

Hearing Date: June 21, 2012 at 2:00 p.m. (ET)  
Objection Deadline: June 14, 2012 at 5:00 p.m. (ET)

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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 HEARING ON THE TSC DEBTORS' SIXTH MOTION FOR AN ORDER,  
PURSUANT TO BANKRUPTCY CODE SECTION 1121(d), EXTENDING THE  
EXCLUSIVE PERIODS DURING WHICH ONLY THE FEBRUARY DEBTORS  
MAY FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCE THEREOF**

**PLEASE TAKE NOTICE** that on June 7, 2012, the TSC Debtors filed the *TSC Debtors'*  
*Sixth Motion for an Order, Pursuant to Bankruptcy Code Section 1121(d), Extending the  
Exclusive Periods During Which Only the February Debtors May File a Chapter 11 Plan and  
Solicit Acceptance Thereof* (the "**Motion**").

<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] 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**").

**PLEASE TAKE FURTHER NOTICE that a hearing (the “*Hearing*”) to consider the Motion shall 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 June 21, 2012 at 2:00 p.m. (prevailing Eastern time).**

**PLEASE TAKE FURTHER NOTICE** that any responses to the Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure, the Local Rules of the Bankruptcy Court and the Bankruptcy Court’s *Order Pursuant to Sections 105(a) and (d) of the Bankruptcy Code and Bankruptcy Rules 1015(c), 2002(m) and 9007 Implementing Certain Notice and Case Management Procedures* [Docket No. 12] (the “***Case Management Order***”), shall be filed with the Bankruptcy Court either (a) electronically in accordance with General Order M-399 (which can be found at <http://www.nysb.uscourts.gov>) by registered users of the Bankruptcy Court’s filing system, or (b) on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with General Order M-182 (which can be found at <http://www.nysb.uscourts.gov>), and shall be served in accordance with General Order M-399 on: (a) TerreStar Corporation, 12010 Sunset Hills Road, 6th Floor, Reston, Virginia 20190, Attn: Doug Brandon, Esq.; (b) counsel to the TSC Debtors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Ira S. Dizengoff, Esq. and Arik Preis, Esq., and 1700 Pacific Ave., Suite 4100, Dallas, Texas 75201, Attn: Sarah Link Schultz, Esq.; (c) the Office of the United States Trustee for the Southern District of New York; (d) the entities listed on the TSC Debtors’ Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (e) NexBank, SSB as agent for the

lenders under the Bridge Loan Agreement; (f) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners LLC and certain of its managed and affiliated funds; (g) Wachtell, Lipton, Rosen & Katz as counsel to Highland Capital Management, L.P. and certain of its managed and affiliated funds; (h) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to Solus Alternative Asset Management LP; (i) Richards Kibbe & Orbe LLP as counsel to West Face Long Term Opportunities Global Master L.P.; (j) the Internal Revenue Service; (k) the Securities and Exchange Commission; (l) the United States Attorney for the Southern District of New York; and (m) parties in interest who have filed a notice of appearance in these cases pursuant to Bankruptcy Rule 2002, in each case so as to be received no later than **June 14, 2012 at 5:00 p.m. (prevailing Eastern time)** (the “*Response Deadline*”).

**PLEASE TAKE FURTHER NOTICE** that if no responses with respect to the Motion are timely filed and served in accordance with the Case Management Order, the TSC Debtors may, on or after the Response Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered with no further notice or opportunity to be heard offered to any party.

New York, New York  
Dated: June 7, 2012

*/s/ Ira S. Dizengoff*

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**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

**TSC DEBTORS' SIXTH MOTION FOR AN ORDER, PURSUANT TO BANKRUPTCY  
CODE SECTION 1121(d), EXTENDING THE EXCLUSIVE PERIODS DURING  
WHICH ONLY THE FEBRUARY DEBTORS MAY FILE A CHAPTER 11  
PLAN AND SOLICIT ACCEPTANCE THEREOF**

The TSC Debtors seek entry of an order, substantially in the form attached hereto as Exhibit A (the "**Proposed Order**"), extending by 42 days the exclusive periods during which only the February Debtors may file a chapter 11 plan and solicit acceptances thereof. Specifically, the TSC Debtors seek to extend the February Debtors' (a) exclusive period to file a chapter 11 plan

<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] 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**").

