

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

**ORDER AUTHORIZING THE DEBTORS AND
DEBTORS-IN-POSSESSION TO EMPLOY AND RETAIN
DRINKER BIDDLE & REATH LLP AS SPECIAL CORPORATE
AND REGULATORY COUNSEL PURSUANT TO 11 U.S.C. § 327(e) AND 328(a)**

Upon the application (the “Application”) of Pegasus Satellite Television, Inc. and certain of its affiliates, each a debtor and debtor-in-possession herein (collectively, the “Debtors”),¹ for an order authorizing the Debtors and Debtors-in-Possession to employ and retain Drinker Biddle & Reath LLP (“Drinker”) as special corporate and regulatory counsel pursuant to 11 U.S.C. §§ 327(e) and 328(a); and upon the Affidavit of Ted S. Lodge, President, Chief Operating Officer and Counsel of Pegasus Satellite Communications, Inc., in support of First Day Motions; and upon the Declaration of Warren T. Pratt in Support of Application for Order Authorizing the Debtors and Debtor-in-Possession to Employ and Retain Drinker Biddle & Reath LLP as Special Corporate and Regulatory Counsel pursuant to 11 U.S.C. §§ 327(e) and 328(a), and Disclosure of Compensation; and notice of the Application having been given to (i)

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.

the United States Trustee for the District of Maine; (ii) the Debtors' fifty (50) largest unsecured creditors on a consolidated basis, as identified in their chapter 11 petitions; (iii) the administrative agents for the credit facilities of Pegasus Media & Communications, Inc. and Pegasus Satellite Communications, Inc. ("PSC"); (iv) each of the indenture trustees for each series of notes of PSC and (v) those parties in interest who have filed a notice of appearance; and it appearing that no other notice need be given; and it appearing that Drinker neither holds nor represents any interest adverse to the Debtors' estates with respect to the matters on which Drinker is to be employed; and it appearing that the relief requested in the Application is in the best interest of the estate and its creditors; after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, that the Application be, and it hereby is granted; and it is further

ORDERED, that in accordance with sections 327(e) and 328(a) of the Bankruptcy Code, the Debtors are authorized to employ and retain the firm of Drinker as their special corporate and regulatory counsel on the terms set forth in the Application; and it is further

ORDERED, that Drinker shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court up to an aggregate amount of \$750,000 for services rendered to the Debtors for the period from the Petition Date through and including May 31, 2005, and in each successive year thereafter, in an aggregate amount to be established in consultation with the official committee of unsecured creditors (the "Annual Fees"); and it is further

ORDERED, that entry of this Order shall be without prejudice to the Debtors' right to apply to this Court to increase the aggregate amount of the Annual Fees in any year or to

establish the Annual Fees in subsequent years if a consensus cannot be reached with the official committee of unsecured creditors regarding such Annual Fees in subsequent years; and it is further

ORDERED, that to the extent that an actual conflict of interest develops in connection with a matter in which Drinker is rendering services to both a Debtor and non-debtor affiliate of a Debtor, Drinker will discontinue rendering services to such Debtor and such non-debtor affiliate solely with respect to such matter in which the conflict exists, but Drinker may otherwise continue rendering services to such Debtor and such non-debtor affiliate on matters in which there is no actual conflict of interest.

Dated: June 28, 2004

/s/ James B. Haines, Jr.

UNITED STATES BANKRUPTCY JUDGE

CERTIFICATE OF SERVICE

District/off: 0100-2
Case: 04-20878User: rrowell
Form ID: pdf901Page 1 of 2
Total Served: 50

Date Rcvd: Jun 29, 2004

The following entities were served by first class mail on Jul 01, 2004.

