

Court File No.: CV-10-8944-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**APPLICATION OF TERRESTAR NETWORKS INC.
UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**FIRST REPORT OF THE INFORMATION OFFICER
DELOITTE & TOUCHE INC.**

NOVEMBER 5, 2010

INTRODUCTION

1. On October 19, 2010, TerreStar Networks Inc. ("TSNI"), Motient Holdings Inc., Motient Communications Inc., Motient License Inc., Motient Services Inc., MVH Holdings Inc., Motient Ventures Holding Inc., TerreStar National Services Inc., TerreStar License Inc., TerreStar New York Inc., 0887929 B.C. Ltd. ("088 B.C."), TerreStar Networks Holdings (Canada) Inc. ("Holdings Canada") and TerreStar Networks (Canada) Inc. ("TerreStar Canada") (collectively, the "Chapter 11 Debtors") each filed voluntary petitions under chapter 11 of title 11 of the United States Code (collectively, the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of New York (the "U.S. Bankruptcy Court"). On October 20, 2010, the U.S. Bankruptcy Court entered an order (the "Joint Administration Order") authorizing the joint administration of the Chapter 11 Cases for procedural purposes only.
2. On October 19, 2010, pending approval of TSNI as Foreign Representative by the U.S. Bankruptcy Court, the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") entered an order (the "Interim Initial Order") granting certain interim relief, including, among other things, a general stay of proceedings against the Chapter 11 Debtors.
3. On October 20, 2010, the U.S. Bankruptcy Court also entered an order authorizing TSNI to act as the foreign representative of the Chapter 11 Debtors (the "Foreign Representative").
4. On October 21, 2010, the Canadian Court entered an Initial Recognition Order and a Supplemental Order (together, the "Initial Recognition Orders") under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), in respect of the Chapter 11 Cases and certain orders entered therein (the "Recognition Proceeding").

5. The Initial Recognition Orders, among other things, (i) recognized the Chapter 11 Cases as foreign main proceedings pursuant to the CCAA; (ii) recognized TSNI as the Foreign Representative of the Chapter 11 Debtors under the CCAA; (iii) appointed Deloitte & Touche Inc. ("Deloitte") as the information officer in connection with the Chapter 11 Cases (the "Information Officer"); and (iv) recognized and made effective in Canada the following "first day" orders entered by the U.S. Bankruptcy Court: (a) U.S. Interim DIP Financing Order;¹ (b) U.S. Cash Management Order; (c) U.S. Wages Order; and (d) the Joint Administration Order.
6. Deloitte, then in its capacity as Proposed Information Officer, provided this Court with a pre-Recognition Proceeding report, dated October 20, 2010 (the "Pre-Filing Report") to provide this Court with information relating to the Chapter 11 Debtors' business and operations, their debt and capital structure, and other matters relevant to the Court's determination of the Foreign Representative's request for the Initial Recognition Orders. A copy of the Pre-Filing Report is available on the Information Officer's website at: www.deloitte.com/ca/terrestar-networks.
7. In preparing this First Report of the Information Officer (the "First Report"), Deloitte has relied solely on the information and documents supplied by the Foreign Representative and its counsel, including, but not limited to, the Epstein Declaration and the Affidavit of Doug Brandon, General Counsel and Secretary of TSNI (the "Brandon Affidavit"), the latter of which Deloitte understands will be submitted with the Foreign Representative's application for the Order (as defined below). Deloitte has not audited, reviewed or otherwise attempted to independently verify the accuracy or completeness of the information contained in the materials supplied by the Foreign Representative and its counsel, and which information is reflected in this First Report. Accordingly, Deloitte expresses no opinion or other form of assurance on the information contained herein.

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Pre-Filing Report.

8. Deloitte also understands that the Epstein Declaration contained certain inadvertent inaccuracies with respect to the Cost Sharing Arrangement between TerreStar Canada and TerreStar Solutions (discussed at paragraph 46 of the Epstein Declaration), which will be corrected herein. Paragraph 28 of the Pre-Filing Report discussed the Cost Sharing Arrangement between TerreStar Canada and TerreStar Solutions, and inadvertently carried forward the inaccuracy due to reliance on the Epstein Declaration. Specifically, the correct date of this agreement is December 20, 2007 (not May 29, 2007 as indicated in certain of the filed materials), and the amount owing by TerreStar Canada to TerreStar Solutions as at September 30, 2010 is approximately CDN\$578,138 (not CDN \$695,071 as indicated in the filed materials).

