



HERBEIN+COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS

Members of PKF North American Network, Pennsylvania Institute of CPAs,
American Institute of Certified Public Accountants Div. of CPA Firms/SEC & Private Practice Sections
www.herbein.com

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 EXPENSES INCURRED
BY HERBEIN + COMPANY, INC. AS CORPORATE TAXATION ADVISOR TO
PEGASUS SATELLITE TELEVISION, INC. AND CERTAIN
OF ITS SUBSIDIARIES AND AFFILIATES
FOR THE PERIOD BEGINNING JANUARY 1, 2005 AND ENDING
JANUARY 31, 2005**

Herbein + Company, Inc., corporate taxation advisor to Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates, submits for review its monthly statement (the "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 the Monthly Statement, Herbein + Company, Inc. states as follows:

1. On June 2, 2004, Pegasus Satellite Communications, Inc. and certain of its affiliates (collectively, the "Debtors")¹ each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, (the "Bankruptcy Code") in the Bankruptcy Court for the District of Maine (the "Bankruptcy Court").

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.

2. On July 22, 2004, the Bankruptcy Court signed an order (the "Retention Order") authorizing the retention of Herbein + Company, Inc. as corporate taxation advisor to the Debtors on the terms and conditions provided in the Retention Order.

3. 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 Interim Compensation Order, the Bankruptcy Court authorized a 10% fee "holdback" for all professionals of the Debtors' estates that comply with the procedures provided therein.

4. For the Eighth Compensation Period, Herbein + Company, Inc.'s fees for providing professional services to the Debtors totaled \$34,498.60. In connection with services rendered, Herbein + Company, Inc. has recorded actual and necessary out-of-pocket expenses in the amount of \$127.14. There may exist additional out-of-pocket expenses that Herbein + Company, Inc. has incurred but not yet processed due to timing, which expenses will be submitted at a later date. Attached hereto as Exhibit A is a schedule summarizing actual and necessary expenses recorded during the Eighth Compensation Period.

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	Amounts Due
January 1, 2005– January 31, 2005	\$34,498.60	\$3,449.86	\$31,048.74	\$127.14	\$31,175.88

6. Attached hereto as Exhibit B is a schedule of the hours billed by each professional at Herbein + Company, Inc., and their respective hourly rates, during the Sixth Compensation Period.

7. Attached hereto as Exhibit C is a copy of the monthly invoice for the compensation period, detailing the activity undertaken by that professional and the supporting time records for each activity.

Herbein + Company, Inc.
401 Oley Street
Reading, PA 19601

BY: Janice S. Barney
Janice S. Barney
Director of Tax Services

Exhibit A

**Pegasus Satellite Television, Inc. et. al. (Case No. 04-20878)
Summary of Expenses Incurred by Herbein + Company, Inc.
Period January 1, 2005 through January 31, 2005**

Disbursements and other out-of-pocket costs incurred:

Postage		
	Pegasus Satellite Communications, Inc.	\$64.22
Telephone		
	Pegasus Satellite Communications, Inc.	1.04
	Pegasus Satellite Television, Inc.	16.38
Faxes		
	Pegasus Satellite Communications, Inc.	19.50
	Pegasus Satellite Television, Inc.	<u>\$26.00</u>
	Total	<u><u>\$127.14</u></u>

Exhibit B
Pegasus Satellite Television, Inc. et. al. (Case No. 04-20878)
Billing Summary by Employee of Herbein + Company, Inc.
Period January 1, 2005 through January 31, 2005

Pegasus Broadcast Television, Inc.

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Groebel, B.	Partner/Shareholder	2.50	250	\$625.00
Barney, J.	Partner/Shareholder	0.70	265	185.50
Stangl, C.	Supervisor	3.70	128	473.60
Cahill, S.	Supervisor	3.20	128	409.60
		<u>10.10</u>		<u>\$1,693.70</u>

Carr Rural TV, Inc.

