

SKYTERRA COMMUNICATIONS INC

Form S-4/A

March 11, 2008

Table of Contents

As filed with the Securities and Exchange Commission on March 11, 2008

Registration No. 333-144093

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SKYTERRA COMMUNICATIONS, INC.

(Exact name of registrant as specified in its charter)

Edgar Filing: SKYTERRA COMMUNICATIONS INC - Form S-4/A

Delaware
*(State or other jurisdiction of
incorporation or organization)*

4899
*(Primary Standard Industrial
Classification Code Number)*

23-2368845
*(I.R.S. Employer
Identification No.)*

10802 Parkridge Boulevard

Reston, VA 20191

(703) 390-1899

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Robert C. Lewis

Senior Vice President, General Counsel and Secretary

SkyTerra Communications, Inc.

10802 Parkridge Boulevard

Reston, VA 20191

(703) 390-1899

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Gregory A. Fernicola, Esq.

Skadden, Arps, Slate, Meagher & Flom LLP

Four Times Square

New York, New York 10036-6522

(212) 735-3000

Approximate date of commencement of proposed sale of the securities to the public: As promptly as practicable after this Registration Statement becomes effective and upon consummation of the transactions described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

Edgar Filing: SKYTERRA COMMUNICATIONS INC - Form S-4/A

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

Table of Contents

THE INFORMATION IN THIS PROSPECTUS MAY CHANGE. WE MAY NOT COMPLETE THIS OFFERING AND ISSUE OPTIONS TO PURCHASE SHARES OF OUR COMMON STOCK UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION TO WHICH THIS PROSPECTUS RELATES IS EFFECTIVE. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OPTIONS TO PURCHASE SHARES OF OUR COMMON STOCK, AND WE ARE NOT SOLICITING OFFERS TO ACQUIRE OUR OPTIONS IN ANY STATE OR OTHER JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

Subject to Completion, dated March 11, 2008

Offer by SkyTerra Communications, Inc.
to Issue
Options to Purchase
Shares of Common Stock
of
SkyTerra Communications, Inc.
in Exchange for
the Termination of Outstanding Options to Purchase
Limited Partnership Interests
of
Mobile Satellite Ventures LP

THIS OFFERING WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON _____, 2008, UNLESS WE EXTEND THIS OFFERING.

We are offering to issue to you options to purchase shares of common stock of SkyTerra Communications, Inc., or SkyTerra, par value \$0.01 per share, in exchange for your irrevocable agreement (except for those who participate on the terms offered to Canadian residents) to forego your options to purchase limited partnership interests of Mobile Satellite Ventures LP, or MSV, and release us, MSV and our respective affiliates of any claims you may have with respect to such MSV options, at a ratio of 2.82 SkyTerra options for each MSV option terminated, with an exercise price equal to the exercise price of the MSV options terminated divided by 2.82. The exchange ratio is equal to the exchange ratio we paid other limited partners of MSV in a series of transactions, referred to herein as the Exchange Transactions, that resulted in us owning approximately 99.3% of the outstanding limited partnership interests of MSV, and reflects a value of approximately \$ _____ per limited partnership interest of MSV, based on the closing price of SkyTerra common stock on _____, 2008 of \$ _____ per share. You must agree in the manner set forth herein to forego all MSV options you hold in order to participate in this offering. Each SkyTerra option acquired in this offering will be exercisable for one share of SkyTerra common stock. SkyTerra options issued in this offering will not be transferable other than in the limited circumstances described in this Prospectus. The SkyTerra options offered will have terms generally consistent with the MSV options you have under the MSV Plan, including, but not limited to, the same vesting and expiration schedule as the MSV options terminated in exchange for such SkyTerra options.

Participants in this offering will not be permitted, without the express permission of our board of directors, to transfer shares of our common stock issued upon exercise of the SkyTerra options received in this offering until May 1, 2010, subject to the exceptions described herein. In addition to any sale of shares of our common stock permitted in the sole discretion of our board of directors, this lockup will automatically terminate on the 90th day following the consummation of any of the following events:

A cash investment of not less than \$1 billion in newly issued securities of SkyTerra or MSV by a third party or a number of third parties who are considered a group (in each case a _____ group) for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), or

Edgar Filing: SKYTERRA COMMUNICATIONS INC - Form S-4/A

the acquisition of in excess of 50% of the voting power of SkyTerra by a single beneficial owner or a group, excluding any acquisition by any person or group who beneficially owns 5% or more of the voting power of SkyTerra as of the date of this prospectus unless such person or group acquires 100% of the voting power of SkyTerra.

In addition, this lockup will automatically expire over time commencing four months after the earlier of:

a cash investment of not less than \$300 million in newly issued securities of SkyTerra or MSV by an MSV technology or strategic partner, or

the market price of SkyTerra's common stock exceeds \$18 per share for a period of 30 consecutive trading days.

Upon the occurrence of either of such events:

1/3 of the SkyTerra common stock underlying the SkyTerra options will be released from the lockup four months following the occurrence of such event, and

the remaining 2/3 will be released from the lockup in equal portions at the end of each of the eight successive three month periods following the initial 1/3 release.

The SkyTerra options are subject to expiration prior to their scheduled expiration dates under certain circumstances relating to the termination of employment. See This Offering Lockup, Questions and Answers about this Offering Will My SkyTerra Options (or MSV Options for Canadian Residents) Expire if I Leave MSV? and Description of SkyTerra Options Term for complete descriptions of the terms of the lockup and the SkyTerra options you will receive should you choose to participate in this offering, respectively. Any holder of MSV options who would otherwise be entitled to receive SkyTerra options to purchase a fractional interest in our common stock will receive options to purchase a number of shares of our common stock equal to the fractional interest rounded up to the next whole number.

