

Hearing Date:
March 24, 2005 at 10:30 a.m.
Objection Deadline:
March 21, 2005 at 4:00 p.m.
PORTLAND

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

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

**SECOND INTERM FEE APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES BY KEKST AND COMPANY, INCORPORATED
AS CORPORATE COMMUNICATIONS CONSULTANT TO
PEGASUS SATELLITE TELEVISION, INC. AND CERTAIN
OF ITS SUBSIDIARIES AND AFFILIATES**

Name of Applicant: Kekst and Company, Inc.

Authorized to Provide Professional Services to: Debtors

Date of Retention: June 24, 2004, *nunc pro tunc* to June 2, 2004

Period for Which Compensation and Reimbursement is Sought: September 1, 2004 through November 30, 2004

Amount of Compensation Sought as Actual, Reasonable and Necessary: \$2,700.00

Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: \$96.64

This is a(n): X interim _____ final application.

No time was expended in the preparation of this application during the periods covered by this Application. Allowance for time spent in preparation of this Application will be sought in a future fee application.

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Kekst and Company, Incorporated (“Kekst” or “Applicant”), corporate communications consultant to Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates (collectively, the “Debtors”),¹ hereby moves this court (the “Application”) for approval of its Second Interim Fee Application for Compensation and Reimbursement of Expenses (the “Application”) pursuant to sections 330 and 331 of chapter 11 of title 11 of the United States Code, (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure and Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Maine. As set forth more fully below, this

¹ 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., WTLH License Corp.

Application seeks approval of \$2,700.00 in compensation for services rendered and reimbursement of expenses in the amount of \$96.64, for a total of \$2,796.64 in fees and expenses for the period of September 1, 2004 through November 30, 2004. In support of this Application, Kekst respectfully represents:

1. On June 2, 2004 (the "Petition Date"), each Debtor filed a voluntary petition for relief under the Bankruptcy Code in the Bankruptcy Court for the District of Maine (the "Bankruptcy Court"). On the Petition Date, the Debtors also jointly filed motions or applications seeking certain typical "first day" orders, including an order to have these cases jointly administered. The Debtors are continuing in possession of their properties and are operating and maintaining their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner in these cases. On June 10, 2004, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors in these cases pursuant to section 1102 of the Bankruptcy Code (the "Committee").

2. On June 24, 2004, the Bankruptcy Court entered an order (the "Retention Order") authorizing the Debtors to retain Kekst and Company, Incorporated as corporate communications consultant to the Debtors on the terms and conditions set forth in the Retention Order.

3. By letter dated October 12, 2004, the Debtors sent notification to Kekst of their intention to terminate their engagement with Kekst, effective November 11, 2004.

4. On June 24, 2004, the Bankruptcy Court signed an Order under 11 U.S.C. §§ 331 and 105(a) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the "Interim Compensation Order"). Pursuant to the procedures set

forth in the Interim Compensation Order, professionals may apply for monthly compensation and reimbursement (each such statement, a “Monthly Fee Statement”), and the notice parties listed in the Interim Compensation Order may object to such request. If no notice party objects to a professional’s Monthly Fee Statement within twenty (20) days after the date of service of the Monthly Fee Statement, the applicable professional may submit to the Court a certificate of no objection, whereupon the Debtors are authorized to pay interim compensation and reimbursement of 90% of the fees and 100% of the expenses requested. To date, Kekst has received total compensation of \$125,284.81 for professional fees and \$7,873.43 for expenses.

5. The Interim Compensation Order also provides that professionals are to file and serve upon the notice parties an interim request (an “Interim Fee Application”) for interim Court approval and allowance of the Monthly Fee Statements filed during the quarter covered by that Interim Fee Application. If the Court grants the relief requested by the Interim Fee Application, the Debtors are authorized and directed to pay the professional 100% of the fees and expenses requested in the Monthly Fee Statements covered by that Interim Fee Application, less any amounts previously paid in connection with the Monthly Fee Statements. Any payment made pursuant to the Monthly Fee Statements or an Interim Fee Application is subject to final approval of all fees and expenses at a hearing on the professional’s final fee application.

5. Applicant has filed the following Monthly Fee Statements for interim compensation and reimbursement of expenses:

- a. Fourth Monthly Fee Statement by Kekst and Company, Inc., for the period from September 1, 2004 through September 30, 2004, filed November 8, 2004 (the “September Fee Statement”). In the September Fee Statement, Kekst sought compensation for professional fees in the amount of \$900.00 and reimbursement for expenses of \$90.00. A Certificate of No Objection was filed on December 9, 2004. A copy of the September Fee Statement is attached hereto as Exhibit A.