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Cahill, S.	Supervisor	0.30	128	\$38.40
		<u>0.30</u>		<u>\$38.40</u>

Golden Sky Systems, Inc.

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Barney, J.	Partner/Shareholder	10.00	265	\$2,650.00
Cahill, S.	Supervisor	8.40	128	1,075.20
		<u>18.40</u>		<u>\$3,725.20</u>

Pegasus Henry County MRTV, Inc.

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Cahill, S.	Supervisor	0.90	128	\$115.20
		<u>0.90</u>		<u>\$115.20</u>

Pegasus Primewatch, Inc.

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Cahill, S.	Supervisor	0.30	128	\$38.40
		<u>0.30</u>		<u>\$38.40</u>

Pegasus Satellite Communications, Inc.

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Groebel, B. D.	Partner/Shareholder	13.40	250	\$3,350.00
Barney, J.S.	Partner/Shareholder	16.50	265	4,372.50
Cahill, S.	Supervisor	<u>52.40</u>	128	<u>6,707.20</u>
		<u>82.30</u>		<u>\$14,429.70</u>

Pegasus Satellite Television, Inc.

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Seidel, K.	Partner/Shareholder	2.70	208	\$561.60
Barney, J.	Partner/Shareholder	30.10	265	7,976.50
Stangl, C.	Supervisor	4.30	128	550.40
Cahill, S.	Supervisor	<u>40.20</u>	128	<u>5,145.60</u>
		<u>77.30</u>		<u>\$14,234.10</u>

Pegasus Satellite Television of Illinois, Inc.

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Cahill, S.	Supervisor	<u>0.30</u>	128	<u>\$38.40</u>
		<u>0.30</u>		<u>\$38.40</u>

South Plains DBS, LP

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Barney, J.	Partner/Shareholder	<u>0.70</u>	265	<u>\$185.50</u>
		<u>0.70</u>		<u>\$185.50</u>

SUMMARY

<u>Employee</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fees</u>
Barney, J.	Partner/Shareholder	58.00	265	\$15,370.00
Groebel, B.	Partner/Shareholder	15.90	250	3,975.00
Seidel, K.	Partner/Shareholder	2.70	208	561.60
Cahill, S.	Supervisor	106.00	128	13,568.00
Stangl, C. M.	Supervisor	<u>8.00</u>	128	<u>1,024.00</u>
		<u>190.60</u>		<u>\$34,498.60</u>

Exhibit C

**Pegasus Satellite Television, Inc. et. al. (Case No. 04-20878)
Monthly Invoice for the compensation period by service area
Period January 1, 2005 through January 31, 2005**

Pegasus Broadcast Television, Inc.

Prepare schedule of 2004 state franchise tax liabilities.

<u>Employee</u>	<u>Date</u>	<u>Hours</u>	<u>Fees</u>
Cahill, S.	01/05/2005	2.10	
		<u>2.10</u>	268.80

Research accuracy of Proof of Claims.

Cahill, S.	01/19/2005	0.60	
Cahill, S.	01/14/2005	0.50	
		<u>1.10</u>	140.80

Research tax treatment of legal and financing fees on re-purchase of subsidiary assets from bankruptcy estate.

Stangl, C.	1/17/2005	0.20	
Barney, J.	1/11/2005	0.70	
Stangl, C.	1/12/2005	1.50	
Stangl, C.	1/11/2005	1.20	
Stangl, C.	1/11/2005	0.80	
		<u>4.40</u>	659.10

Respond to PA Department of Revenue inquiry.

Groebel, B.	1/30/2005	1.00	
Groebel, B.	1/29/2005	0.50	
Groebel, B.	1/28/2005	1.00	
		<u>2.50</u>	625.00

Carr Rural TV, Inc.

Prepare schedule of 2004 state franchise tax liabilities.