Holders of MSV options who are residents of Canada may choose to participate in this offering on the same terms as offered to holders of MSV options who are U.S. persons or may choose to participate in this offering on the terms offered to residents of Canada. For more information regarding the terms of this offering for Canadian residents, see Questions and Answers about this Offering How Will the Terms of this Offering be Different if I am a Canadian Resident? The terms of this offering are different for Canadian residents choosing to participate in this offering due to the Canadian tax consequences to them. For more information regarding the tax consequences to Canadian residents, see Questions and Answers about this Offering If I am a Canadian Resident, Will I be Taxed at the Time of the Exchange? and This Offering Material Canadian Federal Income Tax Consequences.

See Risk Factors beginning on page 10 for a discussion of issues that you should consider in determining whether to participate in this offering.

Our common stock is traded on the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol SKYT. On _____, 2008, the closing bid price of our common stock as reported on the OTC Bulletin Board was \$ _____ per share. Unless otherwise provided herein, all references to \$ or dollar amounts are to United States currency.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE OPTIONS TO PURCHASE SKYTERRA COMMON STOCK TO BE ISSUED IN THIS OFFERING OR DETERMINED IF THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is _____, 2008

Table of Contents

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THIS OFFERING</u>	i
<u>SUMMARY</u>	1
<u>Introduction</u>	1
<u>Information About SkyTerra and MSV</u>	2
<u>This Offering</u>	4
<u>Summary Selected Historical Financial Data</u>	8
<u>SkyTerra Dividend Policy</u>	9
<u>RISK FACTORS</u>	10
<u>BACKGROUND AND REASONS FOR THIS OFFERING</u>	15
<u>FACTORS FOR CONSIDERATION BY HOLDERS OF MSV OPTIONS</u>	17
<u>THIS OFFERING</u>	19
<u>Exchange of Options to Purchase SkyTerra Common Stock</u>	19
<u>Timing of this Offering</u>	19
<u>Extension, Termination and Amendment</u>	19
<u>Delivery of SkyTerra Options</u>	20
<u>Lockup</u>	20
<u>No Fractional Shares of SkyTerra Common Stock</u>	21
<u>Procedure for Participating in this Offering</u>	21
<u>Effect of Participating in this Offering</u>	22
<u>Material U.S. Federal Income Tax Consequences</u>	23
<u>Material Canadian Federal Income Tax Consequences</u>	24
<u>Conditions of this Offering</u>	25
<u>U.S. Approvals</u>	26
<u>Non-U.S. Approvals</u>	26
<u>DESCRIPTION OF SKYTERRA OPTIONS</u>	27
<u>INTERESTS OF CERTAIN PERSONS IN THIS OFFERING</u>	29
<u>COMPARISON OF RIGHTS OF HOLDERS OF MSV OPTIONS AND HOLDERS OF SKYTERRA OPTIONS AND CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF OWNING SKYTERRA COMMON STOCK AND MSV LIMITED PARTNERSHIP</u>	
<u>INTERESTS</u>	30
<u>MANAGEMENT OF SKYTERRA</u>	40
<u>LEGAL MATTERS</u>	40
<u>EXPERTS</u>	40
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	40
<u>ANNEXES:</u>	
<u>ANNEX A INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF SKYTERRA</u>	A-1
<u>ANNEX B INTERESTS OF THE DIRECTORS, EXECUTIVE OFFICERS AND AFFILIATES OF MSV IN THIS TRANSACTION</u>	B-1

Table of Contents

As permitted under the rules of the Securities and Exchange Commission, or SEC, this Prospectus incorporates important business and financial information about SkyTerra and MSV that is contained in documents filed with the SEC but that is not included in or delivered with this Prospectus. You may obtain copies of these documents, without charge, from the website maintained by the SEC at www.sec.gov, as well as other sources. See [Where You Can Find More Information](#) beginning on page 40.

You also may request copies of these documents from us, without charge, upon written or oral request to Robert C. Lewis, SkyTerra Communications, Inc., 10802 Parkridge Boulevard, Reston, VA 20191, collect at (703) 390-1899. To obtain timely delivery of copies of these documents, you should request them no later than five business days prior to the expiration date of this offering. Unless this offering is extended, the latest you should request copies of these documents is _____, 2008.

Unless otherwise stated or the context otherwise requires, references to we, us, our, the Company, SkyTerra and similar references refer to SkyTerra Communications, Inc. and its directly or indirectly owned subsidiaries, including MSV and its subsidiaries. In addition, and unless otherwise stated or the context otherwise requires, references in this Prospectus to our satellites, our spectrum, our authorizations, our network and similar references refer to the satellites, spectrum, authorizations and networks of MSV and Mobile Satellite Ventures (Canada) Inc., or MSV Canada. SkyTerra options refers to the options to purchase shares of common stock of the Company offered hereby, MSV options refers to options to purchase limited partnership interests of MSV under the MSV Plan and MSV Plan refers to the Mobile Satellite Ventures LP 2001 Unit Incentive Plan, as amended.

In [Questions and Answers About this Offering](#) below and in the [Summary](#) beginning on page 1, we highlight selected information from this Prospectus but we have not included all of the information that may be important to you. To better understand this offering and for a more complete description of its legal terms, you should read carefully this entire Prospectus, including the Annexes, as well as the documents we have incorporated by reference into this Prospectus. See [Where You Can Find More Information](#) beginning on page 40.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THIS OFFERING

Q. Why Are We Making This Offering?

A. We currently own approximately 99.3% of the outstanding limited partnership interests of MSV or approximately 92.6% on a fully diluted basis. We are making this offering for the purpose of further simplifying the ownership structure of MSV and to provide holders of MSV options with the opportunity to obtain options to acquire SkyTerra common stock.