(the “*Exclusive Filing Period*”) through and including August 9, 2012 and (b) exclusive period to solicit acceptances of a chapter 11 plan (the “*Exclusive Solicitation Period*,” and, together with the Exclusive Filing Period, the “*Exclusive Periods*”) through and including October 8, 2012.<sup>2</sup> In support of this motion, the TSC Debtors respectfully state as follows:

### I. JURISDICTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The basis for the relief requested herein is section 1121(d) of title 11 of the United States Code (the “*Bankruptcy Code*”).

### II. PRELIMINARY STATEMENT

4. By this motion, the TSC Debtors seek to extend the Exclusive Periods for an additional 42 days for each of the February Debtors.<sup>3</sup> The TSC Debtors filed the *Second Amended Disclosure Statement for the Second Amended 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. 338] (as amended, the “*Disclosure Statement*”). At a hearing held on January 10, 2012, the Court approved the Disclosure Statement on the record. On January 12, 2012, the TSC Debtors also filed the *Second Amended Plan Joint of the TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License*

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<sup>2</sup> The Exclusive Filing Period and the Exclusive Solicitation Period are currently set to expire on June 28, 2012 and August 27, 2012, respectively.

<sup>3</sup> If the TSC Debtors withdraw the Plan (as defined below), Highland Capital Management, L.P. and certain of its affiliated and managed funds (“*Highland*”), Solus Alternative Asset Management LP (“*Solus*”), and West Face Long Term Opportunities Global Master L.P. (“*West Face*”) reserve the right to seek to terminate the Exclusive Periods.

*Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* [Docket No. 336] (as amended, the “**Plan**”), which Plan corresponded to the Disclosure Statement that had been approved. On February 8, 2012, the TSC Debtors filed the plan supplement documents, as contemplated by the Plan [Docket No. 364].

5. Despite the fact that the Debtors have received approval of the Disclosure Statement, the Debtors have not moved forward yet with confirmation of the Plan due to a number of events. First, on April 20, 2012, subsequent to the Court’s approval of the Disclosure Statement, the Spectrum Lease<sup>4</sup> was terminated. Second, and as described in further detail below, the termination of the Spectrum Lease has forced the TSC Debtors to revisit their plan of reorganization and to begin negotiating and developing, in conjunction with the largest of TSC’s preferred equity interest holders (the “**Preferred Shareholders**”), an alternative strategy whereby the TSC Debtors can extract value from the 1.4 Spectrum and successfully emerge from chapter 11.<sup>5</sup> Third, one of the largest Preferred Shareholders as of the Petition Date, Harbinger Capital Partners LLC, sold its position to West Face Long Term Opportunities Global Master L.P. in February 2012, and as a result, the TSC Debtors’ negotiations with the Preferred Shareholders have taken on a different perspective.

6. As a result, the hearing on confirmation of the Plan has been adjourned to a future date. The TSC Debtors need to maintain flexibility to continue these negotiations and to revise

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<sup>4</sup> TerreStar 1.4 Holdings LLC (“**1.4 Holdings**”), a wholly-owned subsidiary of TerreStar Holdings Inc. and not a debtor, has the rights to use 1.4 GHz terrestrial spectrum (“**1.4 Spectrum**”) pursuant to 64 FCC licenses held by 1.4 Holdings. In September 2009, 1.4 Holdings entered into a lease agreement (the “**Spectrum Lease**”) with One Dot Four Corp. (“**One Dot Four**”), whereby One Dot Four leased the rights to use the 1.4 Spectrum. Pursuant to the Spectrum Lease, One Dot Four was obligated to pay 1.4 Holdings \$2 million per month.

<sup>5</sup> Since the termination of the Spectrum Lease, 1.4 Holdings has entered into a lease for a small portion of the 1.4 Spectrum, which will provide the TSC Debtors with approximately \$40,000 per month in revenue.

their Plan and Disclosure Statement to accommodate any such strategy. It is likely that these negotiations will extend beyond June 28, 2012. As a result, the TSC Debtors seek an extension of the February Debtors' Exclusive Filing Period and Exclusive Solicitation Period to August 9, 2012 and October 8, 2012, respectively.

7. As described further herein, the record is clear that an extension of the Exclusive Periods for the February Debtors is warranted. The TSC Debtors' cases are large and complex, and the TSC Debtors have been paying their bills as they come due. Further, in the days since filing their chapter 11 cases, the TSC Debtors have made significant progress in negotiating with their preferred stockholders, culminating in the filing of the Plan and approval of the Disclosure Statement. In addition, the TSC Debtors' debtor-in-possession financing facility was satisfied in full on January 3, 2012. Accordingly, a further extension of the February Debtors' Exclusive Periods is warranted.

