

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of )  
 )  
TerreStar Networks Inc. )  
Petition for Declaratory Ruling ) File No. ISP-PDR-20080229-00004  
Pursuant to Section 310(b)(4) of the )  
Communications Act of 1934 )

To: Chief, International Bureau

**SUPPLEMENT TO PETITION FOR DECLARATORY RULING**

On February 29, 2008, TerreStar Networks Inc. (“TerreStar Networks”) filed the above-captioned Petition for Declaratory Ruling (“PDR”) seeking a Commission determination, pursuant to Section 310(b)(4) of the Communications Act of 1934, as amended,<sup>1</sup> permitting foreign ownership of TerreStar Corporation (“TerreStar”)<sup>2</sup> in excess of 25%. TerreStar, through its wholly-owned subsidiary Motient Ventures Holding Inc. (“MVHI”), owns 88.4% of TerreStar Networks’ equity and has an 88.4% voting interest in TerreStar Networks.

TerreStar Networks hereby supplements its PDR to take into account changed circumstances. For reasons that are discussed below, TerreStar Networks no longer is making a Section 310(b)(4) showing based on a limited number of named shareholders who collectively own in excess of 75% of TerreStar’s voting stock and in excess of 75% of TerreStar’s equity. Rather, consistent with Commission precedent, it is providing

---

<sup>1</sup> 47 U.S.C. § 310(b)(4).

<sup>2</sup> TerreStar Corporation was formerly known as Motient Corporation.

information, based on shareholder addresses, concerning the citizenship of the beneficial owners of nearly 100% of TerreStar stock. This information can be summarized as follows:

- Approximately 9% of TerreStar's voting shares are directly or beneficially owned by non-U.S. citizens, and only a *de minimis* number of voting shares (260 of 139,202,289 voting shares) are directly or beneficially owned by non-U.S. citizens who are citizens of a non-WTO country (Monaco). An additional 1.6% of TerreStar's voting shares are beneficially owned by shareholders whose citizenship cannot be determined.
- Approximately 6.1% of all of TerreStar's shares, voting and non-voting, are directly or beneficially owned by non-U.S. citizens, of only a *de minimis* number of shares (260 of 182,817,594 shares) are directly or beneficially owned by non-U.S. citizens who are citizens of a non-WTO country (Monaco). An additional 1.9% of all of TerreStar's shares are beneficially owned by shareholders whose citizenship cannot be determined.

In addition to making an addressed-based showing, TerreStar is providing information in this supplement concerning the ownership of those shareholders owning 5% or more of TerreStar's voting stock. TerreStar also hereby responds, in Exhibit 1

hereto, to questions posed by the International Bureau concerning the information provided in the PDR.<sup>3</sup>

### **1. Changed Circumstances**

TerreStar's shares are widely held. A large percentage of TerreStar's shares are held in "street name" brokerage accounts, as is true of many companies whose shares are publicly traded. TerreStar does not know the identity of the beneficial owners of these shares. The only shares whose beneficial owners are known to TerreStar are: (1) shares held by shareholders in their own name, *i.e.*, "registered shareholders"; and (2) shares held by shareholders who, because they hold 5% or more of TerreStar's voting stock, must report their holdings in TerreStar to the Securities and Exchange Commission ("SEC").

When TerreStar Networks filed its PDR, it was able to identify, based on the two methods described above, the beneficial owners of in excess of 75% of TerreStar's shares. TerreStar Networks requested a declaratory ruling authorizing foreign investors to have the interests in TerreStar they held at the time and permitting foreign investors to acquire, without having to seek further Commission approval, additional interests in TerreStar of up to 25% equity ownership and up to 25% voting ownership, subject to standard conditions.

---

<sup>3</sup> TerreStar Networks anticipates amending the mobile earth terminal and ancillary terrestrial component applications with which its PDR is associated in order to substitute a wholly-owned subsidiary, TerreStar License Inc., as the applicant. TerreStar Networks respectfully requests that any declaratory ruling issued in response to the PDR account for this possibility.

In the intervening period, there has been a substantial increase in the number of TerreStar's shares that are held in street name. In fact, registered shareholders and 5% or greater shareholders who must report their TerreStar holdings to the SEC collectively account for only 58% of TerreStar's voting stock.

In an effort to identify the beneficial owners of TerreStar shares that are held in street name, TerreStar retained the services of Broadridge Financial Solutions ("Broadridge"), a securities services firm. On TerreStar's behalf, Broadridge contacted the brokers holding TerreStar shares in street name and asked that the beneficial owners of the shares be identified.<sup>4</sup> Under the federal securities laws, beneficial owners of street name shares have the option of permitting their identities to be revealed, in which case they are known as "non-objecting beneficial owners," or remaining anonymous, in which case they are known as "objecting beneficial owners."<sup>5</sup> Only a limited percentage of TerreStar's shareholders have chosen to be non-objecting beneficial owners.<sup>6</sup>

As discussed in the Brandon Declaration, given the circumstances described above it is not possible to determine the citizenship of TerreStar's shareholders by querying a random sample of the shareholders.<sup>7</sup> "Many of the shareholders whose response would be required in order to obtain a random sample hold their shares in

---

<sup>4</sup> See attached declaration of Douglas Brandon ("Brandon Declaration"), TerreStar's General Counsel and Secretary, ¶ 14.

<sup>5</sup> *Id.* ¶ 11.

<sup>6</sup> *Id.* ¶ 12.

<sup>7</sup> *Id.* ¶ 13.

street name and are OBOs.”<sup>8</sup> “TerreStar has no way to contact these shareholders directly and the shareholders’ brokers, whom TerreStar is able to contact, are unable to respond to an ownership questionnaire on the shareholders’ behalf. .”<sup>9</sup>

Commission precedent provides that in these circumstances a Section 310(b)(4) determination may be made based on the street addresses of a company’s beneficial owners. In *Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC (“Verizon Wireless Order”)*,<sup>10</sup> the Commission accepted a showing that supplied “aggregate information regarding the addresses of record of nearly 100 percent of the beneficial owners.”<sup>11</sup> The Commission distinguished this showing from a showing it had rejected in a previous order that had been based on bank and broker addresses, not shareholder addresses.<sup>12</sup>

---

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Memorandum Opinion and Order and Declaratory Ruling, FCC 08-258 (rel. Nov. 10, 2008).

<sup>11</sup> *Id.* ¶ 228.

