

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MAINE

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

**AFFIDAVIT OF THE TRUMBULL GROUP, L.L.C. REGARDING SERVICE  
OF NOTICE OF HEARING ON MOTION TO (I) APPROVE A GLOBAL  
SETTLEMENT AND (II) SELL CERTAIN ASSETS OF THE DEBTORS TO DIRECTV, INC.**


I, Brendan Halley, being duly sworn, depose and say that:

1. I am over the age of majority.
2. I have personal knowledge of the facts contained herein.
3. I am the Notice Coordinator for The Trumbull Group, L.L.C., the court-appointed noticing and reconciliation agent of the above-captioned debtors.

4. On Wednesday, August 4, 2004, I caused to be served via the United States Postal Service by first class mail, postage prepaid, the Notice of Hearing on Motion to (I) Approve a Global Settlement and (II) Sell Certain Assets of the Debtors to DIRECTV, Inc., attached hereto as Exhibit A, on all parties listed on Exhibit B.


I declare under penalty of perjury that the foregoing is true and correct.

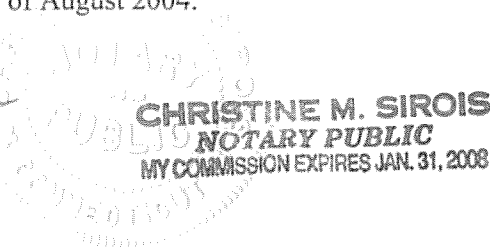
Dated: August 5, 2004

  
 Brendan Halley  
 Notice Coordinator  
 The Trumbull Group, L.L.C.

STATE OF CONNECTICUT    )  
   ) ss: WINDSOR  
 COUNTY OF HARTFORD    )

Subscribed, sworn to and acknowledged before me by Brendan Halley, Notice Coordinator, of The Trumbull Group, L.L.C. on the 5<sup>th</sup> day of August 2004.

  
 Notary Public  
 My Commission Expires:

  
**CHRISTINE M. SIROIS**  
**NOTARY PUBLIC**  
 MY COMMISSION EXPIRES JAN. 31, 2008

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE

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

**NOTICE OF HEARING ON MOTION TO (I) APPROVE A GLOBAL SETTLEMENT  
AND (II) SELL CERTAIN ASSETS OF THE DEBTORS TO DIRECTV, INC.**

PLEASE TAKE NOTICE THAT:

A. Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates, each a debtor and debtor-in-possession herein (collectively, the “Debtors”),<sup>1</sup> have filed a motion for entry of an order (i) approving a global settlement by and among the Debtors, Pegasus Communications Corporation and other non-Debtor affiliates, DIRECTV, Inc., The DIRECTV Group, Inc., National Rural Telecommunications Cooperative, and the Official Committee of Unsecured Creditors, and (ii) authorizing and approving in connection therewith a sale, transfer and conveyance of certain assets of the Debtors to DIRECTV, Inc. (the “Global Settlement/Sale Motion”)

B. A hearing will be held on (the “Hearing”) before the Honorable James B. Haines, Jr., United States Bankruptcy Judge, on **August 25, 2004, at 10:30 a.m. prevailing Eastern time** in the United States Bankruptcy Court, 537 Congress Street, Portland, ME 04101, to consider the Global Settlement/Sale Motion.

C. A summary of the Global Settlement/Sale Motion is described below. The summary is intended to give general notice of the transactions contemplated by the Global Settlement/Sale Motion and do not contain complete information. The summary is qualified in its entirety by the terms of the Settlement Agreement, the Asset Purchase Agreement and the Cooperation Agreement, as defined in the Global Settlement/Sale Motion (the “Settlement Documents”).<sup>2</sup> Those interested in more complete information should review the Global

<sup>1</sup> 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.

<sup>2</sup> Terms used herein and not otherwise defined shall have the meaning given to such terms in the

Settlement/Sale Motion and the Settlement Documents, all of which are available from Debtors' counsel upon request.

