

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

GUY COFFMAN,

Plaintiff,

-against-

LORAL SPACE & COMMUNICATIONS,
INC., MARK H. RACHESKY, MICHAEL B.
TARGOFF, JOHN D. HARKEY JR.,
ARTHUR L. SIMON, JOHN P. STENBIT,
and JANET T. YEUNG,

Defendants.

CASE NO.: _____

COMPLAINT

DEMAND FOR JURY TRIAL

Plaintiff Guy Coffman (“Plaintiff”), by and through his attorneys, alleges the following upon information and belief, including investigation of counsel and review of publicly available information, except as to those allegations pertaining to Plaintiff, which are alleged upon personal knowledge:

NATURE OF THE ACTION

1. This is an action brought by Plaintiff against Loral Space & Communications, Inc. (“Loral Space” or the “Company”) and members of the Company’s board of directors (collectively referred to as the “Board” or the “Individual Defendants” and, together with Loral Space, the “Defendants”) for their violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78n(a), 78t(a) respectively, United States Securities and Exchange Commission (“SEC”) Rule 14a-9, 17 C.F.R. § 240.14a-9, and for breaching their fiduciary duty of candor. Plaintiff’s claims arise in connection with the proposed merger between the Company and Telesat Corporation (“Telesat”) and its subsidiaries (the “Proposed Transaction”).

2. On November 24, 2020, Loral Space entered into an Agreement and Plan of Merger with Telesat (the “Merger Agreement”). Pursuant to the terms of the Merger Agreement, Telesat will merge into Loral Space and each share of Loral Space common stock Loral stockholders not affiliated with the funds managed by MHR Fund Management LLC (“MHR Funds”) will beneficially own 26.1% of the economic interests in combined company, with the MHR Funds, Public Sector Pension Investment Board (“PSP Investments”) and management shareholders of Telesat beneficially owning the remaining 36.6%, 36.7% and 0.7%, respectively, of the economic interests in the combined company (the “Exchange Ratio”).

3. On April 26, 2021, in order to convince Loral Space’s public common stockholders to vote in favor of the merger, the Board authorized the filing of a materially incomplete and misleading Form F-4 Registration Statement (the “Registration Statement”) with the SEC. The Registration Statement contains material omissions concerning: (i) the financial projections for Loral Space, (ii) the valuation analyses performed by the Company’s financial advisor, LionTree Advisors LLC (“LionTree”); (iii) the conflicts and compensation to be received by the Company’s other financial advisor, Credit Suisse Securities (USA) LLC (“Credit Suisse”) for its role in the Proposed Transaction; and (iv) the post-merger ownership structure.

4. The shareholder vote will be scheduled in the coming weeks as Telesat and Loral Space expect that the merger will close in the second or third quarter of 2021 (the “Shareholder Vote”). It is imperative that the material information that has been omitted from the Registration Statement is disclosed to the Company’s stockholders prior to the Shareholder Vote so they can properly determine whether to vote for or against the Proposed Transaction.

5. For these reasons, and as set forth in detail herein, Plaintiff asserts claims against Defendants for violations of Sections 14(a) and 20(a) of the Exchange Act, Rule 14a-9, and

Delaware State law. Plaintiff seeks to enjoin Defendants from taking any steps to consummate the Proposed Transaction unless and until the material information discussed below is disclosed to Loral Space's public common stockholders sufficiently in advance of the upcoming Shareholder Vote or, in the event the Proposed Transaction is consummated, to recover damages resulting from the Defendants' misconduct.

JURISDICTION AND VENUE

8. This Court has jurisdiction over all claims asserted herein pursuant to Section 27 of the Exchange Act and 28 U.S.C. § 1331 because the claims asserted herein arise under Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9.

