

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 KEKST AND COMPANY, INCORPORATED AS CORPORATE
COMMUNICATIONS CONSULTANT TO
PEGASUS SATELLITE TELEVISION, INC. AND CERTAIN
OF ITS SUBSIDIARIES AND AFFILIATES
FOR THE PERIOD BEGINNING JUNE 2, 2004 AND ENDING JUNE 30, 2004**

Kekst and Company, Incorporated (“Kekst”), corporate communications consultant 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 June 2, 2004 and ending June 30, 2004 (the “First Compensation Period”). In support of the Monthly Statement, Kekst 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”).

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.

2. On June 24, 2004, the Bankruptcy Court signed an order (the “Retention Order”) authorizing the retention of Kekst and Company, Incorporated as corporate communications consultant 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 First Compensation Period, Kekst’s fees for providing professional services to the Debtors totaled \$79,742.75. In connection with services rendered, Kekst has recorded actual and necessary out-of-pocket expenses in the amount of \$3,167.75. There may exist additional out-of-pocket expenses that Kekst 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 First 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
June 2 – June 30 2004	\$76,575.00	\$7,657.50	\$68,917.50	\$3,167.75	\$72,085.25

6. Attached hereto as Exhibit B is a schedule of the hours billed by each professional at Kekst, and their respective hourly rates, during the First 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.

DATE: July 27, 2004

KEKST AND COMPANY, INCORPORATED
437 Madison Avenue
New York, NY 10022

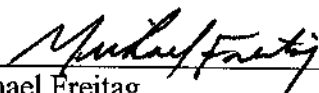
BY: 
Michael Freitag
Partner (Authorized Signatory)

EXHIBIT A

EXPENSE SUMMARY

Expense Category	Service Provider (If Applicable)	Total Expenses
Telecommunications		\$1,160.00
Photocopy		\$280.00
Subscriptions		\$470.00
News Services		\$560.00
Information Technology		\$280.00
Teleconference – 6/2/04	Premiere	\$144.49
Travel – 6/3/04	Amtrak	\$52.00
Hotel Expense – 6/2-3/04	Hilton	\$204.26
Hotel meal		\$17.00

EXHIBIT B

Name of Professional Individual	Position of the Applicant, Number of years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including changes)	Total Hours Billed	Total Compensation
Michael Freitag	Partner since 1993. Joined firm as an Associate in 1990.	\$600	59	\$35,400.00
Victoria Weld	Partner since 2000. Joined firm as an Associate in 1996.	\$500	76	\$38,000.00
Wendi Kopsick	Partner since 1998. Joined firm as an Associate in 1993.	\$600	3	\$1,800.00
Michael Herley (Research)	Partner since 2001. Joined firm as an Associate in 1996.	\$425	1	\$425.00
Michal Chafets (Research)	Partner since 2002. Joined firm as an Associate in 1997.	\$425	1	\$425.00
Heather Grizzle	Associate. Joined firm in 2003.	\$250	3	\$525.00

Grand Total: \$76,575.00

Total Hours: 143

Blended Rate: \$535.49

EXHIBIT C

PEGASUS SATELLITE COMMUNICATIONS, INC.
Supplement To Invoice #068436, dated July 1, 2004
Charges for post-petition services for the period June 2-30, 2004

PROJECT CATEGORY: General Strategic Counsel and Planning

Date	Professional	Hours	Rate	Amount	Description of Activity
<u>June 2</u>					
M. Freitag		6.0 hrs	\$600.00	\$3,600.00	<i>Telephonic strategic discussions with senior management team, legal and financial advisors regarding first-day developments</i>
W. Kopsick		2.0 hrs	\$600.00	\$1,200.00	<i>Telephonic strategic discussions with senior management team, legal and financial advisors regarding first-day developments</i>
V. Weld		8.0 hrs	\$500.00	\$4,000.00	<i>Telephonic strategic discussions with senior management team, legal and financial advisors regarding first-day developments</i>
<u>June 3</u>					
M. Freitag		8.0 hrs	\$600.00	\$4,800.00	<i>Meetings in Bala Cynwyd with senior management, business group heads to implement communications plan</i>
<u>June 4</u>					
M. Freitag		2.5 hrs	\$600.00	\$1,500.00	<i>Discussions with C. Crate, H. Verlin, M. Pagon and others regarding next steps</i>
<u>June 5</u>					
M. Freitag		1.5 hrs	\$600.00	\$900.00	<i>Conference call with senior management and advisors re: next steps</i>
V. Weld		1.5 hrs	\$500.00	\$750.00	<i>Conference call with senior management and advisors re: next steps</i>
<u>June 6</u>					
M. Freitag		0.5 hrs	\$600.00	\$300.00	<i>Discussions with C. Crate, V. Weld</i>

