

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE APPOINTMENT OF AN
INTERIM RECEIVER UNDER SECTION 47 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c.B-3

BETWEEN:

SASKATCHEWAN TELECOMMUNICATIONS,

APPLICANT

- and -

WIRELESS AGE COMMUNICATIONS LTD.

and

WIRELESS SOURCE DISTRIBUTION LTD.,

RESPONDENTS

NOTICE OF MOTION

TAKE NOTICE that an application will be made to the Honourable Mr. Justice Zarzeczny, in chambers, at the court house, 2425 Victoria Avenue, Regina, Saskatchewan, on Tuesday, the 28th day of April, 2009, at 9:00 o'clock in the forenoon or so soon thereafter as counsel may be heard on behalf of the Applicant, Saskatchewan Telecommunications ("SaskTel") and on behalf of the Receiver, Meyers Norris Penny Limited ("MNP"), for the following items of relief:

1. An Order granting the formal approval of this Honourable Court to a proposed sale by MNP to MTS Allstream Inc. and 4L Communications Inc. (together, the "Manitoba Purchaser") of certain assets of the Respondent, Wireless Age Communications Ltd. ("WACL") (hereinafter, the "Proposed Manitoba Sale Assets") more particularly described in a Purchase and Sale Agreement dated March 2, 2009 (the "Manitoba Purchase and Sale Agreement"), a copy of which is attached to the Report of Receiver, dated April 14, 2009 (the "Receiver's Third Report"), at and for the total purchase price of approximately \$115,500.00 plus the Inventory Amount as defined in the Manitoba

Purchase and Sale Agreement and subject to certain adjustments (the “Proposed Manitoba Sale”).

2. An Order granting the formal approval of this Honourable Court to a proposed sale by MNP to IM Wireless Communications Ltd. (the “Saskatchewan Purchaser”) of certain assets of WACL and the Respondent, Wireless Source Distribution Ltd. (“Source”) (hereinafter, the “Proposed Saskatchewan Sale Assets”) more particularly described in a Purchase and Sale Agreement dated April 14, 2009 (the “Saskatchewan Purchase and Sale Agreement”), a copy of which is attached to the Receiver’s Third Report, at and for the total purchase price of approximately \$7,000,000.00 and subject to certain adjustments (the “Proposed Saskatchewan Sale”).
3. An Order that each of the Manitoba Purchase and Sale Agreement and the Saskatchewan Purchase and Sale Agreement is a valid, final and binding agreement in accordance with its terms, and authorizing and directing MNP to take all steps necessary to give effect to the Manitoba Purchase and Sale Agreement and the Saskatchewan Purchase and Sale Agreement and to close the sale of the Proposed Manitoba Sale Assets and the Proposed Saskatchewan Sale Assets.
4. An Order that upon MNP filing a certificate with this Honourable Court approved and signed by MNP and the Manitoba Purchaser stating that the Proposed Manitoba Sale has closed substantially in accordance with the Manitoba Purchase and Sale Agreement (the “Manitoba Closing Certificate”), title to the Proposed Manitoba Sale Assets shall vest in the Manitoba Purchaser free and clear, absolutely and forever, of and from any and all estate, right, title, interest, licenses, claims, hypothecs, taxes and arrears of taxes, mortgages, security interests, charges, liens (whether contractual, statutory or otherwise), options, agreements, disputes, debts, trusts or deemed trusts, encumbrances or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any of the creditors of the WACL or Source, whether or not they have attached or are perfected, registered, or filed, whether secured or unsecured or otherwise, whether liquidated, un-liquidated or contingent (collectively, the “Claims”) by or of all persons or entities of any kind whatsoever, including, without limitation, all

individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators or other legal representatives, and Her Majesty in Right of Canada and Her Majesty in Right of the Province of Saskatchewan and agents of the Crown (collectively, the “Claimants”) and regardless whether the Claimants have been served with notice of the application pursuant to which this Order is sought.

