

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

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

DECLARATION OF STATUS AS A SUBSTANTIAL SHAREHOLDER²

PLEASE TAKE NOTICE that Highland Capital Management, L.P., on behalf of its affiliated and managed funds, is 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. 11-10612 (SHL) pending in the United States Bankruptcy Court for the Southern District of New York.

PLEASE TAKE FURTHER NOTICE that, as of March 8, 2012, Highland Capital Management, L.P., on behalf of its affiliated and managed funds, has Beneficial Ownership of 90,000 shares of Series A Preferred Stock of TSC. The following table sets for the date(s) on which Highland Capital Management, L.P., on behalf of its

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*”).

² 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.

affiliated and managed funds, acquired Beneficial Ownership or otherwise has Beneficial Ownership of such Preferred Stock:

Number of Shares of Series A Preferred Stock	Date Acquired
90,000 shares	April 2005

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of Highland Capital Management, L.P. are 6725.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain *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, James D. Dondero 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.

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Dallas, Texas
Dated: March 8, 2012

**HIGHLAND CAPITAL MANAGEMENT,
L.P.**, on behalf of its affiliated and managed
funds



James D. Dondero, President
Strand Advisors, Inc., General Partner of
Highland Capital Management, L.P.