PURPOSE

9. The purpose of this First Report is to:
 - a. provide this Court with information relating to three orders being sought in the Chapter 11 Cases and a corresponding request by the Foreign Representative to have such orders recognized by the Canadian Court (the "Order"); and
 - b. provide this Court with an overview and timeline of the Chapter 11 Debtors' restructuring efforts and chapter 11 plan process.

RECOGNITION OF FURTHER BANKRUPTCY COURT ORDERS

10. Deloitte understands that the U.S. Bankruptcy Court has scheduled a hearing for November 8, 2010, at which time it will hear the Chapter 11 Debtors' requests for the following orders:
 - a. an order: (A) setting bar dates for filing proofs of claim, (B) approving the form and manner for filing proofs of claim, and (C) approving notice thereof (the "Bar Date Order");
 - b. an order (A) authorizing, but not directing, the Chapter 11 Debtors to continue to administer insurance coverage, and (B) authorizing financial

institutions to honor all related checks and electronic payment requests (the "Insurance Order"); and

c. an order authorizing the establishment of certain procedures for the provision of adequate assurance of payment in respect of utility providers (the "Utilities Order", and together with the Bar Date Order and the Insurance Order, the "U.S. Bankruptcy Court Orders").

11. Deloitte understands that the proposed forms of U.S. Bankruptcy Court Orders will be attached to the application materials of the Foreign Representative in connection with its request for the Order. Deloitte further understands that the Foreign Representative will provide this Court with copies of the signed U.S. Bankruptcy Court Orders as soon as practicable after they are entered by the U.S. Bankruptcy Court.
12. To assist this Court in its determination of the Foreign Representative's request for the Order, the Information Officer has summarized the U.S. Bankruptcy Court Orders below.

Bar Date Order

13. In order to ensure compliance with the milestones contained in the DIP Facility, Restructuring Support Agreement (as defined below), and Plan Term Sheet (as defined below), the Chapter 11 Debtors must begin their claims bar date process as soon as practicable.
14. The Bar Date Order proposes the following claims bar dates:

December 11, 2010	General Bar Date
April 18, 2011	Governmental Bar Date
As required	Supplemental Bar Date
Later of: December 11, 2010 or 21 days from the date of entry of an order authorizing rejection of an executory contract or lease;	Rejection Bar Date

15. Pursuant to the Bar Date Order, the Chapter 11 Debtors intend to send proofs of claim to all known creditors (including, for clarity, Canadian creditors of the Chapter 11 Debtors with offices in Canada), which will provide information as to that particular creditor's claim as listed on the applicable Chapter 11 Debtors' schedules of assets and liabilities (the "Schedules") to be filed in the Chapter 11 Cases. If a creditor agrees with the treatment of its claim as provided for in the Schedules and reflected on the personalized proof of claim, the creditor will not be required to file a proof of claim.
16. Pursuant to the Bar Date Order, any of the following entities holding claims against any of the Chapter 11 Debtors must file a proof of claim in the form provided before the applicable bar date:
 - (a) any entity whose claim against any of the Chapter 11 Debtors is not listed in the applicable Debtor's Schedules or is listed as any of disputed, contingent, or unliquidated if the holder of such claim desires to participate in the proceeding or share in any distribution in the proceeding on account of such claim;
 - (b) any entity who believes that its claim is improperly classified in the Schedules, is listed in an incorrect amount and who desires to have its claim allowed in a classification or amount other than that identified in the Schedules; and
 - (c) any entity holding a claim that is allowable under section 503(b)(9) of the U.S. Bankruptcy Code as an administrative expense of the proceeding.
17. The Chapter 11 Debtors have requested that the U.S. Bankruptcy Court establish December 11, 2010 (the "General Bar Date") as the date by which all entities (other than governmental units) that hold or wish to assert a claim that arose before October 19, 2010 against any of the Chapter 11 Debtors must file a proof of claim against such Chapter 11 Debtors.
18. The Chapter 11 Debtors have also requested that the Bankruptcy Court establish April 18, 2011 (the "Governmental Bar Date"), as the date by which all Governmental Units holding claims that arose before October 19, 2010 against

any of the Chapter 11 Debtors must file a proof of claim against such Chapter 11 Debtors.

