

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

	)	
In re:	)	Chapter 11
	)	
TERRESTAR CORPORATION, <i>et al.</i> , <sup>1</sup>	)	Case No. 11-10612 (SHL)
	)	
Debtors.	)	Jointly Administered
	)	

**FINAL ORDER ESTABLISHING NOTIFICATION AND HEARING  
PROCEDURES FOR TRANSFERS OF CERTAIN PREFERRED STOCK**

Upon the motion (the “*Motion*”)<sup>2</sup> of the above-captioned debtors for the entry of an order establishing notification and hearing procedures that must be satisfied before certain transfers of Preferred Stock of TSC or of any beneficial interest therein are deemed effective and for related relief; and it appearing that the relief requested is in the best interests of the TSC Debtors’ estates, their stakeholders and other parties in interest; the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing to be adequate and appropriate under the circumstances; and the relief requested by the Motion having been granted on an interim basis by order entered on February 17, 2012; and it appearing that the relief requested by the Motion is necessary to avoid immediate and irreparable harm to the TSC Debtors and their estates; and any

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<sup>1</sup> 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] (“*TSC*”) and TerreStar Holdings Inc. [0778] (collectively, the “*February Debtors*”); and (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*”).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED**:

1. The Motion is granted to the extent set forth herein on a final basis.
2. Unless further ordered by the Court to the contrary, any purchase, sale or other transfer of Preferred Stock of TSC or of any beneficial interest therein in violation of the Stock Trading Procedures set forth herein (including the notice requirements set forth below) shall be null and void *ab initio*.
3. The following Stock Trading Procedures shall apply to trading in Preferred Stock:
  - a. Any entity (as defined in Bankruptcy Code section 101(15)) who currently is or becomes a Substantial Shareholder (as such term is defined in paragraph (e) below) must file with the Court and serve upon counsel to the TSC Debtors a declaration of such status, substantially in the form of Exhibit 1 attached hereto, on or before the later of (i) 20 days after the date of the Notice of Final Order (as defined in paragraph 5 herein) and (ii) 10 days after becoming a Substantial Shareholder.
  - b. Before effectuating any transfer of Preferred Stock that would result in an increase in the amount of Preferred Stock of which a Substantial Shareholder has Beneficial Ownership (as defined in paragraph (e)(ii)) below) or would result in an entity becoming a Substantial Shareholder, such Substantial Shareholder must file with the Court and serve upon counsel to the TSC Debtors an advance written declaration of the intended transfer of Preferred Stock in the form of Exhibit 2 attached hereto (each, a “***Declaration of Intent to Purchase, Acquire or Otherwise Accumulate Preferred Stock***”). At the holder’s election, the Declaration of Intent to Purchase, Acquire or Otherwise Accumulate Preferred Stock may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Preferred Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.
  - c. Before effectuating any transfer of Preferred Stock that would result in a decrease in the amount of Preferred Stock of which a Substantial Shareholder has Beneficial Ownership or would result in an entity ceasing to be a Substantial Shareholder, such Substantial Shareholder must file with the Court and serve upon counsel to the TSC Debtors an advance written declaration of the intended transfer of Preferred Stock in the form of Exhibit 3 attached hereto (each, a “***Declaration of Intent to Sell, Trade or Otherwise Transfer Preferred Stock***,” and with a Declaration of Intent to Purchase, Acquire or Accumulate Preferred Stock, each, a “***Declaration of Proposed Transfer***”). At the holder’s election, the Declaration of Intent to Sell, Trade or Otherwise Transfer Preferred Stock may be redacted to exclude such holder’s taxpayer identification number and the

number of shares of Preferred Stock that such holder beneficially owns and proposes to sell or otherwise transfer.