Q. What Am I Being Asked to Decide?

A. If you are a U.S. resident person who holds MSV options you are being asked to elect whether to participate in this offering to exchange your MSV options for SkyTerra options generally on the terms outlined herein or to continue to hold your MSV options. If you are a Canadian resident person who holds MSV options you are being asked to elect to participate in this offering to exchange your MSV options for SkyTerra options on the same terms set forth for U.S. residents or to elect to participate in this offering to exchange your MSV options on the special terms only offered to residents of Canada. See Questions and Answers about this Offering How Will the Terms of this Offering be Different if I am a Canadian Resident?

Both U.S. and Canadian residents are required to make their election within the period of time during which this offering remains open, including any extension.

Q. What Will I Receive In Exchange For Terminating Each Outstanding Option To Purchase One Limited Partnership Interest In MSV That I Currently Hold?

A. If you elect to participate, upon completion of this offering, you will receive SkyTerra options in exchange for your irrevocable agreement to forego your MSV options and release us, MSV and our respective affiliates of any claims you may have with respect to such MSV options, at a ratio of 2.82 SkyTerra options for each MSV option terminated, with an exercise price equal to the exercise price of the MSV options terminated divided by 2.82. Each SkyTerra option acquired in this offering will be exercisable for one share of SkyTerra common stock.

The exchange ratio is equal to the exchange ratio we paid other limited partners of MSV in the Exchange Transactions, that resulted in us owning approximately 99.3% of the outstanding limited partnership interests of MSV, and reflects a value of approximately \$ per limited partnership interest of MSV, based on the closing price of SkyTerra common stock on of \$ per share. If you elect to participate in this offering, for each MSV option you own with an exercise price of

\$6.45, you will receive an option to purchase 2.82 shares of SkyTerra common stock at an exercise price of \$2.29 per share.

\$20.94, you will receive an option to purchase 2.82 shares of SkyTerra common stock at an exercise price of \$7.425 per share. Therefore, the aggregate exercise price for the options you hold will not change, whether or not you elect to participate in this offering.

Any holder of MSV options who would otherwise be entitled to receive SkyTerra options to purchase a fractional interest in our common stock will receive options to purchase a number of shares of our common stock equal to the fractional interest rounded up to the next whole number.

Table of Contents

The SkyTerra options offered will have terms generally consistent with the MSV options you have under the MSV Plan, including, but not limited to, the same vesting and expiration schedule as the MSV options terminated in exchange for such SkyTerra options. In other words, all options you hold that are vested, will be exchanged for options similarly vested, and continued vesting of any unvested options you hold will vest with respect to the SkyTerra options you receive on the terms of the schedule of your original MSV option grant. However, any of the SkyTerra shares you receive upon exercise of SkyTerra options will be subject to a lockup as described in this Prospectus.

Q. What is the Nature of the Lockup That My SkyTerra Shares Will Be Subject to If I Exercise the SkyTerra Options I Receive in this Offering?

- A. Participants in this offering will not be permitted, without the express permission of our board of directors, to transfer shares of our common stock issued upon exercise of the SkyTerra options received in this offering until May 1, 2010, subject to the exceptions described below.

Release of the Lockup:

In addition to any sale of shares of our common stock permitted in the sole discretion of our board of directors, the lockup will automatically terminate

- (1) on the 90th day following the consummation of any of the following events:

a cash investment of not less than \$1 billion in newly issued securities of SkyTerra or MSV by a third party or a group of third parties, or

the acquisition of in excess of 50% of the voting power of SkyTerra by a single beneficial owner or a group, excluding any acquisition by any person or group who beneficially owns 5% or more of the voting power of SkyTerra as of the date of this prospectus unless such person or group acquires 100% of the voting power of SkyTerra.

- (2)(i) commencing four months after the earlier of:

a cash investment of not less than \$300 million in newly issued securities of SkyTerra or MSV by an MSV technology or strategic partner, or

the market price of SkyTerra's common stock exceeds \$18 per share for a period of 30 consecutive trading days.

- (ii) upon the occurrence of either of such events,

1/3 of the SkyTerra common stock underlying the SkyTerra options will be released from the lockup four months following the occurrence of such event, and

the remaining 2/3 will be released from the lockup in equal portions at the end of each of the eight successive three month periods following the initial 1/3 release.

Q. What Happens to my SkyTerra Options or MSV Options on Termination of Employment?

- A. The SkyTerra options are subject to expiration prior to their scheduled expiration dates under certain circumstances relating to the termination of your employment. See [This Offering Lockup](#), [Questions and Answers about this Offering Will My SkyTerra Options \(or MSV Options for Canadian Residents\) Expire if I Leave MSV?](#) and [Description of SkyTerra Options Term](#) for complete descriptions of the terms of the lockup and the SkyTerra options you will receive should you choose to participate in this offering, respectively. If you choose not to participate in this offering and retain your MSV options, their treatment upon termination of employment will remain unchanged.

Table of Contents

Q. Does SkyTerra Recommend That I Participate In This Offering?

- A. SkyTerra, our board of directors and management, MSV and its board of directors and management are not making and have not made any recommendation as to whether holders of MSV options should participate in this offering. Each holder of MSV options must make its own decision with respect to such matters. Each holder of MSV options is encouraged to read this Prospectus carefully and consult its own advisors before making any decision with respect to this offering.