19. For any rejected executory contracts and/or unexpired leases, the Chapter 11 Debtors requested that the Bankruptcy Court establish the later of (a) the General Bar Date or (b) 21 days from the date of entry of an order authorizing the Chapter 11 Debtors to reject a contract or lease, as the date by which a counterparty to such rejected contract or lease must file a proof of claim for rejection damages (the “Rejection Bar Date”).
20. The Chapter 11 Debtors have indicated they anticipate to establish a supplemental bar date on a very limited basis where necessary to ensure all known and unknown creditors receive notice of the bar date (the “Supplemental Bar Date”). The Chapter 11 Debtors seek to set a Supplemental Bar Date as required with respect to (a) creditors to which a re-mailing of the notice of the General Bar Date is appropriate, but which cannot be accomplished in time to provide at least 21 days’ notice to the applicable Bar Date, and (b) creditors who become known to the Debtors after the applicable Bar Date.
21. Any claimant who is required, but fails, to file a proof of claim before the applicable bar date shall be forever barred, stopped and enjoined from asserting a claim against the Chapter 11 Debtors.
22. The Debtors, with the assistance of their claims and noticing agent, the Garden City Group, propose to mail the following materials no later than three business days after the date of entry of the Bar Date Order: (a) written notice of the General Bar Date and Governmental Bar Date in substantially the form attached to the motion requesting the Bar Date Order, and (b) a copy of the proof of claim form.
23. In addition, the Debtors have sought approval from the U.S. Bankruptcy Court to publish a bar date notice in the Washington Post, USA Today and The Globe and Mail (National Edition) on or before November 20, 2010. A copy of the bar date

notice to be published in The Globe and Mail (National Edition) is attached hereto as Exhibit “A”. The Globe and Mail (National Edition) notice contains information relevant to the established bar dates and claims submission process, as well as information relating to the Recognition Proceeding and the Information Officer to assist creditors located in Canada.

Insurance Order

24. Deloitte understands that the Chapter 11 Debtors maintain a comprehensive insurance program that provides coverage related to, among other things, satellite in-orbit activities, property liability, general liability, directors’ and officers’ liability, employment practices liability and business automobile liability (collectively, the “Insurance Programs”).
25. As described in the Brandon Affidavit, the Insurance Programs are essential to the preservation of the value of the Chapter 11 Debtor’s business, property and assets. Failure to pay premiums for the policies therein when due may harm the Chapter 11 Debtors’ estates in several ways, including the loss of insurance coverage and subsequent need to obtain replacement insurance on an emergency basis, likely at higher premium, if such replacement insurance is available at all. Deloitte understands that the Chapter 11 Debtors believe there are no outstanding prepetition obligations owing in respect of the Insurance Programs to which the Chapter 11 Debtors with offices in Canada maintain, but that certain of their directors and officers’ insurance policies will expire in the coming months.
26. With respect to the Chapter 11 Debtors with offices in Canada, 088 B.C.’s operations and property are insured pursuant to a general insurance policy provided by Chubb Insurance Company of Canada (the “Commercial Coverage Policy”), pursuant to which 088 B.C. is not the primary obligor. Deloitte understands that premiums owing pursuant to the Commercial Coverage Policy have historically been paid by other Chapter 11 Debtors and will continue to be funded in this manner on a post-petition basis.

27. As detailed in the Brandon Affidavit, Holdings Canada and TerreStar Canada have a single insurance policy to cover their directors and officers (the “Canadian D&O Policy”). Deloitte understands that TerreStar Canada pays approximately 50% of the premiums owing under the Canadian D&O Policy, while non-debtor TerreStar Solutions is liable for the remaining portion. The aggregate annual premiums due under the Canadian D&O Policy are CDN\$14,575.00. Deloitte understand that there are no amounts outstanding to the insurance broker under the Canadian D&O Policy.

