

DUPLICATE

NEWCOMM WIRELESS SERVICES, INC.

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FILED/ACCEPTED

MAR 22 2007

Federal Communications Commission
Office of the Secretary

March 22, 2007

BY HAND DELIVERY

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: *NewComm Wireless Services, Inc., Debtor-In-Possession
Amendment to Application for Authority to Assign Section 214
Authorization; File No. ITC-ASG-Intr2007-00312/CUT
Submission ID: IB2007000312***

Dear Ms. Dortch:

On January 30, 2007, NewComm Wireless Services, Inc., Debtor-In-Possession ("NewComm DIP" or "Assignor") and PRWireless, Inc. ("PRWireless" or "Assignee") submitted the above-referenced application to assign the Section 214 authorization of NewComm DIP to PRWireless. As noted in that application, NewComm DIP was in bankruptcy proceedings, and it was anticipated that PRWireless would acquire all of the assets of NewComm DIP. This letter amends the parties' application to: (i) provide a copy of the sale order of the bankruptcy court authorizing NewComm DIP to proceed with the contemplated transaction, subject to FCC consent; and (ii) provide notice of certain minor changes to the ownership of PRWireless that have occurred since the filing of the original application.

On November 28, 2006, Assignor's predecessor-in-interest, NewComm Wireless Services, Inc. ("NewComm"), commenced a bankruptcy case in the United States Bankruptcy Court for the District of Puerto Rico (the "Bankruptcy Court") under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code").¹ Also

¹ Title 11 of the United States Code, 11 U.S.C. § 101 *et seq.*, as amended.

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on November 28, 2006, Assignee entered into an Asset Purchase Agreement (the "Agreement") with NewComm that became the stalking horse bid in the bankruptcy proceeding. Pursuant to procedures established by the Bankruptcy Court,² an auction was conducted and, as noted above, PRWireless has been designated by the Bankruptcy Court as the approved buyer of the assets, including the FCC licenses. See Attachment 1.

During the course of the auction, D.B. Zwirn Special Opportunities Fund, L.P. ("DBZwirn"), which was previously shown as an indirect investor, elected to withdraw from PRWireless when the terms of the acquisition changed in the course of the auction conducted by the Bankruptcy Court. DBZwirn previously held a minority non-controlling interest in the Assignee and its withdrawal does not result in a transfer of control of PRWireless. The interest of DBZwirn is being redistributed among the other attributable minority investors and their affiliates. None of these investors will end up with an equity or voting interest of 50% or greater and so the redistribution also does not effect a transfer of control. For example, as illustrated in the FCC Form 602 ownership report recently submitted by the Assignee, the indirect ownership (equity and voting) percentages for the largest investor groups -- the M/C Venture Funds³ and the Columbia Capital Funds⁴ -- is increasing from 33.0% to 49.5%. Consequently, the ownership changes do not constitute a major amendment to the instant application.⁵ As such, the amendment need not be treated as a new application for determination of filing date, public notice, and petition to deny purposes.⁶

Assignee is a corporation organized under the laws of Delaware. Its sole shareholder is PRWireless, LLC, a Delaware limited liability company, whose members are: M/C Venture Partners V, L.P.; M/C Venture Partners VI, L.P.; M/C Venture Investors, L.L.C.; Columbia Capital Equity Partners IV (QP), L.P.; Columbia Capital Equity Partners IV (QPCO), L.P.; Columbia Capital Employee Investors IV, L.P.; Barry Lewis (as an individual); Craig Viehweg (as an individual); and John E. Mason (as an individual).

² See *In re: NewComm Wireless Services, Inc.* (Case No. 06-047555 (ESL)) (P.R. Dec. 27, 2006).

³ M/C Venture Funds consists of M/C Venture Partners V, L.P., M/C Venture Partners VI, L.P. and M/C Venture Investors, L.L.C.

⁴ Columbia Capital Funds consists of Columbia Capital Equity Partners IV (QP), L.P., Columbia Capital Equity Partners IV (QPCO), L.P. and Columbia Capital Employee Investors IV, L.P.

⁵ See 47 C.F.R. § 1.929(a).

⁶ See 47 C.F.R. § 1.927(h).

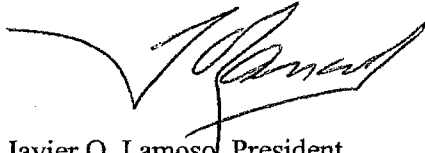
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Assignee is legally, technically, financially and otherwise qualified to be a Commission licensee, and to hold the Licenses. Specifically, it complies with all applicable Commission rules, including, but not limited to, the foreign ownership rules. And, although Assignee is a newly formed company, its interest holders – M/C Venture Funds and Columbia Capital Funds, and their affiliated funds, as well as Msrs. Lewis, Viehweg and Mason – are well known to the Commission as successful operators of spectrum-based businesses, including many growing and well-established cellular and PCS businesses. Because PRWireless is legally, technically, and financially qualified to hold FCC authorizations, the parties request that the FCC grant the above-captioned application and provide its consent to the assignment of NewComm DIP's Section 214 authorization to PRWireless.