5. An Order that upon MNP filing a certificate with this Honourable Court approved and signed by MNP and the Saskatchewan Purchaser stating that the Proposed Saskatchewan Sale has closed substantially in accordance with the Saskatchewan Purchase and Sale Agreement (the “Saskatchewan Closing Certificate”), title to the Proposed Saskatchewan Sale Assets shall vest in the Saskatchewan Purchaser free and clear, absolutely and forever, of and from any and all Claims by or of the Claimants and regardless whether the Claimants have been served with notice of the application pursuant to which this Order is sought.
6. An Order directing MNP, upon Closing of the Proposed Manitoba Sale and the Proposed Saskatchewan Sale, to hold the sale proceeds net of adjustments as provided for in the Manitoba Purchase and Sale Agreement and the Saskatchewan Purchase and Sale Agreement as if those funds were the Proposed Manitoba Sale Assets and the Proposed Saskatchewan Sale Assets, and ordering that all Claims against the Proposed Manitoba Sale Assets and the Proposed Saskatchewan Sale Assets will vest against such funds as if the Proposed Manitoba Sale and the Proposed Saskatchewan Sale had not occurred and an Order that MNP distribute those funds as follows:
 - (a) First, to MNP, an amount sufficient to cover the costs of the Receivership;

- (b) Second, should any proceeds remain to be distributed, to SaskTel, an amount sufficient to repay in full all outstanding amounts owing to SaskTel by WACL and/or Source, including all principal, accumulated interest and costs;
 - (c) Third, to hold any remaining proceeds for distribution in accordance with the further order of this Honourable Court.
7. An Order authorizing and granting leave to the Manitoba Purchaser, the Saskatchewan Purchaser, MNP or SaskTel to apply to this Honourable Court for any Order as may be required or necessary to give effect to the Manitoba Purchase and Sale Agreement or the Saskatchewan Purchase and Sale Agreement.
 8. An Order authorizing MNP to assign into bankruptcy each of WACL and Source.
 9. Such other relief as counsel may advise and this Honourable Court may allow.

AND FURTHER TAKE NOTICE that this application is made on the following grounds, namely:

1. MNP was appointed Receiver of WACL and Source pursuant to the Order of this Honourable Court dated February 12, 2009.
2. MNP has negotiated and entered into the Manitoba Purchase and Sale Agreement and the Saskatchewan Purchase and Sale Agreement.
3. MNP recommends that the Proposed Manitoba Sale and the Proposed Saskatchewan Sale be approved for the following reasons:
 - (a) the terms of each of the Manitoba Purchase and Sale Agreement and the Saskatchewan Purchase and Sale Agreement are beneficial to, and in the best interests of, all stakeholders of WACL and Source;
 - (b) each of the Manitoba Purchase and Sale Agreement and the Saskatchewan Purchase and Sale Agreement are the best available transactions in the circumstances;
 - (c) each of the Manitoba Purchase and Sale Agreement and the Saskatchewan

Purchase and Sale Agreement is supported by the principal secured creditor, SaskTel;

(d) the Proposed Manitoba Sale and the Proposed Saskatchewan Sale will result in retention of more of the employees of WACL and Source than any other offer received by MNP; and

(e) each of SaskTel and MTS Allstream have or will approve the Saskatchewan Purchaser and Manitoba Purchaser, as the case may be, as a distributor greatly enhancing the viability of the respective Purchaser's operations.

4. A Vesting Order is required by the Purchasers to assure such purchasers that they each will acquire valid title to the assets they are purchasing.
5. As it appears that there will be sufficient monies generated by the proposed sales and realization on the other assets of WACL and Source, the most efficient way to realize on the remaining assets and distribute such proceeds to the creditors is to assign WACL and Source into bankruptcy.

The materials relied upon in support of this application are as follows:

1. This Notice of Motion.
2. The Receiver's Third Report.
3. Draft Order
4. Such further and other material as counsel may advise and this Honourable Court may allow.

DATED at Regina, Saskatchewan, this 15th day of April, 2009.

MacPHERSON LESLIE & TYERMAN LLP

Per: 

Solicitors for the Applicants.

This document was delivered by:

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