- d. The TSC Debtors shall have 10 calendar days after receipt of a Declaration of Proposed Transfer to file with the Court and serve upon such Substantial Shareholder and counsel to the Substantial Shareholder an objection to any proposed transfer of Preferred Stock described in the Declaration of Proposed Transfer on the grounds that such transfer might adversely affect the TSC Debtors' ability to utilize their Tax Attributes. If the TSC Debtors file an objection, such transaction would not be effective, unless such objection is withdrawn by the TSC Debtors or such transaction is approved by a final order of the Court that becomes nonappealable. If the TSC Debtors do not object within such 10-day period and/or the TSC Debtors provide counsel to such Substantial Shareholder with written notice of no objection, such transaction could proceed solely as set forth in the Declaration of Proposed Transfer. Further transactions within the scope of this paragraph must be the subject of additional notices in accordance with the procedures set forth herein, with an additional 10-day waiting period for each Declaration of Proposed Transfer.
- e. For purposes of these procedures, the following terms shall be defined as follows:
  - (i) **"Substantial Shareholder"** is any entity that has Beneficial Ownership of at least:
    - (1) 4,455 shares of Series A Preferred Stock (representing approximately 4.95% of all issued and outstanding shares);<sup>3</sup>
    - (2) 15,765 shares of Series B Preferred Stock (representing approximately 4.95% of all issued and outstanding shares);<sup>4</sup>  
or
    - (3) 59,400 shares of Series E Preferred Stock (representing approximately 4.95% of all issued and outstanding shares).<sup>5</sup>
  - (ii) **"Beneficial Ownership"** of Preferred Stock includes direct and indirect ownership (*i.e.*, a holding company would be considered to own beneficially all shares owned or acquired by its subsidiaries), ownership by such holder's family members and entities acting in concert with such holder to make a coordinated acquisition of stock and certain ownership of shares that such holder has an option to acquire; and
  - (iii) **"Option"** to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture,

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<sup>3</sup> Based on approximately 90,000 shares of Series A Preferred Stock outstanding as of January 27, 2011.

<sup>4</sup> Based on approximately 318,500 shares of Series B Preferred Stock outstanding as of January 27, 2011.

<sup>5</sup> Based on approximately 1.2 million shares of Series E Preferred Stock outstanding as of January 27, 2011.

contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

4. The TSC Debtors may waive, in writing and at their sole and reasonable discretion, any and all restrictions, stays and notification procedures contained in this order should the TSC Debtors conclude that any such restriction, stay or notification procedure is not necessary to protect the Tax Attributes.

5. The TSC Debtors shall serve by first-class mail, postage prepaid, the Notice of Final Order substantially in the form of Exhibit 4 attached hereto on: (a) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Claims filed pursuant to Bankruptcy Rule 1007(d), (b) the transfer agents for any Preferred Stock, (c) the Securities and Exchange Commission, (d) the Internal Revenue Service and (e) those parties that have requested service of papers pursuant to Bankruptcy Rule 2002.

6. All transfer agents for any Preferred Stock shall serve the Notice of Final Order on all holders of (i) Series A Preferred Stock in excess of 4,455 shares, (ii) Series B Preferred Stock in excess of 15,765 shares or (iii) Series E Preferred Stock in excess of 59,400 shares registered with such transfer agent no later than five business days after being served with the Notice of Final Order; *provided that*, if any transfer agent provides the TSC Debtors' undersigned counsel with the names and addresses of all holders of such Preferred Stock registered with such transfer agent no later than three business days after being served with the Notice of Final Order, the TSC Debtors shall serve the Notice of Final Order on such holders.

7. All registered holders described in paragraph 6 of this Order shall serve the Notice of Final Order on any holder for whose account such registered holder holds (i) such Series A Preferred Stock in excess of 4,455 shares, (ii) such Series B Preferred Stock in excess

of 15,765 shares or (iii) Series E Preferred Stock in excess of 59,400 shares, and so on down the chain of ownership for all such holders of Preferred Stock in excess of such amounts.

8. At least on the first business day of each calendar quarter after the date of the entry of the Order during these chapter 11 cases, all transfer agents for any Preferred Stock shall serve the Notice of Final Order on all holders of shares of (i) such Series A Preferred Stock in excess of 4,455 shares, (ii) such Series B Preferred Stock in excess of 15,765 shares or (iii) Series E Preferred Stock in excess of 59,400 shares registered with such transfer agent; *provided that*, if any transfer agent provides the TSC Debtors' counsel, at the addresses set forth above, with the names and addresses of all holders of such shares of Preferred Stock registered with such transfer agent no later than five business days prior to the expiration of an applicable calendar quarter, the TSC Debtors shall serve the Notice of Final Order on such holders.

