussions commenced between Catalyst and the Mobilicity Group regarding the terms of a possible DIP financing arrangement. In order to facilitate the exchange of confidential information with Catalyst regarding the Mobilicity Group's business, the Mobilicity Group requested that Catalyst execute a side letter to their existing non-disclosure agreement. An email from Michael Levin, of Canaccord Genuity, one of the Mobilicity Group's financial advisors, to Catalyst communicating this request on September

6, 2013, as well as a copy of the proposed side letter, is attached hereto as Exhibit "N". No response to this request was received from Catalyst.

56. I am informed by Mr. Levin that term sheets and other DIP financing matters were discussed between Canaccord Genuity and Catalyst during the period from September 5, 2013 until September 18, 2013.

57. Discussions with Catalyst broke down on September 18, 2013. I am advised by Barry Goldberg, of Canaccord Genuity, that on that date Mr. De Alba informed Mr. Goldberg by telephone that Catalyst would seek to commence insolvency proceedings against the Mobilicity Group if an agreement on the Catalyst DIP financing proposal could not be reached. No such resolution was reached.

58. Attached at Exhibit "O" is a copy of a letter from Mr. Kestenberg to Mr. Moore, dated September 19, 2013, confirming the substance of Mr. De Alba's discussion with Mr. Goldberg.

59. Although Mr. Moore responded on September 19, 2013 by asserting that the facts contained in Mr. Kestenberg's letter were inaccurate, that evening at approximately 8:30 pm, Catalyst delivered an unissued application for a "creditor sponsored" CCAA proceeding returnable the next day. This application provided a copy of Catalyst's final DIP financing proposal. A copy of that final DIP financing proposal is attached hereto. Notably, this proposal would see Catalyst receive (i) a $3 million commitment fee, (ii) interest at a minimum rate of 13%, (iii) a drawdown fee of 3%, and (iv) back-stop fees of approximately $22 million. I am advised by Michael Levin that this financing proposal would be materially more expensive than the DIP Lenders' proposal. The $22 million "back-stop fee" payable to Catalyst is approximately equal to Catalyst's share of a purported "make-whole" payment on

the First Lien Notes, which the Mobilicity Group does not believe is payable in the circumstances.

60. The Mobilicity Group considered this final term sheet with the assistance of its financial and legal advisors and concluded that:

(a) the term sheet was described as a "summary of certain indicative terms" and stated that the definitive documentation would "contain such terms, conditions and provisions as are customary for financings of this type or deemed appropriate by Catalyst." The term sheet did not provide definitive terms of the Catalyst debtor-in-possession financing proposal.

(b) the quantum of the debtor-in-possession financing proposal, at $100 million, was more than the Mobilicity Group required to seek to implement a restructuring or a sale.

(c) the covenants and approval rights described in the term sheet provided Catalyst with extensive control over the actions of the Mobilicity Group, which Catalyst does not currently have as a holder of First Lien Notes.

(d) the Catalyst financing terms would give Catalyst the ability to block a potential sale transaction or a plan that may otherwise have the support of the requisite majority of current noteholders. The general concern that arises from this negative covenant is heightened by the fact that Catalyst has paid a deposit in order to participate in Industry Canada's upcoming auction for 700 MHz spectrum. Its own interest in establishing itself as an operator in the wireless space would pose a significant conflict of interest where the Mobilicity Group has opportunities to sell to another, possibly competing, buyer.

(iii) Conclusions On DIP Financing Review

61. In summary, the board of directors of the Mobilicity Group, with the assistance of its financial and legal advisors, has run an extensive process and concluded that the DIP financing provided by the DIP Lenders is the best available option in the circumstances. It has determined that no super-priority DIP financing could be implemented without unacceptable execution risk if it did not have the consent of the First Lien Noteholders. It has determined, based upon a review of Catalyst's several DIP financing term sheets that none of those options were acceptable or superior to the DIP financing proposed by the DIP Lenders on the basis of, among other things, quantum, timing, conditions, price, ranking or execution risk. The board has made these determinations with the extensive involvement of its financial and legal advisors and the exercise of its business judgment. I believe that the Mobilicity Group acted reasonably, prudently and fairly in reaching its conclusions with respect to the DIP financing.

62. The DIP Loan Agreement has the support of not less than 84% of the total outstanding debt of the Mobilicity Group.

63. The board of directors of the Mobilicity Group considered the interests of all parties and the fairness of the DIP process prior to making its determination to enter into the DIP Loan Agreement. It would be a distraction to the Mobilicity Group to re-open the DIP financing review process at this stage and doing so would undermine the stability provided by the existing DIP financing that has been approved by the Court.

Wireless Creditors' Committee

64. While the precise mandate of the Wireless Creditors' Committee is unclear, it appears from the relief sought by Catalyst that they see the Wireless Creditors' Committee as a form

of governing body for Wireless only. In particular, Catalyst believes certain indemnities and charges should be granted in favour of the Wireless Creditors' Committee similar to those currently available to the directors and officers of the Mobilicity Group under the Initial Order, presumably because that committee would be acting in some form of corporate governance capacity.

65. I do not believe that the Wireless creditors have any unique interests that need to be protected by a committee in the current circumstances.

66. Goodmans LLP acts for the extensive Ad Hoc Committee of Noteholders and Catalyst is represented by Fasken Martineau DuMoulin LLP and Bellmore & Moore.

67. The Mobilicity Group believes there is no added need to strike a committee and pay additional professional fees and indemnities when such a committee is not needed or supported by the majority of its stakeholders.

68. Mr. Riley makes a number of inaccurate and incorrect factual statements and assumptions in his affidavit sworn October 9, 2013 (the "**Riley Affidavit**").

69. The concerns raised in the Riley Affidavit in support of a Wireless Creditors' Committee are inconsistent with the facts in the current circumstances, in particular:

(a) The aggregate obligations of Wireless are far less than $445 million. Catalyst's $445 million figure contains a number of claimed obligations that are not supported by the facts. First, the Mobilicity Group does not believe that the "make-whole" premium on the First Lien Notes (now valued by Catalyst at $66.5 million) is payable in the current circumstances. Second, Wireless does not owe unsecured obligations to unrelated third parties in the amount of $80.5 million, as suggested by Mr. Riley. The Mobilicity Group creditors list, which is available on the Monitor's website, shows unsecured claims of approximately $18.7 million.

(b) The Proposed Transaction would pay in full all of the obligations which are properly due and payable under the First Lien Notes and preserve any First Lien Noteholder's right to argue for an entitlement to a "make-whole" premium. This is consistent with the indications of value of the Mobilicity Group's assets received from other potential transactions.

(c) The Mobilicity Group's goal is to seek to maximize value for all stakeholders.

(d) The Mobilicity Group has not received any offers suggesting that an acquisition of the Wireless assets alone, rather than the Mobilicity Group as a whole, would be desirable. No transaction that would repay the First Lien Notes through a sale of only the Wireless assets, without providing residual value to other security holders, has been proposed to the Mobilicity Group to date. To date, potential purchasers have looked at purchases of the Mobilicity Group as a whole.

(e) Contrary to Mr. Riley's assertions, the Mobilicity Group has no information to suggest that its assets, and in particular its spectrum licenses, are deteriorating in value.

70. Creditors holding $444 million (or 84%) of the Mobilicity Group's debt have been working with the Mobilicity Group to find solutions in connection with its restructuring efforts.

71. The Mobilicity Group has also worked productively with its trade creditors since the date of the Initial Order. In particular, the Mobilicity Group has held meetings or discussions

with Ericsson, Amdocs, Bell, Rogers, and Ingram on multiple occasions and is working positively toward go-forward arrangements acceptable to those parties.

72. It appears that the only party suggesting a need for a Wireless Creditors' Committee, with significant governance control over the Mobilicity Group, is Catalyst.

Ad Hoc Committee Matters

73. The Initial Order granted an administration charge to cover fees and disbursements of the Monitor and its counsel, counsel to the Mobilicity Group, counsel to the DIP Lenders and counsel to the Ad Hoc Committee of Noteholders. Counsel to the DIP Lenders is also counsel to the Ad Hoc Committee of Noteholders, which includes the holders of First Lien Notes, other than Catalyst, and the holders of the Bridge Notes.

74. The Ad Hoc Committee of Noteholders has been working with the Mobilicity Group in a supportive capacity in an attempt to find solutions with the Mobilicity Group, including providing the funding under the Bridge Notes in February 2013 that was necessary for the continued operation of the Mobilicity Group's business.

75. The administration charge is subordinate to the obligations under the First Lien Notes and was supported by the Monitor. The Mobilicity Group continues to believe that it is both necessary and appropriate to pay the fees and expenses of the Ad Hoc Committee of Noteholders and to include that group in the administration charge.

OPPRESSION APPLICATION

76. On September 30, 2013, Justice Newbould granted an Initial Order which, among other things, stayed all proceedings against the Mobilicity Group, including the Catalyst oppression application. The stay provision is not the subject of Catalyst's motion.

Nonetheless, in Mr. Riley's Affidavit, he attempts to summarize the history of Catalyst's oppression application.

77. I do not believe it to be in the spirit of the Initial Order nor relevant to the issues raised on Catalyst's motion to address each issue raised by Mr. Riley in this response.

78. That said, in order to ensure that the Court has a complete record from the Catalyst oppression application and the CBCA proceedings, I attach to this Affidavit the Affidavits that I previously swore on April 24, 2013, May 2, 2013, May 24, 2013, May 27, 2013 and July 19, 2013 (each without exhibits) as Exhibits "P", "Q", "R", "S" and "T", respectively.

79. In addition, in paragraphs 13-15 of Mr. Riley's Affidavit, Mr. Riley specifically suggests that I withheld relevant information concerning the approval of the TELUS Acquisition Plan from this Court in my September 29, 2013 Affidavit. I disagree for the reasons that follow.

80. Mr. Riley argues that on Catalyst's demands, the draft Order approving the TELUS Acquisition Plan was amended by the Mobilicity Group to contain provisions which "***created***" a fund of $71 million (less certain fees) to be set aside from the TELUS sale proceeds in respect of the claimed First Lien Notes make-whole premium[4]. Mr. Riley suggests that it was Catalyst's intervention which created this fund. That is not correct.

81. The TELUS Acquisition Plan always provided a mechanism for this $71 million fund to be placed in escrow in the event that the parties needed to litigate the issue over whether or not any such payment was owing under the terms of the First Lien Note Indenture. For example, in my May 27, 2013 Affidavit, I confirmed that the Senior Noteholder Payment Election (the "**SNPE**") had been exercised. Once exercised, the SNPE provided for the $71

[4] At May 27, 2013, the value of the "make-whole" was estimated to be $71 million. That estimate is subject to change based upon the time at which any "make-whole" payment (if any) is expected be paid.

million fund to be placed in escrow on closing of the TELUS Acquisition Plan, so as to allow the parties to litigate that entitlement post-closing of the TELUS Acquisition Plan, if necessary.

82. The TELUS Acquisition Plan was approved by the Court at an approval hearing held on May 28, 2013. Catalyst did not object to the approval of the TELUS Acquisition Plan at that hearing.

CONCLUSIONS

83. On its motion, the Mobilicity Group seeks a stay extension so that it can continue to work productively to pursue the finalization of the Proposed Transaction.

84. The Mobilicity Group should be permitted to move forward without further distraction to achieve this goal.

SWORN BEFORE ME at the City of Toronto, Province of Ontario, on October 16, 2013. Commissioner for Taking Affidavits EVAN COBB	WILLIAM E. AZIZ

APPENDIX C

Ernst & Young Inc.
Ernst & Young Tower
222 Bay Street, PO Box 251
Toronto, ON M5K 1J7

Tel: +1 416 864 1234
Fax: +1 416 943 3300
ey.com

September 30, 2013

To: All Known Creditors

Re: 8440522 Canada Inc., Data & Audio-Visual Enterprises Wireless Inc., and Data & Audio-Visual Enterprises Holdings Inc. (collectively hereinafter referred to as "Mobilicity")

Take notice that on September 30, 2013, Mobilicity commenced court-supervised restructuring proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**").