PLEASE TAKE FURTHER NOTICE THAT:

D. The following is a summary of information relating to the Global Settlement/Sale Motion:

The Settlement is comprised of four primary components: the dismissal of litigation between the Debtors and DIRECTV and NRTC, the transfer of certain of the Debtors' assets to DIRECTV, mutual releases by and between the parties to the Settlement Agreement, and agreements regarding the Patronage Certificates. Although these components are discussed in greater detail below and are qualified in their entirety by the terms of the Settlement Agreement, the Asset Purchase Agreement and the Cooperation Agreement, the following is a summary of the Settlement:

**1. Dismissal of All Litigation**

- The Adversary Proceeding and all pre-petition litigation, all pending appeals related thereto, and all motions and contested matters involving DIRECTV and NRTC pending in these Chapter 11 cases shall be dismissed and no new litigation shall be commenced.

**2. Transfer of the Debtors' Satellite Assets**

- The Debtors shall transfer their Satellite Assets to DIRECTV for approximately \$938 million, subject to certain adjustments, under the terms and conditions set forth in the Asset Purchase Agreement. The Satellite Assets are substantially all of the Debtors' assets.<sup>3</sup>
- The Debtors shall provide DIRECTV with certain transition services under the terms of the Cooperation Agreement.

**3. Mutual Releases**

- The Debtors will release DIRECTV and NRTC from any and all claims arising at any time prior to the effective date of the Settlement Agreement, except for claims under any of the Settlement Agreement, the Asset Purchase Agreement or the Cooperation Agreement.
- The Debtors will receive from DIRECTV a full and complete release of all claims including with respect to the Seamless Marketing Litigation and any other litigation pending between the Debtors and DIRECTV. DIRECTV will also assume those liabilities of the Debtors as specified under of the Asset

---

Settlement Documents, as applicable.

<sup>3</sup> The proposed transfer of assets does not include the transfer of the Debtors' assets related to their broadcast television business.

Purchase Agreement, including the Debtors' cure liabilities with respect to the contracts that the Debtors will assume and assign to DIRECTV, if any. The Debtors will also receive from NRTC a full and complete release of all claims.

- DIRECTV and NRTC will receive from the Pegasus Non-Debtors a limited release of claims.
- The Pegasus Non-Debtors will receive from DIRECTV and NRTC a limited release of claims.
- The Pegasus Non-Debtors will receive from the Debtors and certain members of the Committee a full and complete release of all claims except claims arising under the Support Services Agreement.
- The Debtors will receive from the Pegasus Non-Debtors a full and complete release of any and all claims, except claims arising on or after the Petition Date, including those arising under the Support Services Agreement.

#### 4. Patronage Certificates

- NRTC has agreed to waive any argument that the Debtors' patronage capital certificates are subject to forfeiture, and acknowledges that Pegasus will retain its right to receive patronage distributions in respect of the Patronage Certificates under specified circumstances.

PLEASE TAKE FURTHER NOTICE THAT:

E. Objections, if any, to the entry of the Global Settlement/Sale Order or the relief requested therein must (a) be in writing, (b) conform to the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, and (c) be filed with this court and served upon (i) Larry J. Nyhan, Esq., James T. Conlan, Esq., Paul S. Caruso, Esq., Sidley Austin Brown & Wood LLP, Bank One Plaza, 10 South Dearborn Street, Chicago, IL 60603, and Guy Neal, Esq., Ellen R. Moring, Esq., Sidley Austin Brown & Wood, LLP, 787 Seventh Avenue, New York, NY 10019; (ii) Robert J Keach, Esq., Bernstein, Shur, Sawyer & Nelson, 100 Middle Street, P.O. Box 9729, Portland, ME 04104-5029; (iii) counsel for DIRECTV; (iv) counsel for NRTC; (v) counsel for PCC; and (vi) counsel for the Committee, so as to be **actually received** by no later than **5:00 p.m. (prevailing Eastern time) on August 20, 2004** (the "Objection Deadline").