9. As soon as practicable after entry of this Order, the TSC Debtors shall publish a copy of the Notice of Final Order (modified for publication) in *The Washington Post* and *USA Today* and submit the Notice of Final Order (modified for publication) to Bloomberg Professional Service for potential publication by Bloomberg.

10. All registered holders described in paragraph 8 of this Order shall serve the Notice of Final Order on any holder for whose account such registered holder holds (i) such Series A Preferred Stock in excess of 4,455 shares, (ii) such Series B Preferred Stock in excess of 15,765 shares or (iii) such Series E Preferred Stock in excess of 59,400 shares, and so on down the chain of ownership for all such holders of Preferred Stock in excess of such amounts.

11. Any entity or broker or agent acting on such entity's behalf who sells (i) such Series A Preferred Stock in excess of 4,455 shares, (ii) such Series B Preferred Stock in excess of 15,765 shares or (iii) Series E Preferred Stock in excess of 59,400 shares to another entity

shall serve a copy of the Notice of Final Order on such purchaser of such Preferred Stock or any broker or agent acting on such purchaser's behalf.

12. The requirements set forth in this Order are in addition to the requirements of all applicable law and do not excuse compliance therewith.

13. The TSC Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

14. The TSC Debtors reserve the right to challenge and seek to unwind any transfers of Preferred Stock to which the Order otherwise would apply that were made prior to the entry of the Order.

15. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry *nunc pro tunc* to February 10, 2012.

16. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion or otherwise deemed waived.

17. The Stock Trading Procedures will not be applicable from and after the effective date of a plan of reorganization.

18. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: March 7, 2012  
New York, New York

/s/ **Sean H. Lane**  
United States Bankruptcy Judge

**EXHIBIT 1**

**Declaration of Status as a Substantial Shareholder**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

	)	
In re:	)	Chapter 11
	)	
TERRESTAR CORPORATION, <i>et al.</i> , <sup>1</sup>	)	Case No. 11-10612 (SHL)
	)	
Debtors.	)	Jointly Administered
	)	

**DECLARATION OF STATUS AS A SUBSTANTIAL SHAREHOLDER<sup>2</sup>**

PLEASE TAKE NOTICE that \_\_\_\_\_ is/has become a Substantial Shareholder with respect to the preferred stock (the “***Preferred Stock***”) of TerreStar Corporation (“***TSC***”) or of any beneficial interest therein TSC is a debtor and debtor in possession in Case No. 11-10216(SHL) pending in the United States Bankruptcy Court for the Southern District of New York.

PLEASE TAKE FURTHER NOTICE that, as of \_\_\_\_\_, 2012, \_\_\_\_\_ has Beneficial Ownership of \_\_\_\_ shares of Preferred Stock. The following table sets forth the date(s) on which \_\_\_\_\_ acquired Beneficial Ownership or otherwise has Beneficial Ownership of such Preferred Stock:

<sup>1</sup> 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] (“***TSC***”) and TerreStar Holdings Inc. [0778] (collectively, the “***February Debtors***”); and (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***”).

<sup>2</sup> For purposes of this Declaration: (a) a “***Substantial Shareholder***” is any entity (as defined by section 101(15) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532) that has Beneficial Ownership of at least (i) 4,455 shares of Series A Preferred Stock, (ii) 15,765 shares of Series B Preferred Stock or (iii) 59,400 shares of Series E Preferred Stock; (b) “***Beneficial Ownership***” of Preferred Stock includes direct and indirect ownership (*i.e.*, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), ownership by such holder’s family members and persons acting in concert with such holder to make a coordinated acquisition of stock and certain ownership of shares that such holder has an option to acquire; and (c) an “***Option***” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.



Number of Shares of _____ Stock	Date Acquired

(Attach additional page or pages if necessary)

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of \_\_\_\_\_ are \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain *Final Order Establishing Notification and Hearing Procedures for Transfers of Certain Preferred Stock and Granting Related Relief*, this Declaration is being filed with the Court and served upon counsel to the TSC Debtors.

