

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:)	Chapter 11
PEGASUS SATELLITE TELEVISION, INC., et al.,)	Case No. 04-20878
Debtors.)	(Joint Administration Requested)

**AFFIDAVIT OF RANDALL S. EISENBERG IN SUPPORT OF THE
APPLICATION FOR ORDER AUTHORIZING THE DEBTORS
AND DEBTORS-IN-POSSESSION TO EMPLOY FTI CONSULTING, INC.
AS FINANCIAL ADVISOR PURSUANT TO 11 U.S.C. §§ 327(a) AND 328(a)**

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

I, Randall S. Eisenberg, being duly sworn, depose and say:

1. I am a Senior Managing Director with FTI Consulting, Inc. (together with its wholly owned subsidiaries, agents, independent contractors and employees, "FTI") a financial advisory firm with numerous offices throughout the country. I make this affidavit on behalf of FTI (the "Affidavit"). I submit this Affidavit in support of the application (the "Application") of the above-captioned debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the "Debtors")¹ for an order authorizing the employment and retention of FTI as financial advisor under the terms and conditions described in the Application and as set forth in

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.

Engagement Letter.² Except as otherwise noted, I have personal knowledge of the matters set forth herein.

FTI'S PROFESSIONAL QUALIFICATIONS

2. FTI is a well-respected financial advisory and consulting firm and its professionals have extensive experience working with financially troubled entities in complex financial reorganizations – both in out-of-court restructurings and in chapter 11 proceedings. FTI or its professionals have served, or are serving, as a financial advisor to numerous debtors-in-possession and official creditors' committees in various chapter 11 proceedings, including: US Airways Group, Inc. (Debtors), Kmart Corporation (Debtors), Federal-Mogul Corporation (Debtors), and Babcock & Wilcox Co. (Debtors) Cold Metal Products, Inc. (Debtors), and Pacific Gas and Electric (Creditors' Committee).

FTI'S RELATIONSHIP WITH THE DEBTORS

3. On or about May 20, 2004, the Debtors engaged FTI to provide services in connection with the preparation for the commencement of these cases. As part of the engagement, the Debtors also requested that FTI serve as financial advisor during these chapter 11 cases to perform a broad range of services on behalf of the Debtors.

4. In providing prepetition services, FTI's professionals have worked closely with the Debtors' management team and the Debtors' other professionals, and they have become well acquainted with the Debtors' finances, operations and businesses. Accordingly, FTI has developed significant relevant experience and expertise regarding the Debtors' businesses, operations, finances and capital structure that will assist it in providing effective and efficient services in these cases.

² All capitalized terms used herein but not otherwise defined herein shall have the same meanings ascribed to them in the Application.

DISINTERESTEDNESS AND ELIGIBILITY

5. In connection with the preparation of this Affidavit, FTI's professionals conducted a review of its professional contacts with the Debtors, their affiliates and certain other parties-in-interest that were made known to us.

6. Based upon information supplied by the Debtors, FTI searched its client database to identify any connection or relationship with the following parties:

- a. The Debtors and their affiliates;
- b. The Debtors' officers and directors;
- c. The equity shareholders known to own more than twenty percent (20%) of outstanding stock;
- d. The Debtors' major secured creditors;
- e. The Debtors' largest unsecured creditors;
- f. The Debtors' counsel and other professionals; and
- g. Certain other parties-in-interest.

7. The names provided to FTI are attached hereto as Schedule 1 to this Affidavit.

8. FTI's review consisted of queries of an internal database containing names of individuals and entities that are present or recent former clients of FTI in order to identify potential relationships. A summary of such representations is attached hereto as Schedule 2.

9. FTI's assistance to these parties has been related to providing various financial restructuring, litigation support and/or engineering and scientific investigative consulting services.

10. Except as set forth above and in Schedule 2, which is incorporated herein by reference, to the best of my knowledge, no services have been provided to these creditors or potential parties-in-interest which relate to the Debtors or these chapter 11 cases, nor does FTI's involvement in this case compromise its ability to continue to provide financial advisory and

services to the Debtors. Nevertheless, in the interest of full disclosure, I point out the following relationship:

FTI represents DirectTV, Inc. in one patent infringement litigation matter where Pegasus Development Corporation, a non-debtor affiliate of the Debtors, is the plaintiff.