Q. Are the Terms of the Exchange Offer Identical for All Employees, Including Senior Management?

- A. Yes, the terms are identical for all employees at all levels, with the exception of the additional terms offered to residents of Canada because of the differences in Canadian tax law from U.S. tax law. See [Questions and Answers about this Offering](#) [How Will the Terms of this Offering be Different if I am a Canadian Resident?](#) Other than the terms offered to residents of Canada, all of the terms, rights and agreements are identical for all employees including officers of the Company.

Q. How Will the Terms of this Offering be Different if I am a Canadian Resident Employee?

- A. Due to the tax consequences to Canadian residents, holders of MSV options who are residents of Canada may choose to participate in this offering on the same terms as offered to holders of MSV options who are U.S. persons or may choose to participate in this offering on the terms offered to residents of Canada.

The terms of this offering will be identical for Canadian and U.S. residents, with the exception of the date of the exchange, continued ability to exercise MSV options prior to the exchange and certain covenants not to sue, as further described below. If you are a Canadian resident and choose to participate in this offering, you must make such election within the period of time during which this offering remains open, including any extension. Regardless of whether you elect to participate in this offering on the terms offered to U.S. persons or the terms offered to residents of Canada, at the time of such election, you will covenant not to make any claim of liability against us, MSV and our respective affiliates and you will agree to release us, MSV and our respective affiliates, retroactively, of any claims of liability you may have, in each case with respect to such MSV options, subject to the exceptions described below.

If you elect to participate in this offering on the terms offered to U.S. persons, you will make the exchange upon completion of this offering (at the same time as U.S. residents).

If you are a Canadian resident and choose to participate in this offering on the terms offered only to residents of Canada:

1. Subject to 4 below, you will make the exchange on the tenth business day after the lockup is released to the extent you are still employed by MSV at such time or you have previously terminated your employment for [good reason](#) or your employment was terminated [without cause](#) (as defined in the SkyTerra Communications, Inc. 2006 Equity Incentive Plan (the [SkyTerra Plan](#))).
2. Except for any options you have that qualify for the extended one-year-post liquidity exercise benefit (See [Questions and Answers About the Offering](#) [If I Have Exchanged MSV Options for SkyTerra Options, What if I Voluntarily Terminate My Employment?](#)) and subject to 4 below, you will make the exchange on the tenth business day following your voluntary termination of your employment or service with MSV and the SkyTerra options you will then hold will expire on the 90th day following such termination. The lockup on any SkyTerra common stock you hold will continue in effect in accordance with the lockup release schedule.
3. Prior to the release of the lockup, or termination of your employment, you will remain entitled to exercise your MSV options in accordance with their terms; however, you will agree, at the time of election to participate in this offering, that if you exercise your

Edgar Filing: SKYTERRA COMMUNICATIONS INC - Form S-4/A

MSV options at any time prior to the release of the lockup, you will be deemed to have withdrawn from participating in this offering and any MSV limited partnership interests acquired as a result of such exercise may not be transferred to any person other than SkyTerra and its subsidiaries.

Table of Contents

4. At the time of release from the lockup (or termination of employment), you may choose to retain your MSV options and allow them to expire in accordance with their terms rather than exchange such MSV options for SkyTerra options; however, you will agree, at the time of election to participate in this offering, that if you forego exchanging your MSV options for SkyTerra options at the time of the release of the lockup (or termination of employment), you will not exercise your MSV options at all.
5. You will agree at the time of election to participate in this offering to amendments to the terms of your MSV options allowing for post-termination of employment extensions similar to the extensions provided to U.S. participants for the SkyTerra options they receive in this offering. For more information regarding such extensions, see below **Will My SkyTerra Options (or MSV Options for Canadian Residents) Expire if I Leave MSV?** You will further agree that such extensions will be forfeited by you if you withdraw your participation from this offering, either in order to exercise your MSV options before the release of the lockup or to allow your MSV options to expire rather than exchange such MSV options for SkyTerra options at the time of the release of the lockup.

You will have the same rights and obligations as all other participants in this offering with respect to the SkyTerra options you receive. All SkyTerra options issued in this offering will expire on the same terms, regardless of the residence of their holder.

Except as otherwise set out herein, the exchange of MSV options held by Canadian residents who choose to participate in this offering will be subject to the same terms (including the same ratio of exchange of SkyTerra options to MSV options and the same exercise price) applicable to U.S. residents who choose to participate in this offering.

Q. Will My SkyTerra Options (or MSV Options for Canadian Residents) Expire if I Leave MSV?

- A. Subject to certain exceptions described herein, in the event that you terminate employment or service with us prior to any scheduled lockup release date, then the SkyTerra options (or MSV options if you are a Canadian resident and elect to participate on the terms offered to Canadian residents) you hold will expire on the 90th day following such termination, and the lockup on any SkyTerra common stock you hold will continue in effect in accordance with the lockup release schedule. If we terminate your employment or service with us and our subsidiaries, including MSV, without cause or you terminate your employment or service for good reason, the SkyTerra options you receive in this offering (or the MSV options you retain if you are a Canadian resident and elect to participate on the terms offered to Canadian residents) will expire one year following the expiration or termination of the lockup period applicable to the shares of SkyTerra common stock underlying such options. If you voluntarily terminate your employment or service with us other than for good reason on or after May 1, 2008, then 1/3 of the SkyTerra options issued to you in this offering will expire one year following the expiration or termination of the lockup period applicable to such options for each subsequent year you are employed by MSV following May 1, 2007 and the remaining SkyTerra options issued to you in this offering will expire on the 90th day following such termination of employment or service. During your lifetime, our board of directors may, in its sole discretion, pursuant to the provisions set forth herein, permit the transfer, assignment, pledge or other encumbrance of an outstanding SkyTerra option issued (or MSV option retained) in this offering.

