UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: ProtoStar Satellite Systems
Debtor

Case No. 09-12658(MFW)
Reporting Period: February 2010

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explain Attached	Explain Attached
Schedule of Cash Receipts and Disbursements	MOR-1	x		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	x		
Schedule of Professional Fees Paid	MOR-1b	x		
Copies of bank statements				
Cash disbursements journals				
Statement of Operations	MOR-2	x		
Balance Sheet	MOR-3	x		
Status of Postpetition Taxes	MOR-4	x		
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4	x		
Listing of aged accounts payable	MOR-4	x		
Accounts Receivable Reconciliation and Aging	MOR-5	x		
Debtor Questionnaire	MOR-5	x		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor — Date

Signature of Joint Debtor — Date

Signature of Authorized Individual* — 3.22.10 — Date

Cynthia Pelini
Printed Name of Authorized Individual

Chief Financial Officer
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

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In re: ProtoStar Satellite Systems, Inc.
Debtor

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1) . Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

	BANK ACCOUNTS				CURRENT MONTH		CUMULATIVE FILING TO DATE	
	OPER.	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	30,171.93			73.44	30,245.37			
RECEIPTS								
CASH SALES					0.00			
ACCOUNTS RECEIVABLE					0.00			
LOANS AND ADVANCES					0.00			
SALE OF ASSETS					0.00			
OTHER (ATTACH LIST)	0.00				0.00			
TRANSFERS (FROM DIP ACCTS)	259,992.82			500.00	260,492.82			
					0.00			
TOTAL RECEIPTS	259,992.82			500.00	260,492.82			
DISBURSEMENTS								
NET PAYROLL	123,248.70				123,248.70			
PAYROLL TAXES	81,274.48				81,274.48			
SALES, USE, & OTHER TAXES					0.00			
INVENTORY PURCHASES					0.00			
SECURED/ RENTAL/ LEASES					0.00			
INSURANCE					0.00			
ADMINISTRATIVE	71,664.75			165.00	71,829.75			
SELLING					0.00			
OTHER (ATTACH LIST)	0.00				0.00			
					0.00			
OWNER DRAW *					0.00			
TRANSFERS (TO DIP ACCTS)	0.00				0.00			
					0.00			
PROFESSIONAL FEES					0.00			
U.S. TRUSTEE QUARTERLY FEES					0.00			
COURT COSTS					0.00			
TOTAL DISBURSEMENTS	276,187.93			165.00	276,352.93			
NET CASH FLOW					0.00			
(RECEIPTS LESS DISBURSEMENTS)					0.00			
CASH - END OF MONTH	13,976.82			408.44	14,385.26			

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

0.00 0.00

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)	
TOTAL DISBURSEMENTS	276,187.93
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	276,187.93

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BANK RECONCILIATIONS

Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.

	Operating		Payroll		Tax		Other	
	WFB		#		#		HSBC	
BALANCE PER BOOKS	4121609580							
BANK BALANCE	14,756.82						408.44	
(+) DEPOSITS IN TRANSIT (ATTACH LIST)	0.00						0.00	
(-) OUTSTANDING CHECKS (ATTACH LIST)	-780.00						0.00	
OTHER (ATTACH EXPLANATION)	0.00							
ADJUSTED BANK BALANCE *	13,976.82						408.44	
* Adjusted bank balance must equal balance per books								
DEPOSITS IN TRANSIT	Date	Amount	Date	Amount	Date	Amount	Date	Amount
CHECKS OUTSTANDING	Ck. #	Amount	Ch. #	Amount	Ck. #	Amount	Ck. #	Amount
	10847	780.00						
OTHER								
Refund of travel deposit		33,279.60						

In re: ProtoStar Satellite Systems, Inc.
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SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month

Payee	Period Covered	Amount Approved	Payor	Check		Amount Paid		Year-To-Date	
				Number	Date	Fees	Expenses	Fees	Expenses
								0.00	

FORM MOR-1b
(04/07)

In re: ProtoStar Satellite Systems, Inc. Case No. 09-12658(MFW)
Debtor Reporting Period: February 2010

