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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re: § Chapter 11
§
FIBERTOWER NETWORK SERVICES § Case No. 12-44027-DML-11
CORP., *et al.*, §
§ Jointly Administered
Debtors. § Hearing: March 25, 2014
Time: 1:00 p.m.

**DEBTORS’ SUPPLEMENT TO MOTION FOR AUTHORITY TO (I) MAKE
POST-CONFIRMATION AMENDMENT TO DEBTORS’ FOURTH
AMENDED JOINT CHAPTER 11 PLAN PURSUANT TO 11 U.S.C. § 1127(B) AND (II)
ENTER INTO TRUST AGREEMENT WITH RESPECT TO CERTAIN FCC LICENSES**

TO: THE HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

The above-captioned debtors and debtors in possession (collectively, the “Debtors”),¹ for their Supplement (the “Supplement”) to Motion for Authority to (i) Make Post-Confirmation Amendment to Debtors’ Fourth Amended Joint Chapter 11 Plan [Docket No. 1057] (the “Plan”) Pursuant to 11 U.S.C. § 1127(b) and (ii) Enter into Trust Agreement with Respect to Certain FCC Licenses [Docket No. 1078] (the “Motion”),² respectfully represent:

¹ The Debtors in these chapter 11 cases are: (i) FiberTower Network Services Corp.; (ii) FiberTower Corporation;; (iii) FiberTower Licensing Corp.; and (iv) FiberTower Spectrum Holdings LLC.

² Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Plan or the Motion, as the context dictates.

1. The Debtors filed the Motion on March 20, 2014. Given the circumstances, this Court granted the Debtors' request for an expedited hearing on the Motion. As set forth in the Motion, the FCC has approved of the transfer from FiberTower Spectrum Holdings, LLC to Reorganized FiberTower Spectrum of forty-six (46) of the Debtors' forty-nine (49)³ FCC Licenses (the "Approved Licenses"). The remaining three (3) FCC Licenses are the subject of a pending application before the FCC (the "Pending Licenses"). The FCC has not yet ruled on the transfer application for the three (3) Pending Licenses.

2. By virtue of the transfer of the Approved Licenses to Reorganized FiberTower Spectrum, a substantial amount of the aggregate value attributable to the FCC Licenses will be conveyed from the Debtors' Estates to the Reorganized Debtors on the Effective Date. Consequently, the Debtors believe that the Effective Date of the Plan can occur, as all conditions to effectiveness have been or will be satisfied as of the Effective Date, including the condition precedent set forth in section 10.2(d) of the Plan,⁴ despite the fact that the transfer application with respect to the Pending Licenses has not yet been ruled on by the FCC. As noted in the Motion, however, out of an abundance of caution and to avoid any arguments to the contrary, the Debtors seek an Order of the Court authorizing the Effective Date of the Debtors' Plan to occur. It is in the best interests of all constituent parties that the Effective Date of the Plan occur as soon as possible. The occurrence of the Effective Date will, among other things, (i) enable Reorganized FiberTower to make the distributions authorized by the Plan and (ii) enable Reorganized FiberTower to pursue business opportunities with various interested parties who

³ Such licenses constitute the forty-nine (49) licenses that were not terminated by the FCC pursuant to the FCC Opinion.

⁴ Section 10.2(d) of the Plan provides, as a condition precedent to the Effective Date, that "the Debtors shall have obtained approval from the FCC with respect to the transfer from FiberTower Spectrum Holdings, LLC to Reorganized FiberTower Spectrum of the licenses that were not terminated by the FCC pursuant to the FCC Opinion."

have expressed willingness to engage in such opportunities once the Plan goes effective. Accordingly, the Debtors respectfully request that the Court issue an Order, substantially in the form of Exhibit A attached hereto, declaring that all conditions precedent to the Effective Date of the Plan have been satisfied and, accordingly, the Effective Date of the Plan may occur immediately.

3. The Motion also sought to amend the Plan to allow for the transfer of the three (3) Pending Licenses to a trust (the "Trust"). The Trust, which would remain subject in all respects to the jurisdiction of the Bankruptcy Court, would hold the Pending Licenses prior to the FCC's decision with respect to the pending transfer application of the Pending Licenses to Reorganized FiberTower Spectrum. Prior to filing the Motion, upon advice of the Debtors' FCC counsel and after discussions with the FCC, the Debtors believed that the transfer of the Pending Licenses from FiberTower Spectrum Holdings, LLC to the Trust would be the most expedient mechanism to deal with the Pending Licenses. However, on Friday, March 24, 2014, the Debtors were informed by the FCC that the FCC likely would not consent to such a trust mechanism and, even if they "changed their minds," such consent would likely not be immediately forthcoming. As discussed in the Motion and this Supplement, the Debtors cannot afford to further delay the Effective Date because of the uncertain status of the Pending Licenses.

4. Accordingly, as a consequence of the possibility of any issues with respect to the transfer of the Pending Licenses prior to the FCC's determination of the transfer application, the Debtors propose to maintain the *status quo ante* post-Effective Date by keeping the Pending Licenses in the Debtors. Rather than using the trust mechanism, the Debtors would have the Pending Licenses remain property of the Debtors' pre-Effective Date Estates and in all respects subject to continuing jurisdiction of the Court until the transfer application with respect to the

Pending Licenses is either granted or denied by the FCC. Once a determination is made by the FCC with respect to the Pending Licenses, they will be subject to the terms of the Plan as if such determination was made prior to the Effective Date, or, in legal parlance, *nunc pro tunc* the Effective Date. In order to clarify the status of the Pending Licenses, the Debtors respectfully request that the Court issue an Order, substantially in the form of Exhibit B attached hereto, finding and authorizing that the three (3) Pending Licenses shall remain property of the Debtors' pre-Effective Date Estates and subject to the continuing jurisdiction of the Bankruptcy Court pending the FCC's determination of the transfer application with respect thereto.

