

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> , ¹)	Case No. 11-10612 (SHL)
Debtors.)	Jointly Administered
_____)	

**NOTICE OF PRESENTMENT OF THE DEBTORS' MOTION
FOR ENTRY OF AN ORDER EXTENDING THE TIME
TO FILE NOTICES OF REMOVAL OF CIVIL ACTIONS**

PLEASE TAKE NOTICE that upon the *Debtors' Motion for Entry of an Order Extending the Time To File Notices of Removal of Civil Actions* (the "**Motion**"), which Motion includes the reasons underlying the requested relief, the undersigned counsel for the TSC Debtors intend to present to the Honorable Sean H. Lane, United States Bankruptcy Judge, for signature on **June 6, 2011 at 12:30 p.m. (prevailing Eastern Time)**, the proposed *Order*

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] ("**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**").

Extending the Time To File Notices of Removal of Civil Actions attached as Exhibit A to the Motion (the “**Order**”).

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) counsel to the TSC Debtors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Ira S. Dizengoff, Esq., Arik Preis, Esq. and Sarah Link Schultz, Esq.; (b) the Office of the United States Trustee for the Southern District of New York, Attn: Susan Golden, Trial Attorney; (c) counsel to the statutory committee of unsecured creditors appointed in these chapter 11 cases (the “**Committee**”), or until such time as any such committee is appointed, those creditors holding the 30 largest general unsecured claims against the TSC Debtors on a consolidated basis; (d) NexBank, SSB as agent for the lenders under the Bridge Loan Agreement; (e) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners LLC and certain of its managed and affiliated funds; (f) Wachtell, Lipton, Rosen & Katz as counsel to Highland Capital Management, L.P. and certain of its managed and affiliated funds;

(g) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to Solus Alternative Asset Management, L.P.; (h) NexBank, SSB as agent for the TSC Debtors' proposed post-petition debtor-in-possession financing; (i) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to the agent for the TSC Debtors' proposed post-petition debtor-in-possession financing; (j) Schulte Roth & Zabel LLP as counsel to Colbeck Capital Management, LLC; (k) the Internal Revenue Service; (l) the Securities and Exchange Commission; (m) the United States Attorney for the Southern District of New York; (n) the Federal Communications Commission; and (o) 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 6, 2011 at 12:00 p.m. (prevailing Eastern time)** (the "**Response Deadline**").

PLEASE TAKE FURTHER NOTICE that that unless a written response to the Motion with proof of service is filed with the Court by **June 6, 2011 at 12:00 p.m. (prevailing Eastern Time)**, there will not be a hearing and the Order may be signed.

PLEASE TAKE FURTHER NOTICE that if a written response with respect to the Motion is timely filed and served in accordance with the Case Management Order and this Notice, the Court will hear the Motion, on a date to be determined, at the United States Bankruptcy Court for the Southern District of New York, Honorable Sean H. Lane, United States Bankruptcy Judge, Alexander Hamilton Custom House, One Bowling Green, New York, New York, 10004, Room 701. The moving and responding parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

New York, New York
Dated: May 17, 2011

/s/ Ira S. Dizengoff

AKIN GUMP STRAUSS HAUER & FELD LLP
One Bryant Park
New York, New York 10036
(212) 872-1000 (Telephone)
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**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
_____)	

**DEBTORS' MOTION FOR ENTRY OF AN ORDER EXTENDING
THE TIME TO FILE NOTICES OF REMOVAL OF CIVIL ACTIONS**

The TSC Debtors seek entry of an order, substantially in the form attached hereto as Exhibit A, extending the time period within which the February Debtors may remove civil actions pursuant to 28 U.S.C. § 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*"). In support of this motion, the TSC Debtors respectfully state as follows:

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] ("*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*").

I. JURISDICTION

1. The 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 statutory bases for the relief requested herein are 28 U.S.C. § 1452 and Bankruptcy Rule 9027.

II. BACKGROUND

4. On October 19, 2010 (the “*October Petition Date*”) and February 16, 2011 (the “*Petition Date*”), the Other TSC Debtors and the February Debtors, respectively, filed petitions with this Court under chapter 11 of title 11 of the United States Code (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. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.

5. On October 20, 2010, the Court entered an order providing for the joint administration of the 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 case of TerreStar Networks Inc. 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).

6. 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 designated in the February Debtors’ cases. On information and belief, only one member of the TSN Committee, Van Vlissingen and Company, holds a claim against the TSC Debtors.

