

Hearing  
Date: 06/24/04  
Time: 10:30 a.m.  
Place: Portland  
Mode: Live

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)

**MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR  
EMERGENCY HEARING ON MOTION FOR THE ENTRY OF ORDER APPROVING  
SPECIFIED INFORMATION BLOCKING PROCEDURES AND PERMITTING  
TRADING OF THE DEBTORS' AND THEIR AFFILIATES' SECURITIES UPON  
ESTABLISHMENT OF A SCREENING WALL *NUNC PRO TUNC* TO THE  
COMMITTEE FORMATION DATE**

The Official Committee of Unsecured Creditors (the "Committee") in the chapter 11 cases concerning the above-captioned debtors (collectively, the "Debtors"), by and through its undersigned proposed counsel, hereby submits this motion (the "Motion") for an emergency hearing on the Committee's motion of even date herewith (the "Trading Order Motion") for the entry of an order, pursuant to 11 U.S.C. § 105(a), approving information blocking procedures and permitting trading in the Securities (as defined below) in certain situations. In support of the Motion, the Committee respectfully represents as follows:

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").

2. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are authorized to operate their businesses and manage their properties as debtors in possession. By

order of the Court, the Debtors' chapter 11 cases are being jointly administered for procedural purposes only.

3. On June 10, 2004 ( the "Committee Formation Date"), pursuant to section 1102(a) of the Bankruptcy Code, the United States Trustee for the District of Maine (the "U.S. Trustee") filed with this Court a Notice of Appointment of Creditors' Committee appointing six entities to the Committee. On June 14, 2004, the U.S. Trustee filed an Amended Notice of Appointment of Creditors' Committee adding a seventh entity to the Committee.<sup>1</sup> Certain of the Committee members hold Securities<sup>2</sup> issued by certain of the Debtors and Pegasus Communications Corp. (collectively, "Pegasus").

4. In the Trading Order Motion, the Committee requests the entry of an order determining that those Committee members, acting in any capacity, who are engaged in the trading of Securities for others or for their own accounts as a regular part of their business but not their affiliates (collectively, the "Securities Trading Committee Members"), will not violate their fiduciary duties as Committee members by trading in Pegasus' Securities during the pendency of the Debtors' chapter 11 cases, provided that any Securities Trading Committee Member carrying out such trades establishes, effectively implements, and adheres to the information blocking policies and procedures (collectively, the "Screening Wall") that are approved by the Office of the United States Trustee herein or that are otherwise consistent with those described in the form of declaration annexed the Trading Order Motion as Exhibit A.

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<sup>1</sup> The members of the Committee are: Wachovia Bank, NA, as Indenture Trustee; J.P. Morgan Trust Company, NA, as Indenture Trustee; HSBC Bank USA, as Indenture Trustee; D.E. Shaw Laminar Portfolios, LLC; Singer Childrens Management Trust and affiliates; LC Capital Master Fund, Ltd.; and Silver Point Capital and affiliates.

<sup>2</sup> "Securities" is used in this Motion 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, this definition does not apply to bank debt.

5. By this Motion, the Committee requests that the Court hear the Trading Order Motion on an emergency basis. The Securities Trading Committee Members may have fiduciary duties to their respective customers which may be at risk of being breached by failing to trade Pegasus' Securities pending a hearing on the Trading Order Motion.

6. Notice of this Motion and of the Trading Order Motion has been mailed or given electronically to the Office of the United States Trustee, co-counsel to the Debtors, and parties that have requested service pursuant to Fed. R. Bankr. P. 2002 in these cases. Based on the foregoing, the Committee respectfully submits that no further notice is needed.

WHEREFORE, the Committee respectfully requests that the Court enter an Order: (i) setting an emergency hearing on the Trading Orders Motion for June 24, 2004, at 10:30 a.m., and (ii) granting such other and further relief as is just and proper.

Dated: Portland, Maine  
June 18, 2004

/s/ Jacob A. Manheimer  
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Proposed Co-Counsel for the Official Committee of  
Unsecured Creditors of Pegasus Satellite Television,  
Inc., et al.

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE

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

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**NOTICE OF HEARING ON MOTION OF THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR EMERGENCY HEARING ON MOTION FOR THE  
ENTRY OF ORDER APPROVING SPECIFIED INFORMATION BLOCKING  
PROCEDURES AND PERMITTING TRADING OF THE DEBTORS' AND THEIR  
AFFILIATES' SECURITIES UPON ESTABLISHMENT OF A SCREENING WALL  
NUNC PRO TUNC TO THE COMMITTEE FORMATION DATE**

The Official Committee of Unsecured Creditors has filed with the Bankruptcy Court a Motion for Emergency Hearing on Motion for the Entry of Order Approving Specified Information Blocking Procedures and Permitting Trading of the Debtors' and Their Affiliates' Securities Upon Establishment of a Screening Wall *Nunc Pro Tunc* to the Committee Formation Date (the "Motion"). A hearing on the Motion will be held on June 24, 2004 at 10:30 a.m.

**Your rights may be affected. You should read the Motion carefully and discuss it with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)**

If you do not want the Bankruptcy Court to grant the relief requested in the Motion, or if you want the Bankruptcy Court to consider your views on the Motion, then:

On or before June 23, 2004, you or your attorney must file with the Bankruptcy Court a written objection or response explaining your position at:

United States Bankruptcy Court  
Attn: Celia Strickler, Clerk  
537 Congress Street  
P.O. Box 17575  
Portland, ME 04112-8575

You must also provide a copy to:

Jacob A. Manheimer  
Pierce Atwood  
One Monument Square  
Portland, ME 04101

and

Daniel H. Golden  
David H. Botter  
AKIN GUMP STRAUS HAUER & FELD LLP  
590 Madison Avenue  
New York, New York 10022-2524

You must attend the hearing scheduled to be held on June 24, 2004 at 10:30 a.m. at the U.S. Bankruptcy Court, 537 Congress Street, 2<sup>nd</sup> Floor, Portland, ME 04101.

If you or your attorney does not take these steps, the Bankruptcy Court may decide that you do not oppose the relief requested in the Motion and may enter an order granting that relief.

DATED: Portland, Maine  
June 18, 2004

/s/ Jacob A. Manheimer

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