Should any questions arise concerning this amendment, please do not hesitate to contact the undersigned, counsel to NewComm and NewComm DIP, at 202.719.3182 or Carl Northrop, counsel to PRWireless, at 202.551.1725.

Sincerely,

**NEWCOMM WIRELESS SERVICES, INC.,
DEBTOR-IN-POSSESSION**



Javier O. Lamoso, President
NewComm Wireless Services, Inc.,
Debtor-In-Possession

cc: Mr. Carl Northrop, Counsel to PRWireless, Inc.

ATTACHMENT 1

BANKRUPTCY SALE ORDER

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

NewComm Wireless Services, Inc.

Debtor.

Case No.: 06-04755 (ESL)
Chapter 11

**ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 105, 363 AND 365 AND
RULES 2002, 6004, 6006 AND 9014 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE APPROVING (i) THE SALE OF THE DEBTOR'S
ASSETS TO PRWIRELESS, INC. PURSUANT TO THE AMENDED AND RESTATED
ASSET PURCHASE AGREEMENT DATED AS OF MARCH 7, 2007
FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS AND (ii) THE
ASSUMPTION, SALE AND ASSIGNMENT TO PRWIRELESS, INC. OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES OF THE DEBTOR**

Upon the motion dated November 28, 2006 (the "Sale Motion"), of the above-captioned debtor and debtor in possession (the "Debtor"), pursuant to sections 105, 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code") and rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Local Bankruptcy Rule 9013, for approval of (i) the sale (the "Sale") of substantially all of the assets (collectively, the "Acquired Assets") of the Debtor to PRWireless, Inc. ("Purchaser" or "PRW") under the terms of the Asset Purchase Agreement dated November 28, 2006, as modified at the Auction and as reflected in the Amended and Restated Asset Purchase Agreement dated as of February 28, 2007 (including all Exhibits and Appendices thereto, the "APA") between the Debtor and the Purchaser, free and clear of any and all Liens¹ (except Permitted Encumbrances) and Liabilities (except those expressly assumed under the APA), (ii) the APA and the Debtor's assumption of its obligations thereunder, and (iii) the assumption, sale and assignment of certain executory

¹ Capitalized terms used but not defined herein have the meanings ascribed to such terms in the APA, Bidding Procedures Order, the Bidding Procedures and the Sale Motion, as applicable.

contracts and unexpired leases (the "Assumed Contracts")² to the Purchaser; and a hearing having been held on December 18, 2006 (the "Procedures Hearing") to consider approval of the Bidding Procedures proposed in connection with the sale of the Acquired Assets to the Purchaser and the procedure for fixing the Cure Amount in connection with the assumption, sale and assignment of the Assumed Contracts to the Purchaser pursuant to the terms and conditions of the APA; and the Court having entered an order on December 27, 2006 (the "Bidding Procedures Order") approving, among other things, the Bidding Procedures, the Break-Up Fee and the Expense Reimbursement in respect of the sale of the Acquired Assets and notices thereof; and the Debtor having conducted an Auction on February 28, 2007 pursuant to the Bidding Procedures and having filed the transcript thereof; and the Debtor, at the conclusion of the Auction, having determined that the Purchaser submitted the highest and best bid for the Acquired Assets; and it appearing that notice of the Sale Motion was good and sufficient under the circumstances and in accordance with the Bidding Procedures Order and that no other or further notice need be given; and the Court having reviewed the Sale Motion and all objections thereto, and having heard the statements in support of the relief requested at the Sale Hearing; and all objections having been withdrawn or resolved as set forth on the record, and it appearing that entry of this order is in the best interests of the Debtor, its estate, and all parties in interest; and upon the Sale Motion and the record of the Procedures Hearing and Sale Hearing and all other proceedings had before the Court; and after due deliberation and good cause appearing therefor,

² The APA contemplates that certain of the Designation Right Contracts may become Assumed Contracts following the entry of this Order. For purposes of approving the APA and the transactions contemplated thereby, the Designation Right Contracts shall be included within the scope of Assumed Contracts where appropriate.

It is HEREBY FOUND AND DETERMINED that:³

A. The Court has jurisdiction to consider the Sale Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. As demonstrated by (i) the testimony and other evidence proffered or adduced at the Sale Hearing or otherwise of record in this case, and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtor conducted a robust and open marketing and sale process both prior to the commencement of this case and under the Bidding Procedures. Under the circumstances, a prompt closing of the transactions contemplated by the APA is in the best interests of the Debtor and its estate. The terms of the APA are the best terms that have been offered for the sale of the Acquired Assets.

C. Upon the execution, delivery and closing of the APA, the Acquired Assets to be sold and the interests to be assigned by the Debtor to the Purchaser will have been acquired by the Purchaser in good faith and as the result of arm's length negotiations within the scope and meaning of section 363(m) of the Bankruptcy Code.