db Pegasus Satellite Television, Inc., 213 Felton Street, Marlborough, MA 01752
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 aty +Andrew N. Rosenberg, Paul, Weiss, Rifkind, Wharton & Garrison, 1285 Avenue of the Americas,
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 aty +Barbara Ellis-Munro, Smith, Gambrell & Russell, LLP, 1230 Peachtree Street N.E., Suite 3100,
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 aty Benjamin E. Marcus, Esq., Drummond Woodsum & MacMahon, 245 Commercial Street, P.O. Box 9781,
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 aty +Bruce B. Hochman, Esq., Lambert Coffin, 477 Congress St., 14th Floor, P. O. Box 15215,
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 aty Daniel M. Glosband, Goodwin Proctor, LLP, Exchange Place, Boston, MA 02109
 aty +Debra SuDock, Kelley Drye & Warren LLP, 101 Park Avenue, New York, NY 10178-0062
 aty +Diane Meyers, Paul, Weiss, Rifkind, Wharton & Garrison,, 1285 Avenue of the Americas,
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 aty +Richard P. Krasnow, Weil, Gotshal & Mages, LLP, 767 Fifth Avenue, New York, NY 10153-0119
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 aty +Robert S. Brady, The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391,
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 aty +Rosetta B. Packer, McCarter & English, LLP, Mellon Bank Center, 1735 Market Street, Suite 700,
 Philadelphia, PA 19103-7518
 aty +Rufus E. Brown, Esq., Brown & Burke, P.O. Box 7530, Portland, ME 04112-7530
 ust +Office of U.S. Trustee, 537 Congress Street, Room 302, Portland, ME 04101-3353
 cr +Angelo, Gordon & Co., Attn: Leigh Walzer, 245 Park Avenue, 26th Floor,
 New York, NY 10167-0094
 cr +CRT Capital Group LLC, Attn: Nadav Braun, 262 Harbor Drive, Stamford, CT 06902-7438
 cr +Cohanzick Management, LLC, 427 Bedford Road, Suite 260, Pleasantville, NY 10570-3029
 cr Daily Insights, Attn: Bill Angelowitz, JAF Box 3127, New York, NY 10116
 cr Felton Street Associates Limited Partnership, Weir & Partners, Lambert Coffin, P.O. Box 15215,
 Portland, ME 04112-5215
 cr +Gabriel Capital, L.P., 450 Park Ave., Suite 3201, New York, NY 10022-2633
 cr +IKON Financial Services, Bankruptcy Administration, IOS Capital LLC, 1738 Bass Road,
 P.O. Box 13708, Macon, GA 31208-3708
 cr J.P. Morgan Trust Company, N.A., Attn: James R. Lewis, Esq., VP, 4 New York Plaza, 15th Floor,
 New York, NY 10004-2413
 cr Manatee County Tax Collector, Attn: Ken Burton, Jr., P.O. Box 25300,
 Bradenton, FL 34206-5300
 cr +National Rural Telecommunications Cooperative, 2121 Cooperative Way, Herndon, VA 20171-4543
 cr +Nucentrix Broadband Networks, Inc., Attn: J. Curtis Henderson, Sr. VP and General Counsel,
 17440 North Dallas Parkway, Suite 230, Dallas, TX 75287-7336
 crcm +Official Committee of Unsecured Creditors, Wachovia Bank, N.A., Trustee,
 c/o Smith, Gambrell & Russell, LLP, Attn: John T. Vian, Esq.,
 1230 Peachtree Street, NE, Suite 3100, Atlanta, GA 30309-3592
 cr +Tejas Securities Group, Inc., 2700 Via Fortuna, Suite 400, Austin, TX 78746-7570
 intp +Trumbull Services, L.L.C., 4 Griffin Road North, Windsor, CT 06095-1579
 intp +United States Trustee, 537 Congress Street, Portland, ME 04101-3318

The following entities were served by electronic transmission.
NONE.

TOTAL: 0

***** BYPASSED RECIPIENTS (continued) *****

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****

aty Andrew D. Gottfried
aty Drinker, Biddle & Reath, LLP
aty Dustin F. Hecker, Posternak, Blankstein
aty Jay Teitelbaum, Morgan, Lewis
aty Kristopher M. Hansen, Stroock & Stroock & Lavan LLP
aty Shaw, Pittman, LLP
aty Stephen M. Ryan
cr Austin CAD
cr Blanco CAD
op Capital Management Associates, Inc.
intp Carsey Warner Distribution, LLC
cr Directv
consult FTI Consulting, Inc.
cr HBK Investments L.P.
cr HSBC Bank USA
consult Hewitt Associates LLC
cr Houston CAD
cr Jackson County
consult Kekst and Company Incorporated
cr Lampass CAD
cr Lee County
cr Llano County
cr Madison County
cr Mastagorda County
cr Normangee ISD
cr Nortel Networks, Inc.
cr Par Capital Management, Inc.
intp Pegasus Communications Corporation
cr Polk County
cr Refugio County
cr Shelby County
cr The Steering Committee of Senior Secured Creditors
cr Trinity County
cr Trinity/Groveton Tax Office
cr Wachovia Bank, National Association
cr Wilmington Trust Co.

TOTALS: 36, * 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.

First Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jul 01, 2004

Signature:

