
EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

| | | |
|---|---|-----------------------|
| In re: |) | Chapter 11 |
| PEGASUS SATELLITE TELEVISION, INC., <u>et al.</u> , |) | Case No. 04-20878 |
| Debtors. |) | Jointly Administrated |

**APPLICATION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF PEGASUS SATELLITE
TELEVISION, INC., ET AL. TO RETAIN AND EMPLOY
AKIN GUMP STRAUSS HAUER & FELD LLP AS
CO-COUNSEL NUNC PRO TUNC TO JUNE 2, 2004**

The Official Committee of Unsecured Creditors (the "Committee") of Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates (collectively, the "Debtors")¹ respectfully submits this application (the "Application"), pursuant to sections 1103(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for an order authorizing the Committee to retain and employ Akin Gump Strauss Hauer & Feld LLP ("Akin Gump") as its co-counsel in the Debtors' Chapter 11 cases, *nunc pro tunc* to June 2, 2004. In support of its Application, the Committee respectfully represents as follows:

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, L.P.; Telecast of Florida, Inc.; WDSI License Corp.; WILF, Inc.; WOLF License Corp.; and WTLH License Corp.

BACKGROUND

1. On June 2, 2004 (the "Petition Date"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

2. Since the Petition Date, the Debtors have continued in possession of their property and have continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. This Court has jurisdiction over the Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory bases for the relief requested herein are sections 328(a) and 1103 of the Bankruptcy Code and Bankruptcy Rule 2014.

THE COMMITTEE'S FORMATION

4. On June 10, 2004 (the "Committee Formation Date"), pursuant to section 1102 of the Bankruptcy Code, the United States Trustee for the District of Maine (the "U.S. Trustee") appointed the Committee. On June 14, 2004, the U.S. Trustee filed an Amended Notice of Appointment of Creditors Committee, adding one additional committee member. The Committee currently consists of seven members.² On June 14, 2004, the Committee selected Akin Gump and Pierce Atwood to serve as co-counsel to the Committee, as well as Greenhill & Co., LLC and Capital Technology Advisors, LLC to serve as financial advisors to the Committee.

5. As the Court is aware, Akin Gump represented an Ad Hoc Committee of Senior Noteholders (the "Ad Hoc Committee") on the Petition Date. The senior notes issued by the

² The Committee is comprised of the following entities: Wachovia Bank, as Indenture Trustee; JP Morgan Bank, as Indenture Trustee; HSBC Bank USA, as Successor Indenture Trustee; D.E. Shaw Laminar Portfolios, LLC; Singer Children Management Trust and Affiliates; LC Capital Master Fund; and Silver Point Capital.

Debtors are the Debtors' largest unsecured obligations. As a result of such representation, Akin Gump provided significant services to the Ad Hoc Committee, including, but not limited to, reviewing and negotiating the Debtors' proposed interim cash collateral order, as well as all other first-day applications and motions, and attending the hearings held with respect to such first-day applications and motions. Akin Gump, through its representation of the Ad Hoc Committee, and upon its engagement by the Committee, represented the interests of the Debtors' unsecured creditors since the commencement of these cases. As such, Akin Gump believes that its *nunc pro tunc* retention is appropriate.

RETENTION OF AKIN GUMP

6. The Committee respectfully submits that it is necessary and appropriate for it to employ and retain Akin Gump to provide, among other things, the following services:

- A. advise the Committee with respect to its rights, duties and powers in these chapter 11 cases;
- B. assist and advise the Committee in its consultations with the Debtors relative to the administration of these chapter 11 cases;
- C. assist the Committee in analyzing the claims of the Debtors' creditors and the Debtors' capital structure and in negotiating with holders of claims and equity interests;
- D. assist the Committee in its investigation of the acts, conduct, assets, liabilities and financial condition of the Debtors and of the operation of the Debtors' businesses;
- E. assist the Committee in its analysis of, and negotiations with, the Debtors or any third party concerning matters related to, among other things, the assumption or rejection of certain leases of non-residential real property and executory contracts, asset dispositions, financing of other transactions and the terms of one or more plans of reorganization for the Debtors and accompanying disclosure statements and related plan documents;
- F. assist and advise the Committee as to its communications to the general creditor body regarding significant matters in these chapter 11 cases;