D. Reasonable, timely, proper, adequate and sufficient notice of the Sale Motion and a reasonable opportunity to object or be heard with respect to the Sale Motion as it pertains to the sale of the Acquired Assets, and the assumption, sale and assignment of the Assumed Contracts, has been afforded to all interested persons and entities, as set forth in the Sale Motion and Bidding Procedures Order. Such notice was good and sufficient and

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

appropriate under the circumstances. No other or further notice of the assumption and assignment of the Assumed Contracts is or shall be required.

E. Notice, as evidenced by the affidavits of service and affidavits of publication filed with the Court, including Docket Numbers 227, 228, 231, 244, 245, 246 and 363, was provided in the form and manner specified in the Sale Motion and as required by the Bidding Procedures Order, and such notice is reasonable and adequate under the circumstances. No other or further notice of the Sale Motion, Auction or Sale Hearing is or shall be required.

F. Other than as set forth in the APA and this Sale Approval Order, no consents or approvals are required for the Debtor to consummate the sale of the Acquired Assets. Neither the execution of the APA nor the consummation of the sale of the Acquired Assets in accordance with its terms will constitute a violation of any provision of the organizational documents of the Debtor or any other instrument, law, regulation or ordinance under which the Debtor or its assets are bound.

G. The Debtor and its representatives and the Purchaser complied with the Bidding Procedures in all material respects.

H. Upon entry of this Sale Approval Order, the Debtor shall have full corporate power and authority to consummate the Sale contemplated by the APA.

I. This Sale Approval Order and the consummation of the APA are supported by good business reasons, and will serve the best interests of the Debtor and its estate, creditors and stakeholders by maximizing the value to be obtained from the Acquired Assets.

J. The APA was proposed, negotiated and entered into by the Debtor and the Purchaser without collusion, in good faith and through arm's-length negotiations. The Purchaser is not an "insider" of the Debtor, as that term is defined in section 101 of the Bankruptcy Code.

The Debtor and the Purchaser have not engaged in any conduct that would cause or permit the APA to be avoided under section 363(n) of the Bankruptcy Code.

K. The Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby.

L. The consideration to be provided by the Purchaser pursuant to the APA: (i) is fair and reasonable; (ii) is the highest and best offer for the Acquired Assets; (iii) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and the Uniform Fraudulent Conveyance Act, Uniform Fraudulent Transfer Act and any similar laws of the Commonwealth of Puerto Rico and any state whose law is applicable to the APA, the Sale or the assumption, sale and assignment of the Assumed Contracts; and (iv) is being transferred by the Purchaser to the Debtor in good faith.

M. The approval of the APA is fair and reasonable.

N. The APA was not entered into, and the Closing thereunder will not occur, for the purpose of hindering, delaying or defrauding creditors under the Bankruptcy Code or under the laws of the United States, the Commonwealth of Puerto Rico, any state, territory, possession, or the District of Columbia.

O. The Debtor has demonstrated both (i) good, sufficient and sound business purpose and justification and (ii) compelling circumstances for the Sale pursuant to 11 U.S.C. § 363(b) prior to, and outside of, a plan of reorganization in that, among other things:

(1) A sale of the Acquired Assets to PRW pursuant to 11 U.S.C. § 363(b) is necessary and essential to preserving the enterprise value of the Acquired Assets, and maximizing the value of the Debtor's estate for the benefit of all constituencies. Absent an immediate sale and its related financing, the Debtor will be in default under its Debtor-in-Possession financing and will run out of cash to operate its business, and Debtor's Business will continue to deteriorate as the Debtor continues to lose subscribers. Delaying the Sale of the Acquired Assets will result in a loss of value of the Acquired Assets.

(2) The Debtor and its financial advisors, Jefferies & Company, Inc. and Ironbark Associates, LLC, diligently and in good faith marketed the Acquired Assets to secure the highest and best offer therefor, both prior to the commencement of this case and during this case pursuant to the Bidding Procedures Order. In addition, the Debtor mailed the Sale Motion and all exhibits thereto, the Bidding Procedures Order and the Bidding Procedures to all potential purchasers previously identified or solicited by the Debtor and any additional parties who have previously expressed an interest in potentially acquiring the Debtor's assets at any time and published Notice of the Bid Deadline, Auction and Sale Hearing in the national addition of the *Wall Street Journal*, RCR Wireless News and *El Nuevo Dia*. In addition, on February 28, 2007, the Debtor conducted an auction pursuant to the Bidding Procedures Order. As a result of the Auction, the amount offered under the APA was materially increased, and the terms and conditions of the APA were materially improved. The terms and conditions set forth in the APA, and the Sale to PRW pursuant thereto, represent a fair and reasonable purchase price and constitute the highest and best offer obtainable for the Assets.

(3) Given the circumstances, PRW was willing to proceed to acquire the Debtor's Acquired Assets only if the Sale could be consummated quickly. The timing of the Sale is of such importance to PRW that it negotiated the right to terminate the APA if the Sale Approval Order was not entered within 100 days after the Petition Date (March 8, 2007).

