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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In the Matter of:
TERRESTAR NETWORKS INC., ET AL., Case No.
Debtors. 10-15446-sh1

-----x
In the Matter of:
TERRESTAR CORPORATION, ET AL., Case No.
Debtors. 11-10612-sh1

-----x
U.S. Bankruptcy Court
One Bowling Green
New York, New York

May 19, 2011
2:08 PM

B E F O R E:
HON. SEAN H. LANE
U.S. BANKRUPTCY JUDGE

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Telephonic Hearing re: Debtors' Second Motion for an Order,
Pursuant to Section 1121(d) of the Bankruptcy Code, Extending
the Exclusive Periods During Which Only the Debtors May File a
Chapter 11 Plan and Solicit Acceptance Thereof [10-15446-sh1]

Telephonic Hearing re: Debtors' Motion for an Order, Pursuant
to Bankruptcy Code Section 1121(d), Extending the Exclusive
Periods During Which Only the Other TSC Debtors May File a
Chapter 11 Plan and Solicit Acceptance Thereof [11-10612-sh1]

Transcribed by: Dena Page

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P R O C E E D I N G S

THE COURT: Good afternoon. Please be seated.

Good afternoon. We're here for the TerreStar Networks and the TerreStar Corporation case. And I understand in both cases is the only thing that's on is a motion to extend exclusivity. I understand it's not opposed, which is why I think folks asked for and I was more than happy to allow folks to be on the phone to save the estate a few dollars.

So I have a list of the telephonic appearances, so I think the only thing I need is to just -- the folks who would speak to identify themselves.

MR. PREIS: Good afternoon, Your Honor. This is Arik Preis from Akin Gump Strauss Hauer & Feld. I will be representing both the TSN debtors, as well as the TSC debtors for the purposes of today's omnibus hearing.

THE COURT: All right, why don't we proceed with -- well, your option.

MR. PREIS: If we do TSN first, just because there's a little bit more of an explanation.

THE COURT: All right.

MR. PREIS: Only because there was a change to the proposed form of the order.

THE COURT: All right.

MR. PREIS: So for TSN, as you saw, we filed a proposed form of order requesting an 120-day extension of the

1 exclusivity period. After consulting with the creditors'
2 committee, they have requested and we had no issue with
3 reducing it to ninety days which is reflected in the form of
4 proposed order that I believe has been delivered to chambers.

5 THE COURT: All right, yeah, I saw it's ninety days
6 through October 20th, right? Hello?

7 MR. PREIS: Yes, that's correct.

8 THE COURT: Okay. All right, and I understand there's
9 no objection to this. I've read the motion and the explanation
10 for why it's necessary. Does anybody have anything they want
11 to say about the pending motion in TSN to extend exclusivity?

12 All right, based on the pleadings that were provided
13 and the lack of objection, I find there's appropriate cause
14 under Section 1121(d)(1) of the Bankruptcy Code to extend
15 exclusivity in the case, and consistent with the agreement that
16 folks have worked out, that'll be a ninety-day extension. So I
17 will sign an order granting that motion.

18 So moving on to TerreStar Corporation.

19 MR. PREIS: Yes.

20 THE COURT: Hello?

21 MR. PREIS: I'm sorry. So yes, with regard to
22 TerreStar Corporation, we're actually in front of you, and now
23 that I am reading it closer, I now understand that -- it's for
24 TerreStar Corporation, we are here extending the exclusivity
25 period actually for the other TSC debtors. So these are the

1 debtors other than TerreStar Corporation and TerreStar
2 Holdings, Inc.

3 THE COURT: Right, it's the debtors that were
4 originally filed as part of the TerreStar Networks case,
5 loosely speaking --

6 MR. PREIS: Correct.

7 THE COURT: -- who then migrated over to the TerreStar
8 Corporation because they were a more similarly situated for
9 purposes of administrative consolidation.

10 MR. PREIS: Correct. And so it's somewhat confusing
11 because it looks like we're only requesting an extension of
12 thirty days or so, but the reason we're doing that is to put
13 them on the same timeline as the TSC debtors -- the February
14 debtors.