### **III. BACKGROUND**

8. On October 19, 2010 (the "***October Petition Date***") and February 16, 2011 (the "***Petition Date***"), the Other TSC Debtors<sup>6</sup> and the February Debtors, respectively, filed petitions with this Court under chapter 11 of the Bankruptcy Code. The TSC Debtors are operating their business and managing their property as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

9. On October 29, 2010, the United States Trustee for the Southern District of New York (the "***U.S. Trustee***") appointed an official committee of unsecured creditors (the "***TSN Committee***") of the October Debtors. No statutory committees have been appointed or

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<sup>6</sup> Also on the October Petition Date, TerreStar Networks Inc. ("***TSN***") and certain of its affiliated debtors (collectively, the "***TSN Debtors***," and together with the Other TSC Debtors, the "***October Debtors***") each filed a petition with this Court under chapter 11 of the Bankruptcy Code.



designated in the February Debtors' cases. Only one member of the TSN Committee, Van Vlissingen and Company, holds a claim against the TSC Debtors.

10. A detailed description of the TSC Debtors' business and the reasons for filing these chapter 11 cases are set forth in the *Declaration of Jeffrey W. Epstein Pursuant to Local Bankruptcy Rule 1007-2 in Support of First Day Pleadings* (the "**First Day Declaration**"), which was filed contemporaneously with the February Debtors' voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

11. On October 20, 2010, the Court entered an order providing for the joint administration of the Other TSC Debtors' cases with the other October Debtors' cases for procedural purposes styled as *In re TerreStar Networks Inc., et al.*, Case No. 10-15446 (SHL). Contemporaneously with the filing of the petitions for the February Debtors, the Other TSC Debtors requested that their cases be de-consolidated from the cases of the October Debtors, and the TSC Debtors sought procedural consolidation and joint administration of the chapter 11 cases of the Other TSC Debtors and the February Debtors under the case of TSC. On February 23, 2011, the Court entered orders amending joint administration of the October Debtors' chapter 11 cases and providing for the joint administration of the TSC Debtors' cases for procedural purposes, styled as *In re TerreStar Corporation, et al.*, Case No. 11-10612 (SHL).

12. As described above, the TSC Debtors filed the Plan and Disclosure Statement on January 12, 2012. The Court approved the adequacy of the Disclosure Statement and the TSC Debtors' proposed solicitation and voting procedures by order entered January 17, 2012 [Docket No. 343]. As the Court is aware, on April 20, 2012—well after the Disclosure Statement was approved—the Spectrum Lease, which, as a result of TSC's indirect ownership of 1.4 Holdings, was TSC's primary revenue source, was terminated. Because the 1.4 Spectrum is no longer

encumbered by the Spectrum Lease, the TSC Debtors and their advisors have engaged in extensive discussions with the Preferred Shareholders regarding the best method to extract value from the 1.4 Spectrum and to proceed toward a successful restructuring. Specifically, the TSC Debtors and the Preferred Shareholders have examined several potential scenarios with respect to the 1.4 Spectrum, including whether it is in the best interests of the TSC Debtors' estates, stakeholders, and creditors to conduct a sale process for the 1.4 Spectrum and, if so, whether such process will be more efficiently conduct as a standalone sale process or as part of a revised chapter 11 plan. As a result of these developments and pending these negotiations, the hearing on confirmation of the Plan has been adjourned to a date to be determined by the Court.

13. In addition to work related to potentially restructuring the Plan and Disclosure Statement, in connection with the preliminary objection of Elektrobit, Inc. ("*Elektrobit*") to confirmation of the Plan [Docket No. 222], Elektrobit served the TSC Debtors with broad requests for production of documents. Accordingly, the TSC Debtors have spent considerable time in negotiations with Elektrobit regarding these matters, responding to document requests, and preparing for and participating in depositions.

#### **IV. RELIEF REQUESTED**

14. By this motion, the TSC Debtors seek entry of an order, pursuant to Bankruptcy Code section 1121(d), extending the February Debtors' (a) Exclusive Filing Period through and including August 9, 2012 and (b) Exclusive Solicitation Period through and including October 8, 2012.

#### **V. SUPPORTING AUTHORITY**

15. Bankruptcy Code section 1121(d) permits a bankruptcy court to extend a debtor's exclusive period to file a chapter 11 plan and solicit acceptances thereof upon a demonstration of "cause." Specifically, Bankruptcy Code section 1121(d)(1) states:

[O]n request of a party in interest made within the respective periods specified in subsections (b) and (c) of this section and after notice and a hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section.