P. The consummation of the Sale pursuant to the APA will be a legal, valid, and effective sale of the Acquired Assets to the Purchaser, and vests or will vest the Purchaser with all right, title, privilege and interest in and to the Acquired Assets free and clear of all Liabilities and Liens excepting only Assumed Liabilities and Permitted Encumbrances (as defined in the APA) in accordance with section 363 of the Bankruptcy Code, because one or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. All parties with valid Liens (other than Assumed Liabilities) against the Acquired Assets, if any, who did not object to the Sale Motion and the relief requested therein, or who withdrew their objections to the Sale Motion, are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code and are enjoined from taking any action, including, without limitation, the assertion or exercise of any alleged right of set-off or recoupment, or the assertion

of any claim or Lien under theories of successor liability, against the Purchaser, the Purchaser's affiliates or any agent of the foregoing, or any of their respective successors, designees or assigns, to recover any claim which such person or entity has solely against the Debtor or any of the affiliates of the Debtor. Failure to sell the Acquired Assets free and clear of Liabilities (other than Assumed Liabilities) and Liens (other than Permitted Encumbrances) would be substantially less beneficial to, and would adversely affect, the estate of the Debtor.

Q. Upon entry of this Sale Approval Order, the APA is assumed by the Debtor and is a valid and binding contract between the Debtor and the Purchaser and is enforceable according to its terms.

R. Unless an objection has been filed timely with the Court and served in accordance with the Bidding Procedures Order, the amounts set forth on Exhibit A to the Notice of Assumption and Assignment, dated January 5, 2007 and the supplemental notice dated February 20, 2007 (collectively, the "Cure Notices"), are deemed and determined to be the sole amounts necessary to "cure" (within the meaning of section 365(b)(1) of the Bankruptcy Code) all "defaults" and "actual pecuniary losses" (within the meaning of section 365(b) of the Bankruptcy Code) under the Assumed Contracts ("Cure Amounts"). If an objection to a Cure Amount set forth on Exhibit A to the Notice of Assumption and Assignment, dated January 5, 2007 has been filed timely with the Court and served in accordance with the Bidding Procedures Order, the amounts agreed to in writing by the objecting party and the Debtor, with such agreement being consented to by the Purchaser, which shall not be unreasonably withheld, or as hereafter determined by the Court, shall be the Cure Amount. The Purchaser has demonstrated adequate assurance of its future performance under the Assumed Contracts.

NOW, THEREFORE, it is HEREBY ORDERED, ADJUDGED, AND

DECREED that:

1. The Sale Motion is granted and approved in all respects (other than with respect to matters already addressed by the Bidding Procedures Order).
2. All objections, if any, to the entry of this Sale Approval Order are overruled to the extent not otherwise withdrawn or resolved as set forth on the record of the Sale Hearing.
3. The limited objection [Docket No. 346] (the "Limited Objection") to the Sale Motion filed by Telefonica Larga Distancia of Puerto Rico, Inc. ("TLD"), Telefonica Moviles Soluciones Y Aplicaciones S.A. ("TMSA") and Telefonica, S.A. ("TEF" and together with TLD and TMSA, the "Telefonica Entities") shall be adjourned to a date not less than 20 days following notice by NewComm to the Telefonica Entities of the Purchaser's designation of and intent to assume one or more of the Confidential Proprietary Agreement for Telecommunications Services, the Software Services and Maintenance Agreement, the Design Development and Programming Service Agreement or the Movistar License Agreement (each as defined in the Limited Objection); and TLD, TMSA and the Debtor reserve all rights with respect to the issue of the amount necessary to cure defaults under each of the Confidential Proprietary Agreement for Telecommunications Services, the Software Services and Maintenance Agreement and the Design Development and Programming Service Agreement in connection with the designation for assumption, sale and assignment of such agreements. Nothing in this Sale Approval Order or otherwise shall be deemed to be consent of TEF to the assumption and assignment of the Movistar License Agreement (as defined in the Limited Objection).

SALE OF THE ACQUIRED ASSETS

4. Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, the APA is assumed by the Debtor and the sale, transfer, conveyance and assignment of the Acquired Assets, including the assumption, sale and assignment of the Assumed Contracts (and the Designation Right Contracts, or any of them, that become Assumed Contracts) by the Debtor, pursuant to the APA are approved, and the Debtor is authorized and directed to execute any and all documents, instruments and papers and to take all actions necessary and appropriate to effectuate, implement and consummate the transactions contemplated by the APA in consideration of the purchase price specified therein, including assigning and transferring to the Purchaser or its designees all of the rights, title, privileges and interests (including common law rights) of the Debtor and its estate in and to all of the tangible and intangible property of the Debtor included among the Acquired Assets, except as otherwise explicitly provided by the APA. Without limiting the foregoing, the Debtor is authorized to execute and deliver, close, transition and consummate the Sale and APA and all other agreements and documents related thereto and contemplated thereby, which agreements and documents hereby are authorized and approved in all respects.