Ernst & Young Inc. has been appointed by the Court as Monitor (the "**Monitor**") in Mobilicity's CCAA proceedings pursuant to an order of the Ontario Superior Court of Justice made on September 30, 2013 (the "**Initial Order**"). The Initial Order provides, among other things, an initial stay of proceedings until October 30, 2013 (the "**Stay Period**") which may be extended by the Court from time to time.

Copies of the Initial Order and other orders issued in the CCAA proceedings will be posted on the Monitor's website at: www.ey.com/ca/mobilicity.

Pursuant to the Initial Order, all persons having oral or written agreements with Mobilicity or statutory or regulatory mandates for the supply of goods and/or services are restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Mobilicity, provided that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid by Mobilicity in accordance with normal payment practices of Mobilicity or such other practices as may be agreed upon by the supplier or service provider and Mobilicity and the Monitor, or as may be ordered by the Court. The Initial Order prohibits Mobilicity from making payment of amounts relating to the supply of goods or services prior to September 30, 2013, other than certain payments specified in the Initial Order.

During the Stay Period, all parties are prohibited from commencing or continuing legal action against Mobilicity and all rights and remedies of any party against or in respect of Mobilicity or its assets are stayed and suspended except with the written consent of, *inter alia*, Mobilicity and the Monitor, or leave of the Court.

To date, no claims procedure has been approved by the Court and creditors are therefore not required to file a proof of claim at this time.

Persons requiring further information that is not available on the Monitor's website www.ey.com/ca/mobilicity, should call the Monitor's Hotline at 1-855-287-4005 or send an email to mobilicity.monitor@ca.ey.com.

Yours very truly,

ERNST & YOUNG INC.
solely in its capacity as Court-appointed Monitor of
Data & Audio-Visual Enterprises Holdings Inc. *et al.*

APPENDIX D

WIRELESS

BCE, Telus face scrutiny for domestic roaming rates

New entrant carriers such as Wind Mobile and Eastlink are urging the CRTC to regulate carrier-to-carrier fees they see as 'inflated'

RITA TRICHUR
TELECOM REPORTER

Tensions between new entrant carriers and some incumbent players are heating up as the federal telecom regulator scrutinizes domestic roaming rates.

Wind Mobile is criticizing **BCE Inc.** and **Telus Corp.** for challenging the Canadian Radio-television and Telecommunications Commission's authority to regulate the wholesale fees that carriers pay each other for domestic roaming services, arguing those incumbents are being "disingenuous" and "absurd."

Since newer players rely on domestic roaming to provide wireless services to their customers who travel outside of their network's coverage area, they are hoping to persuade the CRTC that robust competition at the retail level hinges on regulation of those behind-the-scenes rates.

At present, domestic roaming agreements are commercially negotiated, but new entrant carriers have complained they overpay big carriers. Some are urging the CRTC to regulate those carrier-to-carrier fees now that it is undertaking a broad study on the impact of roaming fees on competition in the wireless market.

"Bell and Telus have been spending a lot of time and money lately challenging the government's, and now the CRTC's, authority to take action against their consumer-abusing practices, rather than changing their behaviour or arguing the merits," said Simon Lockie, chief regulatory officer for Wind.

"The CRTC's mandate is to promote competition and affordable prices for Canadians. … If the market for domestic roaming is competitive, which it most certainly is not, the CRTC will not act and the Big Three have nothing to worry about."

> **"The CRTC's mandate is to promote competition and affordable prices for Canadians. … If the market for domestic roaming is competitive, which it most certainly is not, the CRTC will not act and the Big Three have nothing to worry about.**
>
> **Simon Lockie**
> *Chief regulatory officer for Wind*

In August, the CRTC told carriers that it wanted to gather more information on both domestic and international roaming rates. Carriers had until Sept. 27 to provide the regulator with those details. Chairman Jean-Pierre Blais has said it would be "premature" to speculate about the CRTC's plans.

As part of that process, BCE and Telus told the commission that any regulatory action on wholesale roaming rates would conflict with new roaming and tower-sharing regulations introduced by Industry Canada earlier this year.

"Even the threat of Commission regulation would undermine the negotiation regime established by Industry Canada. It would not be good policy for the Commission and Industry Canada to impose rules that create such operational conflict and could lead to confusion and interference with existing contracts and competitive market forces," said BCE's submission. (BCE owns a 15 per cent stake in The Globe and Mail.)

Telus echoed those sentiments, adding that all of its roaming agreements were negotiated at "mutually beneficial" terms.

"Forcing artificially low domestic roaming rates will discourage investment in rural areas," said spokesman Shawn Hall.

In March, Industry Canada expanded domestic-roaming and tower-sharing obligations for incumbents and reduced timelines for arbitration. But Industry Canada also stated, "the CRTC may consider applications relating to rates and terms for matters such as roaming and tower sharing."

Wind Mobile is not alone in its criticism. Eastlink also told the CRTC that incumbents charge "inflated roaming fees."

"The result is clear. Incumbents are left with substantial profit margins, in part because of commercially unreasonable wholesale roaming rates they collect, while new entrants who require profits to expand our network are left with only narrow gains for investment," reads Eastlink's submission.

BUSINESS CLASSIFIED

LEGALS

COURT FILE # CV-13-10274-00CL

IN THE ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED (the "CCAA")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 8440522 CANADA INC., DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., AND DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. (COLLECTIVELY, "MOBILICITY")

Take notice that on September 30, 2013, Mobilicity commenced court-supervised restructuring proceedings under the CCAA.

Ernst & Young Inc. has been appointed by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") as Monitor (the "**Monitor**") in Mobilicity's CCAA proceedings pursuant to an Order made September 30, 2013 (the "**Initial Order**"). The Initial Order provides, among other things, a stay of proceedings until October 30, 2013 (the "**Stay Period**") which may be extended by the Court from time to time.

Copies of the Initial Order and other orders that may be issued in the CCAA proceedings have been posted on the Monitor's website at: www.ey.com/ca/mobilicity.

Pursuant to the Initial Order, all persons having oral or written agreements with Mobilicity or statutory or regulatory mandates for the supply of goods and/or services are restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Mobilicity, provided that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid by Mobilicity in accordance with normal payment practices of Mobilicity or such other practices as may be agreed upon by the supplier or service provider and Mobilicity and the Monitor, or as may be ordered by the Court.

The Initial Order prohibits Mobilicity from making payments of amounts relating to the supply of goods or services prior to September 30, 2013, other than payments to certain parties as specified in the Initial Order.

During the Stay Period, all parties are prohibited from commencing or continuing legal action against Mobilicity and all rights and remedies of any party against or in respect of Mobilicity or its assets are stayed and suspended except with the written consent of, *inter alia*, Mobilicity and the Monitor, or leave of the Court.

To date, no claims procedure has been approved by the Court and creditors are therefore not required to file a proof of claim at this time.

Public notices and materials filed with the Court in connection with these proceedings are available on the Monitor's website noted above. Persons requiring further information that is not available on the Monitor's web site should call the Monitor's Hotline at 1-855-287-4005 or 416-943-3646 or send an email to mobilicity.monitor@ca.ey.com.

ERNST & YOUNG INC.
The Court Appointed Monitor of Mobilicity
222 Bay Street
P.O. Box 251
Toronto, ON, M5K1J7
Canada
Fax: 416-943-3300

EY

In the matter of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and

In the matter of a Plan of Compromise or Arrangement of Lone Pine Resources Canada Ltd., Lone Pine Resources (Holdings) Inc., Lone Pine Resources Inc., Wiser Oil Delaware, LLC and Wiser Delaware LLC (collectively, "Lone Pine Resources" or the "Companies")

NOTICE TO CREDITORS

NOTICE IS HEREBY GIVEN that on September 25, 2013, the Companies sought and obtained from the Court of Queen's Bench of Alberta, Calgary Division, an initial order (the "Initial Order) pursuant to the CCAA, under Court File No. 1301-11352. Pursuant to the Initial Order, PricewaterhouseCoopers Inc. was appointed as monitor of the Companies (the "Monitor"). This notice is provided in accordance with section 23(1)(a) of the CCAA and paragraph 49 of the Initial Order.

NOTICE IS HEREBY GIVEN that a copy of the Initial Order and other public information in respect of these CCAA proceedings are available on the Monitor's website at www.pwc.com/car-lpr, or may be obtained by contacting the Monitor directly at:

PricewaterhouseCoopers Inc., Monitor
Lone Pine Resources Canada Ltd., Lone Pine Resources (Holdings) Inc., Lone Pine Resources Inc.,
Wiser Oil Delaware, LLC and Wiser Delaware LLC
3100 – 111 5th Avenue SW
Calgary, AB T2P 5L3
Attention: Brenda Kuryk
Telephone +1 403 509-7366

DATED at Calgary, Alberta this 26th day of September, 2013.

pwc

DIVIDENDS

DIVIDENDS Computershare

Notice is hereby given that the following share dividend has been declared.

Issuer	Issue	Record Date	Payable Date	Rate
Stella-Jones Inc.	Common Shares	October 21, 2013	October 25, 2013	4-for-1*

* The 4-for-1 share split will take the form of a share dividend whereby shareholders will receive three common shares for each common share held.

TENDERS

NISHNAWBE-ASKI POLICE

REQUEST FOR PROPOSALS
NISHNAWBE-ASKI
POLICE SERVICE

The Nishnawbe-Aski Police Service invites proposals from qualified consultants to do an **Operational Review of the Nishnawbe-Aski Police Service.** The Nishnawbe-Aski Police Service is the largest First Nation Police Service in Canada providing policing services to 34 First Nation Territories within the Nishnawbe-Aski Nation (Treaty 9) in Northern Ontario.

Proposal documents are available for viewing at the Nishnawbe-Aski Police Service website at www.naps.ca

Proposals must be received by 4:00 p.m., November 4, 2013.

For further information contact Robert P. Herman, Nishnawbe-Aski Police Service at robert.herman@naps.ca or (807) 623-2161 Ext. 6148.

BUSINESS TO BUSINESS

BUSINESS TO BUSINESS

LUXURY ASSETS loans on assets, we loan money on luxury cars, jewellery, art, boats, real estate, gold. 30 day - 1 yr. loans avail. alliedassets@gmail.com

AIRCRAFT

BOMBARDIER, FALCON, CITATION, experts. '04 Citation Encore. J. Spears 416-203-0600, www.jaspears.com

BUSINESS OPPORTUNITIES

VINEYARD/WINERY for sale $1.9M. 49.7 acres, Essex County Ont. MLS # 1309704. Michael 519 562-7049.

BUSINESS TO BUSINESS

BUSINESS OPPORTUNITIES

BLUE MOUNTAIN. Investment Property. $120K Gross Rev. for past 12 mos. Short term rentals. Indoor Pool. Fully Managed. $799K Excel. ROI. Call Kevin Woolham, Salesperson. Century 21 Millennium Inc. Brokerage, Direct 705-888-1219.