11 U.S.C. § 1121(d)(1).<sup>7</sup>

16. Although the Bankruptcy Code does not define “cause,” the legislative history indicates that “cause” is intended to be a flexible standard that balances the competing interests of a debtor and its creditors. *See* H.R. Rep. No. 95-595 at 231, 232 (1978), as reprinted in 1978 U.S.C.C.A.N. 5963, 6191. This flexibility is intended to give a debtor an adequate opportunity to stabilize its business operations at the outset of the case and to then negotiate a plan with its creditors. *See In re Ames Dep’t Stores Inc.*, No. 90-11233, 1991 WL 259036, at \*3 (S.D.N.Y. Nov. 25, 1991) (“The purpose of the Bankruptcy Code’s exclusivity period is to allow the debtor flexibility to negotiate with its creditors.”).

17. The mere complexity and size of a chapter 11 case may warrant extension of the exclusive periods in order to permit a debtor a meaningful opportunity to formulate a chapter 11 plan. *See, e.g., In re Texaco Inc.*, 76 B.R. 322, 325-27 (Bankr. S.D.N.Y. 1987) (holding that “cause” existed to grant the debtor’s first request to extend exclusivity based on the size and complexity of the case alone); *In re Manville Forest Prods. Corp.*, 31 B.R. 991, 995 (S.D.N.Y. 1983) (“[S]heer mass, weight, volume and complication of the [debtors’] filings undoubtedly justify a shakedown period.”).

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<sup>7</sup> Additionally, even if cause is shown, the 120-day period “may not be extended beyond a date that is 18 months after the [petition] date” and the 180-day period “may not be extended beyond a date that is 20 months after the [petition] date.” 11 U.S.C. § 1121(d)(2). This provision is inapplicable as the TSC Debtors are not seeking to extend the February Debtors’ Exclusive Periods beyond the 18-month and 20-month limits imposed by Bankruptcy Code section 1121(d)(2).

18. In addition to considering the complexity and size of a chapter 11 case, courts consider the following factors in deciding whether “cause” exists to extend a debtor’s exclusive periods:

- (a) the necessity for sufficient time to permit the debtor to negotiate a chapter 11 plan and prepare adequate information;
- (b) the existence of good faith progress toward reorganization;
- (c) the fact that the debtor is paying its bills as they come due;
- (d) whether the debtor has demonstrated reasonable prospects for filing a viable plan;
- (e) whether the debtor has made progress in its negotiations with creditors;
- (f) the amount of time that has elapsed in the case;
- (g) whether the debtor is seeking to extend exclusivity to pressure creditors to accede to the debtor’s reorganization demands; and
- (h) the existence of an unresolved contingency.

*See In re Adelpia Commc’ns Corp.*, 352 B.R. 578, 587 (Bankr. S.D.N.Y. 2006) (listing factors); *In re Lionel L.L.C.*, No. 04-17324, 2007 WL 2261539, at \*6 (Bankr. S.D.N.Y. Aug. 3, 2007) (same).

19. Not all of these factors are relevant in every case, and a finding that any one of these factors exists may justify extending a debtor’s exclusive periods. *See In re Express One Int’l*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996) (relying on four of the *Adelpia* factors in determining whether cause exists to extend exclusivity); *In re Interco, Inc.*, 137 B.R. 999, 1001 (Bankr. E.D. Mo. 1992) (finding that four factors showed that bondholders’ committee failed to show cause to terminate debtors’ exclusivity).

20. As discussed in detail below, the facts and circumstances of these chapter 11 cases satisfy the foregoing factors and demonstrate that more than sufficient cause exists to grant the requested extensions of the February Debtors’ Exclusive Periods.

**A. These Chapter 11 Cases Are Large and Complex**

21. The TSC Debtors' chapter 11 cases are sufficiently large and complex to warrant the requested extension of the Exclusive Periods. In addition to attending to the day-to-day operation of their businesses and the extraordinary transition to control as a debtor in possession—each a complex and time-consuming task in its own right—the TSC Debtors have made significant progress toward a successful reorganization. Despite the burden on the TSC Debtors' officers and advisors since the Petition Date in handling the operations of the TSC Debtors in chapter 11, the TSC Debtors' management and professionals negotiated and developed, in consultation with their preferred stockholders, the Plan. Specifically, the TSC Debtors have, among other things:

- (a) obtained final Court approval of emergency relief requested in the first-day motions filed with the Court;
- (b) prepared the February Debtors' schedules of assets and liabilities and statements of financial affairs;
- (c) obtained interim and final approval of the TSC Debtors' approximately \$13 million junior secured postpetition debtor-in-possession financing agreement, and satisfied the facility in full on January 3, 2012;
- (d) set a bar date for the February Debtors (which has already passed) and continued analyzing claims and preparing claims objections when appropriate, including filing objections to claims filed by Jeffrey and Patricia Swarts and Elektrobit, Inc. and engaging in a substantial and time-consuming discovery process with Elektrobit, Inc.;
- (e) negotiated settlements with two of the TSC Debtors' most significant claimholders, Jefferies & Company, Inc. and Sprint Nextel Corporation;
- (f) reviewed unexpired executory contracts and leases, including rejecting certain burdensome agreements with Elektrobit, Inc., resulting in a significant benefit to the TSC Debtors' estates;
- (g) shared frequent business and restructuring information and updates with the TSC Debtors' key stakeholders, including certain of their preferred stockholders, and their respective professionals; and

- (h) engaged in substantial negotiations with their preferred stockholders, culminating in the filing of the Plan and approval of the Disclosure Statement.

As a result of these diligent efforts, the TSC Debtors filed the Plan and Disclosure Statement on January 12, 2012. The Disclosure Statement was approved by order entered January 17, 2012 [Docket No. 343]. However, the voting deadline with respect to the Plan, which was February 24, 2012, has been extended for certain of the TSC Debtors' key stakeholders and creditors to facilitate further negotiations concerning the Plan and, accordingly, the TSC Debtors have determined that they will not be able to complete the solicitation process prior to the expiration of the Exclusive Periods. Additionally, as mentioned, the TSC Debtors currently are involved in complex and delicate negotiations with certain of their major stakeholders and creditors in connection with, among other things, the Elektrobit discovery requests and the necessary revisions to the TSC Debtors' Plan as a result of the termination of the Spectrum Lease. The TSC Debtors anticipate that additional time may be necessary to continue negotiating and finalizing the terms of such negotiations and that it may be necessary to amend the Plan and Disclosure Statement to reflect the outcome of such negotiations.

22. For these reasons, the TSC Debtors submit that the first factor relevant to determining whether cause exists to extend the February Debtors' Exclusivity Periods—complexity and size—weighs substantially in favor of granting the requested extension.

**B. The TSC Debtors Are Progressing in Good Faith Toward Reorganization and Have Demonstrated Reasonable Prospects for Confirming a Viable Plan**

23. Exclusivity is intended to provide a chapter 11 debtor with a full and fair opportunity to rehabilitate its business and negotiate, develop, propose and, ultimately, confirm and consummate a chapter 11 plan. The TSC Debtors believe they have made significant progress towards achieving this goal.

24. Since the Petition Date, the TSC Debtors have diligently and steadily negotiated the terms of the Plan and Disclosure Statement with their preferred stockholders. As stated above, a hearing on the adequacy of the Disclosure Statement was held on January 10, 2012, where the Court approved the Disclosure Statement on the record. In addition, the TSC Debtors filed supplemental documents as contemplated by the Plan on February 3, 2012. The voting deadline with respect to the Plan was February 24, 2012. The voting deadline has been extended for certain of the TSC Debtors' key stakeholders and creditors to facilitate further negotiations concerning the Plan and, therefore, the TSC Debtors have not yet completed their solicitation of votes on the Plan. Additional time is necessary to solicit votes on the Plan and to allow for further negotiations with respect to, among other things, the claims asserted by the TSC Debtors' key creditors. Furthermore, the TSC Debtors are involved in complex discovery and negotiations with certain of their significant creditors in connection with, among other things, the Elektrobit discovery requests and the necessary revisions to the TSC Debtors' Plan as a result of the termination of the Spectrum Lease. As a result, the TSC Debtors need to maintain flexibility to continue these negotiations and to incorporate any potential resolution into their Plan should negotiations extend beyond the Exclusive Periods. For these reasons, the TSC Debtors submit that a further extension of the February Debtors' Exclusive Periods is necessary and warranted.

**C. The TSC Debtors Are Paying Their Bills as They Become Due**

25. In the ordinary course of their businesses, the TSC Debtors generally have been paying their undisputed post-petition bills as they become due. Thus, the requested further extension of the February Debtors' Exclusive Periods will not jeopardize the rights of creditors and other parties who may do business with the TSC Debtors during these chapter 11 cases.