5. The transfer of the Acquired Assets by the Debtor to the Purchaser or one or more of its designees is legal, valid and effective and shall vest the Purchaser and its designees with all rights, title, privileges and interests of the Debtor and its estate in and to the Acquired Assets pursuant to section 363(f) of the Bankruptcy Code, free and clear of any and all Liens (other than Permitted Encumbrances) and all Liabilities (other than Assumed Liabilities), whether known or unknown, including any Lien of any Governmental Authority, including the Federal Communications Commission, and the Debtor's current or former subscribers, creditors,

vendors, suppliers, employees, lessors or any other third party. Any and all Liens (other than Permitted Encumbrances), including those asserted by the Pre-Petition Agent, the Debtor's Pre-Petition Lenders, the DIP Agent and the Debtor's DIP Lenders, shall attach to the net proceeds of the Sale, with the same priority, validity, force and effect as they now have against the Acquired Assets and subject to any rights, claims or defenses of the Debtor or its estate with respect thereto. To the extent any Lien (other than a Permitted Encumbrance) is a Specified Liability, it shall be paid directly by the Purchaser at the Closing.

6. The Sale, pursuant to this Sale Approval Order and the APA, shall be binding upon the Purchaser, the Debtor, all current and former creditors, employees, equity holders and parties in interest in this case, all non-Debtor parties to the Assumed Contracts (and Designation Right Contracts that become Assumed Contracts), all persons having or asserting a claim against, or an interest in, the Debtor or the Acquired Assets, and all parties to any Actions, including any contested matters interposing objections to the Sale Motion or the relief granted hereby, that directly or indirectly contest the power or authority of the Debtor to sell, assume and assign, transfer and convey the Acquired Assets, or Purchaser's right, authority or ability to receive, purchase, accept or assume the Acquired Assets, including the Assumed Contracts (and Designation Right Contracts that become Assumed Contracts) or that seek to enjoin any such sale, assumption, assignment, transfer or conveyance and each of their respective successors and assigns.

7. At the Closing, in accordance with Article 3 of the APA, Purchaser shall pay to the Debtor (or, in the case of clause (b) below, the Escrow Agent in accordance with Section 3.5 of the APA) an amount equal to the sum of (a) the Base Purchase Price, as adjusted at the Closing pursuant to Section 3.2(b) of the APA ("Estimated Pre-Overbid Purchase Price"),

plus (b) the amount by which the Aggregate Specified Liabilities Amount exceeds the sum of (i) the Estimated Pre-Overbid Purchase Price and (ii) Available Cash, plus (c) the Overbid Amount of \$45.1 million. Without further order of this Court, the Debtor and Purchaser are authorized and directed to implement post-Closing the terms, including any adjustments set forth in section 3.2 of the APA and depositing with the Escrow Agent the Working Capital Adjustment Funds and the Additional Purchase Price Amount, if any, in accordance with Section 3.5.

8. At the Closing, the Specified Liabilities, including the Specified Liabilities set forth on Appendix IX (as amended) to the APA, shall be reduced to reflect amounts actually paid to or for the benefit of or received by the applicable creditor prior to Closing and Purchaser shall pay to the Debtor the Additional Purchase Price Amount, if any, payable in accordance with Section 3.5 of the APA. Without further order of this Court, at the Closing or at any time thereafter, pursuant to the final Post Closing Specified Liabilities Notice, Purchaser may deposit with the Escrow Agent all or a portion of the Additional Purchase Price Amount or any Post Closing Additional Purchase Price Amount if any, with respect to any Specified Liabilities, including any claims set forth on Appendix IX to the APA (as amended), that (i) have accrued, but have not become allowed claims by a Final Order, or (ii) are estimated to accrue during the 150 days following the Closing Date (with respect to clauses (i) and (ii) less the sum of the amount paid on account thereof pursuant to the immediately preceding sentence and the amount paid by the Debtor or received by such claimant on account of such allowed claim prior to Closing). Without further order of this Court, to the extent not paid or escrowed at Closing in accordance with the preceding two sentences, pursuant to the final Post Closing Specified Liabilities Notice the Purchaser shall pay the Additional Purchase Price Amount, if any, with respect to any claims set forth on Schedule 3.5 to the APA accruing during the 150 days

following the Closing Date that become allowed claims by a Final Order in accordance with the procedures set forth in Section 3.5 of the APA (less the amount paid by the Debtor or received by such claimant on account of such allowed claim prior thereto). To the extent any aspect of the Post Closing Specified Liabilities Notice remains in dispute at Closing the Court shall retain jurisdiction to hear and determine such dispute by allowing such Specified Liabilities or by estimating such Specified Liabilities under the standards set forth in the APA and section 502(c) of the Bankruptcy Code. To the extent that Purchaser pays the Additional Purchase Price Amount and/or any Post Closing Additional Purchase Price Amount and Debtor, its estate, or any successor thereto subsequently receives Available Cash on or before the last business day of the ninth full calendar month following the Closing, the Debtor, its estate and any such successor shall, without further order of this Court, pay over to the Purchaser such Available Cash to reimburse Purchaser for such Additional Purchase Price Amount and/or any Post Closing Additional Purchase Price Amount paid before distribution to any creditor or payment of any expense as though such Available Cash had been received prior to the payment of the Additional Purchase Price Amount and/or any Post Closing Additional Purchase Price Amount (of, if and to the extent further payments of the Additional Purchase Price Amount or any Post Closing Additional Purchase Price Amounts are then due, the same shall be offset and reduced by such Available Cash).