As used above, good reason has the following meaning:

a ten or more percent reduction in your annual base salary as in effect immediately prior to the date of this prospectus;

demotion of the title you held prior to the date of this prospectus;

the relocation of your principal place of employment to a location more than fifty (50) miles from your principal place of employment immediately prior to the date of this prospectus;

the requirement of SkyTerra or MSV that your duties be based anywhere other than such principal place of employment (or permitted relocation thereof), excluding business travel to an extent substantially consistent with your business travel obligations prior to the date of this prospectus);

Table of Contents

your termination of your service due to death or disability; or

your retirement at or after age 62, after employment or service with MSV and/or with its predecessor companies for a period of in excess of ten years at retirement.

Q. If I have Exchanged My MSV Options for SkyTerra Options, What Happens if I Am Involuntarily Terminated From Employment?

A. If you are involuntarily terminated without cause (as described below), you retain your options following the termination and will be entitled to exercise your options to the extent vested at any time for up to one year after the release of the lock-up as described above. For example, if you were involuntarily terminated without cause on January 1, 2008, and none of the accelerated liquidity events occurred, such that the sale restrictions remain in place until May 1, 2010, you would have until May 1, 2011 to exercise your options to the extent vested. If, in the above example, an accelerated liquidity event occurs on January 1, 2009, you will have only until January 1, 2010 to exercise your options to the extent vested. For an involuntary termination without cause, your post-termination exercise period is extended to allow you up to one year following the release of the lock-up in which to exercise your SkyTerra options and sell the underlying shares.

Q. If I Have Exchanged My MSV Options for SkyTerra Options, What Happens If I Voluntarily Terminate My Employment?

A. If you voluntarily terminate your employment other than for good reason your new options will continue to provide to you the same right you have today to exercise your options within 90 days following your termination. In the event your termination is for retirement at or after age 62, after employment or service with MSV and/or with its predecessor companies for a period of in excess of ten years at retirement, your post-termination exercise period will be extended to allow you up to one year following the expiration or termination of the lockup period in which to exercise your options (i.e. the same treatment as in the case of involuntary termination). In addition, for each year you continue to work at MSV following May 1, 2007 before your voluntary termination, 1/3 of your options will be entitled to the extended one-year post-liquidity exercise benefit. For example, if you voluntarily leave MSV on May 20, 2008 (not by reason of death or disability) you will be entitled to continue to exercise 1/3 of your options until one year after the liquidity event occurs but the remaining 2/3 of your options will expire 90 days following your termination of employment. If you terminate for good reason, the more beneficial rules applicable to involuntary termination will apply to your right to exercise, as described above.

Q. If I Decide Not To Participate In This Offering, How Will This Affect My MSV Options?

A. Except as described herein with respect to Canadian residents, you may not retain any MSV options if you participate in this offering and the offering is completed as described herein and you will not be entitled to revoke your participation in this offering once you have provided a properly completed and duly executed U.S. or Canadian Exchange Form as described herein, as applicable. If we do not complete this offering, you will retain your MSV options with their current terms. If you choose not to participate in this offering, you will continue to hold your MSV options on the same terms as you held them prior to this offering.

Q. How Long Will It Take To Complete This Offering?

A. We hope to complete this offering promptly after its expiration at 5:00 p.m., New York City time, on _____, 2008, which is after the completion of the 20 business day offering period. However, we may extend this offering if the conditions to this offering have not been satisfied as of this offering's scheduled expiration or if we are required to extend this offering pursuant to the tender offer rules of the SEC.

Table of Contents

Q. What Are The Most Significant Conditions To This Offering?

A. The following conditions, among others, must be met:

MSV having agreed to terminate your MSV options upon your election to participate in, and the completion of, this offering;

MSV having agreed to amend the MSV options held by Canadian residents to have post-termination terms comparable to those in the SkyTerra options to be issued to U.S. persons;

MSV having issued to SkyTerra an option to purchase an additional limited partnership interest of MSV for each MSV option terminated;

receipt of permission to conduct the exchange in Virginia and Maryland; and

receipt by SkyTerra of an opinion from our financial advisor that the exchange is value for value.

These conditions and other conditions to this offering are discussed in this Prospectus under "This Offering Conditions of this Offering" beginning on page 25.

Q. Will I Be Taxed On Receipt Of SkyTerra Options Pursuant To This Offering?

A. We believe that the receipt by United States individual citizens or residents of SkyTerra options in this offering should not be taxable, and intend to take that position in our relevant filings; however, we cannot provide certainty with respect to the ultimate outcome of a challenge, if any, to our position, and therefore the tax consequences to you. For a more detailed discussion see "Material U.S. Federal Income Tax Consequences" beginning on page 23.

Q. If I am a Canadian Resident Employee, Will I be Taxed at the Time of the Exchange?

A. We believe that the exchange by a Canadian resident of MSV options for SkyTerra options will constitute a taxable event in the year of the exchange. If you elect to participate in this offering on the terms offered to U.S. persons, this taxable event will occur when you make the exchange upon completion of this offering regardless of whether you exercise your option or are able to sell the underlying stock. If you elect to participate in this offering on the terms offered to residents of Canada, this taxable event will occur when you make the exchange on the tenth business day after the lockup is released or your termination of employment (if such termination is not for "good reason" or "without cause"), as the case may be. For a more detailed discussion see "Material Canadian Federal Income Tax Consequences" beginning on page 24.

Q. If I Choose to Exchange my MSV Options for SkyTerra Options, Why Will the Underlying SkyTerra Shares be Subject to a Lockup for Over Two Years?