11. Other than as described herein and upon information and belief, FTI does not represent these entities on matters in any way related to the Debtors.

12. Further, as part of its business, FTI is involved in many transactions and proceedings that involve many different professionals, including attorneys, investment bankers, accountants and financial consultants, who may represent claimants and parties-in-interest in the Debtors' chapter 11 cases. Also, FTI may perform in the future certain services for various attorneys and law firms in the legal community, and has been represented by several attorneys and law firms in the legal community, some of whom may be involved in these proceedings. In addition, FTI has in the past, may currently and will likely in the future be working with or against other professionals involved in these cases in matters unrelated to the Debtors and these cases. Based on our current knowledge of the professionals involved, and to the best of my knowledge, none of these business relationships create interests materially adverse to the Debtors herein in matters upon which FTI is to be employed, and none are in connection with this case.

13. FTI is not a "Creditor" of any of the Debtors within the meaning of Section 101(14) of the Bankruptcy Code.

14. FTI received payments in the amount of \$415,156.00 within 90 days of these bankruptcy filings, but FTI does not believe this payment constituted a preference under section 547 of the Bankruptcy Code.

15. Further, neither I nor any other FTI Senior Managing Director, to the best of my knowledge, is a holder of any shares of the Debtors' stock.

16. Based on the results of the relationship search conducted to date as described above, insofar as I have been able to ascertain, FTI has no connection with the above-captioned Debtors, their creditors, equity security holders, other parties-in-interest (as reasonably known to us) or their respective attorneys, except as disclosed or otherwise described herein. Further, to the best of my knowledge, no one associated with FTI has any connection to the U.S. Trustee or any person employed in the Office of the U.S. Trustee in this District

17. As such, to the best of my knowledge, FTI is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code, in that FTI:

- a. is not a creditor, equity security holder or insider of the Debtors;
- b. is not and was not an investment banker for any outstanding security of the Debtors;
- c. has not been, within three years before the date of the filing of the Debtors’ chapter 11 petition, (i) an investment banker for a security of the Debtors or (ii) an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the Debtors; and
- d. was not, within two years before the date of filing of the Debtors’ chapter 11 petitions, a director, officer, or employee of the Debtors or of any investment banker as specified in subparagraph (b) or (c) of this paragraph.

18. In addition, to the best of my knowledge and based upon the results of the relationship search described above, FTI neither holds nor represents an interest adverse to the Debtors within the meaning of Section 327(a) of the Bankruptcy Code.

19. It is FTI’s policy and intent to update and expand its ongoing relationship search for additional parties in interest in an expedient manner. If any new relevant facts or relationships are discovered or arise, FTI will promptly file a Bankruptcy Rule 2014(a) Supplemental Affidavit.

PROFESSIONAL COMPENSATION

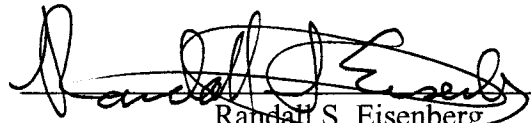
20. Subject to Court approval, FTI will seek payment for compensation and expenses on the terms described in the Application and as set forth in the Engagement Letter.

21. Subject to Court approval, FTI intends to apply to the Court for allowance of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the District of Maine Local Bankruptcy Rules, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 ("Fee Guidelines"), and orders of this Court.

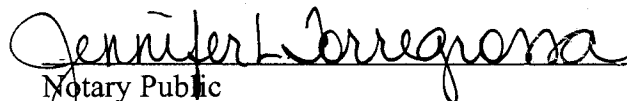
22. In accordance with section 504 of the Bankruptcy Code, there is no agreement or understanding between FTI and any other entity, other than a member, partner or regular associate of FTI, for the sharing of compensation received or to be received for services rendered in connection with these proceedings.