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

III. BASIS FOR RELIEF

8. As of the commencement of the February Debtors’ chapter 11 cases, the February Debtors were party to at least one significant civil action (the “*Civil Action*”).² The Civil Action is subject to removal pursuant to section 1452 of title 28 of the United States Code (“*Section 1452*”), which applies to claims relating to bankruptcy cases.

9. Since the commencement of the chapter 11 cases, the February Debtors have worked diligently on a number of critical matters and as a result thereof, have not had sufficient time to consider whether to remove the Civil Action. Specifically, as the Court is aware, following the commencement of these chapter 11 cases, the February Debtors and their professionals have focused on, among other things:

² The February Debtors are currently party to *Elektrobit, Inc. v. TerreStar Corporation*, Case No. 652068/10 (N.Y. Sup. Ct.), which is currently stayed. The February Debtors are not aware of any other pending civil actions to which they are named parties and therefore to which the relief requested herein would apply, but they reserve all of their rights with respect thereto.

- Obtaining approval of the February Debtors' post-petition debtor-in-possession financing agreement;
- Preparing the February Debtors' schedules of assets and liabilities and statements of financial affairs;
- Negotiating with the February Debtors' preferred shareholders regarding and drafting the proposed plan of reorganization for the TSC Debtors; and
- Negotiating with the February Debtors' preferred shareholders regarding and drafting the proposed disclosure statement for the TSC Debtors.

10. Pursuant to Bankruptcy Rule 9027(a)(2), the time within which the February Debtors may file notices of removal (the "***Removal Period***") for civil actions expires on May 17, 2011. As a result of the February Debtors' attention to the above-listed matters, the February Debtors have not had sufficient time to determine, or develop a strategy with respect to, whether they should remove the Civil Action.

11. The TSC Debtors believe that the proposed extension of time in this motion will enable the February Debtors to make decisions concerning removal, if appropriate. If the extension is not granted, the February Debtors believe they will not have sufficient time to consider adequately whether removal of the Civil Action is necessary and the result could hinder the February Debtors' ability to prosecute successfully these chapter 11 cases. Accordingly, the TSC Debtors submit that cause exists for the relief requested herein.

IV. RELIEF REQUESTED

12. By this motion, the TSC Debtors respectfully request entry of an order pursuant to Bankruptcy Rule 9006(b) extending the Removal Period for the Civil Action. Specifically, the TSC Debtors seek an enlargement of the time periods set forth in Bankruptcy Rule 9027(a)(2) for each of the February Debtors until the date an order is entered confirming a chapter 11 plan

in each February Debtor's chapter 11 case, or upon appointment of a chapter 7 trustee, until 60 days after such appointment.

V. SUPPORTING AUTHORITY

13. Bankruptcy Rule 9027 and Section 1452 govern the removal of pending civil actions. Specifically, 28 U.S.C § 1452(a) provides:

A party may remove any claim or cause of action in a civil action other than a proceeding before the United States Tax Court or a civil action by a governmental unit to enforce such governmental unit's police or regulatory power, to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title.

28 U.S.C. § 1452(a). Bankruptcy Rule 9027(a)(2) further provides, in pertinent part:

If the claim or cause of action in a civil action is pending when a case under the [Bankruptcy] Code is commenced, a notice of removal may be filed in the bankruptcy court only within the longest of (A) 90 days after the order for relief in the case under the Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under § 362 of the [Bankruptcy] Code, or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief.

Fed. R. Bankr. P. 9027(a)(2).

14. Bankruptcy Rule 9006(b) provides that the Court may extend unexpired time periods, such as the Removal Period, without notice:

When an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion...with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order.

Fed. R. Bankr. P. 9006(b)(1).

15. It is well-settled that pursuant to Bankruptcy Rule 9006(b), this Court is authorized to enlarge the removal period provided under Section 1452 and Bankruptcy Rule 9027. *See Pacor, Inc. v. Higgins*, 743 F.2d 984, 996 n.17 (3d Cir. 1984), *overruled on other*

