

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:)	Chapter 11
)	
PEGASUS SATELLITE TELEVISION, INC., et al.,)	Case No. 04-20878 (JBH)
)	
Debtors.)	(Jointly Administered)
)	

**RESPONSE OF GATELIX CORP. 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**

Gatelix Corp. (“Gatelix”) responds to the 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 “Objection”), and in support hereof states as follows:

BACKGROUND

1. Pursuant to the Telesales Representative Agreement between Gatelix and Pegasus Satellite Television, Inc. (“Pegasus”), dated September 19, 2000, as amended by the First Amendment to Telesales Representative Agreement, dated November 30, 2000, attached as Exhibit A (collectively the “Telesales Contract”), Gatelix contracted with Pegasus to provide services and sell satellite television to the public.

2. Gatelix provided services and sold satellite television to the customers identified by a Gatelix assigned customer number on Exhibit C, from January 1, 2001 through July 5, 2001. Due to confidentiality issues, customer names are not included on Exhibit C but have been provided to the Debtors.

3. Pursuant to the Telesales Contract, Gatelinx is entitled to payment from Pegasus for commission for each customer and late payment penalties in the amounts set forth on Exhibit C. Pursuant to the Telesales Contract, Pegasus owes Gatelinx the total amount of \$139,620.

4. Pursuant to the Retail Dealer Agreement between Gatelinx and Pegasus and each of Pegasus's affiliates, dated July 6, 2001, attached as Exhibit B (the "Dealer Contract"), Gatelinx contracted with each of the other Debtors¹ to provide services and sell satellite television to the public.

5. Gatelinx provided services and sold satellite television to the customers identified by a Gatelinx assigned customer number on Exhibit D, from July 7, 2001 through June 1, 2004. Due to confidentiality issues, customer names and addresses are not included on Exhibit D but have been provided to the Debtors.

6. Pursuant to the Dealer Contract, Gatelinx is entitled to payment from each of the Debtors for commission and reward bonuses for each customer in amounts set forth on Exhibit D. Gatelinx is entitled to payment in the total amount of \$2,820,695 from each Debtor.

7. Pursuant to the Telesales Contract and the Dealer Contract, Gatelinx is entitled to payment from Pegasus in the aggregate amount of \$2,960.315.

RESPONSE PURSUANT TO D. ME. LBR 3007-1

Pursuant to D. Me. LBR 3007-1, Gatelinx further responds as follows:

¹ The Debtors are: Argos Support Services Company, Bride Communications, Inc., B.T. Satellite, Inc., Carr Rural TV, Inc., DBS Tele-Venture, Inc., Digital Television Services of Indiana, LLC, DTS Management, LLC, Golden Sky DBS, Inc., Golden Sky Holdings, Inc. Golden Sky Systems, Inc., Henry County MRTV, Inc., HMW, Inc., Pegasus Broadcast Associates, L.P., Pegasus Broadcast Television, Inc. Pegasus Broadcast Towers, Inc., Pegasus Media & Communications, Inc., Pegasus Satellite Communications, Inc., Pegasus Satellite Television of Illinois, Inc., Pegasus Satellite Television, Inc., Portland Broadcasting, Inc., Primewatch, Inc., PST Holdings, Inc., South Plains DBS, LP., Telecast of Florida, Inc., WDSI License Corp., WILF, Inc., WOLF License Corp., and WTLH License Corp.

Jurisdiction

1. Gatelinx admits the allegations contained in paragraphs 1 through 4 of the Objection.

Bar Date and Proofs of Claim

2. Gatelinx admits the allegations contained in paragraphs 5 and 6 of the Objection.

3. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 7 and 8 of the Objection and, therefore, denies the same.

4. Paragraph 9 of the Objection contains a notice for which no response is required.

Relief Requested

5. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraph 10 of the Objection and, therefore, denies the same.

I. Request to Disallow Claims Filed After the Applicable Bar Date

6. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 11, 12 and 13 of the Objection and, therefore, denies the same.

II. Request to Disallow Amended Claims

7. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 14, 15 and 16 of the Objection and, therefore, denies the same.

III. Request to Disallow Duplicate Claims

8. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraph 17, 18 and 19 of the Objection and, therefore, denies the same.

IV. Request to Disallow Insufficient Documentation Claims

9. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 20 and 21 of the Objection and, therefore, denies the same.