STATEMENT OF OPERATIONS
(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	Month	Cumulative Filing to Date
Gross Revenues	0.00	0.00
Less: Returns and Allowances	0.00	0.00
Net Revenue	0.00	0.00
COST OF GOODS SOLD		
Beginning Inventory	0.00	0.00
Add: Purchases	0.00	0.00
Add: Cost of Labor	0.00	0.00
Add: Other Costs (attach schedule)	0.00	0.00
Less: Ending Inventory	0.00	0.00
Cost of Goods Sold	0.00	0.00
Gross Profit	0.00	0.00
OPERATING EXPENSES		
Advertising	0.00	0.00
Auto and Truck Expense	0.00	0.00
Bad Debts	0.00	0.00
Contributions	0.00	0.00
Employee Benefits Programs	0.00	0.00
Insider Compensation*	0.00	0.00
Insurance	6,315.83	28,741.92
Management Fees/Bonuses	0.00	0.00
Office Expense	9,624.12	23,035.79
Pension & Profit-Sharing Plans	0.00	0.00
Repairs and Maintenance	0.00	0.00
Rent and Lease Expense	27,139.49	189,734.36
Salaries/Commissions/Fees	232,626.28	550,205.56
Supplies	0.00	0.00
Taxes - Payroll	0.00	0.00
Taxes - Real Estate	0.00	0.00
Taxes - Other	0.00	895.83
Travel and Entertainment	2,474.82	67,609.51
Utilities	3,148.15	26,962.29
Other (attach schedule)	24,097.96	94,296.08
Total Operating Expenses Before Depreciation	305,426.65	981,481.34
Depreciation/Depletion/Amortization	15,351.04	115,682.89
Net Profit (Loss) Before Other Income & Expenses	-320,777.69	-1,097,164.23
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)	310,713.35	2,180,129.20
Interest Expense	0.00	0.00
Other Expense (attach schedule)	0.00	0.00
Net Profit (Loss) Before Reorganization Items	-10,064.34	1,082,964.97
REORGANIZATION ITEMS		
Professional Fees	0.00	0.00
U. S. Trustee Quarterly Fees	0.00	4,875.00
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	0.00	0.00
Gain (Loss) from Sale of Equipment	0.00	0.00
Other Reorganization Expenses (attach schedule)	0.00	0.00
Total Reorganization Expenses	0.00	325.17
Income Taxes	125.00	-170,685.14
Net Profit (Loss)	-10,189.34	1,248,449.94

*"Insider" is defined in 11 U.S.C. Section 101(31).

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STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Filing to Date
Other Costs		
Other Operational Expenses		
Bankruptcy Fees	0.00	0.00
Accounting Fees	0.00	11,375.00
Legal Fees	0.00	27,731.23
IT Support	21,641.29	55,085.12
Bank Fees	165.00	1,358.39
Licenses & Registration	2,291.67	2,761.02
Miscellaneous	0.00	-4,014.68
Other Income		
Intercompany Income	310,713.35	2,180,097.33
Interest Income	0.00	31.87
Other Expenses		
Other Expenses	0.00	0.00
Other Reorganization Expenses		

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:
Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

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BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Unrestricted Cash and Equivalents	14,780.84	264,459.91
Restricted Cash and Cash Equivalents (see continuation sheet)	0.00	0.00
Accounts Receivable (Net)	0.00	0.00
Notes Receivable	0.00	0.00
Inventories	0.00	0.00
Prepaid Expenses	49,282.07	91,293.42
Professional Retainers	0.00	0.00
Other Current Assets (attach schedule)	16,830,591.87	13,952,905.95
TOTAL CURRENT ASSETS	16,894,654.78	14,308,659.28
PROPERTY AND EQUIPMENT		
Real Property and Improvements	0.00	0.00
Machinery and Equipment	567,271.18	567,271.18
Furniture, Fixtures and Office Equipment	93,881.92	93,881.92
Leasehold Improvements	0.00	0.00
Vehicles	0.00	0.00
Less Accumulated Depreciation	-411,226.19	-295,543.30
TOTAL PROPERTY & EQUIPMENT	249,926.91	365,609.80
OTHER ASSETS		
Loans to Insiders*	0.00	0.00
Other Assets (attach schedule)	88,753.26	139,997.05
TOTAL OTHER ASSETS	88,753.26	139,997.05
TOTAL ASSETS	17,233,334.95	14,814,266.13

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF CURRENT REPORTING MONTH
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)		
Accounts Payable	28,670.22	0.00
Taxes Payable (refer to FORM MOR-4)	0.00	0.00
Wages Payable	0.00	0.00
Notes Payable	0.00	0.00
Rent / Leases - Building/Equipment	0.00	0.00
Secured Debt / Adequate Protection Payments	0.00	0.00
Professional Fees	0.00	0.00
Amounts Due to Insiders*	0.00	0.00
Other Postpetition Liabilities (attach schedule)	7,146,622.38	0.00
TOTAL POSTPETITION LIABILITIES	7,175,292.60	0.00
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Secured Debt	0.00	0.00
Other Prepetition Liabilities (attach schedule)	9,041,802.69	15,046,264.12
Accounts Payable	6,216.00	6,428.29
TOTAL PRE-PETITION LIABILITIES	9,048,018.69	15,052,692.41
TOTAL LIABILITIES	16,223,311.29	15,052,692.41
OWNER EQUITY		
Capital Stock	0.00	0.00
Additional Paid-In Capital	754,092.23	754,092.23
Partners' Capital Account	0.00	0.00
Owner's Equity Account	0.00	0.00
Retained Earnings - Pre-Petition	-992,518.51	-992,518.51
Retained Earnings - Postpetition	1,248,449.94	0.00
Adjustments to Owner Equity (attach schedule)	0.00	0.00
Postpetition Contributions (Distributions) (Draws) (attach schedule)	0.00	0.00
NET OWNER EQUITY	1,010,023.66	-238,426.28
TOTAL LIABILITIES AND OWNERS' EQUITY	17,233,334.95	14,814,266.13