23. The Debtors believe that FTI's hourly rates are fair and reasonable in light of industry practice, market rates both in and out of Chapter 11 cases, FTI's experience in reorganizations, the scope of work to be performed pursuant to FTI's retention and its importance to the Debtors in these chapter 11 cases.

Dated this 22 day of June 2004.


Randall S. Eisenberg

SUBSCRIBED AND SWORN TO BEFORE ME this 2nd day of June 2004.


Notary Public

My Commission Expires:

May 14, 2007

SCHEDULE 1

Schedule 1

ALL PEGASUS ENTITIES

UNSECURED CREDITORS

DIRECTV
NRTC
NATIONAL RURAL TELECOMMUNICATIONS
COOPERATIVE
J.P MORGAN TRUST COMPANY, N.A.
FIRST UNION NATIONAL BANK
ALLIANCE DATA SYSTEMS
METRON NORTH AMERICA
PERFECT 10 SATELLITE DISTRIBUTING
COMPANY
VAC SERVICE CORP.
BUDD BROADCASTING
CARSEY-WERNER DISTRIBUTION
COLOMBIA (CHICAGO)
KB PRIME MEDIA LLC
KING WORLD PRODUCTIONS
NEW YORK TIMES WNEP-TV
NIELSON MEDIA RESEARCH
PARAMOUNT DOMESTIC T.V.
PETRY TELEVISION
RF MEDIA ASSOCIATES
SPECTRASITE BROADCAST GROUP
TWENTIETH CENTURY FOX
WARNER BROTHERS INC.
WCSH, PORTLAND ME

MAJOR LENDERS TO THE DEBTORS

1888 FUND LTD
A3 FUNDING LP
ABLECO FINANCE LLC
AMMC CDO I LIMITED
AMMC CDO II LTD
APEX (TRIMARAN) CDO I, LTD
ARCHIMEDES FUNDING III LTD
AVERY POINT CLO LTD
BALLYROCK CDO I LIMITED
BANK OF AMERICA
BANK OF AMERICA DISTRESSED TRADE
BILL & MELINDA GATES FOUNDATION
BINGHAM CDO LP
BLUE SQUARE FUNDING LIMITED SER 3
BRANT POINT CBO 1999-1 LTD
CALIFORNIA ENDOWMENT
CALIFORNIA PUBLIC EMPLOYEES
CANPARTNERS INVESTMENTS IV LLC
CASTLE HILL I - INGOTS LTD
CASTLE HILL II - INGOTS LTD
CENTURION CDO II LTD
CENTURION CDO VI LTD
CIBC

COHANZICK CREDIT OPPORTUNITIES FUND, LTD.
COHANZICK HIGH YIELD PARTNERS, LP
CREDIT OPPORTUNITIES FUNDING INC
DAIMLER CHRYSLER CORPORATION MASTER
DELTA MASTER TRUST
DEBT STRATEGIES FUND INC.
DEUTSCHE BANK TRUST CO AMERICAS
ELF FUNDING TRUST I
EMERALD ORCHARD LIMITED
ENDURANCE CLO I LTD
FERNWOOD ASSOCIATES
FERNWOOD RESTRUCTURING
FIDELITY ADVISOR SERIES II
FIR TREE RECOVERY MASTER FUND LP
FIR TREE VALUE PARTNERS LDC
FRANKLIN CLO II, LIMITED
FRANKLIN FLOATING RATE TRUST
FRANKLIN FLOATING RATE DAILY ACCESS
FRANKLIN FLOATING RATE MASTER
GABRIEL CAPITAL, L.P.
GENERAL BOARD OF PENSION AND HEALTH
GENERAL MOTORS INVESTMENT
GLENEAGLES TRADING LLC
GMAC INVESTMENT FUNDS
GREAT POINT CLO 1999-1 LTD
HALCYON FUND
HARBOUR TOWN FUNDING LLC
HIGHLAND LEGACY LIMITED
HIGHLAND LOAN FUNDING V LTD
HIGHLAND OFFSHORE PARTNERS LP
IBM RETIREMENT PLAN
ING PRIME RATE TRUST
ING SENIOR INCOME FUND
INNER HARBOR CBO 2001-1 LTD
INTERNATIONAL PAPER RETIREMENT PLAN
IOWA PUBLIC EMPLOYEES RETIREMENT
J PAUL GETTY TRUST
KZH CYPRESS TREE-1 LLC
KZH STERLING LLC
LONG LANE MASTER TRUST IV
LONGHORN CDO (CAYMAN) LTD
LONGHORN CDO II LTD
MAGMA CDO LTD
MASTER SENIOR FLOATING RATE TRUST
MERRILL LYNCH GLOBAL INVESTMENT SERIES
MERRILL LYNCH PRIME RATE PORTFOLIO
MICROSOFT CORPORATION
ML CBO IV CAYMAN LTD
ML CLO XV PILGRIM AMERICA CAYMAN
ML CLO XX PILGRIM AMERICA CAYMAN
OCM HIGH YIELD FUND II LP
OCM HIGH YIELD LIMITED PARTNERSHIP
OCM HIGH YIELD TRUST