PLEASE TAKE FURTHER NOTICE that, pursuant to 28 U.S.C. § 1746, under penalties of perjury, \_\_\_\_\_ hereby declares that he or she has examined this Declaration and accompanying attachments (if any), and, to the best of his or her knowledge and belief, this Declaration and any attachments that purport to be part of this Declaration are true, correct and complete.

Respectfully submitted,

(Name of Substantial Shareholder)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
Dated: \_\_\_\_\_

**EXHIBIT 2**

**Declaration of Intent to Purchase, Acquire or Otherwise  
Accumulate Preferred Stock**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re:	)	Chapter 11
	)	
TERRESTAR CORPORATION, <i>et al.</i> , <sup>1</sup>	)	Case No. 11-10612 (SHL)
	)	
Debtors.	)	Jointly Administered
_____	)	

**DECLARATION OF INTENT TO PURCHASE, ACQUIRE  
OR OTHERWISE ACCUMULATE PREFERRED STOCK<sup>2</sup>**

PLEASE TAKE NOTICE that \_\_\_\_\_ hereby provides notice of its intention to purchase, acquire or otherwise accumulate one or more shares of the preferred stock (the “*Preferred Stock*”) of TerreStar Corporation (“*TSC*”) or of any beneficial interest therein.

PLEASE TAKE FURTHER NOTICE that, if applicable, on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ filed a Declaration of Status as a Substantial Shareholder with the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”) and served copies thereof as set forth therein.

<sup>1</sup> 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] (“*TSC*”) and TerreStar Holdings Inc. [0778] (collectively, the “*February Debtors*”); and (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*”).

<sup>2</sup> For purposes of this Declaration: (a) a “*Substantial Shareholder*” is any entity (as defined by section 101(15) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532) that has Beneficial Ownership of at least (i) 4,455 shares of Series A Preferred Stock, (ii) 15,765 shares of Series B Preferred Stock or (iii) 59,400 shares of Series E Preferred Stock; (b) “*Beneficial Ownership*” of Preferred Stock includes direct and indirect ownership (*i.e.*, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), ownership by such holder’s family members and persons acting in concert with such holder to make a coordinated acquisition of stock and certain ownership of shares that such holder has an option to acquire; and (c) an “*Option*” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE that \_\_\_\_\_ currently has Beneficial Ownership of \_\_\_\_\_ shares of \_\_\_\_\_ Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, \_\_\_\_\_ proposes to purchase, acquire or otherwise accumulate \_\_\_\_\_ shares of \_\_\_\_\_ Stock or an Option with respect to \_\_\_\_\_ shares of \_\_\_\_\_ Stock. If the Proposed Transfer is permitted to occur, \_\_\_\_\_ will have Beneficial Ownership of \_\_\_\_\_ shares of \_\_\_\_\_ Stock after such transfer becomes effective.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of \_\_\_\_\_ are \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain *Final Order Establishing Notification and Hearing Procedures for Transfers of Certain Preferred Stock and Granting Related Relief*, this Declaration is being filed with the Bankruptcy Court and served upon counsel to the TSC Debtors.

PLEASE TAKE FURTHER NOTICE that the TSC Debtors have 10 calendar days after receipt of this Declaration to object to the Proposed Transfer described herein. If the TSC Debtors file an objection, such Proposed Transfer will not be effective unless approved by a final order of the Bankruptcy Court that becomes nonappealable. If the TSC Debtors do not object within such 10-day period and/or the TSC Debtors provide counsel to such Substantial Shareholder with written notice of no objection, then after expiration of such period, the Proposed Transfer may proceed solely as set forth in this Declaration.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by \_\_\_\_\_ that may result in \_\_\_\_\_ purchasing, acquiring or otherwise accumulating additional Preferred Stock or an Option with respect thereto will each require an

additional notice filed with the Court to be served in the same manner, and with the same rights to object of the TSC Debtors, as this Declaration.

PLEASE TAKE FURTHER NOTICE that, pursuant to 28 U.S.C. § 1746, under penalties of perjury, \_\_\_\_\_ hereby declares that he or she has examined this Declaration and accompanying attachments (if any), and, to the best of his or her knowledge and belief, this Declaration and any attachments that purport to be part of this Declaration are true, correct and complete.