- G. represent the Committee at all hearings and other proceedings;
- H. review and analyze applications, orders, statements of operations and schedules filed with the Court and advise the Committee as to their propriety, and to the extent deemed appropriate by the Committee, support, join or object thereto;
- I. assist the Committee in lobbying, if appropriate;
- J. assist the Committee in preparing pleadings and applications as may be necessary in furtherance of the Committee's interests and objectives;
- K. prepare, on behalf of the Committee, any pleadings, including without limitation, motions, memoranda, complaints, adversary complaints, objections or comments in connection with any of the foregoing;
- L. investigate and analyze any claims against the Debtors' non-debtor affiliates; and
- M. perform such other legal services as may be required or are otherwise deemed to be in the interests of the Committee in accordance with the Committee's powers and duties as set forth in the Bankruptcy Code, the Bankruptcy Rules or other applicable law.

7. The Committee believes that Akin Gump possesses extensive knowledge and expertise in the areas of law relevant to these chapter 11 cases, and that Akin Gump is well qualified to represent the Committee in these chapter 11 cases. In selecting counsel, the Committee sought attorneys with considerable experience in representing unsecured creditors' committees in chapter 11 reorganization cases and other debt restructurings. Akin Gump has such experience as Akin Gump is currently representing and has represented official creditors' committees in many significant chapter 11 reorganizations, including the following chapter 11 cases: In re Aetna Industries, Inc.; In re Allegiance Telecom, Inc.; In re American Commercial Lines LLC; In re Dairy Mart Convenience Stores, Inc.; In re Exide Technologies, Inc.; In re Flag Telecom Holdings Limited; In re Fountain View, Inc.; In re Globalstar, LP; In re Hayes

Lemmerz, Inc.; In re Heilig Meyers Company; In re Kaiser Aluminum Corporation; In re Lernout & Hauspie Speech Products, N.V.; In re Loral Space & Communications Ltd.; In re LTV Steel Company, Inc.; In re Magellan Health Services, Inc.; In re Polaroid Corporation; In re Solutia, Inc.; In re Venture Holdings Company, LLC; In re Verado Holdings, Inc.; In re WorldCom, Inc.; and In re XO Communications, Inc.

8. The Committee requests that all legal fees and related costs and expenses incurred by the Committee on account of services rendered by Akin Gump in these cases be paid as administrative expenses of the estates pursuant to sections 328, 330(a), 331, 503(b) and 507(a)(1) of the Bankruptcy Code. Subject to the Court's approval, Akin Gump will charge for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date such services are rendered, subject to sections 328(a) and 330 of the Bankruptcy Code. The current hourly rates charged by Akin Gump for professionals and paraprofessionals employed in its offices are provided below:

| <u>Billing Category</u> | <u>Range</u> |
|-----------------------------|--------------|
| Partners | \$325-\$775 |
| Special Counsel and Counsel | \$325-\$725 |
| Associates | \$185-\$450 |
| Paraprofessionals | \$45-\$195 |

These hourly rates are subject to periodic adjustments (typically in December of each year) to reflect economic and other conditions. Akin Gump will maintain detailed records of actual and necessary costs and expenses incurred in connection with the legal services described above.

9. The names, positions and current hourly rates of the Akin Gump professionals expected to have primary responsibility for providing services to the Committee are as follows: Daniel H. Golden (Partner – Financial Restructuring Department) - \$775/hour; Russell W. Parks (Partner – Corporate Department) - \$600/hour; David H. Botter (Partner – Financial

Restructuring Department) - \$575/hour; Stephen M. Baldini (Partner – Litigation Department) – \$525/hour; Philip C. Dublin (Counsel – Financial Restructuring Department) - \$450/hour; Abid Qureshi (Counsel – Litigation Department) - \$450/hour; Erica D. McGrady (Counsel – Corporate Department) - \$395/hour; Nava Hazan (Associate – Financial Restructuring Department) - \$425/hour; Joseph Kamnik (Associate – Financial Restructuring Department) - \$285/hour; Deborah Newman (Associate – Litigation Department) - \$260/hour; and Dharmesh H. Vashee (Associate – Financial Restructuring Department) - \$240/hour. Also, it will be necessary, from time to time, for other Akin Gump professionals to provide services to the Committee.