<sup>12</sup> *Id.* Chatham Avalon Park Community Counsel (“Chatham”) has petitioned for reconsideration of the *Verizon Wireless Order*, including the portion of the order approving Verizon Wireless’ address-based showing. See Chatham’s Petition for Reconsideration, WT Docket No. 08-95 (Dec. 10, 2008). The *Verizon Wireless Order*, however, remains in effect while Chatham’s Petition for Reconsideration is pending and constitutes binding Commission precedent. Moreover, Chatham states in its Petition for Reconsideration that it has no objection to Commission acceptance of address-based showings so long as all filers, and not just Verizon Wireless, are permitted to make such showings. See, e.g., Chatham’s Petition for Reconsideration at i-ii. Accepting the address-based showing provided by TerreStar Networks herein, therefore, would be consistent with the position taken by Chatham in its Petition for Reconsideration. In any event, Chatham’s alternative proposal that filers be required to make a showing under Section 310(b)(4) based on a “statistically valid sample survey,” Chatham Petition for Reconsideration at ii, 24, does not take into account marketplace realities. Many publicly-owned shares are held in street name, and the beneficial owners of a large percentage of shares held in street name have exercised their right as objecting beneficial owners to remain anonymous. See Brandon Declaration at ¶¶ 8-11. It often is impossible, therefore, to conduct a statistically valid sample survey of shareholders, because there is no way

Like Verizon Wireless, TerreStar has collected record address information for nearly 100% of its beneficial owners. TerreStar already has addresses for its registered shareholders, and TerreStar has obtained from Broadridge aggregate information concerning the addresses of record of the beneficial owners of TerreStar shares held in street name. It is consistent with objecting beneficial owner restrictions for Broadridge to provide address information to TerreStar in aggregate form.<sup>13</sup>

**Citizenship of the beneficial owners of voting stock based on addresses.**

TerreStar is a publicly traded company organized under the laws of the United States. As of April 30, 2009, TerreStar had 139,202,289 shares issued and outstanding of common, voting stock, of which 7,101,894 shares were held by registered shareholders and the remaining 132,100,395 shares were held in street name. With respect to the registered shareholders, TerreStar determined citizenship based upon each shareholder's address of record. This information indicates that, as of the above date, 71.4% of these shares (5,071,894 shares) were held by U.S. citizens and 28.6% (2,030,000 shares) were held by non-U.S. citizens. With respect to the 132,100,395 TerreStar shares that are held in street name, as discussed above TerreStar obtained from Broadridge aggregate information regarding the addresses of record of the beneficial owners. TerreStar's determination of the citizenship of each of these beneficial owners was based upon the owner's address listed in Broadridge's records. The information obtained from Broadridge indicates that 92.1% of these shares (121,671,688 shares) were

---

to contact many of the shareholders whose response to a survey is required to obtain a random sample. See, e.g., Brandon Declaration at ¶ 13.

<sup>13</sup> See Brandon Declaration, ¶ 14.

held by U.S. citizens and 6.2% (8,172,224 shares) were held by non-U.S. citizens. The citizenship of 1.7% of these shares (2,256,483 shares) could not be determined because the brokers holding the shares did not respond to Broadridge's requests for information. Collectively, these numbers (which account for all TerreStar voting shares) and the methodology discussed above indicate that approximately 9% of TerreStar's voting shares are directly or beneficially owned by non-U.S. citizens, of which a *de minimis* amount (260 shares) is attributable to a non-WTO country (Monaco), and that 1.6% of TerreStar's voting shares are beneficially owned by shareholders whose citizenship cannot be determined.

**Citizenship of the beneficial owners of all stock based on addresses.** As of April 30, 2009, TerreStar had 182,817,594 shares issued and outstanding of stock,<sup>14</sup> of which 38,268,444 shares were held by registered shareholders and the remaining 144,549,150 shares were held in street name. With respect to the registered shareholders, TerreStar determined citizenship based upon each shareholder's address of record. This information indicates that, as of the above date, 94.7% of these shares (36,238,000 shares) were held by U.S. citizens and 5.3% (2,030,000 shares) were held by non-U.S. citizens. With respect to the 144,549,150 TerreStar shares that are held in street name, as discussed above TerreStar obtained from Broadridge aggregate information regarding the addresses of record of the beneficial owners. TerreStar's determination of the citizenship of each of these beneficial owners was based upon the owner's address

---

<sup>14</sup> This figure takes into account rights that are associated with TerreStar's preferred (non-voting) shares to convert the preferred shares into common shares.

listed in Broadridge's records. The information obtained from Broadridge indicates that 91.3% of these shares (132,042,051 shares) were held by U.S. citizens and 6.3% (9,084,066 shares) were held by non-U.S. citizens. The citizenship of 2.4% of these shares (3,423,033 shares) could not be determined because the brokers holding the shares did not respond to Broadridge's requests for information. Collectively, these numbers (which account for all TerreStar shares) and the methodology discussed above indicate that approximately 6.1% of TerreStar's shares are directly or beneficially owned by non-U.S. citizens, of which a *de minimis* amount (260 shares) is attributable to a non-WTO country (Monaco), and that 1.9% of TerreStar's shares are beneficially owned by shareholders whose citizenship cannot be determined.

**Citizenship of the beneficial owners holding 5% or more of the voting stock.**

With the exception of three shareholders - Harbinger Capital Partners Funds ("Harbinger"),<sup>15</sup> EchoStar Corporation ("EchoStar"), and Solus Alternative Asset Management LP ("Solus") - that collectively hold approximately 53% of TerreStar's issued and outstanding voting stock,<sup>16</sup> TerreStar's shares are widely held. No shareholder, apart from these three shareholders, is the beneficial owner of 5% or more of TerreStar's voting stock. Terrestar Networks knows the identity of each of the three shareholders, either because the shareholder is a registered shareholder or because the shareholder has reported its TerreStar holdings to the SEC.

---

<sup>15</sup> These funds consist of Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Funds, L.P.

<sup>16</sup> Harbinger holds 26.8% of TerreStar's issued and outstanding voting stock; EchoStar holds 21.6%; and Solus holds 5%.



To give the Commission additional assurance that TerreStar's foreign ownership levels are consistent with the public interest, TerreStar Networks is providing, in addition to the address-based analysis above, information concerning the ownership of its three principal voting shareholders. Information concerning the ownership of two of those shareholders - Harbinger and EchoStar - is attached to this filing, in Exhibits 1 and 2. This ownership information is more detailed and more current than the information TerreStar Networks provided previously, and supersedes TerreStar Networks' original showing. TerreStar Networks already has provided information concerning Solus and supplements this information in Exhibit 1.

## **2. Responses to International Bureau questions**

The International Bureau has sent TerreStar Networks a series of questions requesting additional information concerning the matters addressed in its PDR. Exhibit 1 hereto sets forth TerreStar Networks' responses to these questions.

In some cases the Bureau's questions have been overtaken by events, because the questions relate to shareholders identified in the PDR that at the time were reporting their TerreStar Holdings to the SEC but no longer do so. These shareholders must have either sold their TerreStar shares or sold a sufficient number of the shares that they have fallen below SEC reporting thresholds. Shareholders in this category are no longer part of TerreStar Networks' Section 310(b)(4) showing, which is based on shareholder addresses and on information concerning the ownership of shareholders owning 5% or more of TerreStar's voting stock. TerreStar Networks has responded "N/A" to the

Bureau's questions pertaining to the shareholders that are not part of TerreStar Networks' showing.