ORIX FINANCE CORP I
PACIFIC GAS AND ELECTRIC COMPANY
PAM CAPITAL FUNDING LP
PAMCO CAYMAN LTD
PILGRIM AMERICA HIGH INCOME INVESTMENT
PILGRIM CLO 1999-1 LTD
QWEST PENSION TRUST
RACE POINT CLO LIMITED
RACE POINT II CLO LIMITED
RESTORATION FUNDING CLO LTD
SAB CAPITAL PARTNERS II
SAB CAPITAL PARTNERS, LP
SAB OVERSEAS FUND
SAN DIEGO COUNTY EMPLOYEES
SANKATY HIGH YIELD PARTNERS III LP
SAWGRASS TRADING LLC
SEA PINES FUNDING LLC
SENIOR HIGH INCOME PORTFOLIO
SEQUILS CENTURION V, LTD.
SEQUILS PILGRIM I LTD
SEQUILS-ING I (HBDGM) LTD
STANFIELD ARBITRAGE CDO, LTD.
STANFIELD CLO LTD
STANFIELD QUATTRO CLO LTD
STANFIELD/RMF TRANSATLANTIC CDO LTD
STATE TEACHERS RETIREMENT SYSTEM
STELLAR FUNDING LTD
SUNAMERICA LIFE INSURANCE COMPANY
SUNAMERICA SENIOR FLOATING RATE
THE PRESIDENT & FELLOWS OF HARVARD
COLLEGE
T ROWE PRICE HIGH YIELD FUND INC
T ROWE PRICE INSTITUTIONAL HIGH
TORONTO DOMINION (NEW YORK), INC.
TRIPAR PARTNERSHIP
TRS CALLISTO LLC
TRS ELARA LLC
UBS AG, STAMFORD BRANCH
VULCAN VENTURES INC
WELLS CAPITAL MANAGEMENT
WELLS FARGO BANK NA
WHIPPOORWILL DISTRESSED OPPORTUNITY
FUND, L.P.
WINDSOR LOAN FUNDING LIMITED

**PARTIES TO SIGNIFICANT LITIGATION
WITH THE DEBTORS**

ANTERA BROADBAND, INC.
ASSOULIN, MICHAEL D/B/A DISH AMERICA
CABLE AMERICA, INC. D/B/A SATELLITE
AMERICA, INC.
DIRECTV
ERVING FOODS
GALAXY AMERICAN COMMUNICATIONS
GALAXY TELECOM, L.P.

GENSSER PELLECCER D/B/A SATELLITE
CONCEPTS
HESTER, FELICIA
JONES, OLA
MIDAMERICAN CABLE SYSTEMS, L.P.
MILLER, DAVID
MORRIS, GREGORY
NEW PATH COMMUNICATIONS, L.C.
OMEGA SATELLITE
PARACOMM, INC.
R/COM, L.C.
RAMSEY, JATARQUA
RUSSELL, ROBERT
TELEPARTNERS, L.L.C.
WESTCOM, L.C.