10. Upon information and belief, Akin Gump does not represent and does not hold any interest adverse to the Debtors' estates or their creditors in the matters upon which Akin Gump is to be engaged, except to the extent set forth in the declaration of Daniel H. Golden, attached hereto as Exhibit "A." However, Akin Gump is a large firm with a national and international practice, and may represent or may have represented certain of the Debtors' creditors, equity holders, affiliates or other parties in interest in matters unrelated to these cases.

11. Because of the extensive legal services that may be necessary in these chapter 11 cases, and the fact that the full nature and extent of such services are not known at this time, the Committee believes that the employment of Akin Gump to provide the services described above is appropriate and in the best interests of the Debtors' estates and their creditors.

NOTICE

12. Notice of this Application will be provided by first class mail to (a) the U. S. Trustee, (b) counsel to the Debtors, (c) counsel to the agents for the Debtors' postpetition secured bank lenders, (d) the indenture trustee or fiscal agent for each of the public debt

securities issued by the Debtors or their affiliates, (e) the Securities and Exchange Commission, (f) the Internal Revenue Service, and (g) those parties who have formally appeared and requested service in these cases pursuant to Bankruptcy Rule 2002. In light of the nature of the Application, the Committee submits that no other and further notice be given and that the notice provided of the Application is sufficient.

NO PRIOR REQUEST

13. No prior application for the relief sought in this Application has been made to this or any other court in connection with these chapter 11 cases.

WHEREFORE, the Committee requests that an Order be entered authorizing it to retain Akin Gump as its co-counsel in these cases, *nunc pro tunc* to June 2, 2004, and providing the Committee such other and further relief as the Court may deem just and proper.

Dated: New York, New York
June 25, 2004

**THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF PEGASUS SATELLITE
TELEVISION, INC., ET AL.**

By: Wachovia Bank, National Association, solely in
its capacity as Chair of the Committee and not in
its individual capacity,

By: /s/ Staci Marino
Name: Staci Marino

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

| | | |
|---|---|-----------------------|
| In re: |) | |
| |) | Chapter 11 |
| PEGASUS SATELLITE TELEVISION, INC., <u>et al.</u> , |) | Case No. 04-20878 |
| Debtors. |) | Jointly Administrated |

DECLARATION OF DANIEL H. GOLDEN

DANIEL H. GOLDEN hereby declares:

1. I am an attorney at law admitted to practice in the State of New York and in the United States District Courts for the Southern and Eastern Districts of New York. I am a member of the firm of Akin Gump Strauss Hauer & Feld LLP ("Akin Gump"), which firm maintains offices at 590 Madison Avenue, New York, New York 10022.

2. I am familiar with the matters set forth herein and make this affidavit in support of the application of the Official Committee of Unsecured Creditors (the "Committee") of Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates (collectively, the "Debtors")¹ seeking approval to retain and employ Akin Gump, *nunc pro tunc* to June 2, 2004, as co-counsel to the Committee.

3. On June 10, 2004 (the "Committee Formation Date"), pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed the Committee. The

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, L.P.; Telecast of Florida, Inc.; WDSI License Corp.; WILF, Inc.; WOLF License Corp.; and WTLH License Corp.

Committee currently consists of seven members. The Committee is comprised of the following entities: Wachovia Bank, as Indenture Trustee; JP Morgan Bank, as Indenture Trustee; HSBC Bank USA, as successor Indenture Trustee; D.E. Shaw Laminar Portfolios, LLC; Singer Children Management Trust and Affiliates; LC Capital Master Fund; and Silver Point Capital. On June 14, 2004, the Committee selected Akin Gump and Pierce Atwood to serve as co-counsel to the Committee pursuant to section 1103(a) of the Bankruptcy Code.

4. Neither I nor Akin Gump are insiders of the Debtors. Except as set forth below, neither I nor Akin Gump hold directly any claim, debt or equity security of the Debtors.

5. Akin Gump is not and has not been an investment banker for any outstanding security of the Debtors.

6. Akin Gump has not been, within three years of the date of the filing of the Debtors' respective petitions, an investment banker for a security of the Debtors, or an attorney for such an investment banker in connection with the offer, sale or issuance of a security of the Debtors.