### Conclusion

In view of the foregoing and the information provided in the PDR, the Commission should issue a declaratory ruling: (1) permitting foreign investors to hold the interests in TerreStar identified in this filing; and (2) permitting foreign investors to acquire, without having to seek further Commission approval, additional interests in TerreStar of up to 25% equity ownership and up to 25% voting ownership, subject to standard conditions.

Respectfully submitted,

TERRESTAR NETWORKS INC.

By: /s/Douglas I. Brandon  
Douglas I. Brandon  
General Counsel & Secretary  
TerreStar Networks Inc.  
12010 Sunset Hills Road  
Reston, VA 20191  
(703) 483-7800

OF COUNSEL:

Joseph A. Godles  
GOLDBERG, GODLES, WIENER  
& WRIGHT  
1229 Nineteenth Street, N.W.  
Washington, DC 20036  
(202) 429-4900  
*Counsel for TerreStar Networks Inc.*

July 7, 2009

## DECLARATION OF DOUGLAS BRANDON

1. I am General Counsel and Secretary of TerreStar Corporation (“TerreStar”).
2. I am providing this declaration in support of a supplement to a Petition for Declaratory Ruling (“PDR”), File No. ISP-PDR-20080229-00004, filed by TerreStar’s majority-owned subsidiary, TerreStar Networks Inc. (“TSN”).
3. TSN’s FCC counsel has advised that in connection with the PDR, TSN needs to account for the citizenship of the holders of at least 75% of TerreStar’s issued and outstanding voting stock and the holders of at least 75% of all of TerreStar’s issued and outstanding capital stock.
4. There are two ways in which shareholders of a public company such as TerreStar may hold their shares. They may either hold the shares in their own name, in which case they are the shareholders of record on the corporation’s books, or they may hold the shares in “street name,” in which case they are the beneficial owners of the shares but the shares are registered on the corporation’s books in the name of a third party, which typically means the shareholder’s broker.
5. TerreStar does not know the identities of the beneficial owners of TerreStar shares that are held in street name. Official communications with these shareholders are directed to the street name addresses on TerreStar’s books.
6. The shares of TerreStar that are held by shareholders in their own name, rather than in street name, account for well under 75% of TerreStar’s issued and

outstanding voting stock and well under 75% of all of TerreStar's issued and outstanding capital stock. In an effort to identify additional shareholders, TerreStar reviewed filings of its shareholders with the Securities and Exchange Commission ("SEC"). In general, persons or entities having a 5% or greater interest in TerreStar must disclose their interest in filings with the SEC.

7. Even after reviewing these filings, the shareholders TerreStar was able to identify hold significantly less than 75% of the company's issued and outstanding voting stock and issued and outstanding capital stock. Moreover, some entities that TerreStar previously was able to identify as 5% or greater shareholders by reviewing the filings with the SEC are no longer reporting an ownership interest in TerreStar. These shareholders must have either dropped below the 5% level or disposed of all of their TerreStar shares, and there is no way to determine what interest, if any, they currently have in TerreStar.

8. As discussed above, the primary reason TerreStar is unable to identify their shareholders is that many shareholders, rather than holding their shares in their own name, hold their shares in "street name," meaning that they are the beneficial owners of the shares but the shares are registered on the corporation's books in the name of a third party. The distinction between beneficial owners and shareholders of record has existed throughout the history of shareholder records. In the later part of the 20<sup>th</sup> century, the use of nominee (including street name) accounts became more common, thereby increasing the percentage of shares held by beneficial owners other than the

shareholders of record. Because beneficial owners have the right to remain anonymous, many public companies find themselves unable to identify many of their shareholders or to communicate with them directly (*i.e.*, they must communicate with them through the shareholders' nominees).<sup>1</sup> The result has been a growing overall separation of much of the actual ownership of public companies from the matters of the companies themselves.<sup>2</sup>

9. Over the decades, underscored by technological advances and evolutions in notions of corporate governance, Congress and the SEC have sought to address this attenuation by enacting rules and policies that require or enable certain shareholder communications.<sup>3</sup> These rules and policies are primarily directed at enhancing the rights of beneficial owners to be involved in corporate governance despite the distance that separates them from the company. The rules focus on ensuring that shareholders are informed of relevant corporate matters and have the choice to participate if possible.<sup>4</sup> At the same time, the SEC has acknowledged the importance of keeping the identity of beneficial owners confidential. For instance, discussions regarding beneficial

---

<sup>1</sup> See generally Robert Brown, Jr. *the Shareholder Communication Rules and the Securities and Exchange Commission: An Exercise in Regulatory Utility or Futility?* , 13 J. Corp. L. 683 (Spring 1988).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> C.F.R. §240.14a-13, 14b-1 and 14b-2.

owner lists kept by brokers have acknowledged and supported the privacy interests of beneficial owners and the competitive interests of brokers and banks that hold the lists.<sup>5</sup>

10. Companies have no right to pierce the veil between shareholders of record and beneficial owners. To the contrary, there are specific and extensive SEC rules protecting the privacy of customers of financial institutions. These rules require that financial institutions, including broker-dealers, maintain strict privacy policies.<sup>6</sup> Financial institutions desiring to share non-public information about their customers with those not directly affiliated with their institution have an affirmative obligation to inform customers of their intention at the time the customer establishes a relationship with the financial institution and must provide an opportunity for the customer to opt out so that their information would not be shared.<sup>7</sup>

11. Under the SEC's rules and policies, beneficial owners are divided into two categories – non-objecting beneficial owners (“NOBOs”) and objecting beneficial owners (“OBOs”). NOBOs do not object to having their names and addresses released

---

<sup>5</sup> Most recently, in 2007 the SEC held a series of roundtables on the proxy process. As part of the brief, the SEC noted that in a Petition for Rulemaking submitted by the Business Roundtable some commentators highlighted the relevance of shareholder privacy concerns as well as the valid interests that banks and brokers have in their beneficial owners lists. <http://www.sec.gov/spotlight/proxyprocess/proxyvotingbrief.htm>

<sup>6</sup> See 17 C.F.R. §248.1-248.30 *Privacy of Consumer Financial Information (Regulation S-P)*.

<sup>7</sup> *Id.* Individual financial institutions have the flexibility to decide whether a request for information should be viewed within the initial opt-out decision made by a customer or, alternatively, whether the request should be forwarded separately of a specific opt-out decision by the customer. The financial institutions TerreStar has been dealing with have not been willing to explain how they implement their opt-out policies or the process they have followed in response to specific requests made by or on behalf of TerreStar. TerreStar, of course, has no authority to compel financial institutions to release such information.

by their financial intermediaries to companies in which they are invested, while OBOs object to having their names and addresses released by the intermediaries. OBOs, who account for approximately 75% of public companies' shares that are held in street name,<sup>8</sup> may be contacted only by the broker or bank intermediary.

12. TerreStar sent requests to all street name addresses asking that the beneficial owners of the shares held in street name be identified. The request, however, resulted in the identification of the beneficial owners of only the limited percentage of TerreStar's shares that are held by NOBOs.

13. Given the circumstances described above, it is not possible to determine the citizenship of TerreStar's shareholders by querying a random sample of the shareholders. Many of the shareholders whose response would be required in order to obtain a random sample hold their shares in street name and are OBOs. TerreStar has no way to contact these shareholders directly and the shareholders' brokers, whom TerreStar is able to contact, are unable to respond to an ownership questionnaire on the shareholders' behalf.

14. TerreStar has been able, however, to develop information concerning the addresses of the beneficial owners of its shares. Consistent with OBO restrictions, it is permissible for Broadridge Financial Solutions ("Broadridge"), a securities services firm retained by TerreStar, to obtain these addresses from brokers and to summarize the information in aggregate form. The summaries provided by Broadridge identify how

---

<sup>8</sup> <http://www.sec.gov/spotlight/proxyprocess/proxyvotingbrief.htm>

many shares are associated with addresses in particular states and particular countries. Based on these summaries, TerreStar has been able to determine what percentage of its shares are owned by persons or entities with U.S. addresses, addresses in other WTO countries, and addresses in non-WTO countries.

15. I declare under penalty of perjury that the foregoing information is true and correct to the best of my knowledge, information, and belief.

/s/Douglas Brandon  
Douglas Brandon

Dated: July 7, 2009



## EXHIBIT 1

Responses to International Bureau Questions

**TerreStar Networks Inc. (TerreStar) PDR Additional Information Request  
ISP-PDR-20080229-00004**

1. Please provide separate organizational charts showing:
  - (a) the current ownership of TerreStar and TerreStar Corporation *by* U.S. and foreign investors;
  - (b) the current ownership of TerreStar and TerreStar Corporation *through* U.S. and foreign investors;
  - (c) the ownership of TerreStar and TerreStar Corporation *by* U.S. and foreign investors once the 1.4 GHz options have been exercised; and
  - (d) the ownership of TerreStar and TerreStar Corporation *through* U.S. and foreign investors once the 1.4 GHz options have been exercised.

The organizational charts should identify all investor groups and other entities in the vertical ownership structure of TerreStar Networks, Inc. The charts should also identify each group or entity's equity and voting interest in the company positioned in the next lower tier of the ownership structure.

**N/A. TerreStar Networks' Section 310(b)(4) showing is no longer based on named shareholders. Rather, TerreStar Networks is making a showing as to the citizenship of TerreStar's owners that is based on aggregate, addressed-based information. No "by" vs. "through" analysis" can be made for this kind of showing. TerreStar Networks also is providing information concerning the ownership of the small number of shareholders that own 5% or more of TerreStar's voting stock.**

2. Please provide the following information in Excel charts to confirm TerreStar's calculations contained in Table 2 of TerreStar's petition for declaratory ruling:
  - (a) the foreign equity and voting interests in TerreStar Corporation held *by* companies and individuals referred to by TerreStar as the "Named Shareholders" and
  - (b) the foreign equity and voting interests in TerreStar Corporation held *through* the "Named Shareholders".
  - (c) the foreign equity and voting interests in TerreStar Corporation held *by* and *through* shareholders that are not named in TerreStar's petition for declaratory ruling.

Any representation or treatment of indirect investment in TerreStar Corporation as U.S., WTO, or non-WTO should be properly supported by a principal place of business showing. For purposes of determining the investors' principal places of business for this and the other questions contained in this information request, please use the five factor test specified in the *Foreign Carrier Entry Order*, 11 FCC Rcd 3873, 3951, ¶ 207 (1995). *See* Foreign Ownership Guidelines, 19 FCC Rcd 22612, 22623 (2004). *See also* File No. ISP-PDR-20070314-00004.

**N/A. TerreStar Networks' Section 310(b)(4) showing is no longer based on Table 2.**

3. Please identify the investors that collectively hold the remaining 14 percent of TerreStar Networks Inc. and their individual shareholdings (equity and voting) in TerreStar Networks Inc.

Additionally, please provide the citizenship or the principal place of business of each investor (and its parent, if any).

The remaining percent now stands at 11.6%, not 14%. Of this 11.6%, all but 0.5% is held by SkyTerra Investors LLC (“SkyTerra Investors,” formerly known as MSV Investors LLC), whose sole member is SkyTerra Communications, Inc. (“SkyTerra Communications”). The Commission already has made detailed findings concerning the ownership of SkyTerra Investors and SkyTerra Communications, both of which are organized under the laws of Delaware. . See Order and Declaratory Ruling, FCC 09-77 (March 7, 2008). Continental Casualty Company, which is headquartered in Chicago, Illinois, owns 0.3% of TerreStar Networks, and Andy Africk, a U.S. citizen, owns 0.1%.<sup>1</sup>

4. Please provide a principal place of business showing for TerreStar Corporation and Motient Ventures Holding Inc.

**TerreStar Corporation**

- (i) Country of organization:  
UNITED STATES
- (ii) Citizenship of investment principals, officers and directors:  
UNITED STATES, CANADA, CAYMAN ISLANDS
- (iii) Location of world headquarters:  
UNITED STATES
- (iv) Location of tangible properties:  
UNITED STATES
- (v) Location of greatest sales and/or revenues:  
UNITED STATES

**Motient Ventures Holding Inc.**

- (i) Country of organization:  
UNITED STATES
- (ii) Citizenship of investment principals, officers and directors:  
UNITED STATES, CANADA, CAYMAN ISLANDS
- (iii) Location of world headquarters:  
UNITED STATES
- (iv) Location of tangible properties:  
N/A (holding company)

---

<sup>1</sup> Because of rounding, the interests described in this paragraph add up to 11.5% rather than 11.6%.

- (v) Location of greatest sales and/or revenues:  
N/A (holding company)

5. Please explain the control structure of TerreStar Corporation, including a statement whether any individual or group of individuals have *de facto* control of the company through, *e.g.*, control of the board of directors. Please also confirm our understanding that the shareholders of TerreStar Networks Inc. and TerreStar Corporation have voting interests that are equal to their equity interests in each company.

No individual or group of individuals has *de jure* or *de facto* control of TerreStar Corporation. The company has an eight person board of directors. (At present, one board seat is vacant.) TerreStar Corporation's shareholders do not have any shareholder agreements addressing the election of directors or other matters voted upon by the shareholders. No TerreStar Corporation shareholder has the right to designate board members, but EchoStar, as the holder of the sole share of Series C preferred stock, has the right to nominate two directors, and Harbinger Capital Partners Master Fund I, Inc., as the holder of the sole share of Series D preferred stock, also has the right to nominate two directors. Two individuals who were nominated by EchoStar have been elected and serve on TerreStar Corporation's board. Two individuals who were nominated by Harbinger have been elected and serve on TerreStar Corporation's board. The EchoStar nominees are EchoStar employees; the Harbinger nominees are not Harbinger employees.

