

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE

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

**DECLARATION OF PROPOSED PROFESSIONAL SERVICES  
AND DISCLOSURE STATEMENT**

STATE OF PUERTO RICO	)	
	)	ss:
COUNTY OF SAN JUAN	)	

**ANGEL S. RUIZ RODRIGUEZ** declares as follows:

1. I am a Partner of **MARTÍNEZ ODELL & CALABRIA** (the "Firm"), a professional partnership organized under the laws of the Commonwealth of Puerto Rico, with offices at Banco Popular Center, 16<sup>th</sup> Floor, San Juan, Puerto Rico 00918.

2. Neither I, the Firm, nor any partner, associate or other member thereof, insofar as I have been able to ascertain, has any connection with the above-captioned debtors and debtors-in-possession (the "Debtors"), their creditors, or any other party in interest, or their attorneys, except as set forth in this declaration<sup>1</sup>.

<sup>1</sup> The Debtors are: Argos Support Services Company, BT 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., Pegasus Media & Communications, Inc., Pegasus Satellite Communications, Inc., Pegasus Satellite Development Corporation, Pegasus Satellite Television of Illinois, Inc., Pegasus Satellite Television, Inc., Primewatch, Inc., PST Holdings, Inc., and South Plains DBS, LP.

The creditors & other parties in interest are those identified in Schedule "A" attached hereto.

The Firm, through me, and other members of the firm, have represented and advised the Debtors as to various Puerto Rico legal matters connected to the conduct of their businesses in Puerto Rico.

The Debtors have requested, and the Firm has agreed, to continue to represent and advise the Debtors pursuant to section 327 of title 11 of the United States Code (the "Bankruptcy Code") with respect to such matters. Additionally, the Debtors have requested, and the Firm proposes, to provide legal advice to the Debtors, under Puerto Rico law, in connection with certain aspects connected to their Puerto Rico businesses, including litigation services to the extent needed and requested by the Debtors.

The Firm's current customary hourly rates, subject to change from time to time, are those described in Schedule "B" attached hereto. In the normal course of business, the Firm revises its regular hourly rates on January 1<sup>st</sup> of each year and requests that, effective January 1<sup>st</sup> of each year, the aforementioned rates be revised to the regular hourly rates which will be in effect at that time.

In connection with these cases, the Firm has rendered services that have not yet been billed or that have been billed but with respect to which payment has not been received. The value of such services does not exceed \$2,000.00.

Except as set forth herein, no promises have been received by the Firm or any partner, auditor or other member thereof as to compensation in connection with these chapter 11 cases other than in accordance with the provisions of the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, orders of this Court, and the Fee Guidelines promulgated by the Executive Office of the United States Trustee.

The Firm has no agreement with any entity to share with such entity any compensation received by the Firm.

The Firm and its partners, auditors and other members may have in the past represented, currently represent, and may in the future represent entities that are claimants of the Debtors in matters totally unrelated to the matters with respect to which the Firm is to be engaged by the Debtors. The Firm does not and will not hold an interest adverse to the Debtors' estates in the matters with respect to which it may be engaged.

The foregoing constitutes the statement of the Firm pursuant to sections 329 and 504 of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016(b).

Neither I, the Firm, nor any partner, auditor or other member thereof, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors.

I shall amend this statement immediately upon my learning that: (A) any of the within representations are incorrect; or (B) there is any change of circumstance relating thereto.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 8<sup>th</sup> day of June 2004.

  
\_\_\_\_\_  
**ANGEL S. RUIZ RODRIGUEZ**  
**MARTINEZ ODELL & CALABRIA**  
P.O. Box 190998  
San Juan, Puerto Rico 00919-0998  
Tel. (787) 753-8914  
Fax. (787) 753-8402  
E-mail: ARuiz@mocpr.com

**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

**Schedule A**

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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**