7. No member of Akin Gump has been, within two years from the date of the filing of the Debtors' petitions, a director, officer or employee of the Debtors or of an investment banker as specified in subparagraph (B) or (C) of 11 U.S.C. § 101(14).

8. Akin Gump does not have an interest materially adverse to the interests of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors or an investment banker as specified in subparagraph (B) or (C) of 11 U.S.C. § 101(14), or for any other reason.

9. Akin Gump does not currently represent the Debtors or any of their affiliates, partners, or subsidiaries and Akin Gump will not undertake the representation of the Debtors or related entities during this engagement. Moreover, except as set forth herein, Akin

Gump will not undertake the representation of any party other than the Committee in connection with the Debtors' chapter 11 proceedings.

10. Akin Gump serves as official committee counsel in many cases and certain members of the Committee are members of these other official committees. In addition, certain professionals retained by the Debtors and proposed to be retained by the Committee are involved in many cases in which Akin Gump serves as counsel to an official committee.

11. Akin Gump may have in the past represented and/or currently represents and may in the future represent other entities not currently known to Akin Gump who may be creditors of the Debtors in matters wholly unrelated to the Debtors' chapter 11 cases. To the extent that Akin Gump discovers any such information or needs to update the information disclosed herein, Akin Gump will disclose such information to the Court, the Debtors and the United States Trustee by filing a supplemental declaration on the electronic docket.

12. To the best of my knowledge and information, Akin Gump neither holds nor represents any interest adverse to the Committee, the Debtors, their creditors or other parties in interest or their respective attorneys in these chapter 11 cases. Based upon information available to me, I believe that Akin Gump is a "disinterested person" within the meaning of the Bankruptcy Code.

13. In preparing this Affidavit, I submitted to Akin Gump's computer conflict database and adverse party index the list of names set forth in the Debtors' application to retain Sidley Austin Brown & Wood LLP, as counsel to the Debtors (which list is attached hereto as Exhibit "A"), and additional parties identified by Akin Gump, which lists included (i) the Debtors and non-debtor affiliates; (ii) the Debtors' 50 largest unsecured creditors; (iii) major lenders to the Debtors; (iv) parties to significant litigation with the Debtors; (v) major insurance carriers, reinsurance carriers, agents and brokers (vi) indenture trustees; (vii) equity holders

holding more than 5% of the equity in any one of the Debtors; (viii) additional equity holders in Pegasus Satellite Communications, Inc.; (ix) equity holders holding more than 5% of the equity of Pegasus Communications Corporation; (x) directors and officers of the filing entities; (xi) other retained professionals; (xii) significant vendors to the Debtors; (xiii) the Debtors' professionals; (xiv) the Debtors' postpetition creditors; and (xv) members of the Committee and proposed professionals. Copies of the full lists of parties searched by Akin Gump are annexed hereto as Exhibit "A" and Exhibit "B."

14. The conflict check system and adverse party index maintained by Akin Gump is designed to include every matter on which the firm is now or has been engaged, by which entity the firm is now and has been engaged and, in each instance, the identity of related parties and adverse parties and certain of the attorneys in the firm that are knowledgeable about the matter. It is the policy of Akin Gump that no new matter may be accepted or opened within the firm without completing and submitting to those charged with maintaining the computer conflict database and adverse party index the information necessary to check each such matter for conflicts, including the identity of the prospective client, the matter, and related and adverse parties. Accordingly, Akin Gump maintains and systematically updates this system in the regular course of business of the firm, and it is the regular practice of the firm to make and maintain these records.

Representation of Parties in Interest²

² Akin Gump does not act as general counsel to any of the parties in interest or related entities described herein.

15. Attached as Exhibit "C" to this declaration is a list of the parties related to these cases and/or certain affiliates or subsidiaries that Akin Gump currently represents in matters wholly unrelated to the Debtors' chapter 11 cases (the "Current Clients") and the parties and/or certain affiliates or subsidiaries of such parties that Akin Gump has in the past represented in matters wholly unrelated to the Debtors' chapter 11 cases. In connection with the services to be rendered to the Committee, Akin Gump will not commence a cause of action against the Current Clients with respect to the Debtors' chapter 11 cases, unless Akin Gump receives a waiver from the Current Client allowing Akin Gump to commence such an action. To the extent any actions are commenced by or against the Current Clients, and waiver letters are not obtained allowing Akin Gump to commence such an action, in connection with these cases, the Committee will use Pierce Atwood or conflicts counsel to represent the interests of the unsecured creditors.