9. Following the Closing, \$500,000 will be distributed to employees of the Debtor in such amounts as the Debtor determines in its sole discretion without the need for further Court approval.

10. All covenants and agreements to be performed after the Closing shall survive the Closing and continue in full force and effect in accordance with their terms.

ASSUMPTION AND ASSIGNMENT OF ASSUMED CONTRACTS

11. Pursuant to sections 105(a) and 365 of the Bankruptcy Code, and subject to and conditioned upon the Closing of the Sale, the Debtor's assumption, sale and assignment to the Purchaser, and the Purchaser's assumption on the terms set forth in the APA and Assignment Agreement, of the Assumed Contracts is hereby approved.

12. Any party having the right to consent to the assumption, sale or assignment of the Assumed Contracts that failed to object to such assumption, sale or assignment is deemed to have consented to such assumption, sale and assignment as required by sections 363 and 365 of the Bankruptcy Code.

13. At the Closing, from the net Sale proceeds or other assets of Debtor's estate, the Debtor shall pay, or in a manner reasonably acceptable to the Purchaser adequately provide for prompt payment of, any and all Cure Amounts. The Purchaser shall not be liable in any way to any third party for any Cure Amounts that any third party may assert or as may be allowed against the Debtor.

14. Adequate assurance of future performance has been demonstrated by or on behalf of the Purchaser or its designees with respect to the Assumed Contracts.

15. There shall be no rent accelerations, assignment fees, increases or any other fees or premiums charged to, or rights of set-off or recoupment asserted or exercised against, the Purchaser or its Affiliates or designees as a result of the assumption, sale or assignment by the Debtor to the Purchaser or its designees of the Assumed Contracts, and the validity of such assumption, sale or assignment shall not be affected by any dispute, defense, claim, right of set-off or recoupment, right of first refusal or offer or otherwise, between the Debtor or any of its Affiliates and any counter-party to any Assumed Contract. The Assumed

Contracts, upon assignment and sale to the Purchaser or its designees, shall be deemed valid and binding, enforceable against the parties thereto, without breach or default by the Purchaser or its designees and in full force and effect in accordance with its terms as of and effective on the Closing Date.

16. The Assumed Contracts shall be transferred to, and remain in full force and effect for the benefit of Purchaser in accordance with their respective terms, notwithstanding any provision in any such Assumed Contract (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts or conditions such assignment or transfer.

17. Following the Closing, the Debtor and Purchaser shall send a joint letter, written in English and Spanish, to each subscriber, advising of the consummation of the Sale and the assignment of such subscriber's contract to the Purchaser or its designees. Such letter shall provide notice to subscribers that they have 20 days following the date of the notice to file an objection to the assumption by Debtor of such subscriber's contract with the Debtor and the Debtor's assignment of such contract to the Purchaser or its designees. If no objections are timely filed, the subscriber contracts shall be and become Assumed Contracts. With respect to any subscriber that timely objects, the Court shall set a hearing to hear and determine such objection, on notice to such subscriber, the Debtor and Purchaser.

ASSUMED LIABILITIES

18. Neither the Purchaser nor any designee (as a successor entity, successor employer or otherwise) has acquired and will not acquire or assume or be deemed to have acquired or assumed any obligations or Liabilities of the Debtor, including asserted or unasserted, known or unknown, employee related claims, payroll taxes, employee contracts,

employee seniority accrued by the employees while employed by the Seller, pension plan contribution and successor liability, other than the specifically identified Assumed Liabilities, and all persons and/or entities are hereby permanently enjoined and restrained from asserting or prosecuting any claim against the Purchaser or its Affiliates or designees or agents, other than claims on account of specifically identified Assumed Liabilities (both in terms of scope and timing), to recover on any such claim such person has or may have against the Debtor, its estate, the Acquired Assets, including the Assumed Contracts, relating to the ownership, use and/or operation of the Acquired Assets, including, without limitation, any right of set-off or recoupment or under or on account of any theory for successor liability.

19. Except for specific Assumed Liabilities, neither the Purchaser, its Affiliates or designees, nor their respective successors or assigns, shall be obligated or liable, either directly, indirectly, or vicariously, as successor, transferee or otherwise, for any Liabilities, including on account of any taxes (that are Excluded Liabilities), of the Debtor or any of its affiliates (whether under federal or state law or the laws of the Commonwealth of Puerto Rico or otherwise) as a result of the sale or purchase of the Acquired Assets or employment of any former employee of the Debtor. With respect to Excluded Liabilities, neither the Purchaser, its Affiliates or designees, or their respective successors and assigns nor the Acquired Assets shall be or be deemed to be a successor or successor in interest or responsible person or potentially responsible person to the Debtor or any current or former creditor, employee, equity holder or other party in interest with respect to any Liability and none shall have any Liability (whether under federal or state law or the laws of the Commonwealth of Puerto Rico or otherwise) for successor liability, including, without limitation, with respect to any Liabilities arising from or under products liability, tax, environmental, employment or other Laws. Notwithstanding the

foregoing, Purchaser shall be responsible for any allowed severance claims pursuant to section 185 of title 29 of the statutes of Puerto Rico (as amended) or the WARN Act which payment will be paid by the Purchaser.

