

Frequently Asked Questions

General Questions

1. What is Chapter 11?

Chapter 11 of the U.S. Bankruptcy Code is a legal mechanism for court supervised reorganization for restructuring of the Company's obligations. Chapter 11 provides a way for companies to address their financial issues in order to become a viable entity, while continuing day-to-day operations.

2. Why did Freedom Communications file for protection under Chapter 11 of the U.S. Bankruptcy Code?

Freedom took this step only after very careful consideration and consultation with experienced financial and legal experts. The Company decided that this would be the most effective path for it to protect the value of its assets for the benefit of its creditors and other stakeholders.

3. Does this mean that Freedom is going out of business?

No. Freedom filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in order to address its immediate liquidity needs and to conduct a sale process for its business and other assets. The Company will operate in a “business as usual” mode during the Chapter 11 process. Going forward, suppliers will be paid under normal terms for all goods and services provided after the filing.

4. Does Freedom have enough cash to stay in business?

Yes. The Company has lined up and sought approval for a consensual arrangement with its senior secured lender where it will be able to use sufficient amounts of its cash constituting its lender's cash collateral to maintain normal business operations during the chapter 11 process. Once the Court approves this cash collateral use arrangement, these funds will be available to provide necessary liquidity to continue normal business during this process.

5. How long will the Chapter 11 process take?

There is no way to predict today with certainty how long the process will ultimately take.

6. Which entities are included in the filing?

Please refer to the Company's restructuring website at: www.donlinrecano.com/freedom.

7. Where can I find Chapter 11 case information?

Please refer to the Company's restructuring website at: www.donlinrecano.com/freedom.

Supplier Specific Questions

8. Will suppliers continue to be paid for goods and services they provide to Freedom?

The Company intends to pay suppliers under normal terms for goods received and services rendered after the filing on November 1, 2015. Any claims for goods received or services rendered after the filing date are considered “administrative claims”, which receive a priority status. At the First Day hearing, the Court will consider the Company’s request for interim approval to use funds from the cash collateral of the senior secured lenders.

Suppliers who provided goods or rendered services to Freedom prior to the filings (November 1, 2015) may have what are referred to as “pre-petition claims.” These claims cannot be paid at this time and will be addressed through a Chapter 11 plan of reorganization that will be filed later in the case. If you have such pre-petition claims, you will receive additional information from the Company’s claims agent at a later date. Freedom sincerely regrets the difficulties that this may cause your company.

9. I have unpaid invoices dated before the bankruptcy date (i.e., pre-petition invoices). What should I do?

Once the Bankruptcy Court has confirmed the procedures and deadlines for filing claims, you will receive a proof of claim form and instructions on how to file the form.

10. Will I need a claim form, or will I automatically be paid for the outstanding, pre-petition amount owed to me?

Yes, you will need a claim form. At some point in the case, every creditor will receive a copy of a Bar Date Notice which will be accompanied by a proof of claim form with instructions as to deadlines, etc. If you have any questions regarding filing a claim, please seek the advice of legal counsel.

11. Why can’t the Company pay me what I am owed?

United States bankruptcy laws generally prohibit the payment of all unpaid invoices incurred before the Company filed for bankruptcy. Freedom sincerely regrets the difficulties that this may cause your company.

12. Why should I continue to provide Freedom with goods and services if I have pre-petition claims?

There are really 3 reasons to maintain your business relationship with the Company:

- Priority status of post-petition claims - Amounts owed for goods or services delivered after the bankruptcy filing are deemed “administrative liabilities.” The Bankruptcy Code requires the Company to pay all administrative liabilities under the terms and conditions governing the transaction. Simply stated, the Company must pay for goods and services

that it receives in the ordinary course of business after the filing. Also, it is important to understand that pursuant to the United States Bankruptcy Code, suppliers are required to fulfill all contractual obligations to Freedom.

- Maximizing the value of your pre-petition claim - The value of all pre-petition claims is highly dependent on the success of the Company during the Chapter 11 process. The success of the Company during this period is in large part due to the support of the supplier community. Therefore, each supplier has the opportunity to affect the value related to its outstanding balances at the time of filing.