16. Akin Gump's services on behalf of the parties in interest identified herein have constituted, with respect to each such party in interest, no more than 1% of Akin Gump's annual revenues for the 2003 fiscal year.

17. None of Akin Gump's representations of creditors or other parties in interest who are involved in these chapter 11 cases comprise a material component of Akin Gump's practice, nor does Akin Gump currently represent such parties on any issue relating to these chapter 11 cases. To the best of my knowledge, the standard articulated by courts of the First Circuit regarding the appointment of co-counsel by a creditors' committee has been met in these cases. One bankruptcy court explains that co-counsel to a creditors' committee, which owes a fiduciary duty both to the committee and to the individual creditors that the committee represents, may not represent any other entity having an interest adverse to the individual creditors. In re Mesta Machine Company, 67 B.R. 151 (Bankr. W.D. Pa. 1986). For the reasons

stated herein, Akin Gump represents no interests adverse to the Debtors' individual creditors or the Committee and, therefore, is capable of fulfilling its fiduciary duty.

18. Akin Gump is willing to be retained by the Committee as its co-counsel and will make appropriate applications to this Court for compensation and reimbursement of out-of-pocket expenses, all in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules for the United States Bankruptcy Court for the District of Maine and any orders of this Court. Akin Gump will bill at its standard hourly rates of \$325-\$775 for partners, \$325-\$725 for special counsel and counsel, \$185-\$450 for associates, and \$45-\$195 for paraprofessionals. The current hourly rates for the Akin Gump professionals with primary responsibility for this matter are:³

- (a) Daniel H. Golden (Partner – Financial Restructuring Department), \$775/hour;
- (b) Russell W. Parks (Partner – Corporate Department), \$600/hour;
- (c) David H. Botter (Partner - Financial Restructuring Department), \$575/hour;
- (d) Stephen M. Baldini (Partner – Litigation Department), \$525/hour;
- (e) Philip C. Dublin (Counsel – Financial Restructuring Department), \$450/hour;
- (f) Abid Qureshi (Counsel – Litigation Department), \$450/hour;
- (g) Erica D. McGrady (Counsel – Corporate Department), \$395/hour;
- (h) Nava Hazan (Associate – Financial Restructuring Department), \$425/hour;
- (i) Joseph Kamnik (Associate – Financial Restructuring Department), \$285/hour;
- (j) Deborah Newman (Associate – Litigation Department), \$260/hour; and
- (k) Dharmesh H. Vashee (Associate – Financial Restructuring Department); \$240/hour

The hourly rates set forth above are Akin Gump's standard hourly rates for work of this nature. These rates are set at a level designated to fairly compensate Akin Gump for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. These hourly rates are subject to periodic increase (typically in December of each year) in the normal course of

³ Other attorneys and paralegals will, from time to time, assist in the representation of the Committee in connection with these cases at Akin Gump's standard hourly rates in effect for those personnel.

Akin Gump's business. Akin Gump specifically reserves its right to file an application for an allowance of an enhanced fee award at the end of this proceeding, subject to the discretion of the Committee. It is Akin Gump's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telephone and telecopier toll charges, photocopying charges, travel expenses, expenses for "working meals" and computerized research, as well as non-ordinary overhead expenses, such as secretarial overtime.

19. No agreement exists, nor will any be made, to share any compensation received by Akin Gump for its services with any other person or firm.

I hereby declare under the penalty of perjury that the foregoing is true and correct.

Executed on June 25, 2004

/s/ Daniel H. Golden

Daniel H. Golden

EXHIBIT A

PEGASUS SATELLITE TELEVISION, ET AL.

