

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

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

**SIXTH 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 PSC Liquidating Trust (the “PSC Trust”), on behalf of the Reorganized Debtors¹, by and through its undersigned counsel, hereby objects (the “Sixth Objection”) to each of the claims listed in Exhibits A through F attached hereto (the “Disputed Claims”) and moves this Court, pursuant to 11 U.S.C. § 502 (b), Rules 3001 and 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and D.Me.LBR 3007-1 for entry of an order reclassifying reducing or disallowing such claims as set forth herein. In support of this Sixth Objection, The PSC Trust respectfully states as follows:

JURISDICTION, VENUE AND STATUTORY PREDICATES

1. On June 2, 2004 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On the Petition Date, the Debtors also jointly filed motions or applications

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.

seeking certain typical “first day” orders, including an order to have these cases jointly administered.

2. On June 10, 2004, the United States Trustee for the District of Maine appointed the Official Committee of Unsecured Creditors (the “Committee”) pursuant to section 1102(a) of the Bankruptcy Code. No request was made for the appointment of a trustee or examiner in these cases

3. Prior to confirmation of the Debtors’ First Amended Joint Chapter 11 Plan of Reorganization (the “Plan”), the Debtors in continued possession of their properties and operated and maintained their businesses as debtors-in-possession pursuant to sections 1107 (a) and 1108 of the Bankruptcy Code.

4. On April 15, 2005 (the “Confirmation Date”), the Bankruptcy Court approved the Plan and the Findings of Fact, Conclusions of Law, and Order Confirming the Debtors’ First Amended Joint Chapter 11 Plan was entered (the “Confirmation Order”). The PSC Trust was established under the Plan and, pursuant to the terms of the Plan, has the authority and responsibility to object to, settle, compromise, and prosecute disputed claims. The Plan became effective on May 5, 2005 (the “Effective Date”).

5. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157 (b) (2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3001 and 3007, and D. Me. LBR 3007-1.

BAR DATE AND PROOFS OF CLAIM

6. On June 4, 2004, this Court entered an order appointing The Trumbull Group, L.L.C. (“Trumbull”) as claims and noticing agent in these chapter 11 cases. Trumbull is

authorized to maintain (i) all proofs of claim filed against the Debtors and (ii) an official claims register (the “Claims Register”) by docketing all proofs of claim in a claims database containing, inter alia, information regarding the name and address of each claimant, the date the proof of claim was received by Trumbull, the claim number assigned to the proof of claim, and the asserted amount and classification of the claim.

7. On September 1, 2004, the Court entered an order (the “Pre-Petition Bar Date Order”) (i) establishing October 12, 2004, (the “General Bar Date”) as the final date and time for all persons and entities, other than governmental entities, holding or asserting a claim (as defined in section 101 (5) of the Bankruptcy Code) against any of the Debtors to file proofs of claim in these chapter 11 cases and (ii) establishing November 30, 2004 (the “Governmental Bar Date”); and together with the General Bar Date, (the “Pre-Petition Bar Date”) as the final date and time for all governmental entities holding or asserting a claim (as defined in section 101(5) of the Bankruptcy Code) against any of the Debtors to file proofs of claim in these chapter 11 cases, and (iii) approving the form and manner of notice of the Bar Dates.

8. Pursuant to the Pre-Petition Bar Date Order, on or about September 3, 2004, Trumbull sent actual notice of the Pre-Petition Bar Date (the “Pre-Petition Bar Date Notice”) to (i) the Office of the United States Trustee for the District of Maine; (ii) counsel to the Committee and the members thereto; (iii) counsel to the Agent for the Debtors’ pre-petition secured lenders; (iv) the administrative agents to the Debtors’ prepetition credit facilities; (v) the indenture trustees and their counsel; (vi) the prepetition senior secured lenders and their respective counsel; (vii) the prepetition junior secured lenders and their respective counsel; (viii) all entities who have filed a notice of appearance or request for service of papers pursuant to Bankruptcy Rule 2002; (ix) all persons or entities listed in the Debtors’ schedules; (x) all known parties to executory contracts or unexpired leases with the Debtors; (xi) all known holders of equity securities in the Debtors as of the Petition Date; and (xii) all of the Debtors’ employees. In addition, the Debtors published a shortened version of the Pre-Petition Bar Date Notice (the

“Publication Notice”) in the national edition of The Wall Street Journal and the national editions of the New York Times and USA Today on or about September 9, 2004.