Utilities Order

28. The Chapter 11 Debtors incur utility expenses for electric, water, telephone, internet, fuel and other similar utility services. Deloitte understands that approximately 60 utility providers (collectively, the “Utility Providers”) provide these services to the Chapter 11 Debtors through approximately 70 accounts. Any interruption in utility services, even for a brief period of time, would disrupt the Chapter 11 Debtors’ ability to continue operations.
29. As detailed in the Brandon Affidavit, the Chapter 11 Debtors intend to pay postpetition obligations owing to the Utility Providers in a timely manner. Deloitte understands that under U.S. bankruptcy law, a Utility Provider is prohibited from terminating utility services to a debtor so long as the debtor provides such Utility Provider with "adequate assurance" of future performance within a prescribed timeframe. To provide additional assurance of payment for future services to the Utility Providers, the Chapter 11 Debtors have proposed to deposit USD \$90,000 (the “Utility Adequate Assurance Deposit”), which represents an amount equal to the estimated aggregate cost for two weeks of utility service, calculated based on the historical average over the past 12 months, into a newly created, segregated interest-bearing account for the benefit of the Utility Providers on or before November 9, 2010.
30. With respect to the Chapter 11 Debtors with offices in Canada, 088 B.C. currently incurs utility expenses in relation to its calibration earth stations and its facility in

Allan Park, Ontario. 088 B.C.'s utility expenses account for approximately 23% of the proposed Utility Adequate Assurance Deposit.

31. Utility services provided to Holdings Canada and TerreStar Canada are paid in full by TerreStar Solutions pursuant to the cost-sharing arrangement between TerreStar Canada and TerreStar Solutions. Therefore, the proposed Utility Adequate Assurance Deposit does not include amounts for future services provided by the utility providers to Holdings Canada and TerreStar Canada.
32. Pursuant to the Utility Order, if a Utility Provider is not satisfied that the establishment of the Utility Adequate Assurance Deposit will provide adequate assurance of future payment, any such Utility Provider may make additional requests for adequate assurance pursuant to certain prescribed procedures.

RECOMMENDATION OF THE PROPOSED INFORMATION OFFICER WITH RESPECT TO THE U.S. BANKRUPTCY COURT ORDERS

33. Deloitte understands that the U.S. Bankruptcy Court Orders sought to be recognized in the Order are typical of orders granted in other large chapter 11 cases, and that absent such orders, the Chapter 11 Debtors believe their business operations and restructuring efforts would be impaired.
34. Based on the foregoing, Deloitte, as Information Officer, recommends that this Court grant the Foreign Representative's request for the Order.

PROPOSED CHAPTER 11 PLAN AND DISCLOSURE STATEMENT

35. Deloitte understands that on November 5, 2010, the Chapter 11 Debtors intend to file a plan of reorganization (the "Plan") and a disclosure statement related thereto (the "Disclosure Statement") in the Chapter 11 Cases. Deloitte understands the filing of the Plan and Disclosure Statement by November 5, 2010, are "milestones" under the DIP Facility.
36. The Chapter 11 Debtors have filed a motion in the Chapter 11 Cases (the "RSA Assumption Motion") seeking authority to assume a Restructuring Support

Agreement (the "RSA"), and Deloitte understands that the hearing on the RSA Assumption Motion is currently scheduled for November 16, 2010. Deloitte also understands that the Plan and Disclosure Statement are to be consistent with the RSA and the Restructuring Term Sheet (the "Plan Term Sheet") appended thereto, and that a copy of the RSA Assumption Motion was previously provided to this Court by counsel to the Foreign Representative in connection with the Foreign Representative's application for the Initial Recognition Orders.

