

Hearing Date: February 24, 2005
Hearing Time: 10:30 a.m.
Location: Portland
Objection Date: February 15, 2005

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In Re:)
) Chapter 11
PEGASUS SATELLITE TELEVISION,)
INC.,)
) Case No. 04-20878
Debtor.)
) (Jointly Administered)

**RESPONSE OF CITADEL BROADCASTING COMPANY TO DEBTORS' SECOND
OMNIBUS OBJECTION TO AND MOTION TO RECLASSIFY, REDUCE OR DISALLOW
CERTAIN CLAIMS PURSUANT TO 11 U.S.C. §502(b), BANKRUPTCY RULES 3001 AND
3007, AND D.ME. LBR 3007-1**

NOW COMES Citadel Broadcasting Company ("Citadel"), by and through counsel, and for its response to *Debtors' Second Omnibus Objection to and Motion to Reclassify, Reduce or Disallow Certain Claims Pursuant to 11 U.S.C. §502(b), Bankruptcy Rules 3001 and 3007 and D.Me. LBR 3007-1* (the "Omnibus Objection"), respectfully states as follows:

RESPONSE REQUIRED BY LBR 9013-1(f)

1. Citadel admits the allegations contained in Paragraph 1 of the Omnibus Objection.
2. Citadel admits the allegations contained in Paragraph 2 of the Omnibus Objection.
3. Citadel admits the allegations contained in Paragraph 3 of the Omnibus Objection.
4. Citadel admits the allegations contained in Paragraph 4 of the Omnibus Objection.
5. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 5 of the Omnibus Objection.
6. Citadel is without knowledge or information sufficient to form a belief as to the

truth of the allegations contained in Paragraph 6 of the Omnibus Objection.

7. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 7 of the Omnibus Objection.

8. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 8 of the Omnibus Objection.

9. There are no allegations contained in Paragraph 9 of the Omnibus Objection and therefore no response by Citadel is required.

10. The allegations contained in Paragraph 10 of the Omnibus Objection are a request for relief to which no response by Citadel is required.

11. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 11 of the Omnibus Objection.

12. The allegations contained in Paragraph 12 of the Omnibus Objection are conclusions of law to which no response by Citadel is required.

13. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 13 of the Omnibus Objection.

14. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 14 of the Omnibus Objection.

15. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 15 of the Omnibus Objection.

16. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 16 of the Omnibus Objection.

17. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 17 of the Omnibus Objection.

18. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 18 of the Omnibus Objection.

19. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 19 of the Omnibus Objection.

20. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 20 of the Omnibus Objection.

21. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 21 of the Omnibus Objection.

22. Citadel denies that the Debtors have no liability with respect to claims filed by Citadel. Responding further, Citadel is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 22 of the Omnibus Objection.

23. Citadel denies that the Debtors have no liability with respect to claims filed by Citadel. Responding further, Citadel is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 23 of the Omnibus Objection.

24. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 24 of the Omnibus Objection.

25. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 25 of the Omnibus Objection.

26. Citadel denies that the Debtors have no liability with respect to claims filed by Citadel. Responding further, Citadel further contends it is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 26

of the Omnibus Objection.

27. Citadel denies that its claims should be disallowed and/or expunged.

28. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 28 of the Omnibus Objection.

29. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 29 of the Omnibus Objection.

30. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 30 of the Omnibus Objection.

31. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 31 of the Omnibus Objection.

32. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 32 of the Omnibus Objection.

33. The allegation contained in Paragraph 33 of the Omnibus Objection is a statement of law to which no response by Citadel is required.

34. The allegation contained in Paragraph 34 of the Omnibus Objection is a statement of law to which no response by Citadel is required.

35. Citadel denies that the requested relief should be granted with respect to the claims filed by Citadel. Answering further, Citadel is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 35.

36. In response to the allegations set forth in Paragraphs 36-40, Citadel states that it is hereby filing its response to the Debtors' objection to Citadel's claims in accordance with the Omnibus Objection and pursuant to the United States Bankruptcy Code (the "Code") and applicable rules of procedure. Citadel further states that Teresa Biggs, Business Manager, has

ultimate authority to resolve the Debtors' objections, but that all correspondence with respect to the same should be directed to Joshua R. Dow, Esquire, Michael J. Pearce & Associates, LLC, Two Monument Square, 9th Floor, P.O. Box 108, Portland, ME 04112-0108, Telephone – (207) 822-9900, Facsimile – (207) 822-9901, E-Mail – jdow@mjpgmainelaw.com.

41. Citadel reserves all rights and claims in the event the Debtors seek to raise additional objections to Citadel's claims. Responding further, the allegations contained in Paragraph 41 of the Omnibus Objection are a reservation of rights to which no additional response by Citadel is required.

42. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 42 of the Omnibus Objection.

43. Citadel is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 43 of the Omnibus Objection.

FURTHER RESPONSE OF CITADEL

44. On or about June 2, 2004 (the “Filing Date”), each of the Debtors in these jointly administered cases filed original petitions for relief under Chapter 11 of the Code.

45. On or about January 25, 2005, the Debtors filed the Omnibus Objection.¹

46. In the Omnibus Objection, the Debtors object to the claims filed by Citadel on the basis that the Debtors’ books and records do not reflect any liability to Citadel.

47. Prior to the Filing Date, the Debtors contracted for advertising services on radio stations owned and operated by Citadel through Rita Fendych and R.F. Media Associates.

48. Citadel provided said advertising services to the Debtors.

49. Certain invoices from Citadel to the Debtors (through R.F. Media Associates) for

¹ On or about December 23, 2004, the Debtors’ filed the *Debtors’ First Omnibus Objection to and Motion to Reclassify, Reduce or Disallow Certain Claims Pursuant to 11 U.S.C. §502(b), Bankruptcy Rules 3001 and 3007, and D.Me. LBR 3007-1*. The Debtors did not object to the claims filed by Citadel at that time.

advertising services provided in April and May of 2004 remain unpaid and constitute the basis for the proofs of claim filed by Citadel. Those invoices are attached hereto as Exhibit A. Additional documentation with respect to the Citadel claims will be provided to the Debtor in short order.

50. Citadel reserves all rights, claims and defenses with respect to the Debtors' objections to its claim.

WHEREFORE, Citadel respectfully requests that the Debtors' objections be overruled and its claims set forth in its filed proofs of claim be allowed.

Dated at Portland, Maine, this 15th day of February, 2005

/s/ Joshua R. Dow

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