**MAJOR INSURANCE CARRIERS,
REINSURANCE CARRIERS, AGENTS AND
BROKERS**

NATIONAL CASUALTY COMPANY
XL SPECIALTY INSURANCE CO.
HOUSTON CASUALTY
SCOTTSDALE INSURANCE CO.
HARTFORD FIRE INS. CO.
CHUBB GROUP

INDENTURE TRUSTEES

J.P MORGAN TRUST COMPANY, N.A.
FIRST UNION NATIONAL BANK
WACHOVIA BANK, NA

**EQUITY HOLDERS HOLDING MORE THAN
5% OF THE EQUITY IN ANY ONE OF THE
DEBTOR**

ARGOS SUPPORT SERVICES COMPANY
BRIDE COMMUNICATIONS, INC.
DTS MANAGEMENT (SOLE MEMBER)
GOLDEN SKY HOLDINGS, INC.
GOLDEN SKY SYSTEMS, INC.
PEGASUS BROADCAST TELEVISION, INC.
(GENERAL PARTNER)
PEGASUS BROADCAST TELEVISION, INC.
PEGASUS COMMUNICATIONS CORPORATION
PEGASUS DEVELOPMENT CORPORATION
PEGASUS DEVELOPMENT CORPORATION
PEGASUS MEDIA & COMMUNICATIONS, INC.
PEGASUS SATELLITE COMMUNICATIONS,
INC.
PEGASUS SATELLITE TELEVISION, INC.
PEGASUS SATELLITE TELEVISION, INC.
(SOLE MEMBER)
PST HOLDINGS, INC.

**EQUITY HOLDERS HOLDING MORE THAN
5% OF THE EQUITY IN PEGASUS
COMMUNICATIONS CORPORATION**

ALTA COMMUNICATIONS VI, L.P
AVENUE SPECIAL SITUATIONS FUND II, LP
DBS INVESTORS, LLC
FMR CORP.
JOHN HANCOCK FINANCIAL SERVICES, INC.
PAR CAPITAL MANAGEMENT, INC.
FARLEY, STEPHEN L.
PERRY CORP.
PENINSULA CAPITAL ADVISORS.

**DIRECTORS AND OFFICERS OF THE FILING
ENTITIES**

BLANK, SCOTT A.
CARPENTER, LEE M.
CRATE, CHERYL
DIDIO, JOHN
DORRAN, WILLIAM
FINCK, DOUGLAS B.
HANE, JOHN
HEISLER, KAREN M.
JORDAN, MICHAEL B.
LINDGREN, RORY J.
LODGE, TED S.
PAGON, MARSHALL W.
PARIS, JACK
POOLER, JOSEPH W., JR.
ROLFE, DENISE
VERLIN, HOWARD E.
YANNUZZI, MICHAEL

OTHER RETAINED PROFESSIONALS

DRINKER BIDDLE & REATH LLP
FTI CONSULTING, INC.
HEWITT ASSOCIATES
KING & SPAULDING LLP
MILLER BUCKFIRE LEWIS YING & CO., LLC
PRICEWATERHOUSECOOPERS
SEYFARTH SHAW LLP
SIDLEY AUSTIN BROWN & WOOD LLP

SCHEDULE 2

Schedule 2

ALL PEGASUS ENTITIES

UNSECURED CREDITORS

DIRECTV
NRTC
NATIONAL RURAL TELECOMMUNICATIONS
COOPERATIVE
J.P MORGAN TRUST COMPANY, N.A.
FIRST UNION NATIONAL BANK
ALLIANCE DATA SYSTEMS
TWENTIETH CENTURY FOX
WARNER BROTHERS INC.