15 THE COURT: Correct.

16 MR. PREIS: So one -- the actual extension being
17 requested is only for about thirty days, and then I guess at
18 the time of our next omnibus hearing, which I believe is June
19 16, we'll be then requesting on behalf of all of the TSC
20 debtors a further extension at that time, most likely.

21 So the order that's in front of you which is unopposed
22 at the TSC level, is only with regard to, as you said, those
23 entities who were originally filed in October that have been
24 now jointly administered with the case -- with the February
25 debtor cases.

1 THE COURT: Right. All right, does anybody on the
2 phone have any comments relating to the motion to extend
3 exclusivity in the TerreStar Corporation case?

4 All right, based on looking at the pleadings and my
5 understanding of what's being accomplished here to put these
6 folks back -- to put certain of these debtors on track with the
7 rest of the debtors in the TerreStar Corporation, that is the
8 February debtors, I think there's appropriate cause been
9 established under 1121(d)(1) of the Code, and I will grant that
10 motion.

11 I hate to do this; I realize I'm looping back a little
12 bit, but I don't know if there were any updates on either case
13 in terms of where things stand today or if that's appropriate
14 to wait for another day.

15 MR. PREIS: I'm more than happy to give you a status
16 update. I don't know who's actually on the phone, but I guess
17 it doesn't really matter. The only reason I'm saying this is I
18 don't know if everybody dialed into this because they thought
19 it was an uncontested hearing, so people may not get the
20 benefit of this update.

21 THE COURT: Right, well, that's why I ask whether it's
22 an appropriate time to do this, so I'll defer to you on that.
23 If there's not a whole lot of news, maybe it isn't, but I'll
24 leave that to your better judgment.

25 MR. PREIS: The only bit of news, and it's minor, and

1 everybody, now, even if they're not on the phone will have seen
2 it, is a document or a pleading was filed this morning on
3 seeking retention of a financial advisor for our Canadian
4 debtor. And I don't want to get ahead of you. I'm sure you
5 haven't had a chance to review it yet. But as far as
6 pleadings, in any case, that's the only update I can provide
7 you with.

8 And as far as the sale process, again, we're
9 conducting our auction process, which it would not be
10 appropriate to discuss.

11 THE COURT: All right, so it doesn't sound like
12 there's any news of note on the sale auction front, no emerging
13 stalking horse bidder or alternative resolution by some plan
14 and that you know of at this time.

15 MR. PREIS: Nothing to report.

16 THE COURT: Okay. All right, anything else we need to
17 discuss then this afternoon?

18 MR. PREIS: Nothing from the debtors, Your Honor.

19 THE COURT: Anyone else?

20 All right, it's unclear to me, Mr. Preis, whether you
21 and I are, in fact, alone on the phone, but in any event,
22 whether we are or we aren't, it sounds like our business is
23 concluded for today and I will get these orders entered.

24 Thank you.

25 MR. PREIS: Thank you, Your Honor, and thank you for

1 letting us appear via phone.

2 THE COURT: No, absolutely. For something like this,
3 it's a savings to the estate and it's efficient and it's
4 appropriate, so don't hesitate to ask under those sort of
5 circumstances. The reason I don't do it, simply -- I don't
6 dispense with the hearing entirely because once it's noticed on
7 the public record, you never quite know, and sort of the
8 process demands that, I think, in case somebody does show up
9 who has something to say, that we leave it on. But this sort
10 of seems to be an appropriate way to address the cost issue
11 while at the same time maintaining the appropriate process.

12 So thank you very much and have a good day.

13 MR. PREIS: Thank you, Your Honor.

14 MR. FINIZIO: Thank you, Your Honor.

15 (Whereupon these proceedings were concluded at 2:17 PM)

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I N D E X

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C E R T I F I C A T I O N

I, Dena Page, certify that the foregoing transcript is a true and accurate record of the proceedings.

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