Each common share of TerreStar Corporation gets one vote (the preferred shares of TerreStar Corporation are non-voting). Each common share of TerreStar Networks also gets one vote (the preferred shares of TerreStar Networks are non-voting).

6. Please state whether the laws of the countries where TerreStar Corporation's foreign shareholders are organized require reporting to regulatory authorities (and notification to TerreStar Corporation) when an individual or entity has acquired an interest in equity securities of the company that exceed a given threshold. If so, please specify the threshold(s) and the nature of the interest in the securities that trigger the reporting requirement.

TerreStar does not have first hand knowledge of the reporting requirements that apply overseas to its non-US shareholders, and as discussed in its PDR supplement, TerreStar does not know the identity of most of its shareholders. Of the shareholders that own 5% or more of TerreStar's voting stock, the only non-US entity is Harbinger Capital Partners Master Fund I, Ltd., which is organized under the laws of the Cayman Islands. It is TerreStar's understanding that there are no reporting requirements under Cayman law of the kind described.

7. Please provide a principal place of business showing for EchoStar and explain the basis for EchoStar's calculations of U.S., other WTO, and non-WTO ownership of EchoStar's shares. For example, please explain how EchoStar determined, as stated on page 9, that "a voting interest of about only 0.13% is attributable to non-WTO countries." Additionally, to the extent the information is available, please provide the number of EchoStar's shares that are currently held by brokers on behalf of foreign individuals or entities. Further, please provide an estimate of the maximum amount of shares that EchoStar expects will be held by such brokers as well as the

basis for this estimate. (This question relates to footnote 15 on page 9, which states, “[t]he figures provided do not reflect shares held by brokers on behalf of foreign individuals or entities, which have not been surveyed, and may fluctuate over time as EchoStar’s shares are traded on the public market.”)

***Principal place of business for EchoStar.*** EchoStar’s principal place of business is the United States based on the five-factor test established by the Commission. *See Foreign Participation Order*, 12 FCC Rcd at 23941, para. 116 (1997). Specifically:

- (1) EchoStar is incorporated under the laws of the state of Nevada;
- (2) EchoStar’s principal shareholder (Charles W. Ergen<sup>2</sup>), as well as its officers and directors are all U.S. citizens;
- (3) EchoStar’s headquarters is in Englewood, Colorado, United States of America;
- (4) The majority of EchoStar’s tangible property is located in the jurisdiction of the United States. Besides its headquarters in Englewood, CO, it has substantial satellite control and uplink facilities at Cheyenne, WY, Gilbert, AZ, Monee, IL, Rapid City, SD, Orange, NJ, Atlanta, GA, Spokane, WA, Mt. Jackson, VA and New Braunfels, TX.
- (5) EchoStar derives the vast majority of its revenues from within the United States.

***EchoStar Foreign Ownership.*** At the time TerreStar initially filed its petition, EchoStar had only recently been spun-off from its sister company DISH Network Corporation (“DISH”). As a result, it could only provide estimates of its foreign ownership levels based on information from NASDAQ and inferences from SEC filings made with respect to DISH. Since then, EchoStar has commissioned a broker survey of its shareholders (as of April 30, 2008). The results of that survey, combined with information from EchoStar’s share registry, indicates that only about 1.33% of EchoStar’s equity (representing only about 0.23% of voting rights) is held by non-U.S. shareholders. Moreover, only about 0.0001% of EchoStar’s equity (representing less than 0.0001% of voting rights) is held by non-U.S. shareholders from non-WTO countries. EchoStar is not aware of any changes in the beneficial ownership of its shares since April 30, 2008, that would significantly alter the levels of foreign ownership of its shares.

8. With respect to Solus Alternative Asset Management LP, please provide the citizenship of its controlling principal(s).

Christopher Pucillo, a United States citizen, serves as the managing member of Solus GP, LLC, a Delaware limited liability company that is Solus’ general partner.

9. With respect to Solus Alternative Asset Management LP, the four Tudor Funds, and the five Intrepid Funds, please state whether each such fund is a private equity fund, a management investment company (*e.g.*, closed end fund or mutual fund), or a company holding shares for the accounts of other individuals or entities. If the latter, please provide the citizenship or principal place of business of these account holders and their respective percentage equity and voting interests in TerreStar Corporation.

---

<sup>2</sup> As of May 28, 2009, Mr. Ergen had an equity interest of approximately 54% in EchoStar and a voting interest of approximately 87.3%. His holdings include both Class A common and Class B common stock; Class B common stock is owned through several trusts.

Solus Alternative Asset Management LP (“Solus”) serves as an investment manager to SOLA Ltd. (“SOLA”), which is an investment fund. Solus holds its TerreStar shares in SOLA, whose principal place of business is either the Cayman Islands or the United States. (SOLA is organized under the laws of the Cayman Islands; its world headquarters are located in the Cayman Islands; and the Cayman Islands is its tax jurisdiction. SOLA’s investment decisions are directed by Solus, which is organized under the laws of the United States. The “tangible property” and “majority of revenues” elements of the principal place of business test are N/A.) The four Tudor Funds and the five Intrepid Funds are no longer part of TerreStar Networks’ Section 310(b)(4) showing.

10. Please explain the basis for the principal place of business information provided in the petition for Solus Alternative Asset Management LP, the four Tudor Funds, the five Intrepid Funds, and Goldman Sachs.

The principal place of business information provided in response to question 9, above, is based on information provided by Solus/SOLA to TerreStar. The principal place of business information provided in the PDR with respect to Solus is based on SOLUS’ filings with the SEC. The four Tudor Funds, the five Intrepid Funds, and Goldman Sachs are no longer part of TerreStar Networks’ Section 310(b)(4) showing.

## EXHIBIT 2

Ownership of Harbinger Capital Partners Funds  
(copied from revised Petition for Declaratory ruling filed March 27, 2009<sup>1</sup>)

<sup>1</sup>See IB Docket No. 08-184.

