

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 ARNOLD & PORTER LLP AS SPECIAL LITIGATION COUNSEL TO
PEGASUS SATELLITE TELEVISION, INC. AND CERTAIN
OF ITS SUBSIDIARIES AND AFFILIATES
FOR THE PERIOD BEGINNING JUNE 2, 2004 AND ENDING JUNE 30, 2004**

Arnold & Porter LLP, special litigation counsel 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, Arnold & Porter LLP 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 29, 2004, the Bankruptcy Court signed an order (the "Retention Order") authorizing the retention of Arnold & Porter LLP as special litigation counsel 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, Arnold & Porter LLP's fees for providing professional services to the Debtors totaled \$11,622.50. In connection with services rendered, Arnold & Porter LLP has recorded actual and necessary out-of-pocket expenses in the amount of \$1,474.36. There may exist additional out-of-pocket expenses that Arnold & Porter LLP 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 June 2 – June 30 2004	Total Fees	Less Holdback @ 10%	Fees Due	Total Expenses	Amounts Due
DirecTV	\$10,478.75	\$1,047.88	\$9,430.87	\$1,453.68	\$10,884.55
Intellectual Property	1,143.75	114.38	1,029.37	20.68	1,050.05

6. Attached hereto as Exhibit B is a schedule of the hours billed by each professional at Arnold & Porter LLP, 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.

Arnold & Porter LLP
777 South Figueroa Street
44th Floor
Los Angeles, CA 90017

By: 

David S. Eisen
Partner

#329134

Statement

Pegasus Communications Corporation
225 City Avenue
Suite 200
Bala Cynwyd, PA 19004

Invoice # 1102596
(15235.002)
DIRECTV

July 26, 2004

For Legal Services Rendered and Disbursements Recorded through June 30, 2004**Legal Services and Disbursements by Matter:**

Matter #	Matter Name	Fee Amount	Disb. Amount	Total Amount
15235.002	DIRECTV	10,478.75	1,453.68	11,932.43
	Total	10,478.75	1,453.68	11,932.43
Total Amount Due			\$	11,932.43

StatementPegasus Communications Corporation
225 City Avenue
Suite 200
Bala Cynwyd, PA 19004Invoice # 1102645
(15235.004)
Intellectual Property

July 26, 2004

For Legal Services Rendered and Disbursements Recorded through June 30, 2004**Legal Services and Disbursements by Matter:**

Matter #	Matter Name	Fee Amount	Disb. Amount	Total Amount
15235.004	Intellectual Property	1,143.75	20.68	1,164.43
	Total	1,143.75	20.68	1,164.43
Total Amount Due			\$	1,164.43

Exhibit B

July 26, 2004
Arnold and Porter LLP

Invoice # 1102596

DIRECTV
(15235.002)

Legal Services-Attorney Summary

Timekeeper	Hours	Rate	Value
David S. Eisen	13.45	550.00	7,397.48
Ingrid V. Eagly	6.00	375.00	2,250.00
Kathryn A. DiGalbo	4.75	175.00	831.27
TOTAL	24.20		10,478.75

July 26, 2004
Arnold and Porter LLP

Invoice # 1102645

Intellectual Property
(15235.004)

Legal Services-Attorney Summary

Timekeeper	Hours	Rate	Value
Sidney A. Rosenzweig	1.25	375.00	468.75
Joshua L. Giesey	5.00	135.00	675.00
TOTAL	6.25		1,143.75

Exhibit C

Arnold & Porter LLP

Remittance Copy

Pegasus Communications Corporation
225 City Avenue
Suite 200
Bala Cynwyd, PA 19004

Invoice # 1102596
(15235.002)
DIRECTV

July 26, 2004

For Legal Services Rendered and Disbursements Recorded through June 30, 2004

Legal Services and Disbursements by Matter:

Matter #	Matter Name	Fee Amount	Disb. Amount	Total Amount
15235.002	DIRECTV	10,478.75	1,453.68	11,932.43
	Total	10,478.75	1,453.68	11,932.43
Total Amount Due			\$	11,932.43

