Hearing Date: September 19, 2011 at 10:00 a.m. (ET)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
TERRESTAR CORPORATION, *et al.*,[1]	)	Case No. 11-10612 (SHL)
Debtors.	)	Jointly Administered

NOTICE OF FILING OF EXHIBITS TO THE DISCLOSURE STATEMENT FOR THE JOINT CHAPTER 11 PLAN OF TERRESTAR CORPORATION, MOTIENT COMMUNICATIONS INC., MOTIENT HOLDINGS INC., MOTIENT LICENSE INC., MOTIENT SERVICES INC., MOTIENT VENTURES HOLDING INC., MVH HOLDINGS INC., TERRESTAR HOLDINGS INC. AND TERRESTAR NEW YORK INC.

PLEASE TAKE NOTICE that on July 22, 2011, the TSC Debtors filed the *Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc.,*

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal taxpayer-identification number, are: (a) TerreStar Corporation [6127] and TerreStar Holdings Inc. [0778] (collectively, the "***February Debtors***"); (b) TerreStar New York Inc. [6394]; Motient Communications Inc. [3833]; Motient Holdings Inc. [6634]; Motient License Inc. [2431]; Motient Services Inc. [5106]; Motient Ventures Holding Inc. [6191]; and MVH Holdings Inc. [9756] (collectively, the "***Other TSC Debtors***" and, collectively with the February Debtors, the "***TSC Debtors***").

TerreStar Holdings Inc. and TerreStar New York Inc. [Docket No. 141] (as may be amended, supplemented or modified, the "***Plan***") and on August 3, 2011, the TSC Debtors filed (a) the *Disclosure Statement for the Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* [Docket No. 149] (as may be amended, supplemented or modified, the "***Disclosure Statement***") and (b) the *Motion for Entry of an Order (A) Approving the Disclosure Statement for the Joint Chapter 11 Plan of the TSC Debtors and (B) Establishing Solicitation and Voting Procedures with Respect to the Joint Chapter 11 Plan of the TSC Debtors* [Docket No. 150] (the "***Disclosure Statement Motion***").

PLEASE TAKE FURTHER NOTICE that to supplement the Disclosure Statement, the TSC Debtors are filing certain exhibits to the Disclosure Statement attached hereto and listed in the following table:

Document	Exhibit Number to Disclosure Statement
Liquidation Analysis	Exhibit D
Valuation Analysis	Exhibit F

PLEASE TAKE FURTHER NOTICE that a hearing (the "*Hearing*") to consider the Disclosure Statement and the Disclosure Statement Motion will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, in Room 701 of the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, on September 19, 2011 at 10:00 a.m. (prevailing Eastern time).

The TSC Debtors have served this notice on: (a) the Office of the United States Trustee for the Southern District of New York; (b) the entities listed on the TSC Debtors' Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule

1007(d); (c) NexBank, SSB as agent for the lenders under the Bridge Loan Agreement and as agent for the TSC Debtors' post-petition debtor-in-possession financing; (d) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners LLC and certain of its managed and affiliated funds; (e) Wachtell, Lipton, Rosen & Katz as counsel to Highland Capital Management LP and certain of its managed and affiliated funds; (f) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to Solus Alternative Asset Management, L.P. and as counsel to the agent for the TSC Debtors' post-petition debtor-in-possession financing; (g) the Internal Revenue Service; (h) the Securities and Exchange Commission; (i) the United States Attorney for the Southern District of New York; (j) the Federal Communications Commission; and (k) parties in interest who have filed a notice of appearance in these cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the TSC Debtors respectfully submit that no further notice is necessary.

New York, New York
Dated: August 5, 2011

/s/ Ira S. Dizengoff

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<u>Exhibit D to the Disclosure Statement</u>

Liquidation Analysis

LIQUIDATION ANALYSIS

I. Introduction

Section 1129(a)(7) of the Bankruptcy Code[1] requires that each holder of an impaired Allowed Claim or Equity Interest either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the TSC Debtors were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date of the Plan. To demonstrate that the Plan satisfies this standard, the TSC Debtors, in consultation with their legal and financial advisors, have prepared the Liquidation Analysis, which (a) estimates the realizable value of the TSC Debtors (the "***Liquidating Debtors***") under a hypothetical chapter 7 liquidation (the "***Liquidation***") and (b) estimates the distribution to creditors resulting from the Liquidation.

The Liquidation Analysis is based on a number of estimates and assumptions that are subject to significant economic, competitive and operational uncertainties and contingencies. Further, Allowed Claims against the Liquidating Debtors' estates could vary materially from the estimates set forth in the Liquidation Analysis. Accordingly, while the information contained in the Liquidation Analysis is presented with numerical specificity, the TSC Debtors make no assurances that the asset values and Claim amounts presented in the Liquidation Analysis would not vary materially from actual amounts in the event of a Chapter 7 liquidation.