V. Weld 0.5 hrs \$500.00 \$250.00
Discussions with C. Crate, M. Freitag

June 7

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussions with H. Verlin, V. Weld

V. Weld 0.5 hrs \$500.00 \$250.00
Discussions with H. Verlin, M. Freitag

June 9

M. Freitag 0.5 hrs \$600.00 \$300.00
Conference call with senior management and V. Weld

V. Weld 1.5 hrs \$500.00 \$750.00
Discussions with C. Crate, K. Heisler, M. Freitag, senior management

June 10

M. Freitag 2.0 hrs \$600.00 \$1,200.00
Discussions with management and advisors re: court ruling

V. Weld 1.0 hrs \$500.00 \$500.00
Discussions with management and advisors re: court ruling

June 11

M. Freitag 2.5 hrs \$600.00 \$1,500.00
Conference call with senior management, advisors

V. Weld 2.5 hrs \$500.00 \$1,250.00
Conference call with senior management, advisors

June 13

M. Freitag 1.0 hrs \$600.00 \$600.00
Review of lawsuit and discussions with C. Crate, V. Weld

V. Weld 0.5 hrs \$500.00 \$250.00
Discussion with C. Crate, M. Freitag

June 14

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussions with management and advisors re: press release draft

V. Weld 2.0 hrs \$500.00 \$1,000.00
Discussions with management and follow-up re: press release

June 15

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussions with C. Crate and V. Weld

V. Weld 0.5 hrs \$500.00 \$250.00
Discussions with C. Crate and M. Freitag

V. Weld 2.0 hrs \$500.00 \$1,000.00
Discussions with management and follow-up

June 16

M. Freitag 1.0 hrs \$600.00 \$600.00
Discussions with C. Crate and V. Weld re: media strategy

V. Weld 1.0 hrs \$500.00 \$500.00
Discussions with C. Crate and M. Freitag re: media strategy

V. Weld 2.5 hrs \$500.00 \$1,250.00
Discussions with management and follow-up

June 17

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussions with V. Weld re: media strategy

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussion with C. Crate

V. Weld 0.5 hrs \$500.00 \$250.00
Discussion with M. Freitag re: media strategy

V. Weld 1.5 hrs \$500.00 \$750.00
Discussions with C. Crate and other members of management

June 18

M. Freitag 1.0 hrs \$600.00 \$600.00
Conference call with C. Crate, V. Weld to discuss next steps, media strategy

V. Weld 1.0 hrs \$500.00 \$500.00
Conference call with C. Crate, M. Freitag to discuss media strategy, next steps

June 21

M. Freitag 2.0 hrs \$600.00 \$1,200.00
Conference call with C. Crate, H. Verlin, T. Lodge and others re: court hearing

V. Weld 2.0 hrs \$500.00 \$1,000.00
Conference call with C. Crate, H. Verlin, T. Lodge and others re: court hearing

June 22

M. Freitag 1.0 hrs \$600.00 \$600.00
Conference call with C. Crate, H. Verlin re: court ruling

V. Weld 1.0 hrs \$500.00 \$500.00
Conference call with C. Crate, H. Verlin re: court ruling

June 23

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussions with management, V. Weld re: media inquiries

V. Weld 0.5 hrs \$500.00 \$250.00
Discussion with M. Freitag re: media inquiries

V. Weld 1.0 hrs \$500.00 \$500.00
Discussion with management

June 24

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussion with C. Crate re: employee communications

V. Weld 0.5 hrs \$500.00 \$250.00
Discussion with C. Crate re: employee communications

June 25

V. Weld 0.5 hrs \$500.00 \$250.00
Discussion with C. Crate re: next steps

June 28

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussions with C. Crate, V. Weld re: next steps