Interested Parties List

ALL PEGASUS ENTITIES (including non-debtor affiliates)

ARGOS SUPPORT SERVICES COMPANY
B.T. SATELLITE, INC.
BRIDE COMMUNICATIONS, INC.
CARR RURAL TV, INC.
DBS TELE-VENTURE, INC.
DIGITAL TELEVISION SERVICES OF INDIANA, LLC
PBT HOLDING, INC.
PEGASUS BROADCAST TELEVISION I, INC.
PEGASUS SATELLITE FINANCE CORPORATION
PEGASUS SATELLITE TELEVISION I, INC.
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 COMMUNICATIONS CORPORATION
PEGASUS COMMUNICATIONS CORPORATION PAC
PEGASUS COMMUNICATIONS MANAGEMENT COMPANY
PEGASUS DEVELOPMENT 107 CORPORATION
PEGASUS DEVELOPMENT 107 LICENSE CORPORATION
PEGASUS DEVELOPMENT 9182 CORPORATION
PEGASUS DEVELOPMENT CORPORATION
PEGASUS DEVELOPMENT DBS CORPORATION
PEGASUS GUARD BAND, LLC
PEGASUS LETTER OF CREDIT SUBSIDIARY, INC.
PEGASUS MEDIA & COMMUNICATIONS, INC.
PEGASUS REAL ESTATE COMPANY
PEGASUS RURAL BROADBAND, LLC
PEGASUS RURAL TELEVISION, LLC
PEGASUS PCS PARTNERS, LP
PEGASUS SATELLITE COMMUNICATIONS HOLDINGS, INC.
PEGASUS SATELLITE COMMUNICATIONS, INC.
PEGASUS SATELLITE DEVELOPMENT CORPORATION
PEGASUS SATELLITE TELEVISION OF ILLINOIS, INC.
PEGASUS SATELLITE TELEVISION, INC.
PEGASUS TRAVEL, INC.
PMC SATELLITE DEVELOPMENT, LLC
PORTLAND BROADCASTING, INC.
PRIMEWATCH, INC.
PST HOLDINGS, INC.

SATELLITE ACCESS CORPORATION
SOUTH PLAINS DBS, L.P.
TELECAST OF FLORIDA, INC.
WDSI LICENSE CORPORATION
WFXU CORPORATION
WFXU LICENSE CORPORATION
WGFL CORPORATION
WGFL LICENSE CORPORATION
WILF, INC.
WOLF LICENSE CORPORATION
WPME CORPORATION
WPME LICENSE CORPORATION
WTLH LICENSE CORPORATION

50 LARGEST UNSECURED CREDITORS

BANK ONE
BASIC YOUR BEST BUY INC.
BCK COMMUNICATIONS
CITY OF MARLBOROUGH
COLLECTECH SYSTEMS, INC.
COMMISSIONER OF REVENUE SERVICES
DIRECTV
DIRECTV LITIGATION VERDICT
ESTADO LIBRE ASOCIADO DE PUERTO RICO
FEDEX
FLORIDA DEPARTMENT OF FINANCE
FLORIDA DEPARTMENT OF REVENUE
INDIANA DEPARTMENT OF REVENUE
IOWA DEPARTMENT OF REVENUE
JOHNSON COUNTY TAC
JOHNSON COUNTY TREASURER
JP MORGAN TRUST COMPANY NA (11.25% SR. NOTES DUE 2010)
KANSAS DEPARTMENT OF REVENUE
MINNESOTA DEPARTMENT OF REVENUE
NATIONWIDE CREDIT, INC.
NEBRASKA DEPARTMENT OF REVENUE
NEW MEXICO TAXATION
NORTEL NETWORKS
NORTH CAROLINA DEPARTMENT OF REVENUE
NRTC
NUCENTRIX CONVERSIONS
PEGASUS COMMUNICATIONS CORPORATION
PETRY TELEVISION
PROFESSIONAL SATELLITE & COMMUNICATIONS
RF MEDIA ASSOCIATES
SATELLITE SYSTEM NETWORK
SOUTH CAROLINA DEPARTMENT OF REVENUE
SOUTH DAKOTA STATE TREASURER
STATE CONTROLLER - TEXAS