<u>Employee</u>	<u>Date</u>	<u>Hours</u>	<u>Fees</u>
Cahill, S.	01/05/2005	0.30	
		<u>0.30</u>	38.40

Golden Sky Systems, Inc.

Prepare schedule of 2004 projected state income tax and franchise tax liabilities.

<u>Employee</u>	<u>Date</u>	<u>Hours</u>	<u>Fees</u>
Cahill, S.	01/07/2005	2.80	
Barney, J.	01/04/2005	1.20	
Cahill, S.	01/03/2005	3.90	
		<u>7.90</u>	1,175.60

Research provisions for net unrealized built-in gain/loss under IRS notice 2003-65.

Barney, J.	01/05/2005	3.40	
		<u>3.40</u>	901.00

Resolution of Proof of Claims. Contact debtors regarding claims filed.

Cahill, S.	01/19/2005	0.60	
Cahill, S.	01/14/2005	0.50	
		<u>1.10</u>	140.80

Allocation of gain on disposition of intangible assets.

Barney, J.	01/10/2005	2.20	
		<u>2.20</u>	583.00

Final adjustment to computation of AMT Tax.

Barney, J.	01/04/2005	3.20	
		<u>3.20</u>	848.00

Perfect good standing status for state filings.

Cahill, S.	01/04/2005	0.60	
		<u>0.60</u>	76.80

Henry County MRTV, Inc.

Preparation of 2004 Ohio filing extension requests due January 31, 2005.

<u>Employee</u>	<u>Date</u>	<u>Hours</u>	<u>Fees</u>
Cahill, S.	01/17/2005	0.60	
Cahill, S.	01/14/2005	0.30	
		<u>0.90</u>	115.20

Pegasus Primewatch, Inc.

Prepare schedule of 2004 state franchise tax liabilities.

<u>Employee</u>	<u>Date</u>	<u>Hours</u>	<u>Fees</u>
Cahill, S.	01/05/2005	0.30	
		<u>0.30</u>	38.40

Pegasus Satellite Communications, Inc.

NUBIG Computations. Preparation of various scenarios.

<u>Employee</u>	<u>Date</u>	<u>Hours</u>	<u>Fees</u>
Cahill, S.	01/31/2005	5.40	
Groebel, B.	01/26/2005	3.50	
Cahill, S.	01/29/2005	1.40	
Cahill, S.	01/28/2005	4.50	
Cahill, S.	01/27/2005	3.30	
Cahill, S.	01/26/2005	7.50	
Barney, J.	01/26/2005	9.80	
Groebel, B.	01/24/2005	3.70	
Groebel, B.	01/18/2005	1.00	
Groebel, B.	01/15/2005	0.20	
Barney, J.	01/14/2005	1.20	
Barney, J.	01/04/2005	1.20	
Groebel, B.	01/06/2005	3.60	
Groebel, B.	01/05/2005	0.70	
Groebel, B.	01/04/2005	0.20	
		<u>47.20</u>	9,286.80

Review Proof of Claims filed, research liability and seek withdrawal.

Cahill, S.	01/26/2005	4.70	
Cahill, S.	01/25/2005	6.80	
Barney, J.	01/26/2005	0.80	
Cahill, S.	01/24/2005	2.30	
Cahill, S.	01/21/2005	9.00	
Cahill, S.	01/17/2005	2.70	
Cahill, S.	01/13/2005	4.80	
Barney, J.	01/13/2005	1.20	
Barney, J.	01/14/2005	1.10	
		<u>33.40</u>	4,699.90

Computation of NOLs available to offset gain on sale of broadcast assets.

Groebel, B.	01/13/2005	<u>0.50</u>	
		0.50	125.00

Computation of post bankruptcy NOLs.

Barney, J.	01/03/2005	<u>1.20</u>	
		1.20	318.00

Pegasus Satellite Television, Inc.

Prepare schedule of 2004 state franchise tax liabilities.

<u>Employee</u>	<u>Date</u>	<u>Hours</u>	<u>Fees</u>
Cahill, S.	01/06/2005	1.10	
Barney, J.	01/06/2005	2.60	
Cahill, S.	01/05/2005	2.60	
Barney, J.	01/04/2005	1.20	
Cahill, S.	01/04/2005	<u>6.10</u>	
		13.60	2,261.40

Research procedures to request expedited acceptance of tax returns.

Barney, J.	01/24/2005	<u>4.60</u>	
		4.60	1,219.00

Conference calls regarding Direct TV proceed allocations, NUBIG computations, COD income and NOLs.

Barney, J.	01/21/2005	0.80	
Barney, J.	01/21/2005	1.10	
Barney, J.	01/20/2005	0.80	
Barney, J.	01/19/2005	2.40	
Barney, J.	01/19/2005	2.20	
Barney, J.	01/16/2005	2.40	
Barney, J.	01/10/2005	2.40	
Barney, J.	01/07/2005	1.20	
Barney, J.	01/06/2005	0.80	
Barney, J.	01/05/2005	<u>3.40</u>	
		17.50	4,637.50

Resolution of Proof of Claims.

Cahill, S.	01/24/2005	1.10	
Cahill, S.	01/19/2005	4.40	
Cahill, S.	01/18/2005	3.80	
Cahill, S.	01/18/2005	0.30	
Cahill, S.	01/17/2005	2.90	
Cahill, S.	01/14/2005	6.40	
Cahill, S.	01/13/2005	2.40	
Cahill, S.	01/12/2005	3.40	
Barney, J.	01/12/2005	0.80	
Cahill, S.	01/06/2005	0.40	
		<u>25.90</u>	3,424.80

Preparation of 2004 state filing extension requests.

Barney, J.	01/20/2005	0.20	
Cahill, S.	01/17/2005	0.60	
Cahill, S.	01/14/2005	0.30	
Cahill, S.	01/07/2005	3.80	
Barney, J.	01/04/2005	3.20	
		<u>8.10</u>	1,502.60

Filings to maintain corporate standing in states.

Cahill, S.	01/04/2005	0.60	
		<u>0.60</u>	76.80

PST, Inc. purchase of interest in South Plains Partnership. Research Texas tax implications.

Stangl, C.	01/11/2005	0.20	
Stangl, C.	01/10/2005	0.30	
Stangl, C.	01/07/2005	0.90	
Stangl, C.	01/06/2005	2.70	
Stangl, C.	01/06/2005	0.20	
		<u>4.30</u>	550.40

Indiana sales tax audit.

Seidel, K.	01/13/2005	0.50	
Seidel, K.	01/12/2005	1.70	
Seidel, K.	01/11/2005	0.50	
		<u>2.70</u>	561.60

Pegasus Satellite Television of Illinois, Inc.

Prepare schedule of 2004 state franchise tax liabilities.

<u>Employee</u>	<u>Date</u>	<u>Hours</u>	<u>Fees</u>
Cahill, S.	01/05/2005	<u>0.30</u>	
		0.30	38.40

South Plains DBS, LP

Research partner income allocation methods available for 2004 activity.
PST, Inc. purchased interest of 3rd party prior to sale of assets to
Direct TV.

<u>Employee</u>	<u>Date</u>	<u>Hours</u>	<u>Fees</u>
Barney, J.	01/10/2005	<u>0.70</u>	
		0.70	185.50

SUMMARY

Pegasus Broadcast Television, Inc.	\$1,693.70
Carr Rural TV, Inc.	38.40
Golden Sky Systems, Inc.	3,725.20
Henry County MRTV, Inc.	115.20
Pegasus Primewatch, Inc.	38.40
Pegasus Satellite Communications, Inc.	14,429.70
Pegasus Satellite Television, Inc.	14,234.10
Pegasus Satellite Television of Illinois, Inc.	38.40
South Plains DBS, LP	185.50
Total	<u>\$34,498.60</u>