37. Deloitte understands that the Chapter 11 Debtors intend to seek recognition of the Canadian Court of the U.S. Bankruptcy Court Order approving the RSA Assumption Motion after the November 16, 2010 U.S. Bankruptcy Court hearing. Deloitte also understands that the final hearings in respect of the Interim U.S. DIP Financing Order, interim U.S. Cash Management Order, and the interim U.S. Wages Order are also scheduled for November 16, 2010, and that the Chapter 11 Debtors also intend to request recognition of this Court of such final orders after such time. To this end, Deloitte intends to submit a further report to this Court in the near term to provide details on these matters.
38. As outlined in the RSA Assumption Motion, the RSA provides for a comprehensive restructuring of the Chapter 11 Debtors, including a significant deleveraging of the Chapter 11 Debtors' balance sheet, which will enable the Chapter 11 Debtors to maximize enterprise value on a going-forward basis. The proposed Plan would (a) reduce the Chapter 11 Debtors' indebtedness, (b) improve cash flows by significantly reducing debt service, and (c) provide additional capital to the enterprise.
39. In addition, the RSA and Plan Term Sheet include the following milestones:
 - a. an application with the Federal Communications Commission filed by December 14, 2010;
 - b. a final order approving the Disclosure Statement consistent with the terms set forth in the Plan Term Sheet entered by the U.S. Bankruptcy Court no later than December 14, 2010;


- c. a hearing to confirm a Plan consistent with the terms set forth in the Plan Term Sheet commenced by the U.S. Bankruptcy Court no later than January 31, 2011;
 - d. a final order approving the confirmation of a Plan consistent with the terms set forth in the Term Sheet entered by the U.S. Bankruptcy Court no later than February 14, 2011; and
 - e. occurrence of the effective date of the Plan no later than May 31, 2011, or a later date that is mutually agreed.
40. The Plan and Disclosure Statement filed with the Bankruptcy Court on November 5, 2010, will be available on the claim and notice agent's website at:
<http://www.terrestarinfo.com/index.php>.
41. The Information Officer will also make the filed Plan and Disclosure Statement available on its website.

All of which is respectfully submitted at Toronto, Ontario, this 5th day of November, 2010.

DELOITTE & TOUCHE INC.
(solely in its capacity as Information Officer)



Per:
Pierre Laporte, CA•CIRP
President



Per:
Paul Casey, CA•CIRP
Senior Vice-President

Exhibit A

Bar Date Publication Notice

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

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

**NOTICE OF DEADLINE FOR FILING PROOFS OF CLAIM AGAINST
DEBTORS**

TO: ALL ENTITIES WHO MAY HAVE CLAIMS AGAINST ANY DEBTOR LISTED BELOW:

PLEASE TAKE NOTICE THAT:

1. On October 19, 2010, TerreStar Networks Inc. (“***TerreStar***”) and its affiliated debtors and debtors in possession in the above-captioned, jointly administered chapter 11 cases (collectively, the “***Debtors***”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “***Bankruptcy Code***”) in the United States Bankruptcy Court for the Southern District of New York (the “***U.S. Bankruptcy Court***”).
2. On October 21, 2010, the Ontario Superior Court of Justice (Commercial List) (the “***Canadian Court***”) entered an Initial Recognition Order and a Supplemental Order under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, that, among other things: (i) recognized the Debtors’ chapter 11 cases as foreign main proceedings; (ii) recognized TerreStar as the Foreign Representative of the Debtors; (iii) recognized certain orders granted by the U.S. Bankruptcy Court in the Debtors’ chapter 11 cases; and (iv) appointed Deloitte & Touche Inc. (“***Deloitte***”) as the Information Officer with respect to the Debtors’ chapter 11 cases.
3. Set forth below are the name, address and respective case numbers for each Debtor:

DEBTOR	ADDRESS	CASE NO.	PRIOR NAMES OF THE DEBTOR (INCLUDING ALL PRIOR NAMES USED IN THE LAST 6 YEARS)
TerreStar New York Inc.	545 8 th Ave. Room 401 New York, NY 10018	10-15445	Worldwide Imaging, Inc.
TerreStar Networks Inc.	12010 Sunset Hills Road 6 th Floor Reston, VA 20190	10-15446	
TerreStar License Inc.	12010 Sunset Hills Road 6 th Floor Reston, VA 20190	10-15463	
Motient Communications Inc.	12010 Sunset Hills Road 6 th Floor Reston, VA 20190	10-15452	
Motient Holdings Inc.	12010 Sunset Hills Road 6 th Floor Reston, VA 20190	10-15453	
Motient License Inc.	12010 Sunset Hills Road 6 th Floor Reston, VA 20190	10-15454	
Motient Services Inc.	12010 Sunset Hills Road 6 th Floor Reston, VA 20190	10-15455	
Motient Ventures Holding Inc.	12010 Sunset Hills Road 6 th Floor Reston, VA 20190	10-15458	