Respectfully submitted,

(Name of Substantial Shareholder)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
Dated: \_\_\_\_\_

**EXHIBIT 3**

**Declaration of Intent to Sell, Trade or Otherwise  
Transfer Preferred Stock**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re:	)	Chapter 11
	)	
TERRESTAR CORPORATION, <i>et al.</i> , <sup>1</sup>	)	Case No. 11-10612 (SHL)
	)	
Debtors.	)	Jointly Administered
_____	)	

**DECLARATION OF INTENT TO SELL, TRADE OR  
OTHERWISE TRANSFER PREFERRED STOCK<sup>2</sup>**

PLEASE TAKE NOTICE that \_\_\_\_\_ hereby provides notice of its intention to sell, trade or otherwise transfer shares of the preferred stock of TerreStar Corporation (“*TSC*”) or of any beneficial interest therein.

PLEASE TAKE FURTHER NOTICE that, if applicable, on \_\_\_\_\_, \_\_, \_\_\_\_\_ filed a Declaration of Status as a Substantial Shareholder with the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”) and served copies thereof as set forth therein.

<sup>1</sup> 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] (“*TSC*”) and TerreStar Holdings Inc. [0778] (collectively, the “*February Debtors*”); and (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*”).

<sup>2</sup> For purposes of this Declaration: (a) a “*Substantial Shareholder*” is any entity (as defined by section 101(15) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532) that has Beneficial Ownership of at least (i) 4,455 shares of Series A Preferred Stock, (ii) 15,765 shares of Series B Preferred Stock or (iii) 59,400 shares of Series E Preferred Stock; (b) “*Beneficial Ownership*” of Preferred Stock includes direct and indirect ownership (*i.e.*, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), ownership by such holder’s family members and persons acting in concert with such holder to make a coordinated acquisition of stock and certain ownership of shares that such holder has an option to acquire; and (c) an “*Option*” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.



PLEASE TAKE FURTHER NOTICE that \_\_\_\_\_ currently has Beneficial Ownership of \_\_\_\_\_ shares of \_\_\_\_\_ Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, \_\_\_\_\_ proposes to sell, trade or otherwise transfer \_\_\_\_\_ shares of \_\_\_\_\_ Stock or an Option with respect to \_\_\_\_\_ shares of \_\_\_\_\_ Stock. If the Proposed Transfer is permitted to occur, \_\_\_\_\_ will have Beneficial Ownership of \_\_\_\_\_ shares of \_\_\_\_\_ Stock after the transfer becomes effective.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of \_\_\_\_\_ are \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain *Final Order Establishing Notification and Hearing Procedures for Transfers of Certain Preferred Stock and Granting Related Relief*, this Declaration is being filed with the Court and served upon counsel to the TSC Debtors.

PLEASE TAKE FURTHER NOTICE that the TSC Debtors have 10 calendar days after receipt of this Declaration to object to the Proposed Transfer described herein. If the TSC Debtors file an objection, such Proposed Transfer will not be effective unless such objection is withdrawn by the TSC Debtors or such action is approved by a final order of the Bankruptcy Court that becomes nonappealable. If the TSC Debtors do not object within such 10-day period and/or the TSC Debtors provide counsel to such Substantial Shareholder with written notice of no objection, then after expiration of such period, the Proposed Transfer may proceed solely as set forth in this Declaration.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by \_\_\_\_\_ that may result in \_\_\_\_\_ selling, trading or otherwise transferring

shares of \_\_\_\_\_ Stock or an Option with respect thereto will each require an additional notice filed with the Bankruptcy Court to be served in the same manner, and with the same rights to object of the TSC Debtors, as this Declaration.

PLEASE TAKE FURTHER NOTICE that, pursuant to 28 U.S.C. § 1746, under penalties of perjury, \_\_\_\_\_ hereby declares that he or she has examined this Declaration and accompanying attachments (if any), and, to the best of his or her knowledge and belief, this Declaration and any attachments that purport to be part of this Declaration are true, correct and complete.