STATE OF TEXAS COMPTROLLER
 STATE TAX COMMISSIONER
 TENNESSEE DEPARTMENT OF REVENUE
 THE WB TV NETWORK
 TREASURER OF STATE (OHIO)
 TWENTIETH CENTURY FOX
 UTAH STATE TAX COMMISSION
 VERMONT DEPARTMENT OF TAXES
 W. DALE SUMMERFORD
 WACHOVIA BANK, NATIONAL ASSOCIATION
 (12.375% SR. NOTES DUE 2006)
 WACHOVIA BANK, NATIONAL ASSOCIATION
 (12.5% SR. NOTES DUE 2007)
 WACHOVIA BANK, NATIONAL ASSOCIATION
 (13.5% SR. NOTES DUE 2007)
 WACHOVIA BANK, NATIONAL ASSOCIATION
 (9.625% SR. NOTES DUE 2005)
 WACHOVIA BANK, NATIONAL ASSOCIATION
 (9.75% SR. NOTES DUE 2006)
 WEBCLICK CONCEPTS, INC.
 WEST VIRGINIA STATE TAX DEPARTMENT

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
 CANADIAN IMPERIAL BANK OF COMMERCE
 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.
WILMINGTON TRUST COMPANY
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
FOX ENTERTAINMENT GROUP, INC. (PARENT
TO DIRECTV)
GALAXY AMERICAN COMMUNICATIONS
GALAXY TELECOM, L.P.
GENSSER PELLECCER D/B/A SATELLITE
CONCEPTS
HESTER, FELICIA
HUGHES ELECTRONICS CORPORATION
(PARENT TO DIRECTV)
JONES, OLA
MIDAMERICAN CABLE SYSTEMS, L.P.
MILLER, DAVID
MORRIS, GREGORY
NEW PATH COMMUNICATIONS, L.C.

NEWS CORPORATION, LTD. (PARENT TO
DIRECTV)
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
DEBTORS**

ARGOS SUPPORT SERVICES COMPANY
BRIDE COMMUNICATIONS, INC.
DTS MANAGEMENT (SOLE MEMBER)
GOLDEN SKY HOLDINGS, INC.
GOLDEN SKY SYSTEMS, INC.
GOLDEN SKY SYSTEMS, INC. (GENERAL
PARTNER)
LEC DEVELOPMENT, INC. (GENERAL
PARTNER)
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.

**ADDITIONAL EQUITY HOLDERS IN
PEGASUS SATELLITE COMMUNICATIONS,
INC.**

JPMORGAN CHASE BANK

AMERICAN EXPRESS TRUST COMPANY
BEAR, STEARNS SECURITIES, CORP.
CITIBANK, N.A.
FLEET NATIONAL BANK
J.J.B HILLIARD, W.L. LYONS, INC.
LEHMAN BROTHERS, INC.
MORGAN STANLEY & CO. INCORPORATED
PNC BANK, NATIONAL ASSOCIATION
STATE STREET BANK AND TRUST COMPANY
WACHOVIA CAPITAL MARKETS, LLC

**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

ARNOLD & PORTER
BALCH & BINGHAM LLP
CAPELL & HOWARD, P.C.
CAPITAL MANAGEMENT ASSOCIATES, INC.
DRINKER BIDDLE & REATH LLP
FLEISHMAN & WALSH
FTI CONSULTING, INC.
HERBEIN & COMPANY, INC.
HEWITT ASSOCIATES
HUNTER, MACLEAN, EXLEY & DUNN

KEKST & COMPANY, INC.
KING & SPAULDING LLP
LEWIS, FISHER, HENDERSON, CLAXTON &
MULROY
LYNN, TILLOTSON & PINKER, LLP
MARTINEZ, ODELL & CALABRIA
MILLER BUCKFIRE LEWIS YING & CO., LLC
POL SINELLI, SHALTON & WELTE
PRICEWATERHOUSECOOPERS
RICHARDS, LAYTON & FINGER
SEYFARTH SHAW LLP
SHAW PITTMAN

SIGNIFICANT VENDORS TO THE DEBTORS

ALLIANCE DATA SYSTEMS
BUDD BROADCASTING
CARSEY-WERNER DISTRIBUTION
COLUMBIA (CHICAGO)
KB PRIME MEDIA LLC
KING WORLD PRODUCTIONS
METRON NORTH AMERICA
NEW YORK TIMES WNEP-TV
NIELSON MEDIA RESEARCH
PARAMOUNT DOMESTIC T.V.
PERFECT 10 SATELLITE DISTRIBUTING
COMPANY
PETRY TELEVISION
RF MEDIA ASSOCIATES
SPECTRASITE BROADCAST GROUP
TWENTIETH CENTURY FOX
VAC SERVICE CORP.
WARNER BROTHERS INC.
WCSH, PORTLAND ME