Following is a summary of certain assumptions used in the Liquidation Analysis. The notes to the Liquidation Analysis provide additional assumptions and should be read in conjunction with the Liquidation Analysis.

II. General Assumptions

The Liquidation Analysis assumes the conversion of the TSC Debtors' Chapter 11 Cases to chapter 7 cases on December 31, 2011 (the "***Conversion Date***"). On the Conversion Date, it is assumed that the Bankruptcy Court would appoint a chapter 7 trustee (the "***Trustee***") to oversee the Liquidation, which would be completed over a period of six months (the "***Liquidation Period***").

The Liquidation Analysis includes expenses expected to be incurred during the Liquidation Period, including those related to Trustee fees, receiver fees, legal fees and other professional fees and operating / wind-down expenses.

For purposes of the Liquidation Analysis, it is assumed that any Claims against the Other TSC Debtors are de minimis and will receive no distribution in the Liquidation. Furthermore, substantially all assets of the TSC Debtors are held at TSC or TS

[1] Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Disclosure Statement or the Plan, as applicable.

Holdings. Because the authorization held by TerreStar Global Ltd. is non-transferable (and would be expected to have only a very limited number of potentially interested parties, if any), no value is attributed to the TSC Debtors' equity interest in TerreStar Global Ltd. Accordingly, if this Liquidation Analysis were presented on a debtor-by-debtor basis, recoveries to holders of Allowed Claims at any of the TSC Debtors would not materially increase.

III. Liquidation Analysis Summary

Liquidation Analysis
Unaudited, $ in millions

Debtors' Assets	Note	Adj. Projected Book Value as of 12/31/2011	Estimated Liquidation Value Low	Estimated Liquidation Value High
Cash and cash equivalents	A	$ 17	$ 17	$ 17
Due from affiliated companies:	B			
TerreStar Networks Inc.		223	-	3
TerreStar Global LTD		15	-	-
TerreStar National Services Inc.		0	-	-
Deferred issuance costs towards bridge loan		1	-	-
Other current assets		0	-	-
Property and equipment, net		0	-	-
Intangible assets, net	C	177	117	135
Equity investments in affiliated companies:	D			
TerreStar Networks Inc.		310	-	-
TerreStar Global LTD		9	-	-
Total		**$ 754**	**$ 134**	**$ 155**
Costs associated with liquidation:	E			
Payroll and overhead costs			$ (1)	$ (1)
Chapter 7 Trustee Fees			(4)	(5)
Chapter 7 professional fees			(2)	(2)
Net Estimated Liquidation Proceeds Available for Distribution			**$ 127**	**$ 147**

Distribution Summary	Note	Estimated Allowable Claims	Estimated Recovery on Claims Low	Estimated Recovery on Claims High
<u>**Chapter 11 Claims**</u>				
Carve Out for Professional Fees	F			
Carve out for professional fees		$ 2	$ 2	$ 2
Hypothetical recovery to holders of claims satisfied by the carve out			100%	100%
Proceeds available after distributions on account of the carve out			125	145
DIP Claims	G			
DIP Facility		5	5	5
Hypothetical recovery to holders of DIP Claims			100%	100%
Proceeds available after distributions on account of DIP Claims			120	140
<u>**Pre-Petition Claims**</u>				
Secured Claims				
Bridge Loan Claims	H	5	5	5
Hypothetical recovery to holders of Bridge Loan Claims			100%	100%
Proceeds available after distributions on account of Bridge Loan Claims			115	136
Unsecured Claims				
General Unsecured Claims	I	162	115	136
Hypothetical recovery to holders of General Unsecured Claims			71%	84%
Proceeds available after distributions on account of General Unsecured Claims			-	-
Equity Interests				
Preferred TSC Interests		319	-	-
Hypothetical recovery to holders of Preferred TSC Interests			0%	0%
Proceeds available after distributions on account of Preferred TSC Interests			-	-
Other TSC Equity Interests				
Other TSC Equity Interests		NA	-	-
Hypothetical recovery to holders of Other TSC Equity Interests			0%	0%

Notes to Liquidation Analysis
Note A – Cash and cash equivalents

The amount shown for Cash and cash equivalents is an estimate of the TSC Debtors' Cash as of the Liquidation. To estimate the TSC Debtors' Cash as of the Liquidation, the projected book value of Cash and cash equivalents as of December 31, 2011, is adjusted for the following assumptions. It is assumed that six monthly payments in the amount of $2 million per payment are received on account of the Spectrum Lease during the Liquidation Period. Additionally, it is assumed that the TSC Debtors do not make any amortization payments toward the Bridge Loan or the DIP Facility from December 2011 until the date of the Liquidation and cash interest is not paid on the Bridge Loan or the DIP Facility during the same period.