V. Weld 0.5 hrs \$500.00 \$250.00
Discussions with C. Crate, M. Freitag re: next steps

June 29

M. Freitag 0.5 hrs \$600.00 \$300.00
Follow-up discussions regarding recent developments

June 30

V. Weld 0.5 hrs \$500.00 \$250.00
Follow-up discussions with management

PROJECT TOTALS: 69.50 hrs \$38,350.00

PROJECT CATEGORY: Media Activity

Date	Professional	Hours	Rate	Amount
	<i>Description of Activity</i>			

June 2

M. Freitag 3.0 hrs \$600.00 \$1,800.00
Development and review of media materials, including press release

W. Kopsick 1.0 hrs \$600.00 \$600.00
Development of press release

June 3

M. Freitag 1.0 hrs \$600.00 \$600.00
Response to media inquiries and monitoring of media activity

June 4

M. Freitag 1.0 hrs \$600.00 \$600.00
Response to media inquiries

June 7

M. Freitag 1.0 hrs \$600.00 \$600.00
Response to media inquiries

June 9

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Media inquiry and follow-up</i>			

June 10

M. Freitag	1.0 hrs	\$600.00	\$600.00
<i>Preparation of and revisions to press release</i>			

V. Weld	1.5 hrs	\$500.00	\$750.00
<i>Revisions to press release</i>			

June 11

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Response to media inquiries</i>			

June 13

M. Freitag	1.5 hrs	\$600.00	\$900.00
<i>Development of press release</i>			

June 14

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Revisions to press release</i>			

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Press release revisions</i>			

June 16

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Fielded media inquiries</i>			

June 17

V. Weld	1.5 hrs	\$500.00	\$750.00
<i>Fielded media inquiries</i>			

June 18

M. Freitag	0.5 hrs	\$600.00	\$300.00
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Reviewed draft press releases

V. Weld 1.5 hrs \$500.00 \$750.00

Prepared draft press releases for various court scenarios

June 21

M. Freitag 2.0 hrs \$600.00 \$1,200.00

Drafted and edited two press releases

June 22

M. Freitag 0.5 hrs \$600.00 \$300.00

Response to media inquiries

June 23

V. Weld 0.5 hrs \$500.00 \$250.00

Fielded media inquiries

PROJECT TOTALS: 21.0 hrs \$11,900.00

PROJECT CATEGORY: Materials Preparation

Date	Professional	Hours	Rate	Amount
	<i>Description of Activity</i>			

June 2

M. Freitag 1.0 hrs \$600.00 \$600.00

Development and review of materials for communication with internal and external constituencies

V. Weld 2.5 hrs \$500.00 \$1,250.00

Development and review of materials for communication with internal and external constituencies

H. Grizzle 0.5 hrs \$175.00 \$87.50

Development of materials for communication with internal and external constituencies

June 3

M. Freitag 3.0 hrs \$600.00 \$1,800.00

Revisions to materials for communication with internal and external constituencies

V. Weld 5.5 hrs \$500.00 \$2,750.00

Development and review of materials for communication with internal and external constituencies

H. Grizzle 2.0 hrs \$175.00 \$350.00

Development of materials for communication with internal and external constituencies

June 4

V. Weld 1.5 hrs \$500.00 \$750.00

Development and review of materials for communication with internal and external constituencies

H. Grizzle 0.5 hrs \$175.00 \$87.50

Development of materials for communication with internal and external constituencies

June 7

V. Weld 2.5 hrs \$500.00 \$1,250.00

Revisions to web site materials

June 8

V. Weld 0.5 hrs \$500.00 \$250.00

Revisions to web site materials

June 9

V. Weld 4.0 hrs \$500.00 \$2,000.00

Revisions to web site materials and other communication materials

June 10

M. Freitag 2.0 hrs \$600.00 \$1,200.00

Preparation of and revisions to employee materials

V. Weld 2.0 hrs \$500.00 \$1,000.00

Preparation of employee materials

June 11

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Revisions to Q&A document</i>			

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Revisions to employee materials</i>			

June 14

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Development of employee materials</i>			

