

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

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

**ORDER APPROVING SPECIFIED INFORMATION
BLOCKING PROCEDURES AND PERMITTING TRADING
IN SECURITIES OF THE DEBTORS AND THEIR AFFILIATES' UPON
ESTABLISHMENT OF A SCREENING WALL *NUNC PRO TUNC* TO THE
COMMITTEE FORMATION DATE**

Upon the Motion (the “Motion”)¹ of the Official Committee of Unsecured Creditors (the “Committee”) appointed in these chapter 11 cases concerning the above-captioned debtors (collectively, the “Debtors”) for the entry of an order pursuant to section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”), approving specified information blocking procedures and permitting trading in the Securities (as defined below) of certain of the Debtors and Pegasus Communications Corp. (collectively, “Pegasus”) *nunc pro tunc* to the Committee Formation Date, and all exhibits attached thereto; and adequate notice of the Motion having been given; and no objections to the Motion having been filed; and the Court being satisfied that the relief requested in the Motion is necessary and in the best interests of the Committee, the creditors, and the Debtors’ estates; and after due deliberation and sufficient cause appearing therefor,

¹ All terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted, subject to the terms and conditions of this Order.
2. The information blocking procedures established by certain members of the Committee (collectively, the “Securities Trading Committee Members”) described substantially in the form of declaration annexed to the Motion as Exhibit A (the “Screening Wall Declaration”), which are designed to prevent the misuse of Committee information and which are acceptable to the Office of the United States Trustee or otherwise consistent with those policies and procedures, are hereby approved.
3. Committee members, acting in any capacity and engaged in the trading of securities as a regular part of their business, will not violate their duties as Committee members or per be in violation of the securities laws and, accordingly, will not subject their claims to possible disallowance, subordination, or other adverse treatment, by trading in Pegasus’ Securities during the pendency of the Debtors’ chapter 11 cases, provided that any Committee member carrying out such trades establishes and effectively implements and strictly adheres to the information blocking procedures detailed in the Screening Wall Declaration or otherwise approved by the Office of the United States Trustee. For purposes of this Order, the term “Securities” is used as such term is defined in Section 2(a)(1) of the Securities Act of 1933, including the following, but only to the extent they constitute securities thereunder: stock, notes, bonds, debentures, participations in, or derivatives based upon or relating to, any of Pegasus’ debt obligations or equity interests. For the avoidance of doubt, such definition does not apply to bank debt.
4. As evidence of its implementation of the procedures detailed in the Screening Wall Declaration, any Committee member that wishes to trade in Pegasus’ Securities shall, as a

precondition to any such trading, cause to be filed with the Bankruptcy Court a Declaration or Affidavit of each individual performing Committee-related activities in the above-captioned chapter 11 bankruptcy cases on behalf of that Committee member stating that such individual shall comply with the terms and procedures set forth in the Screening Wall Declaration.

5. This Order shall not preclude the Court from taking any action it may deem appropriate in the event that it is determined that a breach of fiduciary duty has occurred as a result of a defect in, or the ineffectiveness of, the implementation of the information blocking procedures herein approved.

6. This Order shall apply only to those Committee members that are engaged in the trading of securities as a regular part of their business.

Dated: Portland, Maine
June _____, 2004

UNITED STATES BANKRUPTCY JUDGE