Note B – Due from Affiliated Companies

Included in the amount shown for due from affiliated companies at TerreStar Networks Inc. is a note in the amount of $61.3 million. The TSC Debtors have asserted the note payable claim in the TSN Debtors' chapter 11 cases, which some parties have argued should be recharacterized as an equity contribution. It is assumed that the TSC Debtors will recover approximately between $0 and $3 million on account of such claims. The low end of the estimated recovery range reflects the assumption that the TSC Debtors' claims against the TSN Debtors will be recharacterized as an equity contribution. The high end reflects current estimates of the recoveries to unsecured creditors in the TSN Debtors' chapter 11 cases, which may be higher, as discussed below.

In the TSN Debtors' chapter 11 cases, Sprint and the October Creditors' Committee have brought litigation challenging the validity of the lien that holders of the 15% senior secured payment-in-kind notes, issued by TSN (the "***15% Notes***"), have asserted on the FCC licenses held by TerreStar License Inc. For purposes of estimating recovery on account of the TSC Debtors' claims in the TSN Debtors' chapter 11 cases, it is assumed that the 15% Notes have a valid lien on such licenses. In the event that such lien is not valid, recovery on the TSC Debtors' intercompany note payable claim at TSN may be greater.

The balance of the intercompany receivables due from TSN are the result of accounting entries related to certain TSN financings and may not represent valid claims that may be asserted in the TSN Debtors' chapter 11 cases.

Note C – Intangible Assets

As described in Exhibit F to the Disclosure Statement, Blackstone performed a discounted cash flow analysis of the cash flows pursuant to the Spectrum Lease to derive a value of the 1.4 Spectrum. Blackstone determined that the value attributable to the 1.4 Spectrum ranges from $175 - $185 million. The TSC Debtors applied a 25% - 35% discount to the $180 million midpoint value to reflect the potential inability to realize full value for the assets in a forced sale in Liquidation and the likely chilling effect on any sale process resulting from the existence of certain rights One Dot Four possesses pursuant to the Spectrum Lease.

Note D – Equity Investments in Affiliates

The TSC Debtors possess an 86.5% equity stake in TerreStar Global Ltd., a Bermuda entity established to conduct foreign operations. TerreStar Global Ltd. holds a license to utilize an orbital slot allocated to the government of Bermuda by the Office of Communications, which functions as the independent regulator and competition authority for the United Kingdom communications industries. TerreStar Global Ltd. currently conducts no business or operations. For purposes of the Liquidation Analysis, no value is attributed to the TSC Debtors' equity interest in TerreStar Global Ltd.

Note E - Costs Associated with Liquidation

Liquidation and wind-down costs for the orderly disposition of assets are estimated to include occupancy expenses such as rent, utilities, property taxes and building insurance and operating expenses such as telephone, supply, security and maintenance expenses. Such costs are approximated at $1 million over the Liquidation Period.

Trustee fees include those fees associated with the appointment of a chapter 7 trustee in accordance with section 326 of the Bankruptcy Code. Trustee fees are estimated based on the requirements of the Bankruptcy Code and experience in other similar cases and are calculated at 3% of the TSC Debtors' total liquidation value.

Fees for professionals (legal, investment banking, appraisal, brokerage and accounting) to assist the Liquidating Debtors and the Trustee with the Liquidation are assumed to start at approximately $500,000 per month, gradually declining to $250,000 per month during the Liquidation Period.

Note F – Carve Out for Professional Fees

The DIP Loan Agreement provides for a professional fees carve out including unpaid chapter 11 professional fees incurred prior to the Conversion Date. It is assumed that at least $1.7 million of chapter 11 professional fees will be outstanding at the Conversion Date.

Note G – DIP Claims

The amount estimated outstanding under the DIP Facility as of the liquidation date is approximately $4.9 million. For purposes of the Liquidation Analysis, it is assumed that the TSC Debtors do not make any amortization payments or cash interest payments on account of the DIP Facility from December 2011 until the date of the Liquidation. Interest on the DIP Facility is assumed to accrue at the default rate during the Liquidation Period.

Note H – Bridge Loan Claims

The amount estimated outstanding under the Bridge Loan Agreement as of the liquidation date is approximately $4.7 million. It is assumed that a holder of an Allowed Bridge Loan Claim will receive Cash in an amount equal to such Bridge Loan Claim. It is further assumed that the TSC Debtors do not make any amortization payments or cash interest payments on account of the Bridge Loan from December 2011 until the date of the Liquidation. Interest on the Bridge Loan is assumed to accrue at the default rate from the filing date through the date of Liquidation.