*"Insider" is defined in 11 U.S.C. Section 101(31). 0.00 0.00

In re: ProtoStar Satellite Systems, Inc.
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BALANCE SHEET - continuation sheet

ASSETS		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets			
	Intercompany Receivable	16,830,591.87	13,952,905.95
Other Assets			
	Deposits	88,753.26	139,997.05

LIABILITIES AND OWNER EQUITY		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Postpetition Liabilities			
	Accrued Accounts Payable	0.00	0.00
	Deferred Rent	0.00	0.00
	Deferred Service Fee Income	0.00	0.00
	Other Current Liabilities	83.32	0.00
	Accrued Income Tax Payable	0.00	0.00
	Intercompany Payable	7,090,726.87	0.00
	Other Long-term Liabilities	55,812.19	0.00
Other Prepetition Liabilities			
	Accrued Accounts Payable	0.00	1,000,000.00
	Deferred Rent	8,047.77	11,377.84
	Deferred Service Fee Income	0.00	5,000,000.00
	Other Current Liabilities	0.00	1,131.36
	Accrued Income Tax Payable	45,080.00	45,080.00
	Intercompany Payable	8,893,819.19	8,893,819.19
	Other Long-term Liabilities	94,855.73	94,855.73
Postpetition Contributions (Distributions) (Draws)			

Restricted Cash is cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

In re: ProtoStar Satellite Systems, Inc.
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STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.
Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding						
FICA-Employee						
FICA-Employer						
Unemployment						
Income	47,424.00					47,424.00
Other:						
Total Federal Taxes						
State and Local						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other: Income	-2,344.00					-2,344.00
Total State and Local						
Total Taxes						

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					
	Current	0-30	31-60	61-90	Over 90	Total
Accounts Payable	12,825.64	0.00	15,844.58	0.00	0	28,670.22
Wages Payable						
Taxes Payable						
Rent/Leases-Building						
Rent/Leases-Equipment						
Secured Debt/Adequate Protection Payments						
Professional Fees						
Amounts Due to Insiders*						
Other:_____						
Other:_____						
Total Postpetition Debts	12,825.64	0.00	15,844.58	0.00		28,670.22

Explain how and when the Debtor intends to pay any past-due postpetition debts.

*"Insider" is defined in 11 U.S.C. Section 101(31).

In re: ProtoStar Satellite Systems, Inc.
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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period		0.00
+ Amounts billed during the period		0.00
- Amounts collected during the period		0.00
Total Accounts Receivable at the end of the reporting period		0.00
Accounts Receivable Aging		**Amount**
0 - 30 days old		
31 - 60 days old		
61 - 90 days old		
91+ days old		
Total Accounts Receivable		
Amount considered uncollectible (Bad Debt)		
Accounts Receivable (Net)		

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	Case No. 09-12659 (MFW)
PROTOSTAR LTD., et al.,[1]	)	Jointly Administered
	)	
Debtors.	)	

AFFIDAVIT OF SERVICE

Linda M. Ellis, being duly sworn according to law, deposes and says that she is employed by the law firm of Pachulski Stang Ziehl & Jones LLP, counsel for the Debtors in the above-captioned action, and that on the 23rd day of March, 2010, she caused a copy of the following document to be served upon the attached service list in the manner indicated:

Monthly Operating Report Regarding ProtoStar Satellite Systems For the Reporting Period of February 2010

Linda M. Ellis

SWORN TO AND SUBSCRIBED
by me on this 23rd day of March, 2010.

Notary Public
My Commission Expires:

MONICA A. MOLITOR
Notary Public - State of Delaware
My Comm. Expires July 20, 2010

[1] The ProtoStar entities, along with the last four digits of each of the Debtor's federal tax identification numbers, are as follows: ProtoStar Ltd. (4245); ProtoStar I Ltd. (1042); ProtoStar II Ltd. (1244), ProtoStar Satellite Systems, Inc. (2615), ProtoStar Development Ltd. (none); and ProtoStar Asia Pte. Ltd. (none). The mailing address for the Debtors' is 100 California Street, Suite 700, San Francisco, CA 94111.

ProtoStar Ltd. Service List re Monthly Operating Reports
Case No. 09-12659 (MFW)
Document No. 151297
01 – Hand Delivery

Hand Delivery
(United States Trustee)
Jane M. Leamy, Esquire
Office of the United States Trustee
J. Caleb Boggs Federal Building
844 King Street, Suite 2207
Wilmington, DE 19801