A. There are several factors that the SkyTerra board considered in determining the liquidity structure of the offer. Among other things, the SkyTerra board considered that there is currently no public market for MSV LP units, and transfer of those units is subject to restrictions

Edgar Filing: SKYTERRA COMMUNICATIONS INC - Form S-4/A

outlined in the MSV partnership agreement. Accordingly, the offer provides MSV options holders with a clearer path to liquidity through SkyTerra. At the same time, if all the outstanding MSV options were converted into SkyTerra options, a significant number of the SkyTerra shares would be represented. As the trading market for SkyTerra common stock currently is limited and the common stock not very liquid, there was concern that without a lockup, employee stock sales could have a significant detrimental impact on SkyTerra's trading market, price and stability, adversely impacting SkyTerra's ability to raise funds in the equity market. The liquidity release provisions including the funding, strategic transaction and stock price releases were designed to capture changes affecting SkyTerra which could positively impact the liquidity of the common stock. Moreover, because many of the outstanding MSV options are currently significantly in the money, and accordingly the corresponding SkyTerra options will be in the money, there could be significant trading volume and sales of SkyTerra stock which the market might not support in the absence of achieving those events.

Table of Contents

The SkyTerra board also considered that SkyTerra's success depends on MSV's ability to retain its key employees to develop its next generation networks. The liquidity schedule was developed to balance the need to both incentivize employees to remain at MSV to develop the next generation system and to reward the employees with liquidity as MSV and SkyTerra achieve certain important milestones and as the SkyTerra stock value increases. Some of the complexities of the exchange terms relating to involuntary versus voluntary termination were aimed to balance the goals of retaining, motivating and rewarding employees.

Finally, the SkyTerra board considered that circumstances may change that may warrant liquidity at other points in time, and has also reserved the right to shorten or eliminate the lockup, in its sole discretion, as circumstances may dictate, although there is no assurance it will do so.

Q. Can I Discuss My Own Decision on Whether to Participate in the Exchange With Other Employees, Including Company Executives?

A. You are free to discuss your personal decision with other employees, if you wish to do so. Each employee (including those who are officers of MSV) who hold MSV options will be making decisions for themselves personally. A decision by an employee or officer of MSV as to their personal election as to their own options does not constitute any endorsement (one way or other) by such individual on behalf of MSV or SkyTerra. U.S. securities laws require that the terms of this offering and the offering made to you be as described in the offering documents and the materials provided to you. U.S. securities laws provide that the offering can only be made by this statutory prospectus, and strictly limit what management can do to provide additional information to you, and prohibit management from providing to you any advice or guidance on your election to exchange. Consistent with these legal restrictions, SkyTerra and MSV will designate a limited number of employees (in legal and/or human resources), in Ottawa and Reston, who will assist in the administration of the exchange offer, including the submission of the forms, and to ensure compliance with all applicable securities laws. Your respective managers and other executives in the company will defer all inquiries to these designated administrators of the exchange offer. You should also consider consulting with independent counsel and/or a tax adviser in connection with your decision to participate in the exchange offer.

Q. Who Will Be Provided Information on My Decision to Exchange?

A. The decision to exchange will need to be implemented by MSV and SkyTerra to issue new stock options, effect appropriate tax reporting, operate appropriately the ongoing stock option plans, and to ensure appropriate reporting under applicable securities laws, among other ongoing administrative and legal requirements. In addition, the participation and exchange by certain employees will be subject to securities law reporting and disclosure. As a result, the information with respect to exchanges will be reviewed, tabulated and, if and as required, disclosed to facilitate the implementation of the exchange and as legally required by applicable securities and tax laws (both US and Canadian).

Table of Contents

SUMMARY

Introduction

We currently own approximately 99.3% of the outstanding limited partnership interests of MSV or approximately 92.6% on a fully diluted basis. We are making this offering for the purpose of simplifying the ownership structure of MSV and to provide the holders of MSV options with the opportunity to obtain options to acquire SkyTerra common stock.

We are offering to issue to you SkyTerra options in exchange for your irrevocable agreement (except for those who participate on the terms offered to Canadian residents) to forego your MSV options and release us, MSV and our respective affiliates of any claims you may have with respect to such MSV options, at a ratio of 2.82 SkyTerra options for each MSV option terminated, with an exercise price equal to the exercise price of the MSV options terminated divided by 2.82. The exchange ratio is equal to the exchange ratio we paid other limited partners of MSV in the Exchange Transactions that resulted in us owning approximately 99.3% of the outstanding limited partnership interests of MSV, and reflects a value of approximately \$ per limited partnership interest of MSV, based on the closing price of SkyTerra common stock on 2008 of \$ per share. You must agree in the manner set forth herein to forego all MSV options you hold in order to participate in this offering. Each SkyTerra option acquired in this offering will be exercisable for one share of SkyTerra common stock. SkyTerra options issued in this offering will not be transferable other than in the limited circumstances described in this Prospectus. The SkyTerra options offered will have terms generally consistent with the MSV options you have under the MSV Plan, including, but not limited to, the same vesting and expiration schedule as the MSV options terminated in exchange for such SkyTerra options.

Participants in this offering will not be permitted, without the express permission of our board of directors, to transfer shares of our common stock issued upon exercise of the SkyTerra options received in this offering until May 1, 2010, subject to the exceptions described herein. In addition to any sale of shares of our common stock permitted in the sole discretion of our board of directors, this lockup will automatically terminate on the 90th day following the consummation of any of the following events:

A cash investment of not less than \$1 billion in newly issued securities of SkyTerra or MSV by a third party or a group, or

the acquisition of in excess of 50% of the voting power of SkyTerra by a single beneficial owner or a group, excluding any acquisition by any person or group who beneficially owns 5% or more of the voting power of SkyTerra as of the date of this prospectus unless such person or group acquires 100% of the voting power of SkyTerra.