V. Request to Disallow or Reduce Claims Not Reflected in the Debtors' Books and Records or Claims for which the Debtors are not Otherwise Liable

10. Gatelinx denies allegations contained in paragraphs 22 through 27 of the Objection. Further answering, Gatelinx's prepetition claim against (i) Pegasus (Claim No 628) should be allowed in the amount of \$2,960,315, and (ii) against each of the other Debtors (Claims 612 through 627, 629 through 639 and 1025) should be allowed in the amount of \$2,820,695.

VI. Request to Disallow Multi-Debtor Claims

11. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 28, 29 and 30 of the Objection and, therefore, denies the same.

VII. Request to Disallow Incorrect Debtor Claims

12. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 31 and 32 of the Objection and, therefore, denies the same.

Applicable Authority

13. Paragraphs 33 and 34 of the Objection state conclusions of law for which no response is required.

14. Gatelinx denies the allegations in paragraph 35 of the Objection as they relate to Gatelinx's claims against the Debtors. Gatelinx is without knowledge or information to form a belief as to the truth of the remaining allegations contained in paragraph 35 of the Objection and, therefore, denies the same.

15. Paragraphs 36 and 37 provide notice for which no response is required.

16. Gatelinx responds to paragraph 38 of the Objection as follows:

38(a) See Gatelinx's responses in paragraphs 1 and 7 under the Background section of this Response.

38(b) Gatelinx's Claim No. 628 against Pegasus should be allowed in the amount of \$2,960,315. The Telesales Contract and the Dealer Contract is the documentation that establishes that Gatelinx is entitled to payment of \$3,020,535. Exhibit C identifies each customer that Gatelinx provided services and sold satellite television to and the basis for Gatelinx's prepetition claim against Pegasus. Gatelinx's Claim Nos. 612 through 627 and 629 through 639 and 1025 should not be expunged because Gatelinx has a right to payment from each of the Debtors. The Dealer Contract establishes that Gatelinx contracted with each of the Debtors to provide services and sell satellite television to the public. Exhibit D identifies each customer that Gatelinx provided services and sold satellite television to and the basis for Gatelinx's prepetition claim in the amount of \$2,820,695 against each Debtor.

38(c) The documentation and evidence upon which Gatelinx will rely at the hearing on the Objection is attached to this Response as Exhibits A, B and C. Gatelinx reserves the right to present additional documentation and evidence of its claims at the hearing on the Objection.

38(d). The following is the person with ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of Gatelinx:

Edward Ovsenik, Esq.
Gatelinx Corp.
1930 N. Poplar Street Suite 21
Southern Pines, NC 28387
Telephone (877) 669-4283 Ext.1905
Facsimile (866) 329-8739

38(e). The Debtors' reply to this response should be served upon the following:

Regan M. Hornney, Esq.
Brann & Isaacson
184 Main Street
P.O. Box 3070
Lewiston, Maine 04243-3070
Telephone (207) 786-3566
Facsimile (207) 783-9325

17. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraph 39 of the Objection and, therefore, denies the same.

18. The allegations in paragraph 40 of the Objection state a legal conclusion for which no response is required.

Reservation of Rights

19. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraph 41 of the Objection and, therefore, denies the same.

No Prior Request

20. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraph 42 of the Objection and, therefore, denies the same.

Notice

21. Gatelinx is without knowledge or information to form a belief as to the truth of the allegations contained in paragraph 43 of the Objection and, therefore, denies the same.

WHEREFORE, Gatelinx Corp. request that this Court, to the extent that it requests relief against Gatelinx Corp.,

- A. Allow its claim against Pegasus Satellite Television, Inc. in the amount of \$2,960,315;
- B. Allow its claim against each of the other Debtors in the amount of \$2,820,695; and
- C. Grant such other and further relief that this Court deems just and proper.

Dated: February 18, 2005

/s/ Regan M. Horney
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CERTIFICATE OF SERVICE

I, Regan M. Hornney, Esq., hereby certify that I served a true and correct copy of the above Response of Gatelinx Corp. 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 "Response"), together with the Exhibits, dated February 18, 2005, on each of the parties set forth on Service List A and the Response without Exhibits on each of the parties set forth on Service List B, via U.S. Mail, postage prepaid, on February 18, 2005. The Exhibits to the Response are available upon request to Regan M. Hornney at the Brann & Isaacson, 184 Main Street, P.O. Box 3070, Lewiston, Maine 04243-3070, telephone (207) 786-3566, facsimile (207) 783-9325, e-mail rhornney@brannlaw.com.

All other parties listed on the Notice of Electronic Filing have been served electronically.

/s/ Regan M. Hornney

Regan M. Hornney

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