

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

IN RE: PEGASUS SATELLITE) Case No. 04-20878(11)
TELEVISION, INC.,) June 4, 2004
ET AL.,) Portland, Maine
Debtor.)

TRANSCRIPT OF MOTIONS HEARING

BEFORE
THE HONORABLE JAMES B. HAINES, JR.

APPEARANCES:

For the Debtors : Robert Keach, Esq.
Michael Fagone, Esq.
Larry Nyhan, Esq.
Ellen Moring, Esq.
James Conlan, Esq.
Paul Carusso, Esq.
Jessica Knowles, Esq.

U.S. Trustee : Robert Checkoway, Esq.
E. Bradford, Esq.

Steering Committee of Senior
Senior Secured Creditors : Benjamin Marcus, Esq.
Andrew Rosenberg, Esq.
Diane Meyers, Esq.

For Wilmington Trust : Roger Clement, Esq.
Gayle Allen, Esq.
Kristopher Hansen, Esq.
Brett Lawrence, Esq.

For Ad-hoc Committee of
Senior Note Holders : Jacob Manheimer, Esq.
David Botter, Esq.

For Bank of America : Alan Pope, Esq.
For DirecTV : George Marcus, Esq.
Richard Krasnow, Esq.
For NRTC : Jay Teitelbaum, Esq.
Recording Equipment Monitor : Julie Winberg

THE COURT: Those are within term?

MR. CONLAN: Yes.

THE COURT: They're within term, but nevertheless accrued pre-petition.

MR. CONLAN: That's correct, your Honor.

THE COURT: All right. With those clarifications, is there anybody who wishes to be heard? Then that order--and I'll look for the revised form of order, that will enter as well.

MR. CONLAN: Okay, your Honor--

THE COURT: You got off easy. Thank you.

MR. CONLAN: Thank you very much.

THE COURT: Thank you. Now, let me--well, I understand we know that we're going to get revised form of orders setting dates for final hearings on a number of matters, with the contingent hearing date for the 17th on one. Other orders will enter today, I expect. The final hearing such as--as many as have been set, are set, as we indicated, for the 24th at 10:30 here. I understand we have other matters that are going to come before the Court on Monday, and stand ready to see and hear from the parties at that time. With that understanding, let me ask, other business?

MR. CONLAN: Yes, your Honor. Just one brief item. And this has been alluded to throughout the day. I'm gonna hit it just a little harder. And that is a change-up from the simple approval of the first day motions as has been described and as you have seen in the emergency motion that we filed this morning and served on everybody here today, including Mr. Krasnow, who represents DirecTV. This is going to be a litigation-driven case, and the core of that litigation will be about the relative rights of Pegasus and NRTC under the so-called member agreements. Those are the agreements running between Pegasus and NRTC and around which

the debtor's satellite business is built. As you've seen, it's a very large business. Those are the agreements that give Pegasus the exclusive right to sell DirecTV in our territories through at least 2014. And if it isn't clear already, we are DirecTV in our territories under those agreements. When our view--and I want to just add this by way of background. I think it will help during the course of this case. When our view of our rights is vindicated in this Court, NRTC will have to answer if it has rendered itself incapable of performing as a result of its eleventh-hour agreements with DirecTV, and DirecTV will also have to answer as purported transferee of NRTC's rights under the so-called DBS agreements that you've heard about. The stakes will be enormous. We don't want to suggest otherwise. But before that cornerstone litigation -- and it will be the cornerstone of this case -- commences, we need a determination from this Court on an emergency basis that what DirecTV is doing right now, today, is a violation of the automatic stay. You've seen that in the motion that we have filed. Briefly, your Honor, on June 1, NRTC and DirecTV purported to terminate the DBS agreement, the agreement that runs between DirecTV and NRTC, the agreement that enables NRTC to perform its contractual obligations to Pegasus under the member agreements. NRTC then turned around and notified us on June 2nd that it was terminating the member agreements effective August 31, that our customers and rights would be transitioned to DirecTV, and they made us an offer which we flatly reject. Notwithstanding our rightful refusal to transition our customers to DirecTV, DirecTV has begun a campaign, it's described in the motion, and it continues it today to violate our rights under the member agreements in direct violation of the automatic stay. We have, under our member agreements, the exclusive right to sell DirecTV in our territories. We are DirecTV in our territories. Since June 1, and again continuing today, DirecTV is soliciting in our territory. Specifically as set forth in the cease and desist notice sent to DirecTV yesterday,

the debtor is--excuse me--the debtors allege -- and, your Honor, I will read what's in the cease and desist order, if--or request, if you'd like, or I'll simply refer to it.

THE COURT: Just refer to it. I've seen it.

MR. CONLAN: Okay. Bluntly, DirecTV is telling our customer base, effectively telling our employees, telling our dealers, DirecTV is taking over. Unless DirecTV's violation of the automatic stay stops immediately, our business will be irreparably harmed. It's being harmed today. Our organization is up in arms. Dealers are calling. Employees are rattled. They believe DirecTV is taking over. Indeed, unless DirecTV's violation of the stay is stopped immediately, the ultimate vindication of our view of our rights under our member agreements will be too late. The cornerstone litigation to which I referred will come too late. We sent the cease and desist letter to DirecTV. We've heard no response. We sent it to Mr. Krasnow yesterday. We've heard no response. We assume that they will admit that they are doing the things that we say they are doing and are asking them to stop. And we would ask them again today on the record, are they doing what we are saying that they're doing and will they stop, until this Court has an opportunity, as early as Monday, to tell us all whether they can do what they're doing.

THE COURT: So you just--you want to know whether they will--whether they will concede anything in terms of the allegations made against them in the pending motion for relief for violations of the stay, and whether or not, pending Monday's hearing, they will honor your cease and desist request?

MR. CONLAN: Precisely.

THE COURT: All right. Mr. Krasnow, you can--you can answer if you choose.

MR. KRASNOW: We will answer, your Honor.