Remit To:

Arnold & Porter LLP
555 Twelfth Street, N.W.
Washington, D.C. 20004-1206

**(15235.002)
DIRECTV****Legal Services:**

Name	Date	Hours	Amount	Narrative
Ingrid V. Eagly	06/01/04	5.75	2,156.25	Conduct Westlaw research. Prepare folders of applicable case law for D. Eisen. Email to D. Eisen re same.
David S. Eisen	06/01/04	2.50	1,375.00	Bankruptcy filings and multiple emails with bankruptcy counsel.
Ingrid V. Eagly	06/02/04	0.25	93.75	Conference with D. Eisen re research.
David S. Eisen	06/02/04	2.70	1,485.00	Multiple calls with counsel; bankruptcy filings and emails with bankruptcy counsel; conference with opposing counsel; review new complaint.
David S. Eisen	06/03/04	1.50	825.00	Telephone conference with T. Lodge; several telephone conferences with J. Scott.
Kathryn A. DiGalbo	06/04/04	0.75	131.25	Two telephone conferences with paralegal at Sidley Austin; e mail chart to him; document retrieval for J. Tatel; leave message with J. Tatel regarding documents.
David S. Eisen	06/04/04	1.60	880.00	Review research; multiple emails; review documents re appeal; complete bankruptcy documents.
Kathryn A. DiGalbo	06/07/04	0.50	87.51	Request IT department to download livenote deposition transcripts and coded transcripts onto a CD; prepare letter to Sidley Austin and federal express CD to them.
Kathryn A. DiGalbo	06/18/04	1.00	175.00	Pull deposition exhibits for Sidley Austin and arrange for copying.
David S. Eisen	06/18/04	1.25	687.50	Telephone conference with J. Guerra re transcripts; review docketing statement; review documents.
Kathryn A. DiGalbo	06/21/04	2.00	350.00	Retrieve exhibits for Sidley Austin and arrange for copying.
David S. Eisen	06/21/04	1.50	825.00	Multiple emails; review expert materials and hearing transcripts.
Kathryn A. DiGalbo	06/22/04	0.50	87.51	Organize deposition exhibits and arrange for Federal expressing to Sidley Austin; prepare e mail to paralegal at Sidley Austin regarding exhibits.
David S. Eisen	06/29/04	1.30	715.00	Review emails; review docketing statement, statement of issues, chronology for oral arguments.

July 26, 2004

Invoice # 1102596

Name	Date	Hours	Amount	Narrative
David S. Eisen	06/30/04	1.10	604.98	Review files; review statement of issues and chronology.
Total Hours		24.20		
Total Fees			10,478.75	

Disbursements:

Category	Date	Description	Amount
Courier	06/17/04	VENDOR: Worldwide Attorney Service; INVOICE#: 30947; DATE: 5/31/2004 - Courier fees - 5/28/04 - Hot File - USDC/Central District, Los Angeles - CV0000368LGB - Pegasus v. Direct TV - Entry opf final jdgmnt	49.00
Westlaw Research			768.96
Duplicating			387.48
Postage			1.85
Telephone			1.07
Telecopy			42.00
Air Delivery Services			203.32
Total Disbursements			1,453.68
Total Current Amount Due			\$11,932.43

(15235.004)
Intellectual Property

Legal Services:

Name	Date	Hours	Amount	Narrative
Joshua L. Gieseey	06/01/04	0.50	67.50	Legal Assistant services for Sidney Rosenzweig: searched for documents requested by Hunton & Williams.
Sidney A. Rosenzweig	06/01/04	1.25	468.75	Conferences; prepared summary of Delaware case for D. Eisen and D. Apatoff.
Joshua L. Gieseey	06/09/04	0.50	67.50	Legal Assistant services for Sidney Rosenzweig: searched for documents requested from Hunton & Williams.
Joshua L. Gieseey	06/10/04	1.00	135.00	Legal Assistant services for Sidney Rosenzweig: Searched for documents requested by Hunton & Williams.
Joshua L. Gieseey	06/11/04	2.50	337.50	Legal Assistant services for Sidney Rosenzweig: Searched for documents requested by Hunton & Williams.
Joshua L. Gieseey	06/30/04	0.50	67.50	Legal Assistant services for Sidney Rosenzweig: Located documents requested by Hunton & Williams.
Total Hours		6.25		
Total Fees			1,143.75	