20. From and after the Closing of the APA, the Debtor shall have no other or further liability with respect to Liabilities that are Assumed Liabilities or pursuant to Bankruptcy Code section 365(k).

OTHER PROVISIONS

21. The Sale has been undertaken by the Purchaser and the Debtor at arm's length, without collusion and the Purchaser or its designee will acquire the Acquired Assets pursuant to the APA, in good faith, within the meaning of section 363(m) of the Bankruptcy Code and is entitled to all of the protections in accordance therewith. Accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale, unless such authorization is duly stayed pending such appeal.

22. The consideration provided by Purchaser or its designee for the Acquired Assets, including, without limitation, the assumption of the Assumed Liabilities, under the APA (i) is fair and reasonable, (ii) may not be avoided under section 363(n) of the Bankruptcy Code or other applicable law and (iii) shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, Uniform Fraudulent Transfer Act and any similar laws of the Commonwealth of Puerto Rico and any state whose law is applicable to the APA, the Sale or the assumption, sale and assignment of the Assumed Contracts.

23. Upon consummation of the Sale, and in any event if not earlier paid pursuant to the terms of the interim and final DIP financing orders or under the DIP Credit

Agreement, the proceeds of such sale shall be paid immediately and indefeasibly to the Pre-Petition Agent for its benefit and the benefit of the Pre-Petition Lenders in an amount equivalent to the aggregate amount of Pre-Petition Obligations outstanding and unpaid as of the Effective Time, provided, however, that a dollar amount of such proceeds equivalent to the full amount of Disputed Obligations (if they remain disputed) shall be escrowed and reserved by the Debtor pending settlement or other resolution of such Disputed Obligations.

24. Subject to the senior liens and payment rights of the Pre-Petition Agent and the Pre-Petition Lenders, upon consummation of the Sale, and in any event if not earlier paid pursuant to the terms of the interim or final DIP financing orders, proceeds of such sale shall be paid immediately and indefeasibly to the DIP Agent for its benefit and the benefit of the DIP Lenders in an amount equivalent to the aggregate amount of DIP Obligations outstanding and unpaid as of the Effective Time.

25. The Debtor and Purchaser are authorized and directed to pay at the Closing the Debtor's undisputed obligations to the Pre-Petition Agent, Pre-Petition Lenders, DIP Agent and DIP Lenders from the Sale proceeds and such other expenses and fees that are required to be paid pursuant to the terms of the DIP Credit Agreement and the APA, except that any fees or expenses that are required to be approved under the Bankruptcy Code or order of this Court shall not be paid unless and until such order has been entered by the Court.

26. The provisions of this Sale Approval Order are nonseverable and mutually dependent.

27. This Sale Approval Order and all provisions of the APA shall be binding upon any successors and assigns of the Debtor, including without limitation, any trustee

appointed for the Debtor in this Chapter 11 case or in any superseding proceeding under Chapter 7 of the Bankruptcy Code or otherwise.

28. The APA may be modified, amended or supplemented by the parties thereto, in a writing signed by such parties, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtor or its estate.

29. The failure specifically to include any particular provisions of the APA in this Sale Approval Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the APA be authorized and approved in its entirety.

30. Each and every governmental agency or department of the Commonwealth of Puerto Rico as well as each and every federal, state and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA.

31. To the extent of any inconsistency between the provisions of the APA (or any documents executed in connection therewith) and this Sale Approval Order, the provisions contained herein shall govern.

32. In the event Purchaser fails to consummate this Sale by the Closing Date (unless such date is extended by the parties), the Debtor may consummate a sale with HyPR Comm, Inc. ("HyPR"), a wholly-owned subsidiary of Highland Capital Management, L.P., a Delaware limited partnership, under the terms of their Back-Up Bid (as described in the Debtor's Report of Auction Sale and Notice of Prevailing Bidder and Back-Up Bidder, and the transcript to the Auction) which bid may not be revoked by HyPR until after June 30, 2007. Nothing in