**Your rights may be affected. You should review this notice 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). You may request a copy of the Global Settlement/Sale Motion and the Settlement Documents by contacting the Debtors' attorneys.**

**If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the Global Settlement/Sale Motion and may enter an order granting that relief.**

Dated: August 3, 2004

SIDLEY AUSTIN BROWN & WOOD LLP  
Larry J. Nyhan  
James F. Conlan  
Paul S. Caruso  
Jessica C. Knowles  
Bank One Plaza  
10 South Dearborn Street  
Chicago, Illinois 60603  
Telephone: (312) 853-7000  
Facsimile: (312) 853-7036

-and-

SIDLEY AUSTIN BROWN & WOOD LLP  
Guy Neal  
Ellen R. Moring  
787 Seventh Avenue  
New York, New York 10019  
Telephone: (212) 839-5300  
Facsimile: (212) 839-5599

-and-

BERNSTEIN, SHUR, SAWYER & NELSON

By:     /s/ Robert J. Keach      
Robert J. Keach  
100 Middle Street  
P.O. Box 9729  
Portland, ME 04104  
Telephone: (207) 774-1200  
Facsimile: (207) 774-1127

Attorneys for Debtors  
and Debtors in Possession

**EXHIBIT B**

6199396 AMERICAN EXPRESS TRUST COMPANY CINDY WILLIS 929 AXP FINANCIAL CENTER MINNEAPOLIS, MN 55474  
6199390 BANK OF AMERICA SECURITIES, LLC SCOTT REIFER 300 HARMON MEADOW BLVD SECAUCUS, NJ 07094  
6199361 BANK OF AMERICA IAN BARNWELL 100 NORTH TRYON ST CHARLOTTE, NC 28202  
6199379 BEAR, STEARNS SECURITIES CORP. VINCENT MARZELLA 1 METROTECH CTR N 4TH FLOOR BROOKLYN, NY 11201-3862  
6199374 BROWN BROTHERS HARRIMAN & CO ROBERT DAVIDE 63 WALL ST 8TH FLOOR NEW YORK, NY 10005  
6199381 CIBC WORLD MARKETS CORP. DOUGLAS WALLEN 200 LIBERTY STREET 6TH FLOOR NEW YORK, NY 10281  
6199380 CITIGROUP GLOBAL MARKETS, INC. PAT HALLER 333 W 34TH ST NEW YORK, NY 10001  
6199384 DEUTSCHE BANC ALEX. BROWN INC LOU PAGNOTTA 1251 AVENUE OF AMERICAS NEW YORK, NY 10020  
6199406 DEUTSCHE BANK CLAUS ALBERT 1290 6TH AVE 6TH FLR NEW YORK, NY 10104  
6199378 FIRST CLEARING, LLC WANDA DAVIS 901 E BYRD ST RICHMOND, VA 23219  
6199392 FLEET NATIONAL BANK SWAMI KALRA 159 EAST MAIN STREET ROCHESTER, NY 14638  
6199373 GOLDMAN, SACHS & CO PATRICIA BALDWIN 180 MAIDEN LANE NEW YORK, NY 10038  
6199363 IFC ACQUISITION GROUP 250 MERCER STREET APARTMENT NO C614 NEW YORK, NY 10012  
6199395 INVESTORS BANK & TRUST, INSTITUTIONAL ERIC LIPPMAN 200 CLARENDON ST, 9TH FLOOR CORPORATE ACTIONS UNIT/TOP 57  
BOSTON, MA 02116  
6199366 J & W SELLGMAN & CO. KENDALL PETERSON 100 PARK AVE NEW YORK, NY 10017  
6199368 JAS SECURITIES 120 BROADWAY NEW YORK, NY 10271  
6199387 JJB HILLIARD, WL LYONS INC. KEVIN MEDICO C/O ADP PROXY SERVICES 51 MERCEDES WAY EDGEWOOD, NY 11717  
6199407 JOHN HANCOCK ADVISERS ARTHUR CALAVRITINOS 101 HUNTINGTON AVE BOSTON, MD 02199  