COLLEGE YOU OWN private career college at Toronto subway stop, est. 10 years, registered, 15 gov't approved courses. Funded by EI, WSIB & OW. Full of students. Very profitable, a true gold mine. Buy $775K. Contact Paul 416-875-2315, pazure99@gmail.com

CAPITAL WANTED/AVAILABLE

PROJECT FINANCING avail. Real Estate, Oil & Gas, & clean energy. WTE. Min. $10MM. businesscapital@hotmail.com

INVESTMENT OPPORTUNITIES

INVESTMENT OPPORTUNITY IN HEALTHCARE

A US public healthcare technology company is looking for investors. The company is in final negotiations for major international healthcare projects to be announced shortly. Require short term funding. Please contact Rajni at:
rpkassett@gmail.com

APPENDIX E

Data & Audio-Visual Enterprises Wireless Inc. ("Wireless")
Listing of Creditors
As at September 29, 2013

The preliminary list of creditors has been prepared from the records of Wireless, without admission as to the liability of Wireless with regards to the amounts shown herein.
** The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.*

Creditor Name	Address			City	Province	Postal Code	Country	Amount (Note 1)
Secured Creditors								
First Lien Note Indenture	200 University Avenue	Suite 400	c/o Equity Financial Trust Company	Toronto	ON	M5H 4H1	Canada	204,270,506.98
Senior Secured Notes	200 University Avenue	Suite 400	c/o Equity Financial Trust Company	Toronto	ON	M5H 4H1	Canada	43,782,626.70
Total Secured Creditors								**248,053,133.68**
Unsecured Creditors (Note 2)								
0887636 BC Ltd.	#203-8571 Alexandra Road			Richmond	BC	V6X 1C3	Canada	3,827.25
0887636 BC Ltd.	5300 No. 3 Road			Richmond	BC	V5T 3G6	Canada	7,624.57
0887636 BC LTD	88 West Pender Street			Vancouver	BC	V6B6N9	Canada	7,636.38
0887636 BC Ltd	U15 - 555 West Hastings			Vancouver	BC	V6B 4N4	Canada	11,790.94
0887636 BC Ltd	2153 - 10153 King George Highway			Surrey	BC	V3T 2W1	Canada	9,701.86
1468149 Alberta Ltd.	103-7004 Macleod Trail SE			Calgary	AB	T2H 0L3	Canada	1,095.44
1521344 Ontario Inc.	222 Spadina Ave., Unit 3B			Toronto	ON	M5T 2C2	Canada	2,988.94
2237750 Ontario Inc	588 Parliament Street			Toronto	ON	M4X 1P8	Canada	5,942.15
2316922 Ontario Ltd.	109 Queens Quay			Toronto	ON	M5J 2V3	Canada	11,503.25
2327234 Ontario Inc.	2111 Jane Street, Unit 6			Toronto	ON	M3M 1A2	Canada	4,024.95
2327930 Ontario Inc.	2267 Eglinton Avenue East, Unit 1			Scarborough	ON	M6E 2K6	Canada	7,085.34
2342873 Ontario Inc.	4352 Kingston Road 7B			Toronto	ON	M1E 2M8	Canada	8,633.39
2342873 Ontario Inc.	2552 Finch Avenue West			Toronto	ON	M9M 2G3	Canada	7,228.23
7606028 Canada Ltd.	246 Bank Street			Ottawa	ON	K2P 1X4	Canada	11,812.86
7981341 Canada Ltd.	672 Gerrard St. E.			Toronto	ON	M4M 1Y3	Canada	10,193.36
8433445 Canada Inc.	1724 Bank Street			Ottawa	ON	K1V 7Y6	Canada	1,631.41
A.N. Wireless LTD.	Unit B, 8673 120th Street			Delta	BC	V4C 6R4	Canada	9,371.38
A.N. Wireless Ltd.	9589 128th Street			Surrey	BC	V3V 6J2	Canada	5,346.64
AA Wireless	105 Father Tobin Road			Brampton	ON	L6R 0W9	Canada	1,821.94
AB Telecom Inc.	4805 17th Ave. S.E.			Calgary	AB	T2A 0V3	Canada	5,056.74
AC3 Communications	1887 Queen Street East			Toronto	ON	M4L 1H3	Canada	11,623.40
AC3 Communications	2301 - 2361 Brimley Road			Toronto	ON	M1S 5B8	Canada	2,655.51
AC3 Communications	1343 Lawrence Avenue West			Toronto	ON	M6L 1A4	Canada	35,891.09
Activo Inc.	161 Alden Road, Unit 6			Markham	ON	L3R 3W7	Canada	3,656.00
Advance Cellphone Solutions	144 Chadwick Court			North Vancouver	BC	V3M 3K2	Canada	2,561.20
Alishan Cash4Gold	7118 Airport Road			Mississauga	ON	L4T 2H1	Canada	3,512.90
Altair International Trading Ltd	1200 37th Street SW			Calgary	AB	T3C 1S2	Canada	7,592.00
Amdocs Canadian Managed Services	2 Bloor Street East, 4th Floor			Toronto	ON	M4W 3Y7	Canada	5,996,629.76
ASA Wireless	5215 Finch Avenue E			Scarborough	ON	M1S 0C2	Canada	1,893.39
AT&T Mobility LLC	1025 Lenox Park Blvd. NE			Atlanta	GA	30319	USA	11,750.00
Atlantic Cellular & Internet	3783 Lakeshore Blvd. West			Etobicoke	ON	M8W 1R1	Canada	2,167.28
Avant Solutions	30 A Rexdale Blvd.			Toronto	ON	M9W 5Z3	Canada	7,799.82
Awesome Guru Inc.	5546 Tenth Line West			Mississauga	ON	L5M 0G2	Canada	21,220.28
Awesome Guru Inc.	2900 Warden Avenue			Scarborough	ON	M1W 2S8	Canada	5,608.73
Awesome Guru Inc.	1571 Sandhurst Circle, K-1			Scarborough	ON	M1V 1V2	Canada	14,813.71
Balloons, Bears & Bouquets Ltd.	4308 - 118 Avenue			Edmonton	AB	T5W 1A6	Canada	1,050.00

Data & Audio-Visual Enterprises Wireless Inc. ("Wireless")
Listing of Creditors
As at September 29, 2013

The preliminary list of creditors has been prepared from the records of Wireless, without admission as to the liability of Wireless with regards to the amounts shown herein.
** The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.*

Creditor Name	Address	City	Province	Postal Code	Country	Amount (Note 1)
BC Hydro	6911 Southpoint Dr., 11th Floor	Burnaby	BC	V3N 4X8	Canada	7,957.89
Bell Canada CABS Payment	5025 Creekbank Rd, Ground Floor	Mississauga	ON	L4W 0B6	Canada	364,000.00
Blezd1 Inc.	Unit 14 - 901 64th Avenue NE	Calgary	AB	T2E 7P4	Canada	3,917.04
Brink's Canada Limited	PO Box 4590, Station A	Toronto	ON	M5W 7B1	Canada	1,282.00
Bullo Wireless	1414 Walkley Road	Ottawa	ON	K1V 6P5	Canada	1,488.52
Cairns Oneil Strategic Media Inc.	85 Brule Gradens	Toronto	ON	M6S 1M2	Canada	10,696.00
Canada Warranty Solutions	360 Market Place	Roswell	NM	30075	USA	20,000.00
Cantech Connections	630 Peter Robertson Blvd. Unit 1C	Brampton	ON	L6R 1T4	Canada	1,798.13
Cell Shift Inc	#281, 10248 - 99 Street	Edmonton	ON	T5Y 2Y9	Canada	20,780.21
Cellular Linx	45 Overlea Blvd. #124	East York	ON	M4H 1C3	Canada	9,824.20
Cellular X Zone	2269 Riverside Drive, Unit 166	Ottawa	ON	K1H 8K2	Canada	5,656.36
Cellurola Inc	1151 Dundas Street West	Mississauga	ON	L5C 1C6	Canada	3,358.09
Cellwave Group	300 Bouough Drive	Scarborough	ON	M1P 4P5	Canada	18,386.15
Cellwave Group Inc.	1885 Kennedy Road	Scarborough	ON	M1P 2L9	Canada	31,648.05
CHASE PAYMENTECH	PO Box 466, Stn D	Toronto	ON	M1R 5B8	Canada	110,000.00
CHBN-FM	333 Bloor Street East 6th Floor	Toronto	ON	M4W 1G9	Canada	2,274.00
City Cell Wireless	1094 Victoria Park Avenue	East York	ON	M4B 2K4	Canada	2,607.88
City Mobile	Unit B - 224 Hunt Club Road	Ottawa	ON	K1V 1C1	Canada	1,000.28
Citycell Wireless	316 Parliament Street	Toronto	ON	M5A 2Z7	Canada	1,869.58
Citytalk Mobilitiy Group Ltd.	1639- 4500 Kingsway	Burnaby	BC	V5H 2A9	Canada	3,452.30
CKER-FM	333 Bloor Street East 6th Fl	Toronto	ON	M4W 1G9	Canada	3,051.00
Cologix Toronto, Inc.	PO Box 8739, STN A	Toronto	ON	M5W 3C2	Canada	41,000.00
Commerce Press Inc.	34 Kern Road	Toronto	ON	M3B 1T1	Canada	20,581.00
Commissioner for Complaints	85 Albert Street, 12th Floor	Ottawa	ON	K1P 6A4	Canada	2,683.00
CY8 Limited	10730 - 97 Street	Edmonton	ON	T5H 4K9	Canada	9,449.57
De Lage Landen Financial Services	3450 Superior Court, Unit #1	Oakville	ON	L6L 0C4	Canada	43,395.08
Easytone Communications Inc.	25 Peel Centre Drive, Unit K3	Brampton	ON	L6T 3R5	Canada	7,549.75
ELAVON	7300 Chapman Highway	Knoxville	TN	379206609	USA	4,000.00
Enmax Energy Corporation	PO Box 2988, Stn M	Calgary	AB	T2B 3C3	Canada	5,565.00
Entermark Distribution Inc.	64 Fishleigh Drive	Toronto	ON	M1N 1H5	Canada	128,000.00
Ericsson Canada Inc.	5255 Satellite Drive	Mississauga	ON	L4W 5E3	Canada	7,323,857.72
Ernie Tanglao Barber Shop &	328 Wilson Avenue	North York	ON	M3H 1S9	Canada	1,774.31
Extreme Wireless	1518 Centre Street, NE, #195	Calgary	AB	T2E 2R9	Canada	2,500.71
Fast Tech Cellular	240 Wellesley Street East	Toronto	ON	M4X 1G5	Canada	3,024.66
Fine Tune Communications Ltd	Unit 1030 - 4151 Hazelbridge Way	Richmond	BC	V6X 4J7	Canada	16,398.46
Flextronics Global Services Canada	213 Harry Walker Parkway South	Newmarket	ON	L3Y 8T3	Canada	1,149.00
Forward Communications Inc	568 Dunsmuir Street	Vancouver	BC	V6B 1Y1	Canada	18,816.53
Free Daily News Group Inc.	300-130 Slater Street	Ottawa	ON	K1P 6E2	Canada	2,841.00
Freedom Wireless Ltd.	210-7028, 120th Street	Surrey	BC	V3W 3M8	Canada	8,509.78
Future Telecom	1076 Wilson Avenue	Toronto	ON	M3K 1G6	Canada	1,012.19
Future Wireless Ltd	8181 Cambie Road	Richmond	BC	V6X 3X9	Canada	3,174.94
G.E.M. Pro Inc.	80 Galea Drive	Ajax	ON	L1Z 0J8	Canada	1,200.00
GAP WIRELESS INC.	2900 Argentia Road, Unit 14	Mississauga	ON	L5N 7X9	Canada	2,397.00
GNEX Corp	M10 100th Ave. SW	Calgary	AB	T2P 0W4	Canada	7,181.23
Goodmans LLP	333 Bay Street, Suite 3400	Toronto	ON	M5H 2S7	Canada	808,909.00
Gowlings Lafleur Henderson LLP	Station "D"	Ottawa	ON	K1P 1C3	Canada	1,568.00
Great Tel Mobility	4908-17th Ave. SE, #101	Calgary	AB	T2A 0V4	Canada	2,478.58