**Annex 1 to Petition for Declaratory Ruling:  
Investor Interests in the Harbinger Funds**

***Harbinger Capital Partners Offshore Fund I, Ltd.***

<i>Category of Investor</i>	<i>Aggregate % Equity</i>	<i>Country of Citizenship/Country of Organization/Principal Place of Business of Beneficial Owner of Equity Interest</i>
Individuals that are citizens of the United States	0.05%	United States
Individuals that are citizens of foreign countries	0.37%	Canada, China, South Africa, United Kingdom, Switzerland
Banks, insurance companies, pension plans and foundations/endowments organized in the United States <u>and</u> controlled by U.S. citizens	4.20%	United States
Banks, insurance companies, pension plans and foundations/endowments controlled by foreign citizens <u>or</u> organized in foreign countries	19.46%	Australia, Bermuda, Cayman Islands, Channel Islands, China, Finland, Hong Kong, Ireland, Isle of Man, Luxembourg, Norway, Sweden, Switzerland, France, The Netherlands, United Kingdom
Private equity and mutual funds that are organized in the United States <u>and</u> have their principal place of business in the U.S.	0.0%	United States
Private equity and mutual funds that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	0.0%	
Any investors that do not fall into one of the foregoing categories that are organized in the United States <u>and</u> have their principal place of business in the U.S.	0.66%	United States
Any investors that do not fall into one of the foregoing categories that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	75.26%	Arab Emirates, Australia, Bermuda, Brazil, British Virgin Islands, Canada, Cayman Islands, Channel Islands, Chile, China, France, Hong Kong, Italy, Isle of Man, Ireland, Japan, Luxembourg, Norway, Panama, Portugal, Singapore, Spain, Sweden, Switzerland, Netherlands Antilles, The Bahamas, The Netherlands, United Kingdom



**Annex 1 to Petition for Declaratory Ruling:  
Investor Interests in the Harbinger Funds**

<i>Harbinger Capital Partners Fund I, L.P.</i>		
<i>Category of Investor</i>	<i>Aggregate % Equity</i>	<i>Country of Citizenship/Country of Organization/Principal Place of Business of Beneficial Owner of Equity Interest</i>
Individuals that are citizens of the United States	6.74%	United States
Individuals that are citizens of foreign countries	0.0%	
Banks, insurance companies, pension plans and foundations/endowments organized in the United States <u>and</u> controlled by U.S. citizens	13.01%	United States
Banks, insurance companies, pension plans and foundations/endowments controlled by foreign citizens <u>or</u> organized in foreign countries	0.0%	
Private equity and mutual funds that are organized in the United States <u>and</u> have their principal place of business in the U.S.	0.0%	
Private equity and mutual funds that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	0.0%	
Any investors that do not fall into one of the foregoing categories that are organized in the United States <u>and</u> have their principal place of business in the U.S.	80.25%	United States
Any investors that do not fall into one of the foregoing categories that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	0.0%	

**Annex 1 to Petition for Declaratory Ruling:  
Investor Interests in the Harbinger Funds**

<i>Harbinger Capital Partners Special Situations Fund, L.P.</i>		
<i>Category of Investor</i>	<i>Aggregate % Equity</i>	<i>Country of Citizenship/Country of Organization/Principal Place of Business of Beneficial Owner of Equity Interest</i>
Individuals that are citizens of the United States	5.90%	United States
Individuals that are citizens of foreign countries	0.0%	
Banks, insurance companies, pension plans and foundations/endowments organized in the United States <u>and</u> controlled by U.S. citizens	3.98%	United States
Banks, insurance companies, pension plans and foundations/endowments controlled by foreign citizens <u>or</u> organized in foreign countries	0.0%	
Private equity and mutual funds that are organized in the United States <u>and</u> have their principal place of business in the U.S.	0.0%	United States
Private equity and mutual funds that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	0.0%	
Any investors that do not fall into one of the foregoing categories that are organized in the United States <u>and</u> have their principal place of business in the U.S.	25.77%	United States
Any investors that do not fall into one of the foregoing categories that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	64.35%	Cayman Islands <sup>1</sup>

---

<sup>1</sup> Information regarding the investors in this fund is set forth on p. 4 of this Annex 1.

**Annex 1 to Petition for Declaratory Ruling:  
Investor Interests in the Harbinger Funds**

<i>Harbinger Capital Partners Special Situations Offshore Fund, L.P.</i>		
<i>Category of Investor</i>	<i>Aggregate % Equity</i>	<i>Country of Citizenship/Country of Organization/Principal Place of Business of Beneficial Owner of Equity Interest</i>
Individuals that are citizens of the United States	0.12%	United States
Individuals that are citizens of foreign countries	0.36%	Channel Islands, Germany, Switzerland
Banks, insurance companies, pension plans and foundations/endowments organized in the United States <u>and</u> controlled by U.S. citizens	14.04%	United States
Banks, insurance companies, pension plans and foundations/endowments controlled by foreign citizens <u>or</u> organized in foreign countries	17.44%	Cayman Islands, Finland, Luxembourg, Netherland Antilles, Switzerland, The Netherlands,
Private equity and mutual funds that are organized in the United States <u>and</u> have their principal place of business in the U.S.	0.0%	United States
Private equity and mutual funds that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	0.0%	
Any investors that do not fall into one of the foregoing categories that are organized in the United States <u>and</u> have their principal place of business in the U.S.	1.97%	United States
Any investors that do not fall into one of the foregoing categories that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	66.07%	British Virgin Islands, Channel Islands, Canada, Cayman Islands, Finland, Germany, Gibraltar, Guernsey, Ireland, Italy, Liechtenstein, Luxembourg, Norway, Panama, Switzerland, The Netherlands

**Annex 1 to Petition for Declaratory Ruling:  
Investor Interests in the Harbinger Funds**

<i>Harbinger Capital Partners SSF CFF Fund, LTD</i>		
<i>Category of Investor</i>	<i>Aggregate % Equity</i>	<i>Country of Citizenship/Country of Organization/Principal Place of Business of Beneficial Owner of Equity Interest</i>
Individuals that are citizens of the United States	0.0%	
Individuals that are citizens of foreign countries	0.0%	
Banks, insurance companies, pension plans and foundations/endowments organized in the United States <u>and</u> controlled by U.S. citizens	0.0%	
Banks, insurance companies, pension plans and foundations/endowments controlled by foreign citizens <u>or</u> organized in foreign countries	20.41%	Cayman Islands
Private equity and mutual funds that are organized in the United States <u>and</u> have their principal place of business in the U.S.	0.0%	
Private equity and mutual funds that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	0.0%	
Any investors that do not fall into one of the foregoing categories that are organized in the United States <u>and</u> have their principal place of business in the U.S.	35.45%	United States
Any investors that do not fall into one of the foregoing categories that are organized in a foreign country <u>or</u> have their principal place of business in a foreign country	44.14%	Cayman Islands

**Annex 2 to Petition for Declaratory Ruling:  
PRINCIPAL PLACE OF BUSINESS SHOWINGS**

**Harbinger Capital Partners Master Fund I, Ltd.**

- (i) Country of organization:  
CAYMAN ISLANDS
- (ii) Citizenship of investment principals, officers and directors:  
UNITED STATES, IRELAND, UNITED KINGDOM
- (iii) Location of world headquarters:  
IRELAND
- (iv) Location of tangible properties:  
N/A
- (v) Location of greatest sales and/or revenues:  
N/A

**Harbinger Capital Partners Special Situations Fund, L.P.**

- (i) Country of organization:  
UNITED STATES
- (ii) Citizenship of investment principals, officers and directors:  
UNITED STATES
- (iii) Location of world headquarters:  
UNITED STATES
- (iv) Location of tangible properties:  
N/A
- (v) Location of greatest sales and/or revenues:  
N/A