In addition, this lockup will automatically expire over time commencing four months after the earlier of:

a cash investment of not less than \$300 million in newly issued securities of SkyTerra or MSV by an MSV technology or strategic partner, or

the market price of SkyTerra's common stock exceeds \$18 per share for a period of 30 consecutive trading days.

Upon the occurrence of either of such events,

1/3 of the SkyTerra common stock underlying the SkyTerra options would be released from the lockup four months following the occurrence of such event, and

the remaining 2/3 will be released from the lockup in equal portions at the end of each of the eight successive three month periods following the initial 1/3 release.

The SkyTerra options are subject to expiration prior to their scheduled expiration dates under certain circumstances relating to the termination of employment. See This Offering Lockup, Questions and

Table of Contents

Answers about this Offering Will My SkyTerra Options (or MSV Options for Canadian Residents) Expire if I Leave MSV? and Description of SkyTerra Options Term for complete descriptions of the terms of the lockup and the SkyTerra options you will receive should you choose to participate in this offering, respectively. Any holder of MSV options who would otherwise be entitled to receive SkyTerra options to purchase a fractional interest in our common stock will receive options to purchase a number of shares of our common stock equal to the fractional interest rounded up to the next whole number.

Since September 2006, we have consummated the Exchange Transactions, in which we acquired additional interests in MSV from its other limited partners in exchange for shares of our non-voting and/or voting common stock, resulting in us currently owning, through MSV Investors, LLC, or MSV Investors, approximately 99.3% of the outstanding limited partnership interests of MSV, and 100% of the outstanding common stock of Mobile Satellite Ventures GP, or MSV GP, MSV's general partner:

On September 25, 2006, we acquired an additional 14.2 million limited partnership interests of MSV and 2,072.78 shares of the common stock of MSV GP, from TerreStar Corporation (formerly known as Motient Corporation), or TerreStar, and other limited partners of MSV.

On January 5, 2007, we also acquired from BCE Inc., or BCE, all the equity interests in TMI Delaware Limited Partnership, or TMI Delaware, the wholly-owned subsidiary of BCE through which it owned its interest in MSV. Substantially concurrently with the transaction with BCE, we issued 176,250 shares of our common stock to Winchester Development LLC, a Delaware limited liability company beneficially owned by a former director of MSV. Such shares were issued in exchange for approximately \$400,000 in cash and 50,226 limited partnership interests of MSV, obtained by the individual upon the exercise of outstanding MSV options and subsequently transferred to Winchester Development LLC.

On February 12, 2007, TerreStar exercised its option to acquire 14,407,343 shares of our non-voting common stock in exchange for delivery to us of an additional 5,108,986.88 limited partnership interests in MSV.

On November 30, 2007, TerreStar exercised its option to acquire 4,447,801 shares of our non-voting common stock in exchange for delivery to us of the remaining 1,577,234.42 limited partnership interests in MSV held by TerreStar and its subsidiaries.

Information About SkyTerra and MSV

SKYTERRA COMMUNICATIONS, INC.

10802 Parkridge Boulevard

Reston, VA 20191

(703) 390-1899

MOBILE SATELLITE VENTURES LP

10802 Parkridge Boulevard

Reston, VA 20191

(703) 390-1899

Table of Contents

SkyTerra Communications

SkyTerra is a holding company that over the past fifteen months has consummated a series of transactions to acquire additional interests in MSV, a Delaware limited partnership and our principal operating subsidiary, from its other limited partners in exchange for shares of our voting and non-voting common stock. As a result, at December 31, 2007 we own 99.3% of MSV. In addition to MSV, we own 11.2% of TerreStar Networks Inc., a subsidiary of TerreStar.

Through MSV and our other subsidiaries and affiliates, we are pursuing plans to develop, build and operate a next generation mobile satellite system complemented by an ancillary terrestrial component. Our subsidiaries and affiliates operate in the United States and Canada. We have three full time employees and one part time employee. We were incorporated in Delaware in 1985 as International Cogeneration Corporation.

Mobile Satellite Ventures

We are developing an integrated satellite and terrestrial communications network to provide ubiquitous wireless broadband services, including Internet access and voice services, in the United States and Canada. Using an all-Internet Protocol (IP), open architecture, we believe our network will provide significant advantages over existing wireless networks. Such potential advantages include higher data speeds, lower costs per bit and flexibility to support a range of custom IP applications and services. Our current business plan envisions a carrier s carrier wholesale model whereby our strategic partners and other wholesale customers can use our network to provide differentiated broadband services to their subscribers. We believe our planned open network, in contrast to legacy networks currently operated by incumbent providers, will allow distribution and other strategic partners to have open network access to create a variety of custom applications and services for consumers.

We currently offer a range of mobile satellite communications services (MSS) using two geostationary satellites that support the delivery of data, voice, fax and dispatch radio services. We are licensed by the United States and Canadian governments to operate in the 1.5 - 1.6 GHz frequency band (the L-band) spectrum which we have coordinated for our use. We currently have coordinated approximately 30 MHz of spectrum throughout the United States and Canada. Our United States and Canadian spectrum footprint covers a total population of nearly 330 million. In operating our next generation integrated network, we plan to use the spectrum for both satellite and terrestrial service. Our spectrum occupies a portion of the L-band and is positioned between the frequencies used today by terrestrial wireless providers in the United States and Canada. We were the first MSS provider to receive a license to operate an Ancillary Terrestrial Component (ATC) network from the Federal Communications Commission (FCC). We were a major proponent of the FCC s February 2003 and February 2005 ATC and ATC Reconsideration Orders, both of which were adopted on a bipartisan, 5-0 basis. Our ATC license permits the use of our L-band satellite frequencies in the operation of an advanced, integrated network capable of providing wireless broadband on a fixed, portable and fully mobile basis.

