

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 OUT-OF-POCKET EXPENSES INCURRED BY CAPITAL & TECHNOLOGY ADVISORS LLC, AS FINANCIAL ADIVSOR TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF PEGASUS SATELLITE TELEVISION, INC., ET AL. FOR THE PERIOD BEGINNING JUNE 14, 2004 AND ENDING JUNE 30, 2004

Capital & Technology Advisors LLC (“C&TA”), financial advisor to the Official Committee of Unsecured Creditors (the “Committee”) of Pegasus Satellite Television, Inc., *et al.* (the “Debtors”), submits for review its monthly statement (this “Monthly Statement”) of fees and out-of-pocket expenses for the period beginning June 14, 2004 and ending June 30, 2004 (