

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

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

**ORDER DIRECTING THAT CERTAIN ORDERS IN THE CHAPTER 11
CASES OF TERRESTAR NETWORKS INC., ET AL. BE MADE
APPLICABLE TO THE CHAPTER 11 CASES OF TERRESTAR CORPORATION
AND TERRESTAR HOLDINGS INC. NUNC PRO TUNC TO THE PETITION DATE**

Upon the motion (the “*Motion*”)¹ of TerreStar Corporation and TerreStar Holdings Inc. (together, the “*February Debtors*”) for entry of an order directing that certain orders entered in the October Debtors’ chapter 11 cases, copies of which are attached hereto as Exhibit 1, be made applicable to the February Debtors and their chapter 11 cases *nunc pro tunc* to the Petition Date; and it appearing that the relief requested in the Motion is in the best interests of the February Debtors’ estates, their stakeholders and all other parties in interest; and this 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 in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and upon the arguments and testimony presented at the hearing before the Court, and any objections to the Motion having been withdrawn, resolved or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is **ORDERED** that:

¹ All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

1. The Motion is granted to the extent set forth herein
2. Certain of the First Day Orders entered in the chapter 11 cases of the October Debtors, copies of which are attached hereto as Exhibit 1, are applicable to the February Debtors' chapter 11 cases, *nunc pro tunc* to the Petition Date, with such modifications as are set forth in the Motion, and as if each of the February Debtors were a Debtor as set forth in such orders.²
3. The TSC Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.
4. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effecting a substantive consolidation of the TSC Debtors' chapter 11 cases.
5. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062 or 9014, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
6. Notwithstanding any provision to the contrary in the First Day Orders made applicable to the February Debtors pursuant to this Order and in this Order, the February Debtors shall not be authorized to make any payments from any amounts loaned to the February Debtors pursuant to their debtor-in-possession financing unless such payments or disbursements are included in the budget contained therein or otherwise authorized to be paid pursuant to their debtor-in-possession financing agreement.

² For the avoidance of doubt, (a) with respect to the Insurance Order, the February Debtors are authorized to administer insurance coverage currently in effect and supplement, change or extend such coverage with respect to Policies (as defined in the Insurance Order) applicable to the February Debtors and (b) with respect to the Tax Order, the February Debtors are authorized to pay certain Taxes and Fees (each as defined in the Tax Order) applicable to the February Debtors. Additionally, separate records will be kept regarding payments to be made with respect to the TSN Debtors and the TSC Debtors pursuant to the terms of the Insurance Order, the Tax Order and the Akin Retention Order to ensure that there is an appropriate allocation of costs between the TSN Debtors and the TSC Debtors.

7. The relief granted herein shall be binding upon any chapter 11 trustee appointed in these chapter 11 cases and upon any chapter 7 trustee appointed in the event of a subsequent conversion of these chapter 11 cases to cases under chapter 7.

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

Dated: **March 9, 2011**
New York, New York

/s/ Sean H. Lane
United States Bankruptcy Judge

Exhibit 1

First Day Orders To Be Applied to the February Debtors

- *Order (A) Authorizing, But Not Directing, Debtors To Continue To Administer Insurance Coverage and (B) Authorizing Financial Institutions To Honor All Related Checks and Electronic Payment Requests [Case No. 10-15446, Docket No. 88]*
- *Order (A) Authorizing, But Not Directing, the Debtors To Pay Taxes and Fees and (B) Authorizing Financial Institutions To Honor All Related Checks and Electronic Payment Requests [Case No. 10-15446, Docket No. 172]*
- *Order Pursuant to Bankruptcy Code Sections 327(a) and 330 and Federal Rules of Bankruptcy Procedure 2014 and 2016 Authorizing the Employment and Retention of Akin Gump Strauss Hauer & Feld LLP as Attorneys for the Debtors Nunc Pro Tunc to the Petition Date [Case No. 10-15446, Docket No. 179]*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	Chapter 11
TERRESTAR NETWORKS INC., <i>et al.</i> , ¹)	Case No. 10-15446 (SHL)
Debtors.)	Jointly Administered

**ORDER (A) AUTHORIZING, BUT NOT DIRECTING,
DEBTORS TO CONTINUE TO ADMINISTER INSURANCE
COVERAGE AND (B) AUTHORIZING FINANCIAL INSTITUTIONS TO
HONOR ALL RELATED CHECKS AND ELECTRONIC PAYMENT REQUESTS**