AIG GLOBAL INVESTMENTS  
AMERICAN EXPRESS ASSET MANAGEMENT  
BANK ONE  
BASIC YOUR BEST BUY INC.  
BCK COMMUNICATIONS  
CITY OF MARLBOROUGH  
COLLECTECH SYSTEMS, INC.  
COMMISSIONER OF REV. SERVICES  
DIRECTV  
DIRECTV LITIGATION VERDICT  
EATON VANCE MANAGEMENT  
ESTADO LIBRE ASOCIADO DE PUERTO RICO  
FEDEX CORPORATION  
FIDELITY MANAGEMENT & RESEARCH CO.  
FIRST UNION NATIONAL BANK  
FLORIDA DEPARTMENT OF FINANCE  
FLORIDA DEPARTMENT OF REVENUE  
GUCKENHEIMER ENTERPRISES INC  
INDIANA DEPT OF REV  
IOWA DEPARTMENT OF REVENUE  
J.P MORGAN TRUST COMPANY, N.A.  
JEFFERSON CO. SHERIFF'S OFFICE  
JOHN HANCOCK ADVISORS  
JOHNSON COUNTY TAC  
JOHNSON COUNTY TREASURER  
KANSAS DEPARTMENT OF REVENUE  
MINNESOTA DEPT OF REVENUE  
NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE  
NATIONWIDE CREDIT, INC.  
NEBRASKA DEPT. OF REVENUE  
NEW MEXICO TAXATION  
NORTEL NETWORKS  
NORTH CAROLINA DEPT OF REVENUE  
NRTC  
NUCONTRIX CONVERSIONS  
PAYMENTECH  
PCC  
PEGASUS COMMUNICATIONS CORPORATION  
PROFESSIONAL SATELLITE & COMMUNICATIONS  
SATELLITE SYSTEM NETWORK  
SOUTH CAROLINA DEPT OF REVENUE  
SOUTH DAKOTA STATE TREASURER  
STANDARD & POOR'S  
STATE CONTROLLER - TEXAS  
STATE OF ARKANSAS

STATE OF TEXAS COMPTROLLER  
STATE TAX COMMISSIONER  
TENNESSEE DEPT OF REVENUE  
TREASURER OF STATE (OHIO)  
UTAH STATE TAX COMMISSION  
VERMONT DEPARTMENT OF TAXES  
WACHOVIA BANK, NA  
WEBCLICK CONCEPTS INC.  
WEST VIRGINIA STATE TAX DEPT

**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.  
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

## BILLING RATES

ATTORNEY	CATEGORY	RATES	YEAR
Martínez, Fred	Sr. Partner	250	1971 - 33
Odell, Lawrence	Sr. Partner	250	1974 - 30
Ramírez, Francisco	Sr. Partner	250	1977 - 27
Rodríguez, Alberto	Sr. Partner	250	1986 - 18
Guzmán, Humberto	Sr. Partner	250	1980 - 24
López Correa, Luis	Sr. Partner	250	1970 - 34
Belaval, Graciela	Sr. Partner	250	1975 - 29
Morales, Luis	Sr. Partner	250	1979 - 25
Ruiz, Angel	Sr. Partner	250	1980 - 24
Villamil, Arnaldo	Sr. Partner	225	1965 - 39
Rodríguez, Brunilda	Sr. Partner	250	1978 - 26
López, Manuel E.	Sr. Partner	250	1990 - 14
García, Jorge	Sr. Partner	250	1993 - 11
Fortuño, Amelia	Sr. Partner	250	1974 - 30
Valderrábano, Fernando	Jr. Partner	185	1990 - 14
Roques, Eliseo	Jr. Partner	185	1998 - 6
Umpierre, Gustavo	Jr. Partner	185	1998 - 6
Mongil, Luis	Jr. Partner	185	1995 - 9
Hernández, Luis	Jr. Partner	175	1997 - 7
De Mier, María Isabel	Jr. Partner	175	
Ortiz Camacho, Liza M.	Sr. Assoc.	150	2001 - 3
Lugo, Eyck O.	Sr. Assoc.	150	1999 - 5
Sanchez, Miriam W.	Assoc.	125	1997 - 7
Hill, Edward W.	Assoc.	125	1998 - 6
Hernández, Miguel	Assoc.	100	2001 - 3
Lamoutte, Carlos	Assoc.	100	2002 - 2
Belaval, Cristina	Assoc.	100	2002 - 2
Rodríguez, Lourdes	Assoc.	100	2002 - 2

Martínez, Frederick B.	Assoc.	100	Pending
Davila, José J.	Assoc.	100	2003 - 2
Piñero Parés, Ana	Assoc.	100	2003 - 1
Carrasquillo, Rogelio J.	Assoc.	100	Pending
Rigau, Marcos	Counsel	250	
Reiss, Richard	Counsel	150	
Robles Díaz, Nelson	Counsel	175	

### **PARALEGALS-50/40/30**

Laureano, Olga	Paralegal	50
Carrasquillo, Zelma	Paralegal	50
Cabrer, Juan	Paralegal	40
Sanchez, Horatio	Paralegal	40
Jiménez Davis, Laura	Paralegal	40
Price, Sarah	Paralegal	40
Canales, Sonia	Paralegal	30

### **LAWCLERKS-40**

Smith, Alexandra  
Dominguez, Omar G.  
Antonmattei, Sadi R.  
Alberty, Marimar  
Rosado, Rufino

**\*\*REVISED APRIL 30, 2004\*\***