- b. Fifth Monthly Statement by Kekst and Company, Inc., for the period October 1, 2004 through October 31, 2004, filed December 14, 2004 (the "October Fee Statement"). In the October Fee Statement, Kekst sought compensation for professional fees in the amount of \$1,200.00 and reimbursement for expenses of \$6.64. A Certificate of No Objection was filed on January 10, 2005. A copy of the October Fee Statement is attached hereto as Exhibit B.
- c. Sixth Monthly Fee Statement by Kekst and Company, Inc., for the period November 1, 2004 through November 30, 2004, filed January 20, 2005 (the "November Fee Statement"). In the November Fee Statement, Kekst sought compensation for professional fees in the amount of \$600.00 and no reimbursement of expenses. A Certificate of No Objection was filed on February 9, 2005. To date, Kekst has not received payment of 90% of the professional fees in the November Fee Statement, or \$540.00, as authorized in the Interim Compensation Order. A copy of the November Fee Statement is attached hereto as Exhibit C.

6. For the Second Interim Fee Application Period, from September 1, 2004 through November 30, 2004, Kekst's fees for providing professional services to the Debtors totaled \$2,700.00. In connection with services rendered, Kekst has recorded actual and necessary out-of-pocket expenses in the amount of \$96.64. Attached hereto as Exhibit D is a schedule summarizing actual and necessary expenses recorded during the Second Interim Fee Application Period.

7. A summary of all fees and out-of-pocket expenses applied for in this Second Interim Fee Application is outlined below:

Interim Period	Total Fees	Less Holdback @ 10%	Fees Currently Due	Total Expenses	Amounts Currently Due
September 1, 2004 – November 30, 2004	\$2,700.00	\$270.00	\$810.00	\$96.64	\$810.00

8. Attached hereto as Exhibit E is a schedule of the hours billed by each professional at Kekst and their respective hourly rates, during the Second Interim Fee Application Period.

9. A brief professional biography of each of the above Applicants is as follows:

MICHAEL FREITAG

Partner of Kekst and Company since 1993, joined the firm in 1990. Has provided strategic communications counsel in dozens of Chapter 11 cases, including Winn-Dixie Stores, Kmart, Loral Space & Communications, DIRECTV Latin America, Polaroid, AMF Bowling, Stone & Webster, Loews Cineplex Entertainment, Owens Corning, and R.H. Macy & Company. Education: B.A., Yale University. Prior employment: staff, The New York Times.

10. Services provided by Applicants during the Second Interim Fee Application Period have included, but have not been limited to: participation in telephonic court hearings and drafting of fee applications.

11. Other than the amounts noted above in paragraph 3, Applicant has received no other payments for services rendered or to be rendered in any capacity whatsoever in this case, and no agreement or understanding exists between Applicant and any person, other than the members of Applicant's firm, for the sharing of compensation received or to be received for services rendered in or in connection with this case.

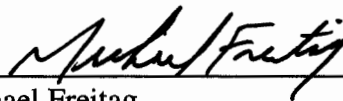
12. Applicant's services have benefited the estate and the fees and expenses incurred are reasonable and necessary.

13. Notice of this Application has been provided to (i) the Debtors, (ii) counsel for the Debtors, (iii) the Office of the United States Trustee for the District of Maine, and (iv) counsel to the committee in accordance with the Interim Compensation Order.

WHEREFORE, Applicants request that the Court enter an order granting interim allowance of fees in the amount of \$2,700.00 and expenses in the amount of \$96.64 for a total of \$2,796.64, and authorizing and directing the Debtors to pay to Kekst all of the foregoing amounts not yet paid including, without limitation, \$270.00, representing 10% of the compensation for services rendered by Kekst to the Debtors for the period September 1, 2004 through November 30, 2004 by Kekst, i.e. the "holdback" required by the Interim Compensation Order.

DATE: February 28, 2005

KEKST AND COMPANY, INCORPORATED
437 Madison Avenue
New York, NY 10022

BY: 

Michael Freitag
Partner (Authorized Signatory)

Name of Professional Individual	Position of the Applicant, Number of years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including changes)	Total Hours Billed	Total Compensation
Michael Freitag	Partner since 1993. Joined firm as an Associate in 1990.	\$600	4.5	\$2,700.00

Grand Total: \$2,700.00

Total Hours: 4.5

Blended Rate: \$600.00

EXPENSE SUMMARY

Expense Category	Service Provider (If Applicable)	Total Expenses
Subscription	Pegasus Bankruptcy News (three issues)	\$90.00
Postage		\$6.64

TOTAL: \$96.64