Data & Audio-Visual Enterprises Wireless Inc. ("Wireless")
Listing of Creditors
As at September 29, 2013

The preliminary list of creditors has been prepared from the records of Wireless, without admission as to the liability of Wireless with regards to the amounts shown herein.
** The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.*

Creditor Name	Address	City	Province	Postal Code	Country	Amount (Note 1)
Green Cartridge Inc.	740 East Broadway	Vancouver	BC	V5T 1X9	Canada	3,009.70
Growth Enterprise Market Inc.	3255 Highway 7 E Unit 118	Markham	ON	L3R 3P9	Canada	3,322.37
GSM Cell Phones Limited	20 Dundas Street E., Unit 1	Mississauga	ON	L5A 1W2	Canada	5,060.00
GSM Cellphones Limited	2129 Danforth Avenue	Toronto	ON	M4C 1K2	Canada	24,697.45
GSM Cellphones Limited	2550 Hurontario St., Unit 6	Mississauga	ON	L5B 1N5	Canada	28,758.12
H&G Mobile Hut Inc	306, 8128 128th Street	Surrey	BC	V3W 1R1	Canada	20,501.37
H&G Mobile Hut Inc.	Unit 306, 8128 - 128 Street	Surrey	BC	V3W 1R1	Canada	2,128.00
H&G Mobile Hut Inc.	10255 King George HWY	Surrey	BC	V3T 2W6	Canada	8,639.61
H&H Digital Corp	Unit #K2, 9499 - 137th Avenue	Edmonton	AB	T5E 4E3	Canada	2,250.00
H&H Digital Corp	9499 137th Ave., 104A	Edmonton	ON	T5H 4K9	Canada	12,171.58
H&H Digital Corp	Unit 287, 137th & 66th Street	Edmonton	ON	T5C 3C8	Canada	11,551.94
H.S. Mobile World & Electronic	20477 Fraser Hwy	Langley	BC	V3A 4G3	Canada	2,974.29
Hashaqazi	2525 Carling Avenue	Ottawa	ON	K2B 7Z2	Canada	4,989.50
Hashaqazi Wireless	173 Montreal Road	Ottawa	ON	K1L 1B4	Canada	5,644.45
Hi End Gadgets	595 Yonge Street	Toronto	ON	M4Y 1Z4	Canada	3,631.98
Hing Wah Imports	312 Centre St. S.E.	Calgary	AB	T2G 2B8	Canada	1,593.37
Huawei Technologies Canada Co. Ltd.	19 Allstate Pkwy, 4th Floor	Markham	ON	L3R 5A4	Canada	100,000.00
iBay Communciations Inc.	2-2929 st. John Street	Port Moody	BC	V3H 2C2	Canada	2,573.00
IGO Cyber House Inc.	223 Bank Street	Ottawa	ON	K2P 1W9	Canada	3,727.24
Inbox Marketer Corporation	381 Woolwich Street	Guelph	ON	N1H 3W8	Canada	11,300.00
Ingram Micro	55 Standish Court	Mississauga	ON	L5R 4A1	Canada	6,406.00
Ink City Centre	2447 East Hastings Street	Vancouver	BC	V5K 1Y8	Canada	3,270.86
International Cellular	999 - 36 Street NE, Suite 800B	Calgary	AB	T2A 7X6	Canada	23,597.07
Jabez Communication	1083- 8700 McKim Way	Richmond	BC	V6X4A5	Canada	2,372.35
JR Capital Contracting Inc.	1245 Skae Drive	Oshawa	ON	L1J 7A3	Canada	8,419.00
J-Trex Communications Inc.	900 Dillingham Road	Pickering	ON	L1W 1Z6	Canada	1,339.00
Kingsway Mobile	1463 Kingsway Avenue	Vancouver	BC	V5N 2R6	Canada	7,317.70
Kingsway Mobile	1-2460 Commercial Drive	Vancouver	BC	V5N 4B9	Canada	9,501.21
Kingsway Mobile	5487 Victoria Drive	Vancouver	BC	V5P 3V9	Canada	4,166.37
Kingsway Mobile Ltd.	1463 Kingsway	Vancouver	BC	V5N 2R6	Canada	3,200.70
KungKwan Holdings	Unit 105 - 1641 Commercial Drive	Vancouver	BC	V5L3Y3	Canada	8,911.07
L.M. Temperature Control Inc.	217 Statesman Drive	Mississauga	ON	L5S 1X4	Canada	5,893.00
Lam's Food Market	10549 107th Avenue	Edmonton	ON	T5H 0W3	Canada	1,571.24
Leading Age Computer &	100- 3399 Kingsway	Vancouver	BC	V5R 5K6	Canada	2,986.09
Limitless Communications	104 Dundas Street East	Toronto	ON	M5B 1C9	Canada	1,980.00
Limitless Communications	104 Dundas Street	Toronto	ON	M5B 1C9	Canada	25,626.29
Loblaws Inc.	PO Box 898	Winnipeg	MB	R3C 2S1	Canada	36,647.00
Maria Louisa L. Diaz, Barristers, Solicitors and Notaries	3950 14th Avenue, #108	Markham	ON	L3R 0A9	Canada	6,187.00
Metro Cell Inc.	Unit 1181 - 8882 170th Street	Edmonton	ON	T5T 4J2	Canada	3,430.17
Metro Wireless	2032 WEston Road	Toronto	ON	M9N 1X4	Canada	23,280.39
Metro Wireless	7070 Saint Barbara	Mississauga	ON	L5W 0E6	Canada	6,644.73
Mobile Republic	Suite 3401 - 1111 Alberni Street	Vancouver	BC	V6E 4V2	Canada	4,480.00
Mobile Republic	807 Hornby Street	Vancouver	BC	V6Z 1T9	Canada	37,488.47
Mobile Republic	1238 Robson Street	Vancouver	BC	V6E 1C1	Canada	9,524.81
Mobile Republic	665 Robson Street	Vancouver	BC	V6B 1H3	Canada	16,051.73
Mobile Republic	1658 - 6551 No. 3 Road	Richmond	BC	V6Y 2N6	Canada	10,327.40
Mobile Republic	1154 - 4700 Kingsway	Burnaby	BC	V5H 4M1	Canada	19,049.63

Data & Audio-Visual Enterprises Wireless Inc. ("Wireless")
Listing of Creditors
As at September 29, 2013

The preliminary list of creditors has been prepared from the records of Wireless, without admission as to the liability of Wireless with regards to the amounts shown herein.
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Creditor Name	Address	City	Province	Postal Code	Country	Amount (Note 1)
Mobile Republic	#1180 - 4311 Hazelbridge Way	Richmond	BC	V6X 3LY	Canada	3,883.10
Mobile Republic	2929 Barnet Highway	Coquitlam	BC	V3B 5R5	Canada	7,046.24
Mobile Spot	4300 Steeles Ave E #C28A	Markham	ON	L3R 0K5	Canada	5,882.61
Mobo Electronics Inc.	104 - 1899 Rosser Avenue	Burnaby	BC	V5C 6R5	Canada	2,868.07
Monster Mobile	33 Cox Blvd., Unit 709	Markham	ON	L3R 8A6	Canada	5,700.00
Monster Mobile	85 Ellesmere Road	Toronto	ON	M1R 4B9	Canada	53,908.09
Monster Mobile	542 Yonge Street	Toronto	ON	M4Y 1Y8	Canada	28,603.32
Mr Phone Inc.	101-77 Castleridge Blvd.	N.E. Calgary	AB	T3J 3J8	Canada	5,145.00
Mr Phone MARLB	515 Marlbrough Way NE Unit 718K	Calgary	AB	T2A 7E7	Canada	12,403.95
Mr. Phone Inc.	5111 Northland Drive NW, #4000	Calgary	AB	T2L 2J8	Canada	10,113.48
Mr. Phone Inc.	77 Castleridge Blvd NE	Calgary	AB	T3J 3J8	Canada	6,749.69
MTS Allstream	STN Main	Winnipeg	MB	R3C 0B7	Canada	218,000.00
MVP Electronics	807 Carnarvon Street	New Westminster	BC	V3M 1E8	Canada	3,363.78
Neustar Inc.	PO BOX 403034	Atlantic	NE	30384-3034	USA	12,702.00
Newcap Radio	6 Antares Dr. Phase 1 Unit 100	Ottawa	ON	K2E 8A9	Canada	3,000.00
Next 2 Wireless	7171 Goreway Drive, Unit 2	Mississauga	ON	L4T 2T5	Canada	3,286.64
Norton Rose	200 Bay Street, PO Box 84	Toronto	ON	M5J 2Z4	Canada	200,000.00
Oceans Mobile Mart	7205 Goreway Drive	Mississauga	ON	L4T 2T9	Canada	22,078.66
Oceans Mobile Mart Inc.	252 Queen Street E., Unit 7	Brampton	ON	L6V 1C1	Canada	23,137.49
Omega Cell Communications Inc.	10376 78th Avenue	Edmonton	ON	T6E6T2	Canada	1,294.61
Organza/Smartix Enterprises Ltd	116 - 12888 80th Avenue	Surrey	BC	V3W 3A8	Canada	2,301.54
PC & Cell Services Inc.	243 Queens Street S., Unit 4	Mississauga	ON	L5M 1L4	Canada	1,047.92
Pearl Communication Inc.	29 Queen Mary Drive	Brampton	ON	L7A 1X7	Canada	1,315.00
Pearl Communications	900 Dufferin Street	Toronto	ON	M6H 4A9	Canada	28,853.39
Pearl Communications Inc.	1484 Queen Street West	Toronto	ON	M6K 1M4	Canada	12,848.87
Pearl Communications Inc.	250 The East Mall	Etobicoke	ON	M9B 3Y8	Canada	8,264.24
Performance Technologies	140 Canal View Blvd.	Rochester	NY	14623	USA	11,100.00
Ph1 Technology Ltd.	208 - 4501 North Road	Burnaby	BC	V3N 4R7	Canada	1,097.66
Providence Canada	3415 Dixie Road, Unit 4	Mississauga	ON	L4Y 2B1	Canada	4,918.06
Q Telecom II	958 College Street	Toronto	ON	M6H 1A5	Canada	1,250.35
Red Maple Designs Inc.	1785 Queen Street East, Unit D	Brampton	ON	L6T 4S3	Canada	1,893.39
Research In Motion Limited ("RIM")	295 Philip Street	Waterloo	ON	N2L 3W8	Canada	97,437.00
Rideau Colour Ltd	168 Rideau Street	Ottawa	ON	K1N 5X6	Canada	13,765.79
Rocknet Telecom Inc.	967 St. Laurent Blvd., Unit 3	Ottawa	ON	K1K 3B1	Canada	1,155.09
Rogers Communications	8200 Dixie Road	Brampton	ON	L6T 0C1	Canada	418,397.00
S&A Wireless Technology Inc.	#105 - 7238 137 Street	British Columbia	BC	V3W 1P4	Canada	8,998.14
Satelite Agents	6015 104th Street	Edmonton	ON	T6H 2K6	Canada	1,991.71
Serena Wireless Inc.	1133 Dundas St. E., Unit 5	Mississauga	ON	L4Y 2C3	Canada	1,071.73
Shaw Business	2400 - 32 Avenue NE	Calgary	AB	T2E 9A7	Canada	8,590.00
Sitel Canada Corp.	P.O. Box 4090, Stn A	Toronto	ON	M5W 0E9	Canada	386,347.00
Smart Cell Solution	370 Main Street Unit 25A	Brampton	ON	L6V 4A4	Canada	9,597.95
Smartcell Solution	2456 Lakeshore Blvd. West	Toronto	ON	M8V 1C9	Canada	7,645.02
Soar Enterprises Inc.	3081 Main Street	Vancouver	BC	V5T 3G6	Canada	3,422.80
Solaris Wireless Inc.	4002 Sheppard AVenue E, Unit 105	Toronto	ON	M1S 4R5	Canada	8,847.74
Speedbit Inc.	106-5401 Temple Drive NE	Calgary	AB	T1Y 3R7	Canada	1,327.81
Stanley Park Grocery	4649 Macleod Tr. S.W.	Calgary	AB	T2G 0A6	Canada	1,017.99
Star Wireless & Accessories	1004 Pape AVenue	Toronto	ON	M4K 3V9	Canada	8,085.62