DEBTOR	ADDRESS	CASE NO.	PRIOR NAMES OF THE DEBTOR (INCLUDING ALL PRIOR NAMES USED IN THE LAST 6 YEARS)
MVH Holdings Inc.	12010 Sunset Hills Road 6 th Floor Reston, VA 20190	10-15462	
TerreStar National Services Inc.	11951 Freedom Drive 13 th Floor Reston, VA 20190	10-15464	
TerreStar Networks (Canada) Inc.	1035 Ave. Laurier West 2 nd Floor Outremont, Canada QC-H2V-2L1	10-15449	Reseaux Terrestar (Canada)
TerreStar Networks Holdings (Canada) Inc.	1035 Ave. Laurier West 2 nd Floor Outremont, Canada QC-H2V-2L1	10-15447	Gestion De Reseau Terrestar (Canada)
0887729 B.C. Ltd.	1040 West Georgia Street 15th Floor, Vancouver, B.C. V6E 4H8	10-15450	4506901 Canada Inc.

DEADLINE FOR FILING CLAIMS AGAINST TERRESTAR NETWORKS INC. AND THE OTHER DEBTORS:

4. On [November 8, 2010], the U.S. Bankruptcy Court entered an order (the “**Bar Date Order**”) establishing **December 11, 2010, at 5:00 p.m. prevailing Eastern Time**, as the deadline for general creditors to file proofs of claim against the Debtors (the “**General Bar Date**”) and **April 18, 2011, at 5:00 p.m. prevailing Eastern Time**, as the deadline for governmental units to file proofs of claim against the Debtors (the “**Governmental Unit Bar Date**,” and together with the General Bar Date, the “**Bar Dates**”). The Bar Dates apply to all claims against the Debtors that arose before October 19, 2010, except the Excluded Claims listed in paragraph 7 below. The Bar Date Order also sets procedures to be used for filing proofs of claim, which are summarized in this notice for your convenience.

5. On [DATE], the Canadian Court entered an Order, which, among other things, recognized the Bar Date Order.
6. You **MUST** file a proof of claim if you have any claim against any of the Debtors that arose before October 19, 2010. The only exception to this requirement is for claims described in paragraph 7, below. Acts or omissions that occurred before October 19, 2010, may give rise to claims subject to the Bar Dates even if the claims may not have become known or fixed or liquidated until after October 19, 2010. **ANY CLAIMS YOU HAVE AGAINST TERRESTAR NETWORKS INC. OR ITS AFFILIATED DEBTORS MUST BE TIMELY FILED AND IF NOT, WILL BE FOREVER BARRED.** Under section 101(5) of the Bankruptcy Code and as used herein, the word “claim” means: (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.
7. The Bar Date Order provides that creditors do **NOT** have to file proofs of claim by the Bar Date for the types of claims and interests listed below in this paragraph 7 (collectively, the “***Excluded Claims***”). You should not file a proof of claim at this time for any Excluded Claim. The U.S. Bankruptcy Court may enter one or more separate orders at a later time requiring creditors to file proofs of claim for some kinds of Excluded Claims and setting related deadlines. If the U.S. Bankruptcy Court does enter such an order, you will receive notice of it. Excluded Claims include:
 - a. claims that were listed in the schedules of assets and liabilities and statements of financial affairs, which were filed by the Debtors on [November 8, 2010] (the “***Schedules***”), but only if (i) the Schedules did not list those claims as “contingent,” “unliquidated” or “disputed” and (ii) the holder of the claim does not dispute the Schedules’ description of the amount or classification of the claim or the Debtor that is identified as owing the claim;
 - b. claims for which a proof of claim already has been filed with the Clerk of the United States Bankruptcy Court for the Southern District of New York or the Debtors’ claims and noticing agent in these chapter 11 cases, The Garden City Group, Inc. (“***GCG***”) in a form substantially similar to Official Bankruptcy Form No. 10, against the correct Debtor;
 - c. any claim allowed by the U.S. Bankruptcy Court prior to December 11, 2010 at 5:00 p.m. prevailing Eastern Time.