Note I – General Unsecured Claims

For purposes of the Liquidation Analysis, the TSC Debtors' management has assumed that Allowed Unsecured Claims will consist of estimated Allowed Unsecured Claims of $137.1 million (including the amount of Claims asserted by TSN and 1.4 Holdings against TSC) plus incremental claims of $25 million to reflect additional Claims that may be asserted upon conversion of the TSC Debtors' Chapter 11 Cases to chapter 7 cases.[(2)]

[(2)] The estimated amount of Claims contained herein represents the TSC Debtors' best estimate of Claims against the TSC Debtors, without regard to whether such Claims will ultimately be allowed. The TSC Debtors are continuing to evaluate whether additional claim objections may be appropriate that would reduce the estimated amount of Claims.

Exhibit F to the Disclosure Statement

Valuation Analysis

VALUATION ANALYSIS

A. VALUATION OF THE REORGANIZED TSC DEBTORS

For purposes of the Plan, the reorganization value (the "***Reorganization Value***") of the TSC Debtors is estimated to range from approximately $175 - $185 million. The Reorganization Value reflects the going concern value of the Reorganized TSC Debtors after giving effect to the implementation of the Plan and is primarily based upon a discounted cash flow analysis of the payments under the Spectrum Lease as discussed below.

Although Blackstone conducted a review and analysis of the TSC Debtors' business, operating assets and liabilities and the Reorganized TSC Debtors' business plan, Blackstone assumed and relied on the accuracy and completeness of all financial and other information furnished to it by the TSC Debtors, as well as publicly available information.

The preparation of a valuation is a complex process involving various determinations as to the most appropriate analyses and factors to consider, as well as the application of those analyses and factors under the particular circumstances. As a result, the process involved in preparing a valuation is not readily summarized. The results of the analyses performed by Blackstone are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. Blackstone's estimated Reorganization Value of the TSC Debtors does not constitute a recommendation to any holder of Allowed Claims as to how such person should vote or otherwise act with respect to the Plan. Blackstone has not been asked to and does not express any view as to what the trading value of the TSC Debtors' securities would be when issued pursuant to the Plan or the prices at which they may trade in the future.

B. VALUATION ANALYSIS

Below is a brief summary of the financial analyses performed by Blackstone to arrive at the Reorganization Value.

Historical FCC Spectrum Auctions and Precedent Transactions. The historical FCC spectrum auctions and precedent transaction analyses estimate the value of the 1.4 Spectrum by observing transaction prices / MHz-POP multiples paid by acquirers of comparable assets or businesses and applying those observed transaction multiples to the relevant financial information of the 1.4 Spectrum. MHz-POP takes a company's spectrum measured in MHz and multiplies it by the number of people living in the region covered by the spectrum. Blackstone reviewed a wide range of FCC spectrum auctions and precedent transactions, and evaluated each based on the following characteristics: (i) frequency range in close proximity to the 1.4 Spectrum, (ii) comparable-sized blocks of capacity, (iii) similar intended / permissible uses, (iv) similar geographic coverage, (v) transaction date / similar economic environment, (vi) availability of equipment and (vii) emission and power restrictions. Blackstone determined historical FCC spectrum auctions and precedent transactions to be less relevant in deriving the Reorganization Value for several reasons, including the broad range of the valuation implied by this analysis ($0.01 - $0.47 / MHz-POP).

Discounted Cash Flow Analysis. A DCF analysis relates the value of an asset or business to the present value of expected cash flows to be generated by that asset or business. A DCF analysis is a "forward looking" valuation methodology that discounts the expected future cash flows by a theoretical or observed discount rate that is a function of the riskiness of the cash flows. In this case, the primary asset of the TSC Debtors is the equity interest that it will maintain its non-Debtor subsidiary 1.4 Holdings. Blackstone believes that the primary value driver for 1.4 Holdings is its income stream under the Spectrum Lease. Accordingly, Blackstone believes it appropriate to perform a DCF analysis on the Spectrum Lease to arrive at the value of the TSC Debtors.

Blackstone performed a DCF analysis of the expected cash flows pursuant to the Spectrum Lease to derive a value of the 1.4 Spectrum. These cash flows were comprised of both monthly lease payments and the purchase option contained within the Spectrum Lease. Blackstone considered various scenarios regarding potential timing of exercise of the purchase option. Based on the DCF analysis, Blackstone determined the value of the 1.4 Spectrum to be between $175 - $185 million, or approximately $0.07 / MHz-POP.

Blackstone believes that the Spectrum Lease is the most relevant benchmark for valuation purposes for several reasons: (i) lease terms were agreed upon based on arms-length negotiations with One Dot Four, (ii) limited ability of 1.4 Holdings to terminate the Spectrum Lease and (iii) the Spectrum Lease is subject to a purchase option[(1)], which places a cap on the value of the 1.4 Spectrum attributable to the TSC Debtors. As a result, Blackstone determined the Reorganization Value to range from $175 - $185 million, or approximately $0.07 / MHz-POP.

[(1)] The purchase option contained within the Spectrum Lease is subject to certain conditions and approvals.