Data & Audio-Visual Enterprises Wireless Inc. ("Wireless")
Listing of Creditors
As at September 29, 2013

The preliminary list of creditors has been prepared from the records of Wireless, without admission as to the liability of Wireless with regards to the amounts shown herein.
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Creditor Name	Address	City	Province	Postal Code	Country	Amount (Note 1)
Starhome GmbH	Seefeldstrasse 25 Postfach 262	Zurich		8024	Switzerland	27,083.85
Subzi Mandi Cash & Carry	900 Middlefield Road	Scarborough	ON	M1V 4X1	Canada	1,631.41
Suntel Mobilicity	2 Penmarric Place	Scarborough	ON	M1V 4E9	Canada	6,630.00
Suntel Mobilicity	4300 Steeles Avenue East, Unit D56	Markham	ON	L3R 0Y5	Canada	17,993.18
Suntel Mobilicity	6464 Yonge St., Unit 187	Toronto	ON	M2M 3X4	Canada	23,994.87
Surrey Wireless	9536 120th Street	Surrey	BC	V3V 4C1	Canada	1,829.43
Syniverse Technologies	Global Headquarters 8125 Highwoods Palm Way	Tampa	FL	33647	USA	54,557.35
Syniverse Technologies, LLC.	12094 Collections Centre Dr	Chicago	IL	60693	USA	237,917.00
Talk & Text.ca	499 Main Street	Brampton	ON	L6Y 1N7	Canada	23,482.82
Talk and Text.ca	655 Victoria Park Ave Unit 2	Toronto	ON	M4C 5P1	Canada	5,191.94
Talk and Text.ca	491A Dundas Street West	Toronto	ON	M5T 1H1	Canada	4,703.71
Tech Pro/2294270 Ont Inc.	2599 Eglinton Ave. West	Toronto	ON	M6M 1T3	Canada	1,369.43
Tech Telecom	#104 - 8330 82nd Avenue	Edmonton	AB	T6C 4E3	Canada	1,990.00
Tech Telecom	104 - 8305 82nd Street NW	Edmonton	ON	T6C 4E3	Canada	24,210.38
Techvendors Inc.	1267 St. Clair Avenue West	Toronto	ON	M6E 1B8	Canada	11,098.37
Techvendors Inc.	2296 Bloor Street West	Toronto	ON	M6S 1P2	Canada	12,062.93
Telus	PO Box 5300	Burlington	ON	L7R 4S8	Canada	14,000.00
TeraGo Networks Inc.	PO Box 8956. Postal Station A	Toronto	ON	M5W 2C5	Canada	8,064.00
The City of Calgary	800 MacLeod Trail SE	Calgary	AB	T2P 3L9	Canada	200,898.54
The City of Edmonton	PO Box 1982	Edmonton	AB	T5J 3X5	Canada	194,067.54
The Marco Corporation	470 Hardy Road	Brantford	ON	N3V 6T1	Canada	4,174.00
The Mobile Store	2157 Weston Road	North York	ON	M9N 1X8	Canada	2,155.37
Trinity Business Solutions Ltd.	305-15988 Fraser Hwy	Surrey	BC	V3S 2W4	Canada	2,938.88
Unlimited Wireless	1062A Albion Road	Toronto	ON	M9V 1A7	Canada	6,585.19
UR Cell Connections	55 Dundas Street E #2	Mississauga	ON	L5A 1W1	Canada	1,833.85
Value Mobile	31 Tapscott Road, Unit T41B	Scarborough	ON	M1B 4Y5	Canada	24,316.39
Value Mobile	1 Yorkgate Blvd. Unit 124	North York	ON	M3N 3A1	Canada	4,382.19
Value Mobile	3465 Lawrence Avenue, Unit B6	Scarborough	ON	M1H 1B3	Canada	1,631.41
Value Mobile	1530 Albion Road, Unit 53	Etobicoke	ON	M9V 1B4	Canada	1,012.19
Value Mobile - Jane Finch Mall	3865 Jane Street, Unit 31A	Toronto	ON	M3N 2K1	Canada	2,453.07
Vantex Voice n View Solutions Inc.	6911 King George Hwy	Surrey	BC	V3W 5A1	Canada	1,593.37
Varesh Group	1030 Sheppard Ave. West Unit 3A	Toronto	ON	M3H 2T6	Canada	6,990.07
Warsi International	G7-13720 40th Street NW	Edmonton	ON	T5Y 3E5	Canada	5,554.67
Warsi International Group Inc.	#208 - 2331 66 Street	Edmonton	AB	T6K 4B4	Canada	3,413.00
Warsi International Group Inc.	Unit #208 - 2331 66th Street NW	Edmonton	ON	T6K 4B4	Canada	14,959.98
Welch Fund Administration Services	151 Slate St, Suite 1200	Ottawa	ON	K1P 5H3	Canada	89,663.00
Wireless Choice	1593 Wilson Avenue #12	North York	ON	M3L 1A5	Canada	3,298.55
Wireless Connections	195 Millwick Drive	North York	ON	M9L 2X2	Canada	2,881.77
Wise Electronics	104- 7945 132nd Street	Surrey	BC	V3W 4N2	Canada	1,015.04
WLD Wireless Inc.	1366 St. Clair Avenue West	Toronto	ON	M6E 1C4	Canada	8,847.74
WPCS Inc.	1818 Eglinton Ave. West, Unit 2	Toronto	ON	M6E 2H6	Canada	16,659.47
WPCS Inc.	Unit M007 - 500 Rexdale Blvd.	Etobicoke	ON	M9W 6K5	Canada	9,252.61
Yazdan Enterprises Ltd.	10729 King George Blvd.	Surrey	BC	V3T 2X6	Canada	2,207.11
YNOT Mobile City Communications	105-6330 Fraser Street	Vancouver	BC	V5W 3A4	Canada	11,808.65
Z Mobile Inc.	596 Queen Street West	Toronto	ON	M6J 1E3	Canada	4,024.95
Employees (Note 3)						unknown

Data & Audio-Visual Enterprises Wireless Inc. ("Wireless")
Listing of Creditors
As at September 29, 2013

The preliminary list of creditors has been prepared from the records of Wireless, without admission as to the liability of Wireless with regards to the amounts shown herein.
** The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.*

Creditor Name	Address	City	Province	Postal Code	Country	Amount (Note 1)
Total Unsecured Creditors						**18,695,184.34**
Total Creditors						**266,748,318.02**

Notes:

1. All amounts are denominated in Canadian Dollars. United States Dollar balances were converted using the Bank of Canada noon rate of $1.0285 as at September 30, 2013.

2. Pursuant to paragraph 60 of the Initial Order, dated September 30, 2013, the listing does not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual.

3. Pursuant to paragraph 6 a) of the Initial Order, dated September 30, 2013, Wireless intends to pay all outstanding and future wages, salaries, commissions, employee benefits, vacation pay (excluding any severance or termination payment without the consent the Chief Restructuring Officer and the DIP Lenders) and expenses payable on or after September 30, 2013 in the ordinary course of business and consistent with existing compensation policies and arrangements. Any employee claims for items not paid by Wireless, if any, are not currently ascertainable.

Data & Audio-Visual Enterprises Holdings Inc. ("Holdings")
Listing of Creditors
As at September 29, 2013

The preliminary list of creditors has been prepared from the records of Holdings, without admission as to the liability of Holdings with regards to the amounts shown herein.
** The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.*

Creditor Name	Address			City	Province	Postal Code	Country	Amount (Note 1)
Secured Creditors								
First Lien Note Indenture	200 University Avenue	Suite 400	c/o Equity Financial Trust Company	Toronto	ON	M5H 4H1	Canada	204,270,506.98
Senior Secured Notes	200 University Avenue	Suite 400	c/o Equity Financial Trust Company	Toronto	ON	M5H 4H1	Canada	43,782,626.70
Total Secured Creditors								**248,053,133.68**
Unsecured Creditors								
Unsecured Senior Note Indenture	200 University Avenue	Suite 400	c/o Equity Financial Trust Company	Toronto	ON	M5H 4H1	Canada	158,179,876.31
Unsecured Pari Passu Notes	375 Park Avenue		c/o Quadrangle Capital Partners Att: Michael Huber	New York	NY	10152	USA	90,039,425.00
Unsecured Subordinated Notes	375 Park Avenue		c/o Quadrangle Capital Partners Att: Michael Huber	New York	NY	10152	USA	39,324,866.00
Data & Audio-Visual Enterprises Wireless Inc.	101 Exchange Avenue			Vaughan	ON	L4K 5R6	Canada	4,993,971.07
Total Unsecured Creditors								**292,538,138.38**
Total Creditors								**540,591,272.06**

Notes:

1. All amounts are denominated in Canadian Dollars. United States Dollar balances were converted using the Bank of Canada noon rate of $1.0285 as at September 30, 2013.

8440522 Canada Inc. (the "Company")
Listing of Creditors
As at September 29, 2013

The preliminary list of creditors has been prepared from the records of the Company, without admission as to the liability of the Company with regards to the amounts shown herein.
** The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.*

Creditor Name	Address	City	Province	Postal Code	Country	Amount (Note 1)

1. There are no assets or liabilities according to the Company's books and records.

APPENDIX F

Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc. and 8440522 Canada Inc.
Consolidated Weekly Cash Flow Statement: Variance Analysis
For the Period from September 21, 2013 to October 11, 2013
CDN ('000)

	Actual				Forecast				Variance - Better / (Worse)				
	1	2	3		1	2	3		1	2	3		
	Sep-27	Oct-04	Oct-11	Total	Sep-27	Oct-04	Oct-11	Total	Sep-27	Oct-04	Oct-11	Total	1
Beginning Balance	**9,288**	**8,873**	**9,573**	**9,288**	**9,288**	**7,677**	**6,541**	**9,288**	**-**	**1,196**	**3,032**	**-**	
Cash Receipts													
Customer Revenue	1,682	1,423	1,292	4,397	1,261	1,066	927	3,254	421	357	365	1,143	
DIP Draw	-	-	-	-	-	-	-	-	-	-	-	-	
Other Accounts Receivable	5	26	-	31	-	-	-	-	5	26	-	31	
Tax Refund (Payment)	(81)	-	-	(81)	(81)	-	-	(81)	-	-	-	-	
Total Cash Receipts	**1,606**	**1,449**	**1,292**	**4,347**	**1,180**	**1,066**	**927**	**3,173**	**426**	**383**	**365**	**1,174**	2
Cash Disbursements													
Payroll and Benefits	(567)	-	(439)	(1,006)	(607)	-	-	(607)	40	-	(439)	(399)	
Sales & Marketing	(6)	-	-	(6)	(54)	(10)	(11)	(75)	48	10	11	69	
Commissions	-	-	(790)	(790)	-	-	-	-	-	-	(790)	(790)	
Service Delivery & IT	(203)	(108)	(1)	(312)	(453)	(165)	(35)	(653)	250	57	34	341	
Payments for Outsourced Operations	147	-	(1,244)	(1,097)	154	(101)	(46)	7	(7)	101	(1,198)	(1,104)	
Rent & Site Operations	(1,071)	(452)	(8)	(1,531)	(904)	(927)	(100)	(1,931)	(167)	475	92	400	
General Operating Expenditures	(27)	(16)	(5)	(48)	(168)	(26)	(26)	(220)	141	10	21	172	
BOD Expenses	-	(40)	(18)	(58)	-	(59)	-	(59)	-	19	(18)	1	
CCAA Monitor and Monitor's Counsel Fees	-	(134)	(130)	(264)	-	(170)	(141)	(311)	-	36	11	47	
CCAA Legal Fees	-	-	(875)	(875)	-	(698)	(528)	(1,226)	-	698	(347)	351	
Other Legal Expenses	(293)	-	-	(293)	(760)	(45)	-	(805)	467	45	-	512	
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Disbursements	**(2,020)**	**(750)**	**(3,510)**	**(6,280)**	**(2,792)**	**(2,201)**	**(887)**	**(5,880)**	**772**	**1,451**	**(2,623)**	**(400)**	3
Net Cash Flow Balance	**(414)**	**699**	**(2,218)**	**(1,933)**	**(1,612)**	**(1,135)**	**40**	**(2,707)**	**1,198**	**1,834**	**(2,258)**	**774**	
Ending Cash Balance	**8,874**	**9,572**	**7,355**	**7,355**	**7,676**	**6,542**	**6,581**	**6,581**	**1,198**	**3,030**	**774**	**774**	4

Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc. and 8440522 Canada Inc.
Consolidated Weekly Cash Flow Statement: Variance Analysis
For the Period from September 21, 2013 to October 11, 2013
CDN ('000)
NOTES:

1. Overview
- Cash analysis of actual cash flow ("Actual") compared to the cash flow statement as set out in the Pre-Filing Report of Ernst & Young Inc., dated September 29, 2013 (the "Forecast") for the period from September 21, 2013 through to October 11, 2013 (the "Period"). Key reasons for the variance during the Period are noted below.
- All amounts in the notes below are in thousands of Canadian Dollars.

2. Cash Receipts
- During the Period, total cash receipts were $4,347 compared to $3,173 in the Forecast, resulting in a favourable variance of $1,174. The variance is mainly due to:
  - $1,143 favourable variance in Customer Revenue, primarily due to higher revenue ($634) as a result of fewer subscriber deactivations than projected, coupled with lower amounts held back ($509) as reserve by payment processor. It is anticipated that the variance related to the payment processor will fully reverse in the coming weeks; and
  - $31 favourable variance in Other Accounts Receivable, due to amounts not initially forecasted. These receivables mainly include rent reimbursed from dealers, security deposits returned for cancelled site leases, settlement on employee-related litigation and interest income.

3. Cash Disbursements
- During the Period, total cash disbursements were $6,280 compared to $5,880 in the Forecast, resulting in an unfavourable variance of $400. The variance is mainly due to:
  - $399 unfavourable variance in Payroll and Benefits, as a result of paying one-week earlier than forecasted due to the October 15th payment date falling right after a statutory holiday. The Forecast included projected Payroll and Benefits disbursements of $516 for October 15th, 2013;
  - $790 unfavourable variance in Commissions paid to dealers, as a result of paying one-week earlier than forecasted due to the October 15th payment date falling right after a statutory holiday. The Forecast included projected disbursements of $812 for Commissions for October 15th, 2013;
  - $341 favourable variance in Service Delivery & IT disbursements, primarily as a result of timing;
  - $1,104 unfavourable variance in Payments for Outsourced Operations, mainly due to revised agreement with third-party network infrastructure provider to prepay for managed services on a monthly basis. The Forecast assumed quarterly payment of $3,284 for the fourth quarter of 2013 that was projected to occur during the week ending November 8, 2013;
  - $400 favourable variance in Rent & Site Operations, mainly from paying annual leases on a greater number of sites in prior periods than forecasted;
  - $172 favourable variance in General Operating Expenditures, primarily due to timing of payment;
  - $351 favourable variance in CCAA Legal Fees due to timing that is expected to reverse in future weeks; and
  - $512 favourable variance in Other Legal Expenses.

4. Ending Cash Balance
- Ending Cash Balance for the Period was $7,355 compared to $6,581 in the Forecast, resulting in a favourable variance of $774.

APPENDIX G

Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc. and 8440522 Canada Inc.
Consolidated Weekly Cash Flow Statement
For the period from October 12, 2013 through to January 10, 2014
CDN ('000)

		1 Oct-18	2 Oct-25	3 Nov-01	4 Nov-08	5 Nov-15	6 Nov-22	7 Nov-29	8 Dec-06	9 Dec-13	10 Dec-20	11 Dec-27	12 Jan-03	13 Jan-10	Total
Beginning Balance	2	**7,355**	**7,431**	**7,772**	**4,289**	**4,700**	**3,557**	**3,872**	**3,740**	**2,000**	**2,000**	**2,084**	**2,000**	**2,000**	**7,355**
Cash Receipts															
Customer Revenue	3	1,142	1,142	1,229	1,259	1,259	1,259	1,259	967	919	919	919	822	693	**13,790**
DIP Draw	4	-	-	-	-	-	-	-	1,247	1,259	-	389	3,212	95	**6,203**
Tax Refund (Payment)	5	-	385	(77)	-	-	-	-	-	-	-	-	-	-	**308**
Total Cash Receipts		**1,142**	**1,528**	**1,152**	**1,259**	**1,259**	**1,259**	**1,259**	**2,215**	**2,177**	**919**	**1,308**	**4,034**	**789**	**20,302**
Cash Disbursements															
Payroll and Benefits	6	(40)	(85)	(588)	-	(427)	-	(507)	(40)	(427)	-	(470)	(78)	-	**(2,661)**
Sales & Marketing	7	(16)	(16)	(60)	(60)	(60)	(49)	(53)	(51)	(51)	(51)	(51)	(51)	(51)	**(621)**
Commissions	8	(31)	-	-	-	(690)	-	-	-	(516)	-	-	-	-	**(1,238)**
Service Delivery & IT	9	(325)	(213)	(380)	(240)	(235)	(235)	(235)	(338)	(229)	(229)	(229)	(297)	(181)	**(3,364)**
Payments for Outsourced Operations	10	-	(309)	(2,095)	(136)	(200)	(251)	(90)	(2,095)	(136)	(136)	(136)	(2,095)	(136)	**(7,816)**
Rent & Site Operations	11	(28)	(185)	(1,012)	-	(36)	-	(43)	(982)	(36)	-	(43)	(1,010)	-	**(3,375)**
General Operating Expenditures	12	(42)	(46)	(126)	(124)	(128)	(121)	(130)	(160)	(154)	(130)	(130)	(133)	(133)	**(1,559)**
BOD Expenses	13	-	-	-	-	-	-	-	-	-	-	-	(57)	-	**(57)**
CCAA Monitor and Monitor's Counsel Fees	14	(107)	(170)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	**(1,830)**
CCAA Legal Fees	15	(478)	(164)	(188)	(147)	(486)	(147)	(147)	(147)	(486)	(147)	(147)	(147)	(147)	**(2,977)**
Other Legal Expenses	16	-	-	(45)	-	-	-	(45)	-	-	-	(45)	-	-	**(136)**
Interest Payments	17	-	-	-	-	-	-	-	-	-	-	-	(25)	-	**(25)**
Total Cash Disbursements		**(1,067)**	**(1,187)**	**(4,636)**	**(848)**	**(2,402)**	**(944)**	**(1,392)**	**(3,955)**	**(2,177)**	**(835)**	**(1,392)**	**(4,034)**	**(789)**	**(25,657)**
Net Cash Flow Balance		**76**	**341**	**(3,483)**	**412**	**(1,143)**	**315**	**(132)**	**(1,740)**	**-**	**84**	**(84)**	**-**	**-**	**(5,355)**
Ending Cash Balance		**7,431**	**7,772**	**4,289**	**4,700**	**3,557**	**3,872**	**3,740**	**2,000**	**2,000**	**2,084**	**2,000**	**2,000**	**2,000**	**2,000**

NOTES TO THE CONSOLIDATED WEEKLY CASH FLOW STATEMENT

1. The consolidated weekly cash flow statement (the "**Cash Flow Statement**") has been prepared solely for the purpose of projecting the combined cash receipts and disbursements of Data & Audio-Visual Enterprises Holdings Inc. ("**Holdings**"), Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**"), and 8440522 Canada Inc. (collectively, the "**Applicants**" or "**Mobilicity**").

   The Cash Flow Statement represents management's reasonable estimates at present. The actual timing and amount of the receipts and disbursements may fluctuate from the estimates shown herein and these fluctuations may be material. Receipts and disbursements are inclusive of any applicable federal and provincial sales taxes.

   Readers are cautioned that the Cash Flow Statement may not be appropriate for their purposes.

   The Cash Flow Statement is presented on a weekly basis from October 12, 2013 to January 10, 2014 (the "**Period**") and represents management's reasonable estimates of the results of operations and CCAA costs of administration during the Period.

   The Cash Flow Statement is presented in thousands of Canadian dollars and assumes that any foreign currency transactions are made based on foreign exchange rates in effect as of September 30, 2013.

   Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) made on September 30, 2013 (the " **Initial Order"),** the Applicants were afforded a stay of proceedings that is effective against their pre-filing creditors, including amounts owed to their secured creditors until October 30, 2013. The Cash Flow Statement assumes that the court extends the stay of proceedings until the end of the Period.

   The Cash Flow Statement assumes that the Applicants will achieve all milestones and conditions precedent to the purchase of DIP Notes by the DIP Lenders in the indicated amounts, and with the indicated timing

2. The Opening Cash Balance represents Mobilicity's actual cash on hand, net of outstanding cheques, as at October 12, 2013.

3. Customer Revenues represent projected weekly cash inflows resulting from prepayments for service by Mobilicity's existing and projected customers. Mobilicity has projected that its subscriber base will continue to decrease during the Period from the actual number of existing customers at the end of September 2013. Since September 24, 2013, by mutual agreement between

Mobilicity and its credit card processing company, the credit card processing company has been diverting 25% of daily customer receipts to fund a $1.2 million security deposit. The Cash Flow Statement assumes that in early November 2013 the deposit will reach the predetermined amount agreed between Mobilicity and its credit card processing company, and that after such date 100% of daily amounts collected from customers will be paid to Mobilicity.

4. The DIP Draw represents the projected purchase of DIP Notes by the DIP Lenders pursuant to the DIP Note Purchase and Guarantee Agreement between the DIP Lenders and Mobilicity, assuming that the conditions precedent in the Agreement have been satisfied. Interest on the DIP accrues at a rate of 15.5 percent per annum on the outstanding amounts, payable in cash monthly in arrears. Pursuant to the Agreement, the DIP is projected to be drawn in tranches or sub-tranches, as required, in order to provide the Applicants with a minimum cash balance of $2 million at the end of the given week. The first such weekly amount is assumed to be drawn in the week ending December 6, 2013.

5. Tax Refunds (Payments) represent the projected sales taxes collected from Mobilicity's customer revenues net of its sales taxes paid for products and services received. Other than the harmonized sales taxes refund projected to be received in the week ending October 25, 2013 and the provincial sales tax payments projected to be made in the week ending November 1, 2013, it is assumed that all tax refunds and payments net to zero during the Period.

6. Payroll and Benefits represent projected gross payroll, including payments to executives and the monthly fees payable to the Chief Restructuring Officer along with the costs associated with standard employee benefit plan covering health, dental, accidental death and death, life insurance, short-term disability and long-term disability. The majority of the salaried and hourly employees are paid semi-monthly through direct deposit.

7. Sales & Marketing represent projected general costs associated with sales and marketing at Mobilicity's four corporate stores and general marketing activities for services rendered on or after September 30, 2013. One of Mobilicity's corporate stores in Ottawa is projected to be closed by the end of October, 2013.

