

Hearing Date: September 22, 2005
Time: 10:30 a.m.
Place: Portland
Objection Deadline: September 16, 2005
Time: 4:00 p.m.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:	:	Chapter 11
	:	
PEGASUS SATELLITE TELEVISION, INC., et al., ¹	:	Case No. 04-20878
	:	
	:	(Jointly Administered)
Debtors.	:	

**MOTION OF THE LIQUIDATING TRUSTEE FOR AN ORDER
APPROVING AMENDMENT TO LIQUIDATING TRUST AGREEMENT**

INTRODUCTION

The Liquidating Trustee of The PSC Liquidating Trust (the “Movant”), hereby files this motion (the “Motion”) for an order approving an amendment (the “Amendment”) to the Liquidating Trust Agreement relating to The PSC Liquidating Trust (the “Trust”) for the limited purpose of changing the first Reporting Period (as defined in the Liquidating Trust Agreement) from May 5, 2005-August 31, 2005 to May 5, 2005-September 30, 2005. The deadline for filing the periodic reports relating to each Reporting Period will remain 45 days after the end of each Reporting Period and each subsequent Reporting Period will remain 3 calendar months. The purpose of the amendment is to make each Reporting Period coincide with each calendar quarter thereby making the reporting process more efficient and economical for the Liquidating Trustee. As will be described in more detail below, amendments to the Liquidating Trust Agreement are

¹ The Reorganized 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 Country 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.

permitted provided that they are not inconsistent with the purpose and intention of the Trust. In support of the Motion, the Movant respectfully represent as follows:

BACKGROUND

1. On June 2, 2004 (the “Petition Date”), the Reorganized Debtors filed petitions for relief under chapter 11 of the Bankruptcy Court in the United States Bankruptcy Court for the District of Maine (the “Court”). On June 4, 2004, the Court entered an order directing joint administration of the Reorganized Debtors’ cases for procedural purposes only.

2. The Reorganized Debtors continued in possession of their respective property and continued to operate their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code throughout their chapter 11 cases until the Plan became effective on May 5, 2005.

3. This Court has jurisdiction over this matter pursuant to (i) 28 U.S.C. §§ 157 and 1334 (ii) and the Plan and Confirmation Order (as those terms are defined later herein). 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 Reorganized Debtors’ Business

4. As of the Petition Date, the Reorganized Debtors’ principal operating business was their direct broadcast satellite (“DBS”) business. At that time, the Reorganized Debtors were the largest independent distributor of DIRECTV® DBS services with approximately 1.1 million subscribers and the exclusive right to distribute certain DIRECTV® services to approximately 8.4 million rural households in certain territories within 41 states. During the chapter 11 proceedings, this Court entered an order dated August 26, 2004, authorizing the Reorganized Debtors to sell the DBS business to DIRECTV® for approximately \$988 million. The closing of this sale occurred on or about August 27, 2004.

5. In addition to their DBS business, the Reorganized Debtors (through the

Broadcast Debtors²) own and/or operate several broadcast television stations and various licenses, permits, authorizations and related property (collectively, the “Broadcast Assets”), the transfer of which are subject to approval by the Federal Communications Commission (“FCC”).

The Debtors’ Plan of Reorganization

6. On January 31, 2005, the Reorganized Debtors filed their First Amended Joint Plan of Reorganization (the “Plan”) and Disclosure Statement in connection with the solicitation of acceptances of the Plan. On February 9, 2005, this Court entered an order approving the Disclosure Statement, as modified on the record. On April 15, 2005, the Court entered an order (“Confirmation Order”) confirming the Plan, as modified by the Confirmation Order (docket # 1236). The Plan became effective on May 5, 2005 (the “Effective Date”).

7. In addition to the net proceeds from the sale of the DBS business to DIRECTV[®], the Broadcast Assets comprise the vast majority of all the remaining tangible assets that are being administered after the Effective Date by the Reorganized Debtors and/or the Trust³ that was established under the Plan.