Disbursements:

Category	Date	Description	Amount
Courier	05/26/04	Washington Express Delivery on 05-26-04 Requestor: ROSENWEIG From: ARNOLD PORTER DC, 555 12 ST CONCOURSE, CONCOURSE LVL; ROSENWEIG To: HUNTON WILLIAMS DC, 1900 K ST NW, 1900 K ST NW Voucher: RZ4157 Info:	10.34
Courier	05/27/04	Washington Express Delivery on 05-27-04 Requestor: SID ROSENWEIG From: ARNOLD PORTER DC, 555 12 ST CONCOURSE, CONCOURSE LVL; SID ROSENWEIG To: HUNTON WILLIAMS DC, 1900 K ST NW, 1900 K ST NW; EMERSON BRIGGS Voucher: RZ4184 Info:	10.34
Total Disbursements			20.68

July 26, 2004

Invoice # 1102645

Total Disbursements

20.68

Total Current Amount Due

\$1,164.43

Arnold & Porter LLP

Remittance Copy

Pegasus Communications Corporation
225 City Avenue
Suite 200
Bala Cynwyd, PA 19004

Invoice # 1102645
(15235.004)
Intellectual Property

July 26, 2004

For Legal Services Rendered and Disbursements Recorded through June 30, 2004

Legal Services and Disbursements by Matter:

Matter #	Matter Name	Fee Amount	Disb. Amount	Total Amount
15235.004	Intellectual Property	1,143.75	20.68	1,164.43
	Total	1,143.75	20.68	1,164.43
Total Amount Due			\$	1,164.43

Remit To:

Arnold & Porter LLP
555 Twelfth Street, N.W.
Washington, D.C. 20004-1206

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 August 2, 2004 I caused the Statement of Fees for Services Rendered and Expenses Incurred by Arnold & Porter LLP as Special Litigation Counsel 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.

August 2, 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”

- **Gayle H. Allen**
gallen@verrilldana.com bankr@verrilldana.com; ebriggeman@verrilldana.com
- **Rufus E. Brown**
rbrown@brownburkelaw.com
- **Robert S. Brady**
bankruptcy@ycst.com
- **David J. Gaier**
dgaier@mccarter.com
- **Alan Eric Gamza**
agamza@mosessinger.com cdanielson@mosessinger.com
- **Leonard M. Gulino**
lgulino@bssn.com; dilios@bssn.com
- **Nava Hazen**
nhazan@akingump.com; pdublin@akingump.com; aqureshi@akingump.com;
djnewman@akingump.com; mtilney@akingump.com
- **Bruce B. Hochman**
bhochman@lambertcoffin.com cyoung@lambertcoffin.com
- **Robert J. Keach**
rkeach@bssn.com sdilios@bssn.com
- **Jacob A. Manheimer**
jmanheimer@pierceatwood.com mpottle@pierceatwood.com
- **Benjamin E. Marcus**
bmarcusecf@dwmlaw.com
- **George J. Marcus**
bankruptcy@mcm-law.com dgerry@mcm-law.com
- **Ellen Moring**
emoring@sidley.com
pcarus@sidley.com; jknowles@sidley.com; emcdonnell@sidley.com; jmargulies@sidley.com
- **Guy S. Neal**
gneal@sidley.com
- **Richard J. O'Brien**
robrien@lcwlaw.com bmclure@lcwlaw.com

- **F. Bruce Sleeper**
bankruptcy@jbgh.com