8. Commissions represent projected fees paid to the Applicants' dealers. Commissions are usually paid 45 days after the end of each month for newly acquired subscribers subject to the new subscribers remaining active for 35 days. Pursuant to the Initial Order, payments to Mobilicity's dealers are unaffected by the stay of proceedings.

9. Service Delivery & Information Technology relates primarily to roaming, long distance and data services provided to Mobilicity's customers, as well as the projected fees for Mobilicity's suppliers of credit card processing services.

10. Payments for Outsourced Operations represent projected payments to third party service providers for critical business process functions including network building and maintenance, call centre operations, handset logistics and distribution, and billing systems. Following the issuance of the Initial Order, Mobilicity has been involved in active negotiations with the service providers and the Cash Flow Statement assumes that the projected payments during the Period are made in accordance with the modified contractual terms that have been agreed or are in the process of being negotiated.

11. Rent & Site Operations represent projected lease payments for Mobilicity's leased facilities, including its corporate head office in Vaughan, a sales office in Vancouver, two co-location data centers and corporate retail stores. In addition, the Applicants lease approximately 500 locations for their cellular broadcasting equipment. Pursuant to the Initial Order, all lease payments are made monthly in advance for the period commencing from and including the date of the Initial Order.

12. General Operating Expenditures include projected administration expenses, human resources expenses, travel and entertainment costs, and certain capital expenditures related to general business operations.

13. BOD Expenses represent projected fees payable to members of the Applicants' board of directors.

14. CCAA Monitor & Counsel Fees include the estimated fees and disbursements of the CCAA Monitor and its legal counsel.

15. CCAA Legal Fees represent the estimated fees and disbursements for Mobilicity's legal counsel, legal counsel for Mobilicity's board of directors, counsel to the Ad Hoc Committee of Senior Unsecured Debenture Holders, and counsel to the DIP Lenders.

16. Other Legal Expenses include projected legal expenses paid in relation to Equity Financial and general legal expenses for Mobilicity's day-to-day operations.

17. Consistent with the Initial Order, the Applicants are not projected to make any post filing interest payments in respect of the $195 million First Lien Notes or the $43.25 million Second Lien Notes. Pursuant to the Agreement, interest is projected to be paid monthly in arrears on the outstanding amount of the DIP Draw at a rate of 15.5 percent per annum.

APPENDIX H

No. 09-1
CASH-FLOW STATEMENT

In this Standard, words importing the singular number or the masculine gender only include more persons, parties or things of the same kind than one, and females as well as males and the converse.

1.00 SCOPE AND PURPOSE

1.01 The purpose of this Standard is to provide guidance to a Monitor fulfilling its statutory responsibilities under the **Companies' Creditors Arrangement Act (CCAA), R.S.C. 1985, c. C-36, as amended**, in respect of a Monitor's Report on a Cash-Flow Statement. This Standard only addresses the Monitor's obligations with respect to the cash-flow forecast filed in support of the initial application. If appropriate, the Monitor **should** file similar reports in respect of subsequent or revised cash-flow forecasts, notwithstanding that there is no statutory obligation to file such reports.

1.02 The Monitor's duties and obligations in respect of a particular **CCAA** proceeding **shall** be governed by the **Act**, the applicable orders issued by the court, and this Standard where applicable. To the extent that this Standard conflicts with any order issued by the court, the Monitor **shall** be governed by the order.

2.00 DEFINITIONS

2.01 In this Standard:

"**May**" means the Standard is simply intended to be helpful and the Monitor has full discretion to follow it or not.

"**Should**" means it is appropriate to do so in most circumstances. Where a Monitor judges it appropriate to do otherwise, the Monitor should consider the advisability of documenting the reasons for its decision.

"**Shall**" means the Standard is mandatory and the Monitor must follow it.

2.02 In this standard:

"Act" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended;

"Association" means Canadian Association of Insolvency and Restructuring Professionals / Association canadienne des professionnels de l'insolvabilité et de la réorganisation;

"**Assumptions**" means the Hypothetical Assumptions and Probable Assumptions developed by the Company;

"Cash-Flow Statement" in respect of a Company, means a statement indicating, on a weekly basis (or such other basis as is appropriate in the circumstances), the projected cash-flow of the Company as defined in section 2(1) of the **Act** based on Probable and Hypothetical Assumptions that reflect the Company's planned course of action for the period covered;

"Company" means a debtor company, as defined in Section 2 of the **Act**, that intends to commence or has commenced, as the case may be, a proceeding under the **Act** or in respect of whom a proceeding under the **Act** has been commenced;

"Hypothetical Assumptions" means assumptions with respect to a set of economic conditions or courses of action that are not necessarily the most probable in the Company's judgment, but are consistent with the purpose of the Cash-Flow Statement;

"Material" means that it is probable that a change in an item or an aggregate of items would influence or change a decision;

"Material Adverse Change" means a change that, in the Monitor's opinion, materially and negatively impairs, or is reasonably expected to materially and negatively impair, the Company's cash-flow, financial circumstances or likelihood of success of a plan of arrangement. Examples would include, but not be limited to a change that:

- has a significant adverse effect on the expected cash-flows compared to the Cash-Flow Statement; or
- impairs the ability of the Company to carry on operations; or
- significantly prejudices the rights or interests of one or more classes of creditors.

"Monitor" in respect of a Company, means the person appointed by the court pursuant to Section 11.7 of the **Act** to monitor the business and financial affairs of the Company;

"Monitor's Report" means a report on the Cash-Flow Statement issued by the Monitor in accordance with Section 23(1)(b) of the **Act**;

"Probable Assumptions" means assumptions that: (i) the Company believes reflect the most probable set of economic conditions and planned courses of action, suitably supported that are consistent with the plans of the Company; and (ii) provide a reasonable basis for the Cash-Flow Statement;

"Review for Reasonableness" means the review conducted by the Monitor pursuant to Section 23(1)(b) of the **Act**; and

"Suitably Supported" means that the Assumptions are based on either one or more of the following factors: the past performance of the Company, the performance of other industry / market participants engaged in similar activities as the Company, feasibility studies, marketing studies or any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions. The extent of detailed information supporting each Assumption, and an assessment as to the reasonableness of each Assumption, will vary according to circumstances and will be influenced by factors such as the significance of the Assumption and the availability and quality of the supporting information.

3.00 ASSISTING THE COMPANY

3.01 The Monitor **may** assist the Company in the preparation of the Cash-Flow Statement.

3.02 The Monitor **shall** remind the Company that the Cash-Flow Statement and the Assumptions on which it is based, are the responsibility of the Company.

3.03 The Monitor **shall** remind the Company that the Monitor has the statutory duty to file a report with respect to the Cash-Flow Statement.

3.04 The Monitor **should** advise the Company that any information given by the Company to the Monitor may be disclosed to the court and the creditors.

3.05 The Monitor **should** document the foregoing in a letter to the debtor, a sample of which is attached as Appendix A to this standard.

4.00 DOCUMENTATION

4.01 The review performed by the Monitor in accordance with this Standard **shall** be documented.

4.02 The Monitor **should** obtain written confirmation (a sample letter is attached as Appendix B to this standard) from an authorized officer or director of the Company that:

a) the Cash-Flow Statement and the Assumptions on which it is based, are the responsibility of the Company; and

b) the Company's responsibility extends beyond ensuring that individual Assumptions used in the preparation of the Cash-Flow Statement are appropriate in the circumstances, and includes the responsibility to ensure that such Assumptions as a whole are appropriate in the circumstances.

5.00 MONITOR'S REVIEW

5.01 The Monitor **shall** perform a Review for Reasonableness.

5.02 The review **shall** be performed by an individual or individuals having, when considered as a whole, adequate technical training and proficiency, with due care and with an objective state of mind.

5.03 The review **shall** be adequately planned and properly executed and if assistants are employed, they **shall** be properly supervised.

5.04 The Monitor **should**, as soon as practicable, acquire knowledge of the Company and an understanding of the practices and particulars of the industry within which the Company operates, sufficient to enable it to perform the Review for Reasonableness.

5.05 The Review for Reasonableness **shall** consist of enquiry, analytical procedures and discussions with the Company to determine whether there is anything that causes the Monitor to believe that, in all material respects:

a) the Hypothetical Assumptions are not consistent with the purpose of the Cash-Flow Statement;

b) as at the date of the Monitor's Report, the Probable Assumptions developed by the Company are not Suitably Supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash-Flow Statement, given the Hypothetical Assumptions; or

c) the Cash-Flow Statement does not reflect the Probable and Hypothetical Assumptions.

5.06 The Monitor **should** satisfy itself that the computations contained in or made in preparing the Cash-Flow Statement are consistent with the Assumptions and materially accurate.

5.07 Where practicable, the Monitor **should** reconcile the Cash-Flow Statement to the appropriate actual cash and loan balances in the financial records of the Company, as at the start date of the Cash-Flow Statement, and a description of such reconciliation process may be included in the Monitor's Report.

5.08 The Monitor **shall** periodically compare actual cash-flow results to those reflected in the Cash-Flow Statement and obtain reasonable explanations for significant variances. The Monitor **should** report the results of such comparisons and reviews to the court. Where the results of such comparisons and reviews indicate a Material Adverse Change in the Company's projected cash-flow or financial circumstances, the Monitor **shall** report the results of such comparisons and reviews to the court without delay.

6.00 MONITOR'S REPORT

6.01 After completing its Review for Reasonableness, the Monitor **shall** consider whether anything material has come to its attention that causes it to believe that:

a) The Hypothetical Assumptions are not consistent with the purpose of the Cash-Flow Statement; or

b) As at the date of the report, the Probable Assumptions developed by the Company are not Suitably Supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash-Flow Statement, given the Hypothetical Assumptions; or

c) The Cash-Flow Statement does not reflect the Probable and Hypothetical Assumptions.

6.02 The Monitor **should** file the Monitor's Report with the court within 10 days of the granting of the Initial Order or at such other time as may be ordered by the court.

6.03 The Monitor's Report **shall** include an overview and review of the Cash-Flow Statement and a summary of its determinations as required by Section 5.05 of this Standard.

6.04 The Monitor **should** ensure that all material Assumptions are disclosed in the notes and **shall** include in the Monitor's Report a statement to this effect.

6.05 The Monitor **shall** prepare, sign and file the Monitor's Report with the court.

6.06 The Monitor **should** date the Monitor's Report as of the date of the completion of his Review for Reasonableness.

6.07 The form of the Monitor's Report **shall** be substantially as follows:

The <attached> statement of projected cash-flow <attached as appendix ___ of this report/the debtors application material> (the "Cash-Flow Statement") of ________________ (name of Company),(the "Company") as of the ______ day of ____________ ____, consisting of ____________________ (describe, including relevant dates), has been prepared by the management of the Company for the purpose described in Note ______, using the Probable and Hypothetical Assumptions set out in Notes ______.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by certain of the management and employees of the Company. Since Hypothetical Assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash-Flow Statement. We have also reviewed the support provided by management of the Company for the Probable Assumptions, and the preparation and presentation of the Cash-Flow Statement.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

a) the Hypothetical Assumptions are not consistent with the purpose of the Cash-Flow Statement;

b) *as at the date of this report, the Probable Assumptions developed by management are not Suitably Supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash-Flow Statement, given the Hypothetical Assumptions; or*

c) *the Cash-Flow Statement does not reflect the Probable and Hypothetical Assumptions.*

Since the Cash-Flow Statement is based on Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash-Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.

The Cash-Flow Statement has been prepared solely for the purpose described in Note ____/on the face of the Cash-Flow Statement, and readers are cautioned that it may not be appropriate for other purposes.