- Freedom hopes that as a result of the Chapter 11 sale process, the operations of the company will continue on an ongoing basis. As a result, the Company views this as an opportunity to expand existing business relationships. Freedom values its relationship with its suppliers and feels it is important to continue working together.

13. What is my current balance? What is my pre-petition balance?

The Company cannot provide current balances outstanding at this point because the Company is in the process of reviewing all of its records and separating pre- and post-petition invoices. However, Freedom will be filing a “Schedule of Assets and Liabilities.” In this document, the Company will list balances it believes are owed to its creditors. If you have further questions about this, please contact your company’s legal advisor.

14. Can’t you just give me some idea of how much I will get paid on the past bills?

Not at this time. Freedom’s relationship with its suppliers is key to the future success of the Company, and the Company greatly appreciates your business. While Freedom cannot promise what the amount of payout will be on your claims, you can be sure that the Company will do everything it can to achieve the maximum recovery for all creditors. Freedom sincerely regrets the difficulties that this may cause your company.

15. Is it true that suppliers with outstanding pre-petition claims only get a few cents on the dollar for unpaid invoices?

At this time, Freedom is not able to estimate what value a general unsecured claim will have in its Chapter 11 cases. Freedom sincerely regrets the hardship or inconvenience that this may cause your company.

16. If Freedom can’t pay me for pre-petition invoices, what assurances can be provided that I will be paid for post-petition goods and services?

In the U.S., all claims for goods and services delivered on or after the filing date (November 1, 2015) are considered administrative claims against the Company’s bankruptcy estate. This means that the Company is allowed—and indeed obligated—to pay you in full and according to normal terms. The Company will be generating cash flow through its operations and has also lined up and sought approval for use of the cash

collateral and debtor in possession financing in sufficient amounts to pay for goods going forward. Once use of such funds is approved, these funds will be available to satisfy obligations associated with conducting the Company's businesses, including payment under normal terms for goods and services provided after the filings.

17. Will Freedom attempt to negotiate new terms now that it has filed?

Freedom will continue to review the benefits and opportunities it has to improve its overall supplier relationships in the normal course of business. This will depend on the goods or services individual suppliers provide and the terms in place at the time of filing. Freedom would anticipate that all supplier terms will be at normal market levels.

18. Given the uncertainties of the situation, can I renegotiate my terms with Freedom?

The Company cannot pay more for goods and/or services at this time. Its ability to purchase from you on favorable terms and at competitive prices is critical. Freedom expects to remain a good customer to you.

19. I understand companies that file for Chapter 11 are able to put some suppliers on a "Critical Vendors List" that allows them to continue to be paid under normal terms, even for invoices that are unpaid at the time of the filing. How can I get on that list?

A "Critical Vendors" motion is in process. The Company is in consultation with the Court about the appropriate scope of the motion and is awaiting the appointment of the Creditors' Committee. Although the Company feels as if all of its suppliers are "critical," the courts have placed very strict parameters on those vendors that can be paid at this time. If you feel as if you should be considered a "Critical Vendor" you should contact your legal counsel.

20. When will I receive payment for goods and services delivered after the bankruptcy date?

Goods and services delivered after the bankruptcy filing date (November 1, 2015) will be paid according to established terms.

21. What if I only want to be paid cash on delivery?

Freedom will continue to pay supplier invoices under normal terms. The Company believes it is in the best interests of its suppliers to maintain business as usual.

22. Can I take back my goods?

No. Freedom understands your frustration, but bankruptcy law prohibits a seller from repossessing goods after a purchaser has filed. The Company recommends that you consult with your legal counsel before taking any such action.

23. Can I raise my product prices?

The automatic stay provision associated with Chapter 11 filings prevents you from raising your prices in an effort to recoup pre-petition claims. Should you have a business reason to raise prices other than the Company's filing itself, you can communicate with your usual contact at Freedom who will collect the requisite information from you and determine if a price change can be approved.

Without you, we cannot operate.