9. This Court also has jurisdiction over the duty of candor claim pursuant to 28 U.S.C. § 1367.

10. Personal jurisdiction exists over each Defendant either because the Defendant conducts business in or maintains operations in this District, or is an individual who is either present in this District for jurisdictional purposes or has sufficient minimum contacts with this District as to render the exercise of jurisdiction over each Defendant by this Court permissible under the traditional notions of fair play and substantial justice. "Where a federal statute such as Section 27 of the [Exchange] Act confers nationwide service of process, the question becomes whether the party has sufficient contacts with the United States, not any particular state." *Sec. Inv'r Prot. Corp. v. Vigman*, 764 F.2d 1309, 1315 (9th Cir. 1985). "[S]o long as a defendant has minimum contacts with the United States, Section 27 of the Act confers personal jurisdiction over the defendant in any federal district court." *Id.* at 1316.

11. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. § 78aa, as well as 28 U.S.C. § 1391, because Defendants are found or are inhabitants or transact

business in this District. Indeed, the Company maintains its business address in this District, its financial and legal advisors are headquartered in this District, and its stock trades on the Nasdaq which is also headquartered in this District. *See, e.g., United States v. Svoboda*, 347 F.3d 471, 484 n.13 (2d Cir. 2003) (collecting cases).

PARTIES

12. Plaintiff has maintained shares of Loral Space common stock at all relevant times.

13. Defendant Loral Space & Communications, Inc. is incorporated under the laws of Delaware with its principal executive offices located at 600 Fifth Ave, 16th Floor, New York, NY, 10020. The Company's common stock trades on the Nasdaq under the ticker symbol "LORL".

14. Individual Defendant Mark H. Rachesky is, and has been at all relevant times, the former Chief Executive Officer and Non-Executive Chairman of the Board.

15. Individual Defendant Michael B. Targoff is, and has been at all relevant times, a director of Loral Space.

16. Individual Defendant John D. Harkey Jr. is, and has been at all relevant times, a director of Loral Space.

17. Individual Defendant Arthur L. Simon is, and has been at all relevant times, a director of Loral Space.

18. Individual Defendant John P. Stenbit is, and has been at all relevant times, a director of Loral Space.

19. Individual Defendant Janet T. Yeung is, and has been at all relevant times, a director of Loral Space.

20. The defendants identified in paragraphs 14 through 19 are collectively referred to

herein as the “Board” or the “Individual Defendants,” and together with Loral Space, the “Defendants.”

SUBSTANTIVE ALLEGATIONS

A. Background of the Proposed Transaction

21. Loral Space is a satellite communications company. Loral holds a 62.7% economic interest Telesat Canada, a global operator of telecommunications and direct broadcast satellites used to distribute video entertainment programming and broadband data and to provide access to Internet services and other value-added communications services. Telesat is also developing a global constellation of low earth orbit satellites.

22. Privately held and headquartered in Ottawa, Canada, with offices and facilities around the world, Telesat’s principal shareholders are PSP Investment and Loral Space.

23. On November 24, 2020, Loral Space authorized the announcement of the Proposed Transaction. The press release stated in relevant part as follows:

Loral Enters Into Agreement With PSP Investments And Telesat to Combine Loral And Telesat Into A New Public Company

NEW YORK – November 24, 2020 – Loral Space & Communications Inc. (NASDAQ:LORL) today announced that it has entered into a definitive agreement with Public Sector Pension Investment Board (PSP Investments) and Telesat Canada (Telesat) to combine Loral and Telesat into a new Canadian public company (New Telesat). Upon closing of the transaction, the stockholders in Loral, together with PSP Investments and certain current and former management shareholders of Telesat, will beneficially own all of the equity in New Telesat in approximately the same proportion as their current, indirect ownership in Telesat. Loral stockholders not affiliated with the funds managed by MHR Fund Management LLC (MHR Funds) will beneficially own 26.1% of the economic interests in New Telesat, with the MHR Funds, PSP Investments and management shareholders of Telesat beneficially owning the remaining 36.6%, 36.7% and 0.7%, respectively, of the economic interests in New Telesat (such percentages have been subjected to rounding adjustments). New Telesat shares will initially be listed on the Nasdaq Global Select Market, and New Telesat is also considering a listing for its shares on a Canadian stock exchange. New Telesat’s governance provisions will

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.