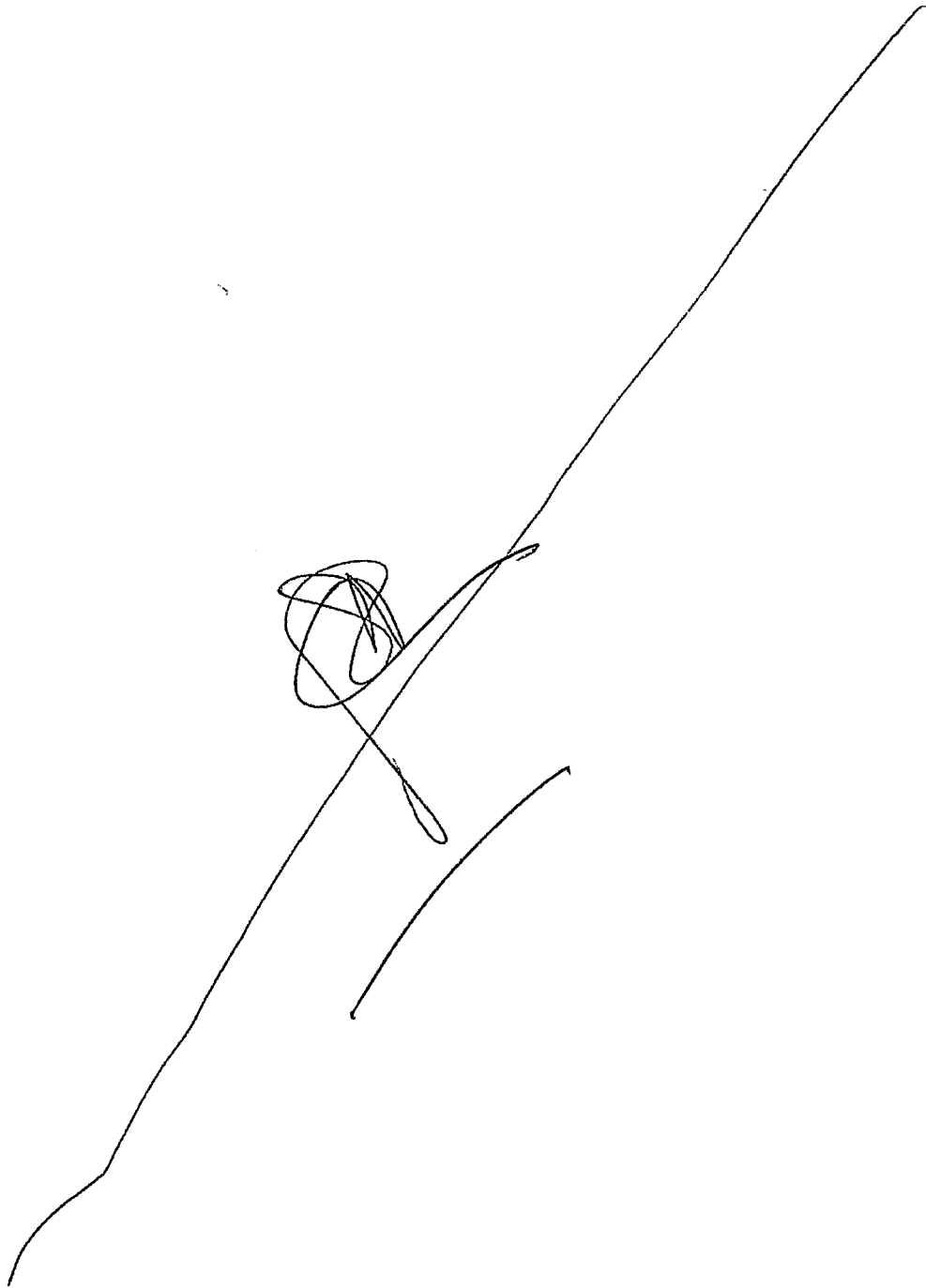
this Order may be read to imply that the Debtor is required to consummate a sale with HyPR which sale will be subject to approval by this Court.

33. Highland Capital Management, L.P. shall immediately take all steps necessary to have its Petition to Hold in Abeyance the Application of NewComm Wireless Services, Inc. as Debtor-In-Possession and PRWireless, Inc. for Consent to Assign Licenses and Authorization filed with the federal Communications Commission immediately dismissed with prejudice and shall be responsible for any fees incurred in obtaining such dismissal.

34. This Sale Approval Order shall take effect immediately and shall not be stayed pursuant to Bankruptcy Rules 6004(g), 6006(d), 7062 or otherwise.


35. The Court shall retain exclusive jurisdiction to interpret, construe and enforce the provisions of the APA, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith and this Sale Approval Order in all respects and, further, to hear and determine any and all disputes arising under or related to the APA, except as otherwise provided therein, as the case may be, any escrow agent under the APA or any document delivered in connection therewith and any non-Debtor party to, among other things, any Assumed Contracts, concerning inter alia, the Debtor's assignment and sale thereof to Purchaser or its designees under the APA of any Acquired Assets, and any claims against the Debtor arising under any agreements relating to Excluded Liabilities and any dispute between Purchaser and the Debtor as to their respective obligations with respect to any asset, Lien or Liability of or claim against the Debtor or otherwise arising hereunder. The Court shall retain exclusive jurisdiction to enforce the injunctions set forth herein in favor of Purchaser, its Affiliates and designees or any of their respective successors and assigns, each of which

injunction shall act to bar any claim enjoined and as a complete defense to any such claim or action.



36. Nothing contained in any plan confirmed in this case or any order of the Court confirming such plan shall conflict with or derogate from the provisions of the APA or the terms of this Sale Approval Order.

Dated: March 7, 2007
San Juan, Puerto Rico


UNITED STATE BANKRUPTCY JUDGE