NOTICE

5. Notice of this Supplement has been provided to: (i) Counsel to the Committee; (ii) the U.S. Trustee; (iii) the FCC; and (iv) the parties appearing on the Limited Service List maintained in these cases. The Debtors respectfully submit that such notice is appropriate and that no other or further notice need be provided.

WHEREFORE, the Debtors respectfully request that the Court enter Orders: (i) granting the relief requested herein and (ii) granting such other and further relief as may be just and proper.

Respectfully submitted this 24th day of March, 2014.

ANDREWS KURTH LLP

By: /s/ Paul N. Silverstein
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Counsel to the Debtors

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on the 24th day of March, 2014, he caused a true and correct copy of the foregoing document to be served upon (i) counsel to the Committee, (ii) the U.S. Trustee, (iii) the FCC and (iv) all parties appearing on the Limited Service List maintained in these chapter 11 cases via first class U.S. mail, postage prepaid.

/s/Brian M. Clarke

Brian M. Clarke

EXHIBIT A

Proposed Effective Date Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:	§ Chapter 11
	§
FIBERTOWER NETWORK SERVICES CORP., <i>et al.</i> ,	§ Case No. 12-44027-DML-11
	§
Debtors.	§ Jointly Administered
	§

**ORDER REGARDING EFFECTIVE DATE OF DEBTORS’
FOURTH AMENDED JOINT CHAPTER 11 PLAN**

Upon the Supplement (the “Supplement”)¹ to Motion for Authority to (i) Make Post-Confirmation Amendment to Debtors’ Fourth Amended Joint Chapter 11 Plan [Docket No. 1057] (as amended, modified and supplemented, the “Plan”) Pursuant to 11 U.S.C. § 1127(b) and (ii) Enter into Trust Agreement with Respect to Certain FCC Licenses [Docket No. 1078] (the “Motion”) filed by the above-captioned debtors and debtors in possession (collectively, the “Debtors”);² and the Court being satisfied that the relief requested in the Supplement is necessary and is in the best interests of the Debtors and their respective estates and creditors; and it

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Supplement or Plan, as the context dictates.

² The Debtors in these chapter 11 cases are: (i) FiberTower Network Services Corp.; (ii) FiberTower Corporation; (iii) FiberTower Licensing Corp.; and (iv) FiberTower Spectrum Holdings LLC.

appearing that sufficient notice of the Supplement has been given, and that no other or further notice is required; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED AS FOLLOWS:

1. The transfer of the forty-six (46) Approved Licenses from FiberTower Spectrum Holdings, LLC to Reorganized FiberTower Spectrum constitutes the transfer of substantially all of the FCC Licenses as contemplated by section 10.2(d) of the Plan.

2. The Debtors are hereby authorized, pursuant to the terms of the Plan and the Confirmation Order, to declare that the conditions precedent to the occurrence of the Effective Date of the Plan have been satisfied.

3. The Bankruptcy Court shall retain jurisdiction with respect to any and all matters relating to the interpretation and enforcement of this Order.

4. The Debtors shall serve a copy of this Order on the parties appearing on the Limited Service List within five (5) days from the date this Order is entered on the docket.

END OF ORDER

EXHIBIT B

Proposed Pending Applications Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:	§	Chapter 11
	§	
FIBERTOWER NETWORK SERVICES	§	Case No. 12-44027-DML-11
CORP., <i>et al.</i> ,	§	
	§	Jointly Administered
Debtors.	§	

ORDER REGARDING PENDING FCC LICENSES

Upon the Supplement (the “Supplement”)¹ to Motion for Authority to (i) Make Post-Confirmation Amendment to Debtors’ Fourth Amended Joint Chapter 11 Plan [Docket No. 1057] (as amended, modified and supplemented, the “Plan”) Pursuant to 11 U.S.C. § 1127(b) and (ii) Enter into Trust Agreement with Respect to Certain FCC Licenses [Docket No. 1078] (the “Motion”) filed by the above-captioned debtors and debtors in possession (collectively, the “Debtors”);² and the Court being satisfied that the relief requested in the Supplement is necessary and is in the best interests of the Debtors and their respective estates and creditors; and it appearing that sufficient notice of the Supplement has been given, and that no other or further

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Supplement or Plan, as the context dictates.

² The Debtors in these chapter 11 cases are: (i) FiberTower Network Services Corp.; (ii) FiberTower Corporation; (iii) FiberTower Licensing Corp.; and (iv) FiberTower Spectrum Holdings LLC.

notice is required; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED AS FOLLOWS:

1. Notwithstanding the terms of the Plan and the Confirmation Order the Pending Licenses shall remain property of the Debtors' pre-Effective Date Estates upon the occurrence of the Effective Date of the Plan.

2. The Bankruptcy Court shall in all respects retain jurisdiction with respect to any and all matters relating to the Pending Licenses until such time as the FCC makes a determination with respect to the proposed transfer of the Pending Licenses from FiberTower Spectrum Holdings, LLC to Reorganized FiberTower Spectrum Holdings, LLC.

3. The Bankruptcy Court shall retain jurisdiction with respect to any and all matters relating to the interpretation and enforcement of this Order.

4. The Debtors shall serve a copy of this Order on the parties appearing on the Limited Service List within five (5) days from the date this Order is entered on the docket.