EXHIBIT B

Members of the Committee and Proposed Professionals

Wachovia Bank, as Trustee
JP Morgan Bank, as Trustee
HSBC Bank USA, as Successor Indenture Trustee
LC Capital Master Fund
D.E. Shaw Laminar Portfolios, LLC
Singer Children Management Trust and Affiliates
Silver Point Capital

Pierce Atwood
Greenhill & Co., LLC
Capital Technology Advisors, LLC

Other Parties

Sidley Austin Brown & Wood LLP
Bernstein, Shur, Sawyer & Nelson
Trumbull Group, LLC
Miller Buckfire Lewis Ying & Co., LLC
Kekst and Company

EXHIBIT C

**Pegasus Satellite Television, Inc., et al.,
Results of Conflicts Check**

50 Largest Unsecured Creditors

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

| | |
|-------------------|-------------------------|
| Bank One | JP Morgan Trust Company |
| The WB TV Network | Wachovia Bank |

Akin Gump has in the past represented the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

| | |
|-------------------|-----------------------|
| FedEx Corporation | Twentieth Century Fox |
|-------------------|-----------------------|

In addition, Akin Gump currently represents the National Rural Utilities Cooperative Finance Corporation, which is a member of NRTC, in matters wholly unrelated to the Debtors' chapter 11 cases.

Major Lenders to the Debtors

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

| | |
|----------------------------------|----------------------------|
| Ableco Finance LLC | Bank of America |
| Deutsche Bank | Fidelity Advisor Series II |
| Fir Tree Recovery Master Fund LP | General Motors Corporation |
| Halcyon Fund | Merrill Lynch |
| Pacific Gas & Electric Co. | Wilmington Trust Co. |

Akin Gump has in the past represented the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

| | |
|------------------------------------|------------------------------|
| Canadian Imperial Bank of Commerce | Daimler Chrysler Corporation |
|------------------------------------|------------------------------|

IBM

International Paper

UBS, AG

Whippoorwill Fund

Parties to Significant Litigation

Akin Gump has in the past and currently represents Fox Entertainment Group, Inc. and/or certain affiliates and subsidiaries on matters wholly unrelated to the Debtors' chapter 11 cases.

**Major Insurance Carriers, Reinsurance Carriers,
Agents and Brokers**

Akin Gump has in the past and currently represents Hartford Fire Insurance Co. and/or certain affiliates and subsidiaries on matters wholly unrelated to the Debtors' chapter 11 cases.

Akin Gump has in the past represented Chubb Group and/or certain affiliates and subsidiaries on matters wholly unrelated to the Debtors' chapter 11 cases.

Indenture Trustees

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

JP Morgan

First Union National
Bank

Wachovia Bank

Equity Holders in Pegasus Satellite Communications, Inc.

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

JP Morgan

American Express

Bear Stearns

Citibank

Fleet National Bank

Lehman Brothers

Wachovia Bank

Akin Gump has in the past represented the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

Morgan Stanley

PNC Bank

State Street Bank and Trust
Co.

5% Equity Holders in Pegasus Communications Corporation

Akin Gump has in the past and currently represents FMR Corporation and/or certain affiliates and subsidiaries on matters wholly unrelated to the Debtors' chapter 11 cases.

Akin Gump has in the past represented John Hancock Financial Services and/or certain affiliates and subsidiaries on matters wholly unrelated to the Debtors' chapter 11 cases.

Other Retained Professionals

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

Kekst & Company

PriceWaterhouseCoopers

Akin Gump has in the past represented the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

Drinkler Biddle & Reath LLP

King & Spaulding LLP

Polsinelli, Shalton & Welte

Significant Vendors

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

Kekst & Company

PriceWaterhouseCoopers

Akin Gump has in the past represented Twentieth Century Fox and/or certain affiliates and subsidiaries on matters wholly unrelated to the Debtors' chapter 11 cases.

Members of the Creditors' Committee and Proposed Professionals

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

Wachovia Bank as Trustee

JP Morgan Bank, as Trustee

Other Parties

Akin Gump has in the past represented Sidley Austin Brown & Wood LLP and/or certain affiliates and subsidiaries on matters wholly unrelated to the Debtors' chapter 11 cases.