6199391 JPMORGAN CHASE BANK PAULA J. DABNER PROXY/CLASS ACTIONS/BANKRUPTCY 14201 DALLAS PKWY DALLAS, TX 75254  
6199377 LEHMAN BROTHERS, INC. EDWARD CALDERON REORG 70 HUNDSON JERSEY CITY, NJ 07302  
6199371 LOOMIS SAYLES & CO. JOHN BELL 1 FINANCIAL CENTER, 34TH FLOOR BOSTON, MA 02111  
6199386 MEISROW FINANCIAL INC. GAIL CORTESE 350 N CLARK ST 2ND FLOOR CHICAGO, IL 60610  
6199393 MELLON TRUST OF NEW ENGLAND, NATIONAL ASSOCIATION MELISSA TARASOVICH 525 WILLIAM PENN PLACE SUITE 3418 PITTSBURGH,  
PA 15259  
6199400 MERRILL LYNCH VERONICA E. O'NEILL 4 CORPORATE PLACE PISCATAWAY, NJ 08854  
6199405 MERRILL LYNCH INVESTMENT MANAGEMENT DANIEL EVANS 800 SCUDDERS MILL RD PLAINSBORO, NJ 08536  
6199376 MORGAN STANLEY & CO INC. COLLEEN CORR 1 PIERREPONT PLAZA 7TH FLOOR BROOKLYN, NY 11201  
6199375 MSDW, INC ISSUER SERVICES C/O ADP PROXY SERVICES 51 MERCEDES WAY EDGEWOOD, NY 11717  
6199388 NORTHERN TRUST SCARLEY SPIVEY PROCESSORAL C-IN CHICAGO, IL 60607  
6199398 NORTHERN TRUST COMPANY KARREN GREENE 801 S CANAL C-IN CHICAGO, IL 60607  
6199367 NY STATE COMPTROLLERS OFFICE A E SMITH STATE OFFICE BLDG WASHINGTON AVE & SW ALBANY, NY 12236  
6199372 PACHOLDER ASSOCIATES THOMAS BARNHART II 8044 MONTGOMERY RD STE 480 CINCINNATI, OH 45236  
6199401 PEGASUS SATELLITE TELEVISION, INC. 225 E CITY LINE AVE SUITE 200 BALA CYNWYD, PA 19004  
6199365 PENN CAPITAL MANAGEMENT ERIC GREEN 457 HADDONFIELD RD SUITE 210 CHERRY HILL, NJ 08002  
6199402 PER CAPITAL MANAGEMENT ONE INTERNATIONAL PLACE 2401 BOSTON, MA 02110  
6199397 PNC BANK, NATIONAL ASSOCIATION MELISSA GO 8800 TINICUM BLVD MS F6-F266-02-2 PHILADELPHIA, PA 19153  
6199370 PUTNAM INVESTMENT ROSEMARY THORNSEN 1 POST OFFICE SQ BOSTON, MA 02109  
6199362 RBC CAPITAL MARKETS ONE LIBERTY PLZ 4TH FLR NEW YORK, NY 10006  
6199383 RBC CAPITAL MARKETS CORP. ISSUER SERVICES PROXY DOCS C/O ADP PROXY SERVICES 51 MERCEDES WAY EDGEWOOD, NY 11717  
6199382 SPEAR, LEEDS & KELLOGG ANTHONY BRUNO 30 HUDSON ST JERSEY CITY, NJ 07302-4699  
6199403 STANFIELD CAPITAL PARTNERS ZACK ROTH 430 PARK AVE 11TH FLR NEW YORK, NY 10022  
6199394 STATE STREET BANK AND TRUST COMPANY JOSEPH J. CALLAHAN 1776 HERITAGE DR GLOBAL CORPORATE ACTION UNIT JAB 5NW NO.  
QUINCY, MA 02171  
6199364 STRONG CAPITAL MANAGEMENT JAY MUELLER 100 HERITAGE RESERVE MENOMONEE FALLS, WI 53051  
6199404 T. ROWE PRICE & ASSOCIATES MARK VASELKIV 100 EAST PRATT ST BALTIMORE, MD 21202  
6199369 TCW GROUP MARC STERN 865 SOUTH FIGUEROA ST LOS ANGELES, CA 90017  
6199399 U.S. BANK N.A. KEITH FROHLICHER ATTN: SECURITIES CONTROL 1555 N RIVERCENTER DR SUITE 0300 MILWAUKEE, WI 53212  
6199385 UBS SECURITIES LLC CARLOS LEDE 677 WASHINGTON BLVD STAMFORD, CT 06901

**TOTAL CREDITORS: 46**

\*\*\* End of Service List \*\*\*