- d. claims paid in full by any of the Debtors during these chapter 11 cases as authorized by order of the U.S. Bankruptcy Court;
- e. claims held by a Debtor against another Debtor;
- f. claims that are subject to other specific deadlines fixed by the U.S. Bankruptcy Court;
- g. claims of current employees of any of the Debtors, to the extent that the Debtors were authorized by the U.S. Bankruptcy Court to honor those claims in the ordinary course of their business such as for wages and benefits, except that current employees must file proofs of claim by the General Bar Date for all other claims arising before October 19, 2010, against the Debtors including claims for wrongful termination, discrimination and claims covered by the Debtors' workers' compensation insurance;
- h. claims that are limited exclusively to the repayment of principal, interest and/or other applicable fees and charges (a "***Debt Claim***") owed under any bond or note issued by the Debtors pursuant to an indenture (a "***Debt Instrument***"); provided, however, that: (i) an indenture trustee under a Debt Instrument (the "***Indenture Trustee***") must file one Proof of Claim, on or before the General Bar Date, with respect to all of the amounts owed under each of the Debt Instruments and (ii) any holder of a Debt Claim wishing to assert a claim, other than a Debt Claim, arising out of or relating to a Debt Instrument must file a Proof of Claim on or before the General Bar Date, unless another exception in this paragraph applies;
- i. claimants whose claim is based on an interest in an equity security of the Debtors; provided, however, that any Claimant who wishes to assert a Claim against any of the Debtors based on, without limitation, Claims for damages or rescission based on the purchase or sale of an equity security, must file a Proof of Claim on or before the General Bar Date. The Debtors reserve all rights with respect to any such Claims including, *inter alia*, to assert that such Claims are subject to subordination pursuant to section 510(b) of the Bankruptcy Code; and
- j. any Claims allowable under sections 503(b) and 507(a)(1) of the Bankruptcy Code as administrative expenses of the Debtors' chapter 11 cases, with the exception of Claims

asserted on account of section 503(b)(9) of the Bankruptcy Code, which are subject to the General Bar Date as provided above.

INSTRUCTIONS FOR FILING PROOFS OF CLAIM:

8. If you file a proof of claim, your filed proof of claim must (a) be written in the English language, (b) be denominated in lawful currency of the United States, and where any such claims are in lawful currency of Canada such claims shall be denominated in lawful currency of the U.S. at the Bank of Canada's noon spot exchange rate in effect as of October 19, 2010, (c) be signed by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant, (d) include as attachments any documents on which the claim is based and (e) conform substantially with Official Form No. 10. you may obtain a proof of claim form from any bankruptcy court clerk's office, from your lawyer, from certain business supply stores, from <http://www.uscourts.gov/FormsAndFees/Forms/BankruptcyForms.aspx>, by calling the Debtors' reorganization hotline at (866) 682-1770; or by GCG at TerreStar Networks Inc., c/o The Garden City Group, Inc., P.O. Box 9649, Dublin, OH 43017-4949. In addition, creditors located in Canada may also obtain a proof of claim form from the Information Officer at the address listed below.
9. **YOU MUST SPECIFICALLY IDENTIFY THE DEBTOR AGAINST WHICH YOU ASSERT A CLAIM, BY NAME AND PROPER CHAPTER 11 CASE NUMBER. YOU SHOULD INCLUDE ALL CLAIMS AGAINST A PARTICULAR DEBTOR IN A SINGLE PROOF OF CLAIM FORM. IF YOU HAVE A CLAIM AGAINST MORE THAN ONE DEBTOR, YOU MUST FILE A SEPARATE PROOF OF CLAIM FORM AGAINST EACH DEBTOR.**
10. Your proof of claim form must be filed so as to be **actually received** on or before 5:00 p.m. prevailing Eastern Time on the applicable Bar Date. You can file your proof of claim by mailing the original proof of claim to TerreStar Networks Inc., c/o The Garden City Group, Inc., P.O. Box 9649, Dublin, OH 43017-4949 or sending it by messenger or overnight courier to TerreStar Networks Inc., c/o The Garden City Group, Inc., 5151 Blazer Parkway, Suite A, Dublin, OH 43017. GCG will not accept a Proof of Claim sent by facsimile or e-mail.

