

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

**STATEMENT OF FEES FOR SERVICES RENDERED AND OUT-OF-POCKET
EXPENSES INCURRED BY GREENHILL & Co., LLC, AS FINANCIAL ADVISOR TO
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF PEGASUS
SATELLITE TELEVISION, INC., *ET AL.*
FOR THE PERIOD BEGINNING JANUARY 1, 2005 AND
ENDING JANUARY 31, 2005**

Greenhill & Co., LLC (“Greenhill”), financial advisor to the Official Committee of Unsecured Creditors (the “Committee”) of Pegasus Satellite Television, Inc., *et al.* (the “Debtors”), submits for review its monthly statement (this “Monthly Statement”) of fees and out-of-pocket expenses for the period beginning January 1, 2005 and ending January 31, 2005 (the “Eighth Compensation Period”). In support of this Monthly Statement, Greenhill states as follows:

1. On June 2, 2004 (the “Commencement Date”), Pegasus Satellite Communications, Inc. and certain of its affiliates (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as amended (“the “Bankruptcy Code”) in the Bankruptcy Court for the District of Maine (the “Bankruptcy Court”).

2. On June 24, 2004, the Court entered an order pursuant to sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the “Interim Compensation Order”). Pursuant to the Interim Compensation Order, the Bankruptcy Court authorized the filing of monthly fee statements and authorized payment of 90% of any unobjected-to fees and 100% of the expenses requested in the monthly fee statement.

3. On July 27, 2004, the Bankruptcy Court entered an order (the “Greenhill Retention Order”) authorizing the retention of Greenhill as financial advisor to the Committee *nunc pro tunc* to June 14, 2004, pursuant to that certain engagement letter dated as of June 14, 2004. (the “Engagement Letter”). Pursuant to the terms of the Engagement Letter, Greenhill is entitled to receive a Monthly Advisory Fee of \$150,000 per month for its advisory services rendered on behalf of the Committee, as well as reimbursement of reasonable out-of-pocket expenses.

4. For the Eighth Compensation Period, Greenhill fees for providing professional services to the Committee totaled \$150,000, which amount represents the Monthly Advisory Fee for the period from January 1, 2005 through January 31, 2005. In connection with services rendered, Greenhill has recorded actual and necessary out-of-pocket expenses in the amount of \$1,672.00. There may exist additional out-of-pocket expenses that Greenhill has incurred but not yet processed due to timing, which expenses will be submitted at a later date. Attached hereto are the following: (i) a schedule summarizing all time expended by Greenhill professionals during the Eighth Compensation Period (Exhibit A), and (ii) a schedule of out-of-pocket disbursements incurred in connection with the services performed during the Eighth Compensation Period (Exhibit B).

5. A summary of all fees and out-of-pocket expenses applied for in this Monthly Statement is outlined below:

Interim Period	Total Fees	Less Holdback @ 10%	Fees Due	Total Expenses	Amount Due
1/1/05–1/31/05	\$150,000	\$15,000	\$135,000	\$1,672.00	\$136,672.00

6. Pursuant to the terms of the Interim Compensation Order, responses or objections to this Monthly Fee Statement, if any, must be in writing and must be filed with the Bankruptcy Court and served on the notice parties, as specified in the Interim Compensation Order, so as to be received on or before twenty (20) days following receipt of this Monthly Fee Statement (the “Objection Deadline”).

7. Upon the expiration of the Objection Deadline, the Applicant shall certify in writing to the Debtors that no objection, or an objection has been filed with the Bankruptcy Court relative to this Monthly Fee Statement, whichever is applicable, after which the Debtors shall pay to the Applicant an amount equal to either (i) ninety percent (90%) of the fees and one hundred percent (100%) of the expenses requested in this Monthly Fee Statement not subject to an objection, or (ii) ninety percent (90%) of the fees and one hundred percent (100%) of the expenses requested in this Monthly Fee Statement not subject to an objection, as appropriate, until the Bankruptcy Court hears and resolves such objection.

Dated: March 3, 2005

Respectfully Submitted,

GREENHILL & Co., LLC

/s/ Bradley A. Robins

Bradley A. Robins
Managing Director
300 Park Avenue, 23rd Floor
New York, NY 10022
(212) 389-1567 (telephone)
(212) 389-1767 (facsimile)

Exhibit A
SUMMARY OF TIME CHARGES FOR THE PERIOD
JANUARY 1, 2005 THROUGH AND INCLUDING JANUARY 31, 2005

Listed below are the professionals who performed services during the referenced periods, their full names and the time incurred by each.