Respectfully submitted,

(Name of Substantial Shareholder)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
Dated: \_\_\_\_\_

**EXHIBIT 4**

**Notice of Notification and Hearing Procedures for  
Transfers of Certain Preferred Stock**

AKIN GUMP STRAUSS HAUER & FELD LLP

One Bryant Park  
New York, New York 10036  
(212) 872-1000 (Telephone)  
(212) 872-1002 (Facsimile)  
Ira S. Dizengoff  
Arik Preis

1700 Pacific Avenue, Suite 4100  
Dallas, Texas 75201  
(214) 969-2800 (Telephone)  
(214) 969-4343 (Facsimile)  
Sarah Link Schultz

*Counsel to the TSC Debtors*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re:	)	Chapter 11
	)	
TERRESTAR CORPORATION, <i>et al.</i> , <sup>1</sup>	)	Case No. 11-10612 (SHL)
	)	
Debtors.	)	Jointly Administered
_____	)	

**NOTICE OF (A) NOTIFICATION PROCEDURES APPLICABLE TO  
SUBSTANTIAL HOLDERS OF PREFERRED STOCK AND (B) NOTIFICATION  
AND HEARING PROCEDURES FOR TRADING IN PREFERRED STOCK**

**TO: ALL ENTITIES (AS DEFINED BY BANKRUPTCY CODE SECTION 101(15))  
THAT HOLD PREFERRED STOCK OF TERRESTAR CORPORATION:**

PLEASE TAKE NOTICE THAT, on February 16, 2011 (the “*Petition Date*”), the above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) filed petitions under chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”) in the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”). Subject to

<sup>1</sup> 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] (“*TSC*”) and TerreStar Holdings Inc. [0778] (collectively, the “*February Debtors*”); and (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*”).

certain exceptions, Bankruptcy Code section 362 operates as a stay of any act to obtain possession of property of the TSC Debtors' estates or property from the TSC Debtors' estates or to exercise control over property of the TSC Debtors' estates.

PLEASE TAKE FURTHER NOTICE THAT, on February 10, 2012, the TSC Debtors filed the *Debtors' Motion for Entry of an Order Establishing Notification and Hearing Procedures for Transfers of Certain Preferred Stock and for Related Relief* (the "**Motion**").

PLEASE TAKE FURTHER NOTICE THAT, on March \_\_, 2012, the Bankruptcy Court entered the *Final Order Establishing Notification and Hearing Procedures for Transfers of Certain Preferred Stock* approving the procedures set forth below in order to preserve the TSC Debtors' Tax Attributes (as defined below) (the "**Order**").

PLEASE TAKE FURTHER NOTICE THAT, pursuant to the Order, the following procedures shall apply to holding and trading in the preferred stock (the "**Preferred Stock**"):

- a. Any entity (as defined in Bankruptcy Code section 101(15)) who currently is or becomes a Substantial Shareholder (as such term is defined in paragraph (e) below) must file with the Bankruptcy Court and serve upon counsel to the TSC Debtors a declaration of such status, substantially in the form of Exhibit 1 attached to the Order, on or before the later of (i) 40 days after the date of this notice and (ii) 10 days after becoming a Substantial Shareholder.
- b. Before effectuating any transfer of Preferred Stock that would result in an increase in the amount of Preferred Stock of which a Substantial Shareholder has Beneficial Ownership (as defined in paragraph (e)(ii) below) or would result in an entity becoming a Substantial Shareholder, such Substantial Shareholder must file with the Bankruptcy Court and serve upon counsel to the TSC Debtors an advance written declaration of the intended transfer of Preferred Stock in the form of Exhibit 2 attached to the Order (each, a "**Declaration of Intent to Purchase, Acquire or Otherwise Accumulate Preferred Stock**"). At the holder's election, the Declaration of Intent to Purchase, Acquire or Otherwise Accumulate Preferred Stock may be redacted to exclude such holder's taxpayer identification number and the number of shares of Preferred Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.
- c. Before effectuating any transfer of Preferred Stock that would result in a decrease in the amount of Preferred Stock of which a Substantial Shareholder has Beneficial Ownership or would result in an entity ceasing

to be a Substantial Shareholder, such Substantial Shareholder must file with the Court and serve upon counsel to the TSC Debtors an advance written declaration of the intended transfer of Preferred Stock in the form of Exhibit 3 attached to the Order (each, a “***Declaration of Intent to Sell, Trade or Otherwise Transfer Preferred Stock***,” and with a Declaration of Intent to Purchase, Acquire or Accumulate Preferred Stock, each, a “***Declaration of Proposed Transfer***”). At the holder’s election, the Declaration of Intent to Sell, Trade or Otherwise Transfer Preferred Stock may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Preferred Stock that such holder beneficially owns and proposes to sell or otherwise transfer.