With access to approximately 30 MHz of spectrum that is conducive for mobile and fixed broadband wireless services, we believe we are well positioned to support an extensive wireless business plan. We believe access to this amount of spectrum provides us with the ability to pursue a network architecture using a choice of third generation and fourth generation wireless air interfaces, including such technologies as WiMAX, Code-Division Multiple Access-Evolution Data Optimized (CDMA-EVDO), WideBand CDMA (WCDMA), Long Term Evolution and Ultra-Mobile Broadband. We believe our next generation integrated network will create the opportunity to use our United States and Canadian nationwide spectrum, in its current configuration, to establish a strong position within the wireless industry.

Table of Contents

This Offering

Exchange of Options to Purchase SkyTerra Common Stock

We are offering to issue to you SkyTerra options in exchange for your irrevocable agreement (except for those who participate on the terms offered to Canadian residents) to forego your MSV options and release us, MSV and our respective affiliates of any claims you may have with respect to such MSV options, at a ratio of 2.82 SkyTerra options for each MSV option terminated, with an exercise price equal to the exercise price of the MSV options terminated divided by 2.82.

The exchange ratio is equal to the exchange ratio we paid other limited partners of MSV in the Exchange Transactions that resulted in us owning approximately 99.3% of the outstanding limited partnership interests of MSV, and reflects a value of approximately \$ per limited partnership interest of MSV, based on the closing price of SkyTerra common stock on , 2008 of \$ per share. You must agree in the manner set forth herein to forego all MSV options you hold in order to participate in this offering. Each SkyTerra option acquired in this offering will be exercisable for one share of SkyTerra common stock.

Timing of this Offering

This offering is scheduled to expire at 5:00 p.m., New York City time, on , 2008, unless we extend the period of this offering. However, we may extend this offering if the conditions to this offering have not been satisfied as of this offering's scheduled expiration or if we are required to extend this offering pursuant to the tender offer rules of the SEC. All references to the expiration of this offering shall mean such time and date as extended.

Extension, Termination and Amendment

We expressly reserve the right, in our sole discretion, to extend, on one or more occasions, the period of time during which this offering remains open, and we can do so by giving written notice of extension to the chief executive officer, chief financial officer or general counsel of MSV. If we decide to extend this offering, we will make an announcement to that effect no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration. We are not giving any assurance that we will exercise our right to extend this offering.

We reserve the right, in our sole discretion, to delay, on one or more occasions, our acceptance for exchange of the termination of MSV options pursuant to our offer. We also reserve the right to terminate our offer and not accept for exchange any termination of MSV options, upon the failure of any of the conditions of this offering to be satisfied or, where permissible, waived, or otherwise to amend this offering in any respect (except as described below), by giving written notice of delay, termination or amendment to the chief executive officer, chief financial officer or general counsel of MSV.

We will follow any extension, delay, termination or amendment, as promptly as practicable, with a public announcement. Subject to applicable law, including Rules 14e-1(d) and 14e-2(b) under the Exchange Act, which require that any material change in the information published, sent or given to the stockholders in connection with this offering be promptly sent to stockholders in a manner reasonably designed to inform stockholders of the change, and without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate any public announcement other than by making a release to the Dow Jones News Service.

We expressly reserve the right to modify, on one or more occasions, the terms and conditions of this offering. If we make a material change in the terms of this offering or the information concerning this offering, or if we waive a material condition of this offering, we will extend this offering to the extent required under the Exchange Act.

Table of Contents

Delivery of SkyTerra Options

For all holders of MSV options who elect to proceed on the terms offered to U.S. residents, we will accept for exchange the termination of your outstanding MSV options promptly after the expiration of this offering and will issue and deliver SkyTerra options promptly. If you are a Canadian holder of MSV options and elect to participate on the terms offered solely to Canadian residents, provided you have not exercised your MSV options, the SkyTerra options will be issued and delivered within ten business days following the earlier of: (i) any release of the lockup to the extent you are still employed by MSV at such time, (ii) any release of the lockup if you have previously terminated your employment for good reason or your employment has been terminated without cause or (iii) termination of your employment or service with MSV other than for good reason or without cause. In addition, Canadian residents who initially choose to participate in this offering and later withdraw, must notify us by submitting to us the form attached as an exhibit to the Canadian Exchange Form. In all cases, the exchange pursuant to this offering will be made only if we timely receive the appropriate, properly completed and duly executed Exchange Form as described below under This Offering Procedure for Participating in this Offering.

Lockup

Participants in this offering will not be permitted, without the express permission of our board of directors, to transfer shares of our common stock issued upon exercise of the SkyTerra options received in this offering until May 1, 2010, subject to the exceptions described herein. In addition to any sale of shares of our common stock permitted in the sole discretion of our board of directors, this lockup will automatically terminate on the 90th day following the consummation of any of the following events:

A cash investment of not less than \$1 billion in newly issued securities of SkyTerra or MSV by a third party, or a group or

the acquisition of in excess of 50% of the voting power of SkyTerra by a single beneficial owner or a group, excluding any acquisition by any person or group who beneficially owns 5% or more of the voting power of SkyTerra as of the date of this prospectus unless such person or group acquires 100% of the voting power of SkyTerra.

In addition, this lockup will automaticall