

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re: )  
)  
TERRESTAR CORPORATION, et al. )  
)  
Debtors, )  
)

Chapter 11  
Case No.: 11-10612 (SHL)  
Jointly Administered

**ALDO PEREZ'S SUPPLEMENT TO OBJECTION  
TO DEBTOR'S THIRD PLAN OF REORGANIZATION**

Pursuant to the applicable provisions of the Bankruptcy Code and Bankruptcy Rules, I, Aldo Perez, formally supplement my objection to the Debtors' Third Plan of Reorganization as previously provided to this Honorable Court by letter, as follows:

1. The Third Amended Debtors Joint Chapter 11 Plan of Reorganization has not been filed in good faith.
2. The fact that the Debtors are proposing broad, general and open releases to their officers, directors and insiders, presumably at the behest of these parties, causes serious concerns regarding the necessary impartiality and conflict-interest free requirement of the Debtor entities and the fiduciaries proposing confirmation of the Third Amended Plan.
3. These Debtor entities well know that the efforts of the equity holders and other interested parties, who because of their lack of financial resources, have requested the appointment of an examiner to independently value the Debtors' assets and independently evaluate and assess the Debtors' affairs and transactions, both pre-bankruptcy and during these bankruptcy proceedings, have been successfully blocked by them.
4. Notwithstanding the fact that the Debtor entities and the proponents of the Third Amended Plan know that a complete and thorough investigation has not been undertaken, these

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entities and the proponents of the Third Amended Plan, in bad faith, seek to obtain a release in favor of the officers, directors, and insiders of the Debtor entities (who may have caused the demise of the Debtors' entities through breaches of fiduciary duty, insider transactions, and other misdeeds) for any "known or unknown, foreseen or unforeseen" claims, obligations and causes of action.

5. The proposal for releases of this nature, given the specific circumstances of this case, is in bad faith.

6. The proposed releases are not supported by consideration and more fundamentally, if approved, the releases would forever foreclose any discovery or civil investigation of the actions, omissions, or culpability of the parties and other interested persons at the helm of the Debtors' entities.

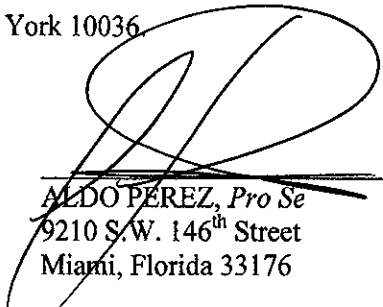
7. The acceptance of the proposed releases would, therefore, subvert the paramount purpose of the Bankruptcy Code which is to provide bankruptcy and reorganization relief only to honest debtors proposing their plans in good faith.

8. Because the lack of impartiality of the Debtor entities and the proponents of the Third Amended Plan is revealed by the open-ended releases that are being proposed, the necessity of the appointment of an independent examiner or independent consultant should be revisited.

9. In the event this Honorable Court is inclined to overrule the filed objections to confirmation and approve and confirm the Third Amended Plan, without the offensive releases, request is hereby made for this Court to carve out a reasonable litigation-investigation fund for an independent attorney, valuation consultant and forensic accountant to investigate and pursue, if necessary, post-confirmation recovery action on behalf of the estate pursuant to the provisions of Section 548 of the Bankruptcy Code and any other applicable recovery bankruptcy provisions.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the above and foregoing was hand delivered on this 10 day of October, 2012, to: ARIK PREIS, ESQ., Akin Gump Strauss Hauer & Feld, LLP, One Bryant Park, New York, New York 10036.



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