Optional paragraph if the Monitor's report is to be included as part of another report:

Note: Date and signature of Monitor should be excluded if this report is included within another report prepared by the Monitor.

<Dated at __________________, this ______ day of __________ ______.

____

Monitor>.

6.08 The Monitor's Report **should** be augmented with such additional comments as deemed appropriate by the Monitor in the circumstances.

6.09 Where the Monitor concludes it is unable to issue the Monitor's Report in the form set out above, in accordance with the timeline detailed in paragraph 6.02, the Monitor:

a) **Shall** advise the Company of the Assumptions and/or other matters that prevent the Monitor from issuing the Monitor's Report and **should** consider advising the Company of same in writing; and

b) **Shall** file a report with the court in accordance with the timeline detailed in paragraph 6.02 setting out the reasons therefore.

APPENDIX I

Bellmore & Moore
Barristers & Solicitors

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October 9, 2013

Leanne Williams
John Porter
Thornton Grout Finnigan LLP
Suite 3200, 100 Wellington Street West
P. O. Box 329, Toronto-Dominion Centre
Toronto, ON M5K 1K7

Re: *Companies' Creditors Arrangement Act* proceedings involving 8440522 Canada Inc., Data & Audio-Visual Enterprises Wireless Inc., and Data & Audio-Visual Enterprises Holdings Inc. (the "Debtors")

Dear Ms. Williams and Mr. Porter:

We will be serving the materials with respect to the comeback clause motion later today.

During the appearance before Justice Newbould on October 1, 2013 we informed the court that our client would be prepared to put forward a DIP financing proposal of equal ranking to the DIP financing proposal before the court, and on terms more advantageous to the Debtors and their stakeholders. Our client is prepared to put forward such a proposal, but believes that this should occur in the context of a proper and fair process. In this regard we note Justice Newbould's comments in his Endorsement at paragraph 41 regarding the principles in the *Soundair* and *Crown Trust Co. v. Rosenberg* decisions.

As an indication of our client's *bona fides* we enclose, for the Monitor's review only and not to be shared with the Debtors at this time, an indicative term sheet setting out the terms that our client is prepared to incorporate in a DIP financing proposal. In that regard we note that our client has reviewed the DIP Note Purchase and Guarantee Agreement and is confident that, in addition to superior financial terms, it will be able to submit a proposal on terms that are less restrictive on the Debtors and more responsive to the current financial and regulatory situation of the Debtors. If desirable, such proposal could also be structured as a more traditional loan, thereby avoiding the complexities and limitations of the current note purchase structure.

The requirement that the attached not be shared with the Debtors is imposed in the interest of maintaining a fair and proper process as, under the terms of the current DIP facility, the Debtors would be required to share the attached with the DIP lenders.

Our client is presently disadvantaged in participating in a competitive DIP process as it does not have access to the financial information that any lender would require to make a full and complete determination with respect to the terms of a formal DIP financing proposal. We would therefore request, as is common in competitive marketing processes in insolvency proceedings, that our client will be provided with access to a data room containing critical financial and other information, subject to the execution of an appropriate confidentiality agreement.

I would ask you to also consider an outline of a DIP solicitation process that the Monitor would consider to be appropriate for solicitation of competing DIP proposals.

Finally, in Catalyst's view, it would be appropriate that a Creditors Committee be established to ensure fairness and transparency in these proceedings. The establishment of such a Committee could help correct the current imbalance of information that currently exists among interested stakeholders. The creation of such a Committee would facilitate the orderly conduct of these proceedings and contribute to the formulation of a plan that would maximize recoveries and respect the legitimate rights of all parties. Accordingly, Catalyst will be seeking an order from the Court appointing such a Committee. There are several aspects of this suggestion which we would appreciate an opportunity to discuss with the Monitor—the proper role of such a Committee, its composition, confidentiality issues, and the like.

I will call you to follow up with respect to the above matters.

Yours very truly,

BELLMORE & MOORE

David Moore

Per: David C. Moore
DCM/jt

APPENDIX J

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October 18, 2013

Leanne Williams
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Toronto, ON M5K 1K7

Re: *Companies' Creditors Arrangement Act* proceedings involving 8440522 Canada Inc., Data & Audio-Visual Enterprises Wireless Inc., and Data & Audio-Visual Enterprises Holdings Inc. (the "Debtors")

Dear Ms. Williams and Mr. Porter:

Despite the concerns previously explained to you, Catalyst has decided to provide a copy of the enclosure contained in my October 9, 2013 letter to the Mobilicity Group and the Court. We intend to do so forthwith.

In addition, further to our letter of October 9, 2013 and the meeting earlier this week between representatives of the Monitor and our client, we write to set out our client's proposed framework for a fair and appropriate DIP financing solicitation process to be administered by the Monitor. The below framework assumes that the process is commenced on Friday, October 25, 2013.

1. October 25, 2013 - Monitor to circulate a short summary document to all parties who might have an interest in providing DIP financing to the debtors that briefly explains the opportunity and the solicitation process, together with a form of non-disclosure agreement;

2. October 28, 2013 to November 4, 2013 - interested parties who have signed a non-disclosure agreement to be given access to a data room containing (a) substantially equivalent information to that made available to the existing DIP lenders in connection with the DIP Note Purchase and Guarantee Agreement, and (b) a form of DIP Loan Agreement for use by interested parties in submitting a DIP financing offer;

3. November 4, 2013 - interested parties to submit to the Monitor a DIP financing offer on a sealed and confidential basis, which offer shall be based on the form of DIP Loan Agreement in

the data room and must contemplate repayment of all advances made under the existing DIP Note Purchase and Guarantee Agreement, if any, to the date of funding;

4. November 4, 2013 to November 8, 2013 - Monitor to consider DIP financing offers received and contrast the terms of such offers to the terms of the existing DIP Note Purchase and Guarantee Agreement; and

5. November 8, 2013 - Monitor to deliver to the Mobilicity Group a copy of all offers received before the offer deadline, together with an executed and final (i.e., not draft) report in which it summarizes the results of the DIP solicitation process and makes a recommendation with respect to the DIP financing offers received.

In our view it is critical to the fairness and integrity of this process that all interested parties be provided with access to the same information, and that all offers be submitted and dealt with on a confidential basis. It is for this reason that the above framework contemplates (i) the establishment of a data room that makes the same information available to all interested parties, and (ii) the submission of sealed bids to the Monitor only (as the debtors have disclosure obligations under the existing DIP Note Purchase and Guarantee Agreement and other financing agreements) and the making by the Monitor of a recommendation at the time it discloses the offers to the Mobilicity Group.

We welcome your thoughts on this framework and would be pleased to discuss at your earliest convenience.

Yours very truly,

BELLMORE & MOORE

David C. Moore

Per: David C. Moore

APPENDIX K

Data & Audio-Visual Enterprises Wireless Inc. ("Wireless")
Draft Monthly Subscriber Data

	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
Ending Subscribers (Note 1)												
Active Subscribers	215,062	223,850	235,980	230,117	227,488	222,286	218,659	212,780	205,252	199,090	194,840	189,239
Inactive Subscribers	29,524	32,486	35,357	36,068	33,981	32,171	29,346	28,166	30,170	29,216	28,125	26,705
Total Subscribers	244,586	256,336	271,337	266,185	261,469	254,457	248,005	240,946	235,422	228,306	222,965	215,944
Net Additions (Deactivations)												
Active Subscribers	(5,080)	8,788	12,130	(5,863)	(2,629)	(5,202)	(3,627)	(5,879)	(7,528)	(6,162)	(4,250)	(5,601)
Inactive Subscribers	3,413	2,962	2,871	711	(2,087)	(1,810)	(2,825)	(1,180)	2,004	(954)	(1,091)	(1,420)
Monthly Change in Total Subscribers	(1,667)	11,750	15,001	(5,152)	(4,716)	(7,012)	(6,452)	(7,059)	(5,524)	(7,116)	(5,341)	(7,021)

The subscriber information in this exhibit is based on information provided to the Monitor by Wireless that has not been audited, reviewed or otherwise verified by the Monitor.

Note 1 - End of period subscribers includes, at the relevant point in time, revenue generating subscribers who were receiving and had paid for service ("Active Subscribers") as well as subscribers who, following a paid period, had not pre-paid their subscription for a period not exceeding 90 days and were not receiving service ("Inactive Subscribers").

APPENDIX L

Data & Audio-Visual Enterprises Holdings Inc. *et al.*
Unaudited Interim Consolidated Quarterly Financial Information
Canadian Dollars

Summary of the Quarterly Results of Operations

	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Total Revenue	**$19,871,267**	**$19,726,752**	**$20,622,638**	**$18,906,419**
Operating Expenses				
Variable Expenses	4,724,028	4,589,818	4,392,419	4,346,983
Subscriber Acquisition Expenses	8,757,343	3,301,267	2,958,172	2,139,758
Sales and Marketing Expenses	8,943,995	2,813,129	1,682,912	1,395,711
Operations and Support Expenses	12,437,959	19,300,637	16,571,709	14,456,332
Depreciation and Amortization	4,825,108	4,906,719	4,920,584	4,825,949
Total Operating Expenses	**39,688,434**	**34,911,570**	**30,525,797**	**27,164,732**
Operating Loss	**(19,817,167)**	**(15,184,818)**	**(9,903,159)**	**(8,258,313)**
Finance Income	64,523	44,078	44,023	29,890
Finance Costs	(6,698,093)	18,742,776	20,413,807	16,339,241
Other	24,928	(20,241)	62,875	(49,236)
Loss for the Period	**(13,029,623)**	**(33,903,757)**	**(30,210,068)**	**(24,616,901)**

Key Operating Metrics

	Q4 2012	Q1 2013	Q2 2013	Q3 2013
ARPU (Note 1)	$25.13	$24.50	$27.67	$27.68
CPGA (Note 2)	$295	$283	$227	$191
CPGA / ARPU (months) (Note)	11.7	11.5	8.2	6.9

Summary of the Quarterly Consolidated Cash Flows

	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Cash flow from operating activities	(9,611,997)	(28,793,920)	(6,625,132)	(5,573,215)
Cash flow from investing activities	(2,017,247)	(3,044,625)	(2,097,899)	(886,094)
Cash flow from financing activities	15,000,000	24,004,519	10,000,000	-
Net change in cash and cash equivalents	3,370,756	(7,834,026)	1,276,969	(6,459,309)
Cash and cash equivalents - Beginning of period	19,244,993	22,615,749	14,781,723	16,058,692
Cash and cash equivalents - End of period	**22,615,749**	**14,781,723**	**16,058,692**	**9,599,383**

The unaudited interim quarterly consolidated financial information and key operating metrics included in this exhibit are based on information provided to the Monitor by the Applicants that has not been audited, reviewed or otherwise verified by the Monitor.

Note 1 - Average Monthly Subscription Revenue Per Subscriber (“**ARPU**”) is derived from the total of earned service revenue (net of promotions and credits), divided by the sum of the average monthly number of subscribers during such period. ARPU may fluctuate based on promotions, changes in the Applicants' pricing plans, subscriber attachment to service features (such as data plans, handset insurance and long distance bundles), utilization of our pay-per-use (wallet) services, and the adoption rate of multi-month prepayment plans and multi-subscriber discount plans (such as family plans).

Note 2 - Cost Per Gross Addition (“**CPGA**”) includes subscriber acquisition costs associated with selling handsets (commissions, device subsidies, distribution costs and net costs related to equipment sold directly to the subscriber), as well as advertising and marketing costs (media and production as well as the costs of sales and marketing staff). These costs are divided by the number of gross additions for the period to calculate CPGA.

Note 3 - CPGA / ARPU (months), represents the number of months on average it takes to the Company to break even, excluding variable operating costs, for every new gross addition based on the quarterly ARPU and CPGA.