

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MAINE

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U.S. BANKRUPTCY COURT
PORTLAND, MAINE

IN RE:

CASE NO. 04-20878
CHAPTER 11

PEGASUS SATELLITE TELEVISION, INC.,
Debtor.

INDIANA DEPARTMENT OF REVENUE'S (IDR) RESPONSE TO OBJECTION TO CLAIM

Comes now Creditor, Indiana Department of State Revenue (IDR), by counsel, and, for its Response to the Objection to its Claim, states as follows:

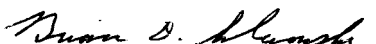
1. Creditor has filed an amended proof of claim in the amount of \$14,976,893.38 including a priority claim of \$13,038,535.81, a secured claim of \$138,357.57 and \$1,800,000.00 as a general unsecured claim.
2. Creditor's amended claim is based, in part on actual returns for Debtor's corporate tax liability for the year 1997 in which a late penalty is due and owing, on actual returns for Debtor's corporate tax liability for the year 1998 in which Creditor has no record of the amounts due and owing, plus penalty, having been paid and on estimated returns for Debtor's retail sales and corporate tax liability for the years 2001-2003 by virtue of the fact that Creditor has no record of said returns having been filed; however, the claim is valid because, Indiana Code § 6.8-1-10-3(a) provides that returns prepared by the Indiana Department of State Revenue based on the best information available are *prima facie* correct, and said taxes have not been paid.
3. IDR's amended claim is correct and should be allowed and paid as such, pursuant to 11 USC § 505.

WHEREFORE, Creditor, Indiana Department of State Revenue, prays that Debtor's objection to IDR's claim be overruled.

Office of Attorney General
Indiana Government Center South, Fifth Floor
302 West Washington Street
Indianapolis, IN 46204-2770
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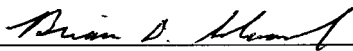
Respectfully submitted,

STEVE CARTER
Attorney General of Indiana
Atty. No. 4150-64

By: 
Brian D. Salwowski
Deputy Attorney General
Atty. No. 2100-49

CERTIFICATE OF SERVICE

I do hereby certify that a copy of the foregoing pleading has been duly served upon Larry J. Nyhan, Bank One Plaza, 10 South Dearborn St., Chicago, IL 60603, Guy S. Neal, 787 Seventh Avenue, New York, N.Y. 10019, and Robert J. Keach, 100 Middle Street, P.O. Box 9729, Portland, ME 04104, by ECF notification or U. S. first class mail, postage prepaid, on this 10th day of March, 2005..


Brian D. Salwowski
Deputy Attorney General
Atty. No. 2100-49

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