

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE**

In re:

Chapter 11

PEGASUS SATELLITE TELEVISION, INC., et al

Case No. 04-20878

Debtors.

(Jointly Administered)

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**RESPONSE OF RIVERSIDE CLAIMS, LLC, AS ASSIGNEE OF PRYOR SALES,  
TO DEBTORS' FIRST OMNIBUS OBJECTION TO  
AND MOTION TO RECLASSIFY, REDUCE OR DISALLOW CERTAIN CLAIMS**

Riverside Claims, LLC, as assignee of Pryor Sales ("Riverside"), a creditor and party in interest in the above-captioned jointly administered bankruptcy cases, submits this response (the "Response") to the First Omnibus Objection To and Motion To Reclassify, Reduce or Disallow Certain Claims (the "Objection") filed by Pegasus Satellite Television, Inc., et al. (the "Debtors"), and in support thereof, states as follows:

**BACKGROUND**

1. On or about June 2, 2004 (the "Petition Date"), the Debtors filed a voluntary petition for relief under chapter 11, title 11 of the United States Code (the "Bankruptcy Code").

2. The Debtors remain in possession of their properties and continue in the management and operation of their businesses and properties as debtors in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

3. Riverside is the valid holder and owner of claim number 75 in the amount of \$146,893 (the "Claim") by virtue of the assignment of the Claim from Pryor Sales.

4. October 12, 2004 (the "Bar Date") was the deadline set by the Court by which all claimants had to file proofs of claim in the Debtors' chapter 11 cases.

5. On or about August 16, 2004, Riverside timely filed a proof of claim on account of the Claim, well before the Bar Date.

4. On December 23, 2004, the Debtors filed the Objection to the Claim, seeking to expunge the Claim on the basis that the Debtors' books and records show no liability associated with the Claim.

6. The original deadline for filing responses to the Objection was January 17, 2005, however, by agreement of the parties, Riverside's deadline to respond to the Objection has been extended to February 22, 2005.

5. The Debtors and Riverside have continuously been working together productively to reconcile the Claim and resolve the Objection. Riverside has provided the Debtors with all requested information and documentation regarding the Claim, and continues to be in the process of gathering and providing additional information requested.

6. In fact, as currently as last week, the Debtors and Riverside have consistently been involved in discussions to reconcile the Claim and resolve the Objection. Riverside is currently in the process of attempting to provide the Debtors with whatever additional information is available to support the Claim, and has kept the Debtors apprised of its efforts. Thus, the negotiation and cooperation between the Debtors and Riverside remains ongoing.

7. Riverside has provided support for the Claim, and productive settlement discussions are ongoing. Riverside would simply like the continued opportunity to cooperate with the Debtors and reconcile the Claim.

8. Alternatively, Riverside maintains that the documentation provided in support of the Claim substantiates the Claim, and that the Claim should be allowed in the full amount.

WHEREFORE, Riverside respectfully requests that the Court adjourn this matter to the next omnibus hearing date to allow the Debtors and Riverside time to continue with their cooperated efforts to reconcile the Claim, or, alternatively, that the Court overrule the Objection and allow the Claim in full.

Dated: February 22, 2005

RESPECTFULLY SUBMITTED,

/s/ Holly G. Rogers, Esq.  
Holly G. Rogers, Esq. (HG-7457)  
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**CERTIFICATE OF SERVICE**

This is to certify that on February 22, 2005, I caused a true and correct copy of the foregoing Objection to be served on the following parties at the addresses indicated by facsimile transmission and overnight mail, postage prepaid:

Office of the Clerk  
United States Bankruptcy Court  
337 Congress Street, 2<sup>nd</sup> Floor  
Portland, Maine 04101

Sidley Austin Brown & Wood LLP  
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/s/ Holly G. Rogers  
Holly G. Rogers