grounds by Things Remembered, Inc. v. Petrarca, 516 U.S. 124, 134-35 (1995) (holding the bankruptcy court's power to grant an extension of the removal period pursuant to Bankruptcy Rule 9006(b) is "clear"); *Caperton v. A.T. Massey Coal Co.*, 251 B.R. 322, 325 (S.D. W. Va. 2000) (Bankruptcy Rule 9006 provides authority to enlarge time periods for removing actions under Bankruptcy Rule 9027); *In re Jandous Elec. Constr. Corp.*, 106 B.R. 48 (Bankr. S.D.N.Y. 1989) (period in which to file motion to remove may be expanded pursuant to Bankruptcy Rule 9006); *In re World Fin. Servs. Ctr., Inc.*, 81 B.R. 33, 39 (Bankr. S.D. Cal. 1987) (Supreme Court intended to give bankruptcy judges the power to enlarge the filing periods under Bankruptcy Rule 9027(a) pursuant to Bankruptcy Rule 9006(b)); *Raff v. Gordon*, 58 B.R. 988, 990 (E.D. Pa. 1986) (an expansion of time to file notices of removal is authorized under the Bankruptcy Rules).

16. Pursuant to Bankruptcy Rule 9027(a)(2)(A), the Removal Period expires on May 17, 2011. However, for the reasons described, the February Debtors are not yet in a position to determine whether they should remove the Civil Action. The February Debtors believe the proposed time extension will provide them with the necessary additional time to consider, and make decisions concerning, the removal of the Civil Action. Accordingly, the February Debtors submit that cause exists for the relief requested herein.

17. The February Debtors submit further that the rights of any party to the Civil Action will not be prejudiced by the requested extension. Inasmuch as Bankruptcy Code section 362(a) automatically stays actions against the February Debtors, the Civil Action will not be proceeding in its respective court with respect to the February Debtors even absent the relief requested herein. Finally, if the February Debtors ultimately seek to remove any action pursuant to Bankruptcy Rule 9027, any party to the litigation can seek to have such action remanded pursuant to 28 U.S.C. § 1452(b), which provides that "[t]he court to which such claim or cause

of action is removed may remand such claim or cause of action on any equitable ground.” 28 U.S.C. § 1452(b).³ Thus, the relief requested herein does not impact any party’s rights under 28 U.S.C. § 1452(b).

VI. RESERVATION OF RIGHTS

18. The TSC Debtors reserve the right to assert in the chapter 11 cases or in any other appropriate forum that the Civil Action is stayed by the provisions of Bankruptcy Code section 362.

VII. MOTION PRACTICE

19. 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 application. Accordingly, the TSC Debtors submit that this motion satisfies Local Rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York.

VIII. NOTICE

20. 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 and as counsel to the agent for the TSC Debtors’ post-petition debtor-in-possession financing;

³ The February Debtors reserve their rights to contest any remand.

(g) NexBank, SSB as agent for the TSC Debtors' post-petition debtor-in-possession financing; (h) Schulte Roth & Zabel LLP as counsel to Colbeck Capital Management, LLC; (i) the Internal Revenue Service; (j) the Securities and Exchange Commission; (k) the United States Attorney for the Southern District of New York; and (l) the Federal Communications Commission (collectively, the "*Notice Parties*"). 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 (i) enter an order, substantially in the form attached hereto as Exhibit A, extending the Removal Period for each February Debtor until the date an order is entered confirming a chapter 11 plan in each February Debtor's chapter 11 case, or upon appointment of a chapter 7 trustee, until 60 days after such appointment, and (b) grant such other and further relief as may be appropriate.

New York, New York
Dated: May 17, 2011

/s/ Ira S. Dizengoff

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EXHIBIT A

Proposed Order

**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
)	

**ORDER EXTENDING THE TIME TO FILE
NOTICES OF REMOVAL OF CIVIL ACTIONS**

Upon the motion (the “*Motion*”)² of the TSC Debtors for entry of an order granting the February Debtors an extension of time to file notices of removal of civil actions; and it appearing that the relief requested is in the best interests of the February Debtors’ estates, their creditors and other parties in interest, and 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 having been 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 therefore, it is hereby **ORDERED** that:

1. The Motion is granted to the extent set forth herein.

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*”); 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*”).

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

2. The time period under Bankruptcy Rule 9027(a)(2) in which the February Debtors may file notices of removal with respect to the Civil Action is extended for each February Debtor until the earlier of (a) the date an order is entered confirming a chapter 11 plan in each February Debtor's chapter 11 case, or (b) 60 days after the appointment of a chapter 7 trustee.

3. This order shall be without prejudice to any position the February Debtors may take regarding whether Bankruptcy Code section 362 applies to stay the Civil Action.

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

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

Date: _____, 2011
New York, New York

United States Bankruptcy Judge