- d. The TSC Debtors shall have 10 calendar days after receipt of a Declaration of Proposed Transfer to file with the Bankruptcy Court and serve upon such Substantial Shareholder and counsel to the Substantial Shareholder an objection to any proposed transfer of Preferred Stock described in the Declaration of Proposed Transfer on the grounds that such transfer might adversely affect the TSC Debtors’ ability to utilize their net operating losses (“***NOLs***”) and tax attributes, including NOL carryforwards and certain other tax and business credits (collectively, the “***Tax Attributes***”). If the TSC Debtors file such an objection, such transaction is not effective unless such objection is withdrawn by the TSC Debtors or such transaction is approved by a final order of the Bankruptcy Court that becomes nonappealable. If the TSC Debtors do not object within such 10-day period and/or the TSC Debtors provide counsel to such Substantial Shareholder with written notice of no objection, such transaction can proceed solely as set forth in the Declaration of Proposed Transfer. Further transactions within the scope of this paragraph must be the subject of additional notices in accordance with the procedures set forth herein, with an additional 10-day waiting period for each Declaration of Proposed Transfer.
- e. For purposes of the Order and the relief granted therein, the following terms shall be defined as follows:
  - (i) “***Substantial Shareholder***” is any entity that has Beneficial Ownership of at least:
    - (1) 4,455 shares of Series A Preferred Stock (representing approximately 4.95% of all issued and outstanding shares);<sup>2</sup>
    - (2) 15,765 shares of Series B Preferred Stock (representing approximately 4.95% of all issued and outstanding shares);<sup>3</sup>  
or
    - (3) 59,400 shares of Series E Preferred Stock (representing approximately 4.95% of all issued and outstanding shares).<sup>4</sup>

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<sup>2</sup> Based on approximately 90,000 shares of Series A Preferred Stock outstanding as of January 27, 2011.

<sup>3</sup> Based on approximately 318,500 shares of Series B Preferred Stock outstanding as of January 27, 2011.

- (ii) “**Beneficial Ownership**” of Preferred Stock includes direct and indirect ownership (*i.e.*, a holding company would be considered to own beneficially all shares owned or acquired by its subsidiaries), ownership by such holder’s family members and entities acting in concert with such holder to make a coordinated acquisition of stock and certain ownership of shares that such holder has an option to acquire; and
- (iii) “**Option**” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE THAT the TSC Debtors reserve the right to challenge and seek to unwind any transfers of Preferred Stock to which the Order otherwise would apply that were made prior to the entry of the Order.

PLEASE TAKE FURTHER NOTICE THAT, upon the request of any entity, The Garden City Group, Inc., the notice and claims agent for the TSC Debtors (the “**Notice and Claims Agent**”), will provide a form of each of the required declarations described above and a copy of the Order in a reasonable period of time. Such declarations are also available at [www.TerreStarCorpRestructuring.com](http://www.TerreStarCorpRestructuring.com).

**FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS NOTICE SHALL CONSTITUTE A VIOLATION OF, AMONG OTHER THINGS, THE AUTOMATIC STAY PROVISIONS OF BANKRUPTCY CODE SECTION 362.**

**ANY PROHIBITED PURCHASE, SALE, TRADE OR OTHER TRANSFER OF PREFERRED STOCK IN THE TSC DEBTORS IN VIOLATION OF THE ORDER SHALL BE NULL AND VOID *AB INITIO* AND MAY BE PUNISHED BY CONTEMPT OR OTHER SANCTIONS IMPOSED BY THE BANKRUPTCY COURT.**

PLEASE TAKE FURTHER NOTICE THAT the requirements set forth in this notice are in addition to the requirements of applicable law and do not excuse compliance therewith.

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<sup>4</sup> Based on approximately 1.2 million shares of Series E Preferred Stock outstanding as of January 27, 2011.

New York, New York  
Dated: March \_\_, 2012

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