MAJOR LENDERS TO THE DEBTORS

ABLECO FINANCE LLC
AMMC CDO I LIMITED
AMMC CDO II LTD
APEX (TRIMARAN) CDO I, LTD
ARCHIMEDES FUNDING III LTD
BALLYROCK CDO I LIMITED
BANK OF AMERICA
BILL & MELINDA GATES FOUNDATION
BLUE SQUARE FUNDING LIMITED SER 3
BRANT POINT CBO 1999-1 LTD
CALIFORNIA PUBLIC EMPLOYEES
CENTURION CDO II LTD
CENTURION CDO VI LTD
CIBC
DEBT STRATEGIES FUND INC.
DEUTSCHE BANK TRUST CO AMERICAS
ELF FUNDING TRUST I
EMERALD ORCHARD LIMITED
ENDURANCE CLO I LTD
FIDELITY ADVISOR SERIES II
FRANKLIN CLO II, LIMITED
FRANKLIN FLOATING RATE TRUST
FRANKLIN FLOATING RATE DAILY ACCESS
GABRIEL CAPITAL, L.P.
GENERAL BOARD OF PENSION AND HEALTH
GLENEAGLES TRADING LLC
GREAT POINT CLO 1999-1 LTD
HALCYON FUND
HARBOUR TOWN FUNDING LLC
HIGHLAND LEGACY LIMITED
HIGHLAND LOAN FUNDING V LTD
HIGHLAND OFFSHORE PARTNERS LP
ING PRIME RATE TRUST
ING SENIOR INCOME FUND
J PAUL GETTY TRUST
KZH CYPRESS TREE-1 LLC
KZH STERLING LLC
LONGHORN CDO (CAYMAN) LTD

LONGHORN CDO II LTD
MERRILL LYNCH GLOBAL INVESTMENT SERIES
MERRILL LYNCH PRIME RATE PORTFOLIO
MICROSOFT CORPORATION
ML CBO IV CAYMAN LTD
ML CLO XV PILGRIM AMERICA CAYMAN
ML CLO XX PILGRIM AMERICA CAYMAN
ORIX FINANCE CORP I
PACIFIC GAS AND ELECTRIC COMPANY
PAMCO CAYMAN LTD
PILGRIM AMERICA HIGH INCOME INVESTMENT
PILGRIM CLO 1999-1 LTD
RACE POINT CLO LIMITED
RESTORATION FUNDING CLO LTD
SAWGRASS TRADING LLC
SEA PINES FUNDING LLC
SENIOR HIGH INCOME PORTFOLIO
SEQUILS CENTURION V, LTD.
SEQUILS PILGRIM I LTD
SEQUILS-ING I (HBDGM) LTD
STANFIELD ARBITRAGE CDO, LTD.
STANFIELD CLO LTD
STANFIELD QUATTRO CLO LTD
STANFIELD/RMF TRANSATLANTIC CDO LTD
SUNAMERICA LIFE INSURANCE COMPANY
SUNAMERICA SENIOR FLOATING RATE
THE PRESIDENT & FELLOWS OF HARVARD
COLLEGE
TORONTO DOMINION (NEW YORK), INC.
UBS AG, STAMFORD BRANCH
VULCAN VENTURES INC
WELLS FARGO BANK NA
WINDSOR LOAN FUNDING LIMITED

PARTIES TO SIGNIFICANT LITIGATION WITH THE DEBTORS

DIRECTV

MAJOR INSURANCE CARRIERS, REINSURANCE CARRIERS, AGENTS AND BROKERS

NATIONAL CASUALTY COMPANY
XL SPECIALTY INSURANCE CO.
SCOTTSDALE INSURANCE CO.
HARTFORD FIRE INS. CO.
CHUBB GROUP

INDENTURE TRUSTEES

J.P MORGAN TRUST COMPANY, N.A.
FIRST UNION NATIONAL BANK
WACHOVIA BANK, NA

**EQUITY HOLDERS HOLDING MORE THAN
5% OF THE EQUITY IN ANY ONE OF THE
DEBTOR**

**EQUITY HOLDERS HOLDING MORE THAN
5% OF THE EQUITY IN PEGASUS
COMMUNICATIONS CORPORATION**

FMR CORP.

JOHN HANCOCK FINANCIAL SERVICES, INC.

**DIRECTORS AND OFFICERS OF THE FILING
ENTITIES**

OTHER RETAINED PROFESSIONALS

DRINKER BIDDLE & REATH LLP

HEWITT ASSOCIATES

MILLER BUCKFIRE LEWIS YING & CO., LLC

PRICEWATERHOUSECOOPERS

SEYFARTH SHAW LLP

SIDLEY AUSTIN BROWN & WOOD LLP