**Harbinger Capital Partners Offshore Fund I, Ltd.**

- (i) Country of organization:  
CAYMAN ISLANDS
- (ii) Citizenship of investment principals, officers and directors:  
UNITED STATES, IRELAND, UNITED KINGDOM
- (iii) Location of world headquarters:  
IRELAND
- (iv) Location of tangible properties:  
N/A
- (v) Location of greatest sales and/or revenues:  
N/A

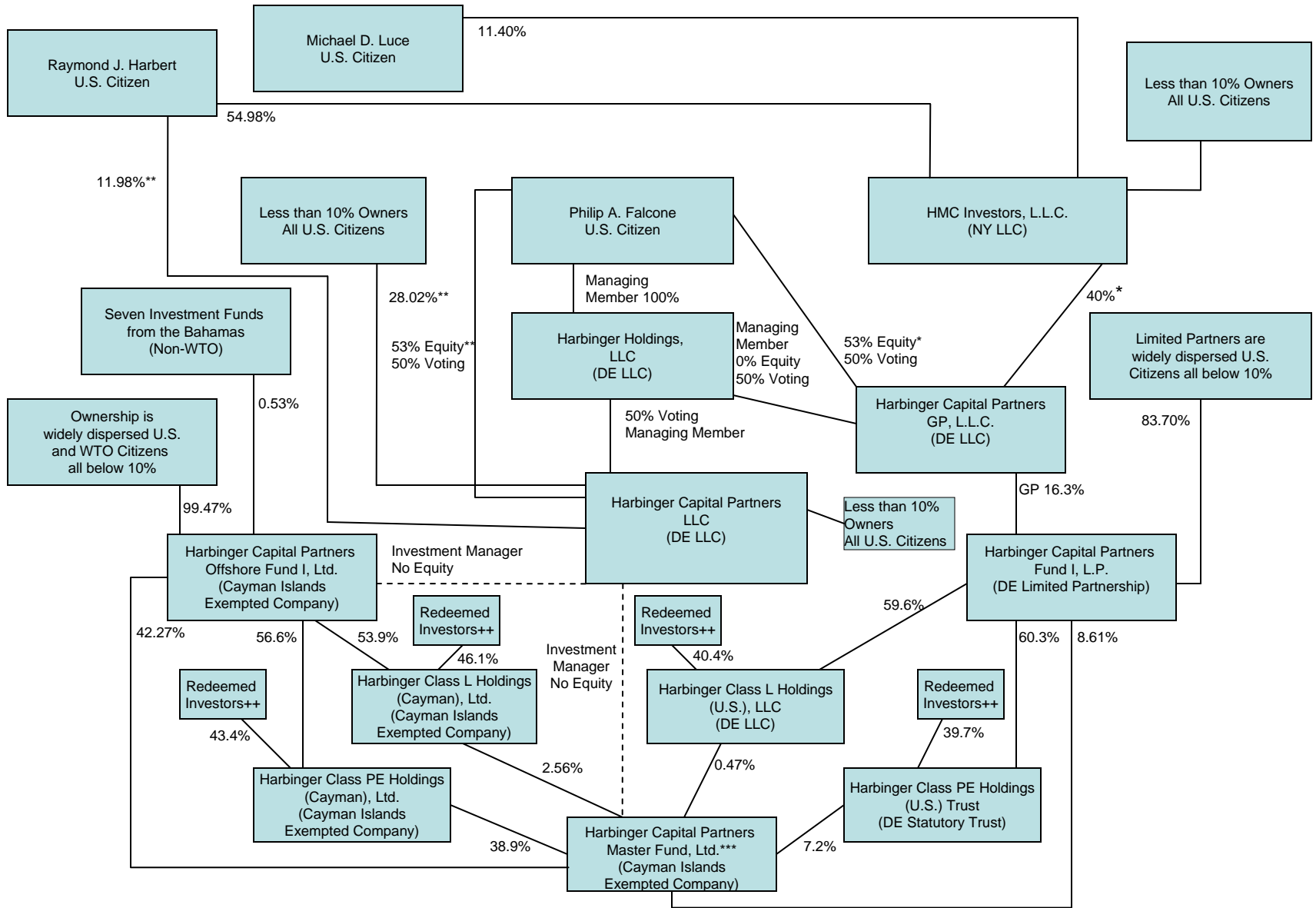
**Harbinger Capital Partners Special Situations Offshore Fund, L.P.**

- (i) Country of organization:  
CAYMAN ISLANDS
- (ii) Citizenship of investment principals, officers and directors:  
UNITED STATES
- (iii) Location of world headquarters:  
IRELAND
- (iv) Location of tangible properties:  
N/A
- (v) Location of greatest sales and/or revenues:  
N/A

**Harbinger Capital Partners SSF CFF, Ltd.**

- (i) Country of organization:  
CAYMAN ISLANDS
- (ii) Citizenship of investment principals, officers and directors:  
UNITED STATES, IRELAND, UNITED KINGDOM
- (iii) Location of world headquarters:  
IRELAND
- (iv) Location of tangible properties:  
N/A
- (v) Location of greatest sales and/or revenues:  
N/A

# Annex 3 MASTER FUND OWNERSHIP DIAGRAM





(footnotes from previous page)