Michael A. Kramer – 7 hours

Date	Hours	Tasks
7-Jan-05	2.0	Review modified recovery analysis, PBT discussions with potential buyer
8-Jan-05	2.0	Review memorandum to Committee, review Disclosure Statement
27-Jan-05	2.0	Review Amended Plan of Reorganization and Liquidation Analysis
28-Jan-05	1.0	Review PBT Offering Memorandum
31-Jan-05	1.0	Review memorandum to Committee

Total	7.0	Total January Hours
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Bradley A. Robins – 25 hours

Date	Hours	Tasks
6-Jan-05	4.0	Conference call, discuss internally
7-Jan-05	4.0	Review modified recovery analysis, PBT discussions with potential buyer
8-Jan-05	4.0	Review memorandum to Committee, review Disclosure Statement
11-Jan-05	1.0	Review November MORs
14-Jan-05	4.0	Conference call, discuss internally
20-Jan-05	3.0	Conference call, discuss internally
27-Jan-05	3.0	Review Amended Plan of Reorganization and Liquidation Analysis
28-Jan-05	2.0	Review PBT Offering Memorandum
31-Jan-05	2.0	Review memorandum to Committee

Total	25.0	Total January Hours
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Christopher Ortega –40 hours

Date	Hours	Tasks
3-Jan-05	2.0	Review Motion to Abandon Property
4-Jan-05	5.0	Address questions from Committee member
5-Jan-05	4.0	Review November MORs
6-Jan-05	4.0	Conference call, discuss internally
7-Jan-05	4.0	Review modified recovery analysis
8-Jan-05	6.0	Review memorandum to Committee, review Disclosure Statement
11-Jan-05	3.0	Review November MORs
14-Jan-05	4.0	Conference call, discuss internally; review tax information for liquidation analysis
20-Jan-05	3.0	Conference call, discuss internally
27-Jan-05	3.0	Review Amended Plan of Reorganization and Liquidation Analysis
28-Jan-05	2.0	Review PBT Offering Memorandum
31-Jan-05	3.0	Review memorandum to Committee

Total	40.0	Total January Hours
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R. Scott Greeder – 46 hours

Date	Hours	Tasks
2-Jan-05	2.0	Prepare Certificate of No Objection for October
3-Jan-05	2.0	Review Motion to Abandon Property
4-Jan-05	5.0	Address questions from Committee member
5-Jan-05	4.0	Review November MORs
6-Jan-05	4.0	Conference call, discuss internally
7-Jan-05	7.0	Review modified recovery analysis, prepare bridge to previous recovery analysis
8-Jan-05	8.0	Prepare memorandum to Committee, review Disclosure Statement
14-Jan-05	4.0	Conference call, discuss internally; review tax information for liquidation analysis
20-Jan-05	3.0	Conference call, discuss internally
26-Jan-05	2.0	Prepare December Statement of Fees
27-Jan-05	3.0	Review Amended Plan of Reorganization and Liquidation Analysis
28-Jan-05	2.0	Review PBT Offering Memorandum
31-Jan-05	4.0	Finalize memorandum to Committee

Total	46.0	Total January Hours
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Exhibit B

**GREENHILL & CO., LLC
EXPENSE SUMMARY FOR THE PERIOD JANUARY 1, 2005 – JANUARY 31, 2005**

EXPENSE CATEGORY	TOTAL EXPENSES
Other ⁽¹⁾	<u>\$1,672.00</u>
TOTAL:	\$1,672.00

- (1) Includes travel, telecommunications, information services, printing, duplicating and other expenses.

Greenhill & Co., LLC
300 Park Avenue
New York, NY 10022
(212) 389-1500
(212) 389-1700 Fax

Greenhill

February 22, 2005

Pegasus Satellite Television, Inc. Et Al

Invoice #050023

Submitted for services rendered in connection with the Official Committee of Unsecured Creditors:

<u>Description</u>	<u>Amount</u>
Advisory Fee – January 2005	\$150,000
Out-of-pocket expenses (Paragraph 4): Travel, telecommunications, information services, printing, duplicating and other expenses	<u>1,672</u>
Balance due	<u>\$151,672</u>

Please send payment via wire transfer to:

First Republic Bank
ABA Number: 321081669
Beneficiary Name: Greenhill & Co., LLC
Beneficiary Account Number: 97900018536
Federal Tax I.D. Number 13-3867900

Thank you.