June 15

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Review of vendor and customer materials</i>			

V. Weld	2.0 hrs	\$500.00	\$1,000.00
<i>Development of vendor and customer materials</i>			

June 16

V. Weld	3.0 hrs	\$500.00	\$1,500.00
<i>Revisions to vendor and customer materials</i>			

June 17

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Revisions to vendor and customer materials</i>			

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Revisions to vendor and customer materials</i>			

June 18

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Revise materials for subscribers</i>			

June 21

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Prepared employee materials</i>			

June 22

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Preparation of communications materials</i>			

V. Weld	0.5 hrs	\$500.00	\$250.00
<i>Revisions to employee materials</i>			

June 23

V. Weld	0.5 hrs	\$500.00	\$250.00
<i>Revisions to employee materials</i>			

June 24

V. Weld	2.0 hrs	\$500.00	\$1,000.00
<i>Drafted materials for communication with employees</i>			

June 25

V. Weld	0.5 hrs	\$500.00	\$250.00
<i>Revisions to employee materials</i>			

June 28

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Revisions to employee materials</i>			

June 30

V. Weld	0.5 hrs	\$500.00	\$250.00
<i>Revisions to employee materials</i>			

CATEGORY TOTALS:	44.5 hrs		\$22,075.00
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PROJECT CATEGORY: Court Hearings

Date	Professional	Hours	Rate	Amount
<i>Description of Activity</i>				

June 18

M. Freitag	1.0 hrs	\$600.00	\$600.00
<i>Monitored court hearing telephonically</i>			

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Monitored court hearing telephonically</i>			

June 21

M. Freitag	1.0 hrs	\$600.00	\$600.00
<i>Monitored court hearing telephonically</i>			

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Monitored court hearing telephonically</i>			

CATEGORY TOTALS: 4.0 hrs \$2,200.00

PROJECT CATEGORY: Research/Media Monitoring

Date	Professional	Hours	Rate	Amount
<i>Description of Activity</i>				

June 3

M. Chafets	1.0 hrs	\$425.00	\$425.00
<i>Review of databases and news wires</i>			

June 9

M. Herley	1.0 hrs	\$425.00	\$425.00
<i>Review of databases and news wires</i>			

CATEGORY TOTALS: 2.0 hrs \$850.00

PROJECT CATEGORY: Retention Application

Date	Professional	Hours	Rate	Amount
<i>Description of Activity</i>				

June 4

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Revisions to retention application</i>			

June 7

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Revisions to retention application</i>			

June 23

M. Freitag	0.5 hrs	\$600.00	\$300.00
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Discussion with E. Morning regarding retention application and follow-up

June 24

M. Freitag 0.5 hrs \$600.00 \$300.00

Discussion with E. Morning regarding retention application and follow-up

PROJECT TOTALS: 2.0 hrs \$1,200.00

GRAND TOTALS: 143.0 hrs \$79,72.75

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

CERTIFICATE OF SERVICE

I, Sheila R. Dilios, being over the age of eighteen and an employee of Bernstein, Shur, Sawyer & Nelson, hereby certify that on July 28, 2004 I caused the Statement of Fees for Services Rendered and Expenses Incurred by Kekst and Company, Incorporated as Corporate Communications Consultant to Pegasus Satellite Television, Inc. and Certain of its Subsidiaries and Affiliates for the Period Beginning June 2, 2004 and Ending June 30, 2004 to be served on the parties listed by verifying that such persons(s) are listed on the Electronic Mail Notice List kept by the Clerk's office and therefore will be served as part of the Electronic Case Filing ("ECF") system pursuant to the Standing Order Regarding Administrative Procedures for Electronically Filed Cases dated August 12, 2002, and entered in the U.S. Bankruptcy Court for the District of Maine. Persons who will be served as part of the ECF System are designated in the "ECF Filing" section of the service list. I did not cause service to be made on the persons shown in the "ECF Filing" section.

July 28, 2004

/s/ Sheila R. Dilios
SHEILA R. DILIOS

BERNSTEIN, SHUR, SAWYER & NELSON
100 Middle Street, P.O. Box 9729

Portland, ME 04104-5029

SERVICE VIA “ECF FILING”

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