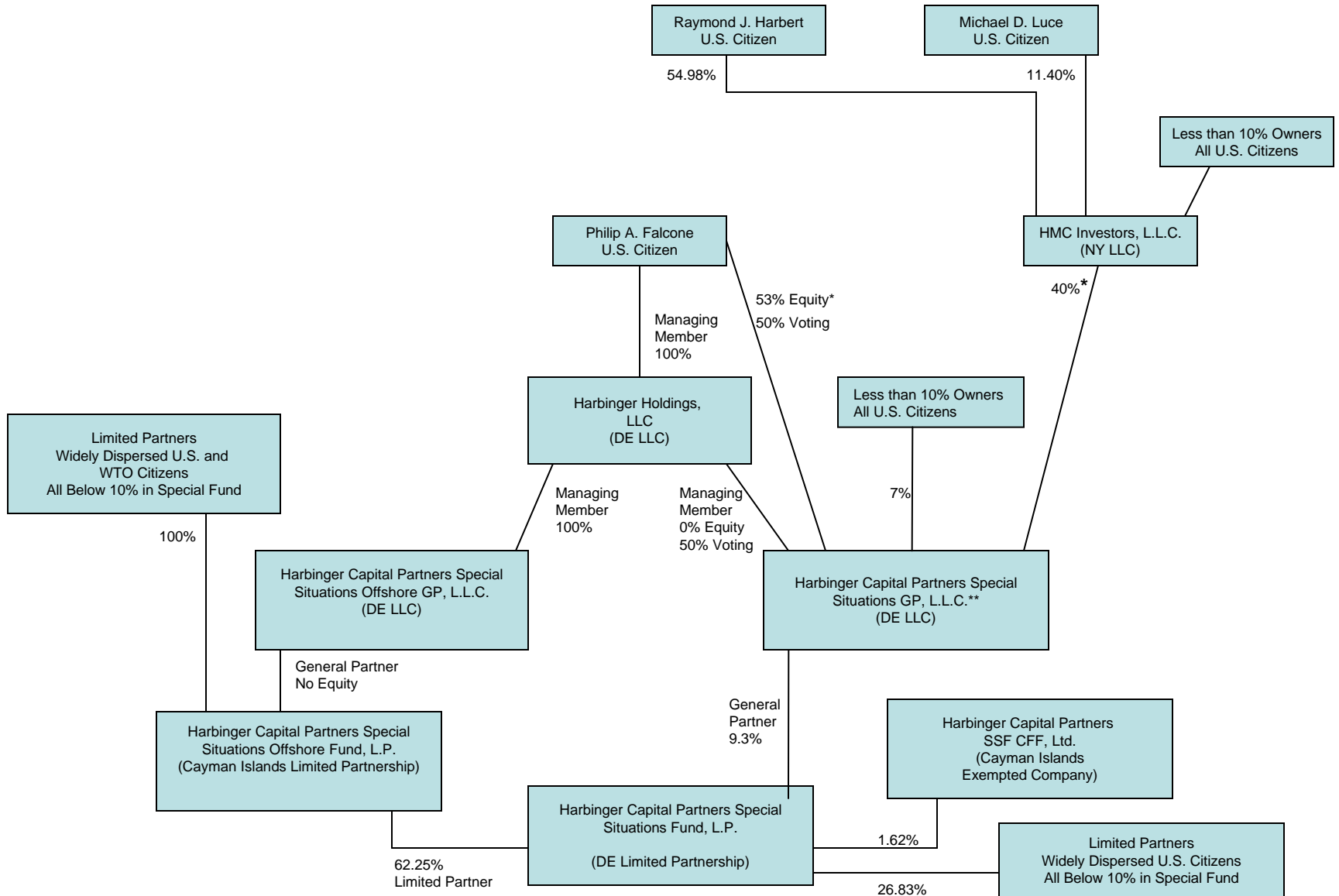
\* In 2009 and 2010, as the asset value and performance returns of the fund increase, Philip A. Falcone's equity percentage increases and HMC Investors, L.L.C.'s equity percentage decreases. In 2011, Philip A. Falcone's equity percentage will be 73% and HMC Investors, L.L.C.'s equity percentage will be 20%. In 2012, Philip A. Falcone's equity percentage will be 78% and HMC Investors, L.L.C.'s equity percentage will be 15%. Thereafter, Philip A. Falcone's equity percentage will be 93% and HMC Investors, L.L.C.'s equity percentage will be 0%.

\*\* The equity percentages shown apply only to performance fees received by Harbinger Capital Partners LLC from Harbinger Capital Partners Offshore Fund I, Ltd. and Harbinger Capital Partners Fund I, L.P.; neither Raymond J. Harbert nor the "less than 10% owners" share in management fees or other fees received by Harbinger Capital Partners LLC. In 2009 and 2010, as the asset value and performance returns of the fund increase, Philip A. Falcone's equity percentage increases and the equity percentages of Raymond J. Harbert and the "less than 10% owners" decrease. In 2011, Philip A. Falcone's equity percentage will be 73% and the equity percentages of Raymond J. Harbert and the "less than 10% owners" collectively will be 20%. In 2012, Philip A. Falcone's equity percentage will be 78% and the equity percentages of Raymond J. Harbert and the "less than 10% owners" collectively will be 15%. Thereafter, Philip A. Falcone's equity percentage will be 93% and the equity percentages of Raymond J. Harbert and the "less than 10% owners" will be 0%. Through June 30, 2009, the consent of HMC-New York, Inc., which was formerly the Managing Member of, and had a 50% voting interest in, Harbinger Capital Partners GP, L.L.C., will be required to take certain actions with respect to Harbinger Capital Partners LLC or Harbinger Capital Partners GP, L.L.C.

\*\*\* Directors: Martin Byrne, Cayman Islands Resident and Irish Citizen; Ian Goodall, Cayman Islands Resident and U.K. Citizen; and a U.S. citizen whose identity will be determined in the near future.

++ Ownership is widely dispersed U.S. and WTO Citizens all below 10%, except for three investment funds from the Bahamas, which is non-WTO, that collectively have a .01% interest in Harbinger Class PE Holdings (Cayman), Ltd. and a .01% interest in Harbinger Class L Holdings (U.S.), LLC.

# Annex 3 SPECIAL SITUATIONS FUND OWNERSHIP DIAGRAM



\* In 2009 and 2010, as the asset value and performance returns of the fund increase, Philip A. Falcone's equity percentage increases and HMC Investors, L.L.C.'s equity percentage decreases. In 2011, Philip A. Falcone's equity percentage will be 73% and HMC Investors, L.L.C.'s equity percentage will be 20%. In 2012, Philip A. Falcone's equity percentage will be 78% and HMC Investors, L.L.C.'s equity percentage will be 15%. Thereafter, Philip A. Falcone's equity percentage will be 93% and HMC Investors, L.L.C.'s equity percentage will be 0%.

\*\* Until such time as the investors in the Special Situations Fund have had the opportunity to redeem their interests, the consent of HMC-New York, Inc., which was formerly the Managing Member of, and had a 50% voting interest in, Harbinger Capital Partners Special Situations GP, L.L.C. ("Special Situations GP"), will be required to take certain actions with respect to Special Situations GP.

**Annex 4 to Petition for Declaratory Ruling:  
SALE RESTRICTIONS**

Harbinger's management has the ability to prevent limited partners from selling their interests in the Master Fund and the Special Fund to third parties if the sales would cause foreign ownership to exceed the levels permitted under Section 310(b) of the Communications Act and declaratory rulings issued thereunder. Sales of limited partnership interests in any of the following companies, and such sales are rare, are subject to approval by Harbinger: Harbinger Capital Partners Fund I, L.P.; Harbinger Capital Partners Special Situations Fund, L.P.; and Harbinger Capital Partners Special Situations Offshore Fund, L.P. Similarly, sales of shares in Harbinger Capital Partners Offshore Fund I, Ltd. are subject to approval by Harbinger.

CERTIFICATE OF SERVICE

I hereby certify that on this 7<sup>th</sup> day of July, 2009, a true and correct copy of the foregoing Supplement to Petition for Declaratory Ruling was mailed by first class United States mail, postage prepaid, to the following:

Lawrence R. Krevor  
Vice President, Government Affairs - Spectrum  
Trey Hanbury  
Director, Government Affairs  
Sprint Nextel Corporation  
2001 Edmund Halley Drive  
Reston, VA 20191

/s/ Deborah Wiggins  
Deborah Wiggins