Upon the motion (the "*Motion*")² of the above-captioned debtors (collectively, the "*Debtors*") for entry of an order (a) authorizing, but not directing, the Debtors to (i) continue to administer insurance coverage currently in effect and pay any prepetition premiums, taxes and fees related to their insurance Policies and (ii) revise, extend, supplement or change insurance coverage as needed, including authorizing the Debtors to enter into new insurance policies through renewal of the Policies or purchase of new policies and (b) authorizing financial institutions to honor all related checks and electronic payment requests; and upon the First Day Declaration; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and this Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested is in the best interests of the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: TerreStar New York Inc. (6394); TerreStar Networks Inc. (3931); Motient Communications Inc. (3833); Motient Holdings Inc. (6634); Motient License Inc. (2431); Motient Services Inc. (5106); Motient Ventures Holding Inc. (6191); MVH Holdings Inc. (9756); TerreStar License Inc. (6537); TerreStar National Services Inc. (6319); TerreStar Networks Holdings (Canada) Inc. (1337); TerreStar Networks (Canada) Inc. (8766); and 0887729 B.C. Ltd. (1345).

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

Debtors' estates, their creditors, and other parties in interest; and notice of the Motion appearing to be adequate and appropriate under the circumstances; and any 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 that:

1. The Motion is granted to the extent set forth herein.
2. The Debtors are authorized, but not directed, in their discretion, to continue to administer insurance coverage currently in effect and pay any prepetition Insurance Premiums related to the Policies to the extent that the Debtors determine in their discretion that such payments are necessary or appropriate.
3. The Debtors are authorized, but not directed, to revise, extend, supplement or change insurance coverage as needed, including entering into new insurance policies, through renewal of the Policies or purchase of new policies; *provided, however*, that the Debtors will obtain the consent of the statutory committee of unsecured creditors appointed in these chapter 11 cases, which consent shall not be unreasonably withheld, in order to enter into new insurance policies.
4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.
5. Notwithstanding the possible applicability of Rules 6004(a) and 6004(h) of the Federal Rules of Bankruptcy Procedure or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor and pay all such checks and electronic payment requests

when presented for payment, and that all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

7. Notwithstanding any provision herein to the contrary, the Debtors shall not be authorized to make any payments under this Order from any amounts loaned to the Debtors pursuant to the debtor-in-possession financing unless such payments or disbursements are included in the budget contained therein or otherwise authorized to be paid pursuant to the debtor-in-possession financing agreement.

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

New York, New York
Date: *November 8, 2010*

/s/ Sean H. Lane
The Honorable Sean H. Lane
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	
)	Chapter 11
TERRESTAR NETWORKS INC., <i>et al.</i> , ¹)	Case No. 10-15446 (SHL)
Debtors.)	Jointly Administered

ORDER (A) AUTHORIZING,
BUT NOT DIRECTING, THE DEBTORS TO PAY
TAXES AND FEES AND (B) AUTHORIZING FINANCIAL INSTITUTIONS
TO HONOR ALL RELATED CHECKS AND ELECTRONIC PAYMENT REQUESTS

Upon the motion (the "*Motion*")² of the above-captioned debtors (collectively, the "*Debtors*") for entry of an order (a) authorizing, but not directing, the Debtors to pay certain business, franchise, personal property, sales and use, goods and services, excise and other Taxes, as well as certain annual reporting, FCC and Canadian Regulatory Fees and (b) authorizing financial institutions to receive, process, honor, and pay checks presented for payment and electronic payment requests relating to the foregoing; and upon the First Day Declaration; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and this Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and notice of the Motion appearing

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer identification number, are: TerreStar New York Inc. (6394); TerreStar Networks Inc. (3931); Motient Communications Inc. (3833); Motient Holdings Inc. (6634); Motient License Inc. (2431); Motient Services Inc. (5106); Motient Ventures Holding Inc. (6191); MVH Holdings Inc. (9756); TerreStar License Inc. (6537); TerreStar National Services Inc. (6319); TerreStar Networks Holdings (Canada) Inc. (1337); TerreStar Networks (Canada) Inc. (8766) and 0887729 B.C. Ltd. (1345).

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

to be adequate and appropriate under the circumstances; and any 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 that:

1. The Motion is granted to the extent set forth herein.
2. The Debtors are authorized, in their sole discretion, to pay prepetition claims relating to certain business, franchise, personal property, sales and use, goods and services, excise and other Taxes, as well as certain annual reporting, FCC, and Canadian Regulatory Fees (as more fully described in the Motion) as may be necessary.
3. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, and that all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.
4. Neither the Debtors nor any other party in interest concedes that any liens (contractual, common law, statutory or otherwise) satisfied pursuant to this Order are valid, and the Debtors expressly reserve the right to contest the extent, validity or perfection or seek the avoidance of all such liens.
5. Notwithstanding any provision herein to the contrary, the Debtors shall not be authorized to make any payments under this Order from any amounts loaned to the Debtors pursuant to the debtor-in-possession financing unless such payments or disbursements are included in the budget contained therein or otherwise authorized to be paid pursuant to the debtor-in-possession financing agreement.

6. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall constitute, nor is it intended to constitute (a) an admission to the validity or priority of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim; or (c) an approval or assumption of any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code.

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

8. Notwithstanding the possible applicability of Rules 6004(a) and 6004(h) of the Federal Rules of Bankruptcy Procedure or, otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

New York, New York
Date: *November 17, 2010*

/s/ Sean H. Lane
United States Bankruptcy Judge

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

In re:

TERRESTAR NETWORKS INC., *et al.*,¹

Debtors.

) Chapter 11

) Case No. 10-15446 (SHL)

) Jointly Administered

**ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 327(a) AND 330
AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 2014 AND 2016
AUTHORIZING THE EMPLOYMENT AND RETENTION OF AKIN GUMP
STRAUSS HAUER & FELD LLP AS ATTORNEYS FOR THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

Upon the application (the "*Application*")² of the above-captioned debtors (collectively, the "*Debtors*") for entry of an order authorizing the Debtors to employ and retain Akin Gump Strauss Hauer & Feld LLP ("*Akin Gump*") as their attorneys effective as of the Petition Date, pursuant to section 327 of title 11 of the United States Code, Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure, Rule 2014-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York; and upon the First Day Declaration; and upon the Dizengoff Declaration attached to the Application as Exhibit B; and upon the Supplemental Declaration of Ira S. Dizengoff in Support of Debtors' Application to Employ and Retain Akin Gump Strauss Hauer & Feld LLP as Attorneys for the Debtors *Nunc Pro Tunc* to the Petition Date (the "*Supplemental Dizengoff Declaration*"); and the Court having jurisdiction pursuant to sections 157 and 1334 of title 28 of the United States Code to consider the

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² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

Application and the relief requested therein; and venue being proper in this Court pursuant to sections 1408 and 1409 of title 28 of the United States Code; and the Court being satisfied that notice of this Application and the opportunity for a hearing on this Application was appropriate under the particular circumstances and no further or other notice need be given; and the Court being satisfied, based on the representations made in the Application, the Dizengoff Declaration and the Supplemental Dizengoff Declaration that Akin Gump does not represent or hold any interest adverse to the Debtors or to their estates as to the matters upon which Akin Gump has been and is to be employed, and that Akin Gump is a “disinterested person” as such term is defined in Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b), and as required under Bankruptcy Code section 327(a); and the Court having determined that the relief sought in the Application is in the best interests of the Debtors, their creditors and all parties in interest; and the Court having heard the evidence and statements of counsel regarding the Application and having determined that the legal and factual bases set forth in the Application, the Dizengoff Declaration and the Supplemental Dizengoff Declaration establish just cause for the relief granted herein, it is hereby Ordered that:

1. The Application is granted to the extent provided herein and approved *nunc pro tunc* to the Petition Date.

2. In accordance with Bankruptcy Code section 327(a), Bankruptcy Rules 2014(a) and 2016 and Local Rule 2014-1, the Debtors are hereby authorized to employ and retain Akin Gump as their attorneys in these chapter 11 cases, as contemplated by the Application.

3. Akin Gump shall be compensated and file interim and final fee applications for allowance of its fees and expenses in accordance with Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Local Rules, the Amended Order Establishing Procedures for Monthly

Compensation and Reimbursement of Expenses of Professionals, dated November 25, 2009, the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York, dated November 25, 2009, and the U.S. Trustee Fee Guidelines (collectively, the "*Fee Guidelines*") and the Court's Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals.

4. Akin Gump shall be reimbursed only for reasonable and necessary expenses as provided by the Fee Guidelines.

5. Akin Gump shall apply any remaining amounts of its prepetition retainer as a credit toward post petition fees and expenses, after such post petition fees and expenses are approved pursuant to the first Order entered by the Court awarding such fees and expenses to Akin Gump.

6. Akin Gump shall (i) provide ten business days' notice to the Debtors, the U.S. Trustee and any statutory committee appointed in these chapter 11 cases before any increases in the rates set forth in the Application and the engagement letter attached to the Dizengoff Declaration as Exhibit C, (the "*Engagement Letter*") and (ii) file such notice with the Court.

7. To the extent the Application or the Engagement Letter is inconsistent with this Order, the terms of this Order shall govern.

8. Notwithstanding any provision herein to the contrary, the Debtors shall not be authorized to make any payments under this Order from any amounts loaned to the Debtors pursuant to the debtor-in-possession financing unless such payments or disbursements are included in the budget contained therein or otherwise authorized to be paid pursuant to the debtor-in-possession financing agreement.

9. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

10. This Court shall retain jurisdiction with respect to all matters arising from or relating to the implementation of this Order.

New York, New York
Date: *November 17, 2010*

/s/ Sean H. Lane
United States Bankruptcy Judge