CONSEQUENCES OF MISSING THE DEADLINE FOR FILING CLAIMS:

11. **EXCEPT WITH RESPECT TO EXCLUDED CLAIMS (AS DESCRIBED IN PARAGRAPH 6), IF YOU FAIL TO FILE A PROOF OF CLAIM ON OR BEFORE 5:00 P.M. PREVAILING EASTERN TIME, ON THE APPLICABLE BAR DATE ON ACCOUNT OF ANY CLAIM YOU WISH TO ASSERT AGAINST ANY OF THE DEBTORS, THEN:**

- **YOU WILL BE FOREVER BARRED FROM ASSERTING THAT CLAIM (OR FILING A PROOF OF CLAIM WITH RESPECT TO IT);**
- **YOU WILL NOT RECEIVE ANY DISTRIBUTION IN THESE CHAPTER 11 CASES ON ACCOUNT OF THAT CLAIM;**
- **THE DEBTORS AND THEIR PROPERTY WILL BE DISCHARGED FROM ANY AND ALL LIABILITY WITH RESPECT TO THAT CLAIM; AND**
- **YOU WILL NOT BE PERMITTED TO VOTE ON ANY PLAN OR PLANS OF REORGANIZATION FOR THE DEBTORS ON ACCOUNT OF THESE BARRED CLAIMS.**

EXAMINATION OF SCHEDULES:

12. The Debtors' Schedules and the Bar Date Order may be examined and inspected by interested parties during regular business hours at any of (a) the offices of Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036 or (b) the Clerk of the U.S. Bankruptcy Court, United States Bankruptcy Court, Southern District of New York, One Bowling Green, New York, New York 10004, during posted hours. The Debtors' Schedules and the Bar Date Order are also available online at **www.TerreStarInfo.com**, **www.deloitte.com/ca/terrestar-networks**, and the U.S. Bankruptcy Court's docket sheet and documents are also accessible at the U.S. Bankruptcy Court's internet site: <https://ecf.nysb.uscourts.gov> through an account obtained from the PACER website at <http://pacer.psc.uscourts.gov>. Creditors that wish to rely on the Schedules will have the responsibility for determining that their Claims are listed accurately on them.

ACCESS TO PROOF OF CLAIM FORMS AND OTHER QUESTIONS:

13. Proof of Claim Forms and a copy of the Bar Date Order may be obtained by contacting GCG at TerreStar Networks Inc., c/o The Garden City Group, Inc., P.O. Box 9649, Dublin, OH 43017-4949, Telephone: (866) 682-1770. The Garden City Group, Inc. cannot advise you how to, or whether you should file a Proof of Claim Form.
14. For administrative convenience for creditors located in Canada, Proof of Claim Forms and a copy of the Bar Date Order may also be obtained from the Information Officer's website: www.deloitte.com/ca/terrestar-networks or by contacting Deloitte at:

DELOITTE & TOUCHE INC. (solely in its capacity as Information Officer)
 181 Bay Street, Brookfield Place, Suite 1400, Toronto, ON M5J 2V1
 Attention: Jaspreet Dehl, CA, CPA (Illinois)
 Tel: 416-601-6633
 Fax: 416-601-6690

E-mail: jdehl@deloitte.ca

Deloitte cannot advise you how to, or whether you should file a Proof of Claim Form. Consistent with paragraph 10 above and the Bar Date Order, Proof of Claims Forms delivered to Deloitte will not be accepted or deemed timely or appropriately filed.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

APPLICATION OF TERRESTAR NETWORKS INC. UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**FIRST REPORT OF THE INFORMATION OFFICER,
DELOITTE & TOUCHE INC.
NOVEMBER 5, 2010**

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