The Liquidating Trust Agreement And The Proposed Amendment

8. Pursuant to the Plan and Confirmation Order, a Liquidating Trust Agreement (“LTA”) governing the terms of the Trust was approved. Among other things, section 8.01 of the LTA requires the Liquidating Trustee to file periodic reports with the Bankruptcy Court and to serve copies of the reports on the United States Trustee. In particular, section 8.1 states in relevant part:

Not later than forty-five (45) days following (i) the last day of the third full calendar month following the Effective Date; and (ii) the last day of every third calendar month thereafter until the

² The Broadcast Debtors are: Pegasus Satellite Communications, Inc., Bride Communications, Inc., BT Satellite Inc., HMW, Inc., Pegasus Broadcast Associates, L.P., Pegasus Broadcast Television, Inc., Pegasus Broadcast Towers, Inc., Portland Broadcasting, Inc., Telecast of Florida, Inc., WDSI License Corp., WILF, Inc. WOLF License Corp., and WTLH License Corp.

³ Pursuant to the Plan and Confirmation Order, Ocean Ridge Capital Advisors, LLC was appointed the Liquidating Trustee of The PSC Liquidating Trust established under the Plan.

dissolution of the Liquidating Trust (each of (i) and (ii), a “Reporting Period”), the Liquidating Trustee shall file a report (a “Report”) with the Bankruptcy Court and shall send copies of such Report to the United States Trustee that discloses, for the applicable Reporting Period: (a) compensation paid to the Liquidating Trustee; (b) amounts paid to the Debtors’ Professionals; (c) amounts paid to Creditors’ Committee Professionals; (d) amounts paid in satisfaction of other post-Effective Date expenses of the Reorganized Debtors

9. Pursuant to section 8.1 of the LTA, the first Reporting Period would end on August 31, 2005, which is the last day of the third full calendar month following the May 5, 2005 Effective Date. In addition, each subsequent quarterly Reporting Period would end every 3 months thereafter and they would not cover calendar quarters.

10. By this Motion, the Liquidating Trustee respectfully requests entry of an order approving an amendment to the LTA which would change the first Reporting Period from May 5, 2005-August 31, 2005 to May 5, 2005-September 30, 2005. The deadline for filing the periodic reports relating to each Reporting Period will remain 45 days after the end of each Reporting Period and each subsequent Reporting Period will remain 3 calendar months. The purpose of the amendment is to make each Reporting Period coincide with each calendar quarter thereby making the reporting process more efficient and economical for the Liquidating Trustee.

11. The relief requested by this Motion is authorized by the terms of the LTA. In particular, section 11.01 of the LTA provides that “[a]ny substantive provision of this Liquidating Trust Agreement may be amended or waived by the Liquidating Trustee, after approval by the Liquidating Trust Board, with the approval of the Bankruptcy Court or other court of competent jurisdiction.” Moreover, technical amendments can be made by the Liquidating Trustee with the approval of the Liquidating Trust Board without court approval. Furthermore, section 11.01 provides that any amendment “shall not be inconsistent with the purpose and intention of the Liquidating Trust to liquidate in an orderly manner the Liquidating Trust Assets”

12. The Liquidating Trustee submits that the proposed amendment, whether technical or substantive in nature, is not inconsistent with the purpose and intent of the Trust. The proposed amendment will make the LTA's reporting requirements more efficient and economical by tying the Reporting Periods to calendar quarters. The amendment will merely delay by no more than one month the disclosure of the information that is required to be filed with the court and served on the United States Trustee. The substance of the information will not be altered.

NO PRIOR REQUEST AND RESERVATION OF RIGHTS

13. No prior motion for the relief requested herein has been made to this or any other court. The Movant reserve its rights to withdraw and/or modify this Motion.

NOTICE

14. Notice of this Motion has been provided to all parties on the All Notices List as required by (and as defined in) this Court's Order Establishing Case Management Procedures and Hearing Schedule, dated July 9, 2004.

CONCLUSION

For the reasons stated above, the Movant respectfully requests the entry of an order granting the Motion and such other related relief as may be just and proper.

Respectfully submitted,

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-and-

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Dated: August 30, 2005