**D. The TSC Debtors Are Not Seeking an Extension of the Exclusive Periods To Pressure Creditors To Submit to the TSC Debtors' Reorganization Demands**

26. The TSC Debtors' request to extend the February Debtors' Exclusive Periods is not intended to maintain leverage over a group of creditors whose interests are being harmed by the chapter 11 cases. Rather, as described above, an extension of the Exclusive Periods is necessary to provide the TSC Debtors with sufficient time to complete solicitation, voting, and confirmation of the Plan. The TSC Debtors have conducted their affairs in a manner consistent with their fiduciary obligations and have demonstrated good faith in their efforts to communicate with all interested parties both before and during their cases. Granting an extension of the Exclusive Periods will not give the TSC Debtors unfair bargaining leverage over creditor constituencies. To the contrary, granting the requested extension will give the TSC Debtors the opportunity to continue to prosecute the Plan and negotiate the terms of ancillary Plan documents that benefits all of the TSC Debtors' constituencies.

27. For all of these reasons, the TSC Debtors submit that ample cause exists to extend the February Debtors' Exclusive Filing Period to August 9, 2012 and the Exclusive Solicitation Period to October 8, 2012 for the TSC Debtors to preserve the benefits of, and build upon, the TSC Debtors' restructuring efforts to date.

**VI. MOTION PRACTICE**

28. This motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated, and a discussion of their application to this motion. Accordingly, the TSC Debtors submit that this motion satisfies Local Rule 9013-1(a).

**VII. NOTICE**

29. The TSC Debtors have provided notice of this motion to: (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; (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, L.P. and certain of its managed and affiliated funds; (f) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to Solus Alternative Asset Management LP; (g) Richards Kibbe & Orbe LLP as counsel to West Face Long Term Opportunities Global Master L.P.; (h) the Internal Revenue Service; (i) the Securities and Exchange Commission; (j) the United States Attorney for the Southern District of New York; 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.

WHEREFORE, for the reasons set forth herein, the TSC Debtors respectfully request that the Court enter an order, substantially in the form of the Proposed Order attached hereto as Exhibit A, (a) extending the February Debtors' (i) Exclusive Filing Period through and including August 9, 2012 and (ii) Exclusive Solicitation Period through and including October 8, 2012 and (b) grant such other and further relief as is just and proper.

New York, New York  
Dated: June 7, 2012

*/s/ Ira S. Dizengoff*  
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Sarah Link Schultz

*Counsel to the TSC Debtors*

**EXHIBIT A**

**Proposed Order**

**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
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**ORDER PURSUANT TO BANKRUPTCY CODE SECTION 1121(d) EXTENDING  
THE EXCLUSIVE PERIODS DURING WHICH ONLY THE FEBRUARY DEBTORS  
MAY FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

Upon the motion (the “*Motion*”)<sup>2</sup> of the TSC Debtors for the entry of an order, pursuant to section 1121(d) of title 11 of the United States Code (the “*Bankruptcy Code*”) extending (i) the exclusive period of time during which only the February Debtors may file a plan of reorganization (the “*Excusive Filing Period*”) through and including August 9, 2012 and (ii) the exclusive period of time during which only the February Debtors may solicit acceptances of a plan of reorganization (the “*Exclusive Solicitation Period*,” and, together with the Exclusive Filing Period, the “*Exclusive Periods*”) through and including October 8, 2012; this Court finds and concludes that the Court has jurisdiction over the subject matter of the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; this is a core proceeding pursuant to 28 U.S.C. § 157(b); the legal and factual bases set forth in the Motion and on the record at the hearing establish just cause for the relief granted herein; the relief requested in the Motion is in the best interests of the TSC Debtors, their estates and their creditors; notice of the Motion was

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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] 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 together 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.

sufficient, and no other or further notice need be provided; 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. Pursuant to Bankruptcy Code section 1121(d), the Exclusive Filing Period for each of the February Debtors is hereby extended through and including August 9, 2012 and the Exclusive Solicitation Period for each of the February Debtors is hereby extended through and including October 8, 2012.
3. If the TSC Debtors withdraw the Plan, Highland, West Face and Solus reserve the right to seek to terminate the Exclusive Periods.
4. The TSC Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order and in accordance with the Motion.
5. This Court shall retain jurisdiction with respect to all matters arising from or relating to the implementation of this order.

Date: \_\_\_\_\_, 2012  
New York, New York

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United States Bankruptcy Judge