9. Pursuant to the terms of the Confirmation Order and the Plan and upon the Effective Date, May 25, 2005 (the “Administrative Bar Date”) was established as the final date for all persons and entities holding or asserting an Administrative Claim (as defined in section 1.1 of the Plan) against any of the Debtors to file proofs of claims in these chapter 11 cases.

10. Notices of the Administrative Bar Date were sent to all creditors, equity interest holders of the Debtors and all other parties in interest.

11. To date, approximately 1,204 proofs of claim have been filed in these chapter 11 cases.

12. CLAIMANTS ARE ADVISED TO REVIEW EACH PAGE OF EACH EXHIBIT ATTACHED HERETO, AS THEIR CLAIM(S) MAY BE SUBJECT TO MULTIPLE OBJECTIONS AS DESCRIBED HEREIN.

RELIEF REQUESTED

13. By this Sixth Objection, the PSC Trust seeks entry of an order, pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3001 and 3007, and D.Me. LBR 3007-1, granting the following relief with respect to the Disputed Claims:

(i) disallowing in full and expunging each of the Disputed Claims identified in Exhibit A attached hereto as claims that have been amended and superseded by another claim subsequently filed against the Debtors (the “Amended Claims”);

(ii) disallowing in full and expunging each of the Disputed Claims identified on Exhibit B hereto as filed claims representing a duplicate claim or a

claim for the same obligation already represented by another filed claim (the “Duplicate Claims”);

(iii) disallowing in full and expunging each of the Disputed Claims identified on Exhibit C hereto as claims filed after the applicable Bar Date (the “Late Filed Claims”);

(iv) reducing each of the Disputed Claims identified on Exhibit D hereto as claims that overstate the amount of any debt or obligation owed by the Debtors (the “Disputed Amount Claims”);

(v) disallowing in full and expunging each of the Disputed Claims identified on Exhibit E hereto as claims that do not represent liabilities owed by the Debtors (the “No Liability Claims”); and

(vi) disallowing in full and expunging each of the Disputed Claims identified on Exhibit F hereto as claims that were filed without sufficient information to support a valid proof of claim (the “Insufficient Information Claims”).

I. Request to Disallow Amended Claims

14. The Amended Claims included on Exhibit A under the column heading “Amended Claim to be Expunged” are those Disputed Claims that were amended and therefore superseded by a subsequent claim filed by or on behalf of the same claimants that should be disallowed in their entirety and expunged. The additional claims set forth under the column heading “Remaining Claim” on Exhibit A (the “Remaining Claims”) are the claims that were subsequently filed in respect of the same liabilities as the Amended Claims. The Remaining Claims have thus amended and superseded the Amended Claims. By filing the Remaining

Claims, the claimants liquidated, reduced or otherwise modified the liability originally identified in the Amended Claims.

15. The Remaining Claims will remain on the Claims Register as outstanding liabilities, subject to the PSC Trust's right to object on any grounds that bankruptcy or nonbankruptcy law permits or until withdrawn by the claimants or disallowed by the Court. See, e.g., 11 U.S.C. §§ 502(a). By this Sixth Objection, the PSC Trust seeks to disallow the Amended Claims and thereby (i) prevent the claimants from obtaining a double recovery on account of any single obligation and (ii) limit the claimants to a single claim for those amounts currently asserted by the claimant. This relief is necessary to prevent the allowance of claims, which by their nature, have been superseded and yet remain on the Claims Register. Moreover, the elimination of the Amended Claims is consistent with the apparent intent of the claimants in filing the Remaining Claims. Finally, the claimants will suffer no prejudice because the Remaining Claims will be unaffected by the relief sought in this Sixth Objection, and the claimants' rights to assert the Remaining Claims against the Debtors' estates will be preserved, subject to the PSC Trust's ongoing rights to object to the Remaining Claims on any other applicable grounds.

16. For these reasons, the PSC Trust objects to the allowance of each of the Amended Claims and requests that such Amended Claims be disallowed in their entirety and expunged.

II. Request to Disallow Duplicate Claims

17. The Duplicate Claims included on Exhibit B hereto are those Disputed Claims that are duplicates of other claims filed by or on behalf of the same claimant.

18. With respect to the Duplicate Claims listed on Exhibit B, it appears that the claimant erroneously filed the same proof of claim against the same Debtor for the same

amount or liability more than once, thereby requiring the PSC Trust to object to the Disputed Claim that appears to be duplicative. The PSC Trust should not be required to pay a claimant twice on the same obligation or debt. Moreover, elimination of duplicate claims will enable the Claims Register to more accurately reflect the claims asserted against the Debtors.

19. For these reasons, the PSC Trust objects to the allowance of each of the Duplicate Claims included on Exhibit B and requests that such Duplicate Claims under the column heading “Duplicate Claim to be Expunged” be disallowed in their entirety and expunged. If the PSC Trust’s objection to the Duplicate Claims is sustained, the claims listed under the column heading “Surviving Claim” will remain on the Claims Register (“Surviving Claim”), subject to the PSC Trust’s right to object on any other grounds that bankruptcy or nonbankruptcy law permits or until withdrawn by the claimants or disallowed by the Court. See, e.g., 11 U.S.C. § 502(a). Therefore, by this Sixth Objection, the PSC Trust seeks to disallow the Duplicate Claims and thereby (i) prevent the claimants from obtaining a double recovery on account of any single obligation and (ii) limit the claimants to a single claim for those amounts currently asserted by the claimant. This relief is necessary to prevent the allowance of claims, which by their nature, have been duplicated and yet remain on the Claims Register. The claimants’ rights to assert the Surviving Claims against the Debtors’ estates will be preserved, subject to the PSC Trust’s ongoing rights to object to the Surviving Claims on any other applicable grounds, including other grounds set forth in this Sixth Objection.

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

20. The Late Filed Claims included on Exhibit C were filed after the Pre-Petition Bar Date or after the Administrative Bar Date, as applicable, and should therefore be disallowed pursuant to section 502(b)(9) of the Bankruptcy Code.

21. Section 502(b)(9) of the Bankruptcy Code provides that a claim shall not be allowed if “proof of such claim is not timely filed, except to the extent tardily filed as

permitted under paragraph (1), (2), or (3) of section 726(a) of this title or under the Federal Rules of Bankruptcy Procedure....” Courts interpreting section 502(b) (9) have held that a creditor who fails to file a timely claim may not file a late claim and participate in distribution from the estate. Institut Pasteur v. Cambridge Biotech Corp. (In re Cambridge Biotech Corp.), 186 B.R.9, 15 (Bankr. D.Mass.1995) (citations omitted); In re Lee Way Holding Co., 178 B.R. 976, 985 (Bankr. S.D. Ohio 1995).

22. The PSC Trust believes that the Disputed Claims listed in Exhibit C either: (i) arose prior to the Petition Date; or (ii) arose after the Petition Date and prior to the Effective Date; and that such Disputed Claims are: (i) subject to the requirement that proofs of claim be filed no later than the Pre-Petition Bar Date or the Administrative Bar Date, as applicable (as well as in accordance with the other provision of the applicable Bar Date Orders); and (ii) were nonetheless filed after the applicable Bar Date, as indicated by the date identified in the column labeled “Date Filed” in Exhibit C. For these reasons, the Disputed Claims listed in Exhibit C are untimely and should be disallowed in their entirety pursuant to section 502(b) (9) of the Bankruptcy Code.

IV. Request to Disallow or Reduce Claims Not Reflected in the Debtors’ Books and Records or Claims for Which the Debtors are not Otherwise Liable

23. The Disputed Amount Claims listed in Exhibit D, the No Liability Claims listed in Exhibit E and the Insufficient Information Claims listed in Exhibit F, respectively: (i) exceed the liabilities reflected in the Debtor’s books and records, (ii) are claims for which the PSC Trust believes the Debtors otherwise have no liability, or (iii) are not identifiable or otherwise cognizable based upon a review of the Debtors’ books and records. Accordingly, the PSC Trust hereby objects to the Disputed Claims listed in Exhibits D, E and F on the basis that such Disputed Claims, respectively, (i) overstate the amount of any debt that may possibly be owed by the Debtors, (ii) represent claims for which the Debtors have no liabilities; or (iii) contain insufficient information to identify a valid claim against the Debtors.

24. Pursuant to section 101 of the Bankruptcy Code, a creditor holds a claim against a bankruptcy estate only to the extent that it has a “right to payment” for the asserted liability. See 11 U.S.C. §§ 101(5) and 101(10). By contrast, there is no right to payment – and therefore no claim – to the extent that the asserted liability is not due and owing by a debtor. The PSC Trust believes, based on a review of the Debtors books and records or upon review of the claims in the underlying administrative or judicial proceedings, as applicable, that the claimants included on Exhibits D, E and F either have no right to payment on account of their Disputed Claims, or have a right to payment that is significantly less than the amount of their Disputed Claim. Accordingly, such Disputed Claims should be disallowed or reduced as set forth in Exhibits D, E and F below.

(i) Disputed Amount Claims

25. Upon review of their books and records, the PSC Trust has concluded that the Disputed Amount Claims are inconsistent with the amounts reflected as owing, if any, according to the Debtors’ books and records. The resolutions of the Disputed Amount Claims, which now comport with the Debtors’ books and records, are reflected on Exhibit D.

26. For these reasons, the PSC Trust requests that such Disputed Amount Claims to be reduced and allowed in the amount set forth under the column heading “Modified Claim Amount,” as set forth on Exhibit D. If the PSC Trust’s objection to the Disputed Amount Claims is sustained, the Disputed Amount Claims will remain on the Claims Register in the “Modified Claim Amount” as reflected on Exhibit D.

(ii) No Liability Claims

27. With respect to certain of the No Liability Claims set forth on Exhibit E, after a review of the Debtors’ books and records, including the Debtors’ Schedules, filed with the Court on August 16, 2004, the PSC Trust has determined that the Debtors owe no obligations to those claimants asserting such No Liability Claims. Each No Liability Claim listed on Exhibit E

should be expunged in its entirety because such No Liability Claims assert liability purportedly owed by the Debtors for which according to the Debtors books and records, any liability owed, has been previously satisfied.

28. For these reasons, the PSC Trust objects to the allowance of each of the No Liability Claims and requests that such No Liability Claims be disallowed in their entirety and expunged.

(iii) Insufficient Information Claims

29. The PSC Trust has determined that the Insufficient Information Claims included on Exhibit F were filed by the claimants without sufficient information or documentation to support a valid proof of claim. The claimants have simply not shown that any monies are owed. Additionally, the PSC Trust has reviewed the books and records of the Debtors, , including the Debtors' Schedules, filed with the Court on August 16, 2004, and said books and records do not reflect any amounts due and owing to any of the claimants.

30. For these reasons, the PSC Trust objects to the allowance of the Insufficient Information Claims included on Exhibit F and requests that such claims be disallowed in their entirety and expunged.

APPLICABLE AUTHORITY

31. Section 502(b) of the Bankruptcy Code provides in pertinent part that:

the court, after notice and a hearing, shall determine the amount of (a) claim in lawful currency of the United States as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that...such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured.

11 U.S.C. § 502(b) (1).

32. Additionally, Bankruptcy Rule 3001 provides in pertinent part that:

When a claim, or an interest in property of the debtor securing the claim, is based on a writing, the original or a duplicate shall be filed with the proof of claim. If the writing has been lost or destroyed, a statement of the circumstances of the loss or destruction shall be filed with the claim.

Fed.R.Bankr.P.3001(c)

33. Pursuant to Bankruptcy Code section 502(b)(1), Bankruptcy Rules 3001 and 3007, and D.Me.LBR 3007-1 the Court should: (i) disallow and expunge each of the Amended Claims; (ii) disallow and expunge each Duplicate Claim; (iii) disallow and expunge each Late Filed Claim; (iv) reduce each Disputed Amount Claim to the Modified Claim Amount; (v) disallow and expunge each No Liability Claim; and (vi) disallow and expunge each Insufficient Information Claim.

RESPONSES TO OBJECTIONS

34. Filing and Service of Responses. To contest the Sixth Objection, a claimant must file and serve a written response to the Sixth Objection (a “Response”) so that it is actually received by the Clerk of the Bankruptcy Court by no later than 4 p.m. Eastern Time on August 12, 2005. Claimants should read the proposed Order and the exhibits attached to this Sixth Objection carefully. A Response must address each ground upon which the PSC Trust objects to a particular Claim. A hearing to consider the Sixth Objection shall be held on August 18, 2005 at 10:30 a.m. Eastern Time, before the Honorable James B. Haines, Jr., United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Maine, 537 Congress Street, 2nd Floor, Portland, Maine 04101 (the “Hearing”).

35. Every Response shall be filed and served upon the following entities at the following addresses: (a) Office of the Clerk of the United States Bankruptcy Court, District of Maine, 537 Congress Street, 2nd Floor, Portland, Maine 04101; (b) Lowenstein Sandler, PC, Attn:

Paul Kizel, Esq., 65 Livingston Avenue, Roseland, New Jersey 07068; (c) Preti, Flaherty, Beliveau, Pachios & Haley, LLP, Attn: John P. McVeigh, Esq., One City Center; P. O. Box 9546; Portland, ME 04112-9546.

36. Content of Responses: Every Response to the Sixth Objection must contain, at a minimum, the following:

- (a) a caption setting forth the name of the Bankruptcy Court, the above referenced case number and the title of the Sixth Objection to which the Response is directed; the name of the claimant and description of the basis for the amount of the claim;
- (b) a concise statement setting forth the reasons why a particular claim should not be reclassified, reduced, or disallowed for the reasons set forth in the Sixth Objection, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Sixth Objection at the Hearing;
- (c) all documentation or other evidence of the claim in question, to the extent not already included with the claimant's proof of claim, upon which the claimant will rely in opposing the Sixth Objection at the Hearing;
- (d) the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of the claimant; and
- (e) the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) to whom the PSC Trust should serve any reply to the Response.

37. Timely Response Required. If a claimant fails to file and serve a timely Response, then without further notice to the claimant, the PSC Trust will present to the Court an order disallowing or modifying the Claims indicated herein.

38. Service Address. If a Response contains an address for the claimant different from that stated on the Claim, the address in the Response shall constitute the service address for future service of papers upon the claimant with respect to the Sixth Objection unless

or until counsel for the PSC Trust receives written notice from the claimant or the claimant's counsel of a changed service address.

RESERVATION OF RIGHTS

39. The PSC Trust expressly reserves the right to amend, modify or supplement this Sixth Objection and to file additional objections to any proofs of claim filed in these chapter 11 cases including, without limitation, objections as to the liability, amount or priority of any claims listed in Exhibits A through F hereto or any claim specifically identified in this Sixth Objection. Should one or more of the grounds for this Sixth Objection be dismissed or overruled, the PSC Trust reserves the right to object to any Disputed Claims listed in Exhibits A through F or any claim specifically identified in this Sixth Objection on any other ground.

NO PRIOR REQUEST

40. No prior request for the relief sought herein has been made by the Reorganized Debtors or the PSC Trust to this or any other Court.

NOTICE

41. Notice of this Sixth Objection has been given to (i) the Office of the United States Trustee for the District of Maine, (ii) each of the parties on the All Notices List in accordance with (and as defined in) the Order Establishing Case Management Procedures and Hearing Schedule dated July 9, 2004, and (iii) each of the claimants identified in Exhibits A through F and their counsel, if known. In light of the nature of the relief requested herein, the PSC Trust submits that no further notice is necessary.

WHEREFORE, the PSC Trust respectfully request that this Court enter an order, substantially in the form submitted herewith, granting this Sixth Objection in all respects and granting such other and further relief as the Court deems just and proper.

Dated: July 15, 2005

LOWENSTEIN SANDLER PC
Kenneth A. Rosen, Esq. (KAR 4963)
Paul Kizel, Esq. (PK 4176)
Jeffrey A. Kramer, Esq. (JAK 8278)
65 Livingston Avenue
Roseland, New Jersey 07068
Telephone: (973) 597-2500
Facsimile: (973) 597-2400

- and -

**PRETI, FLAHERTY, BELIVEAU,
PACHIOS & HALEY, LLP**

By: /s/John P. McVeigh
John P. McVeigh, Esq.
One City Center
P.O. Box 9546
Portland, ME 04112-9546
Telephone: (207) 791-3000
Facsimile: (207) 791-3111

*Counsel to the Reorganized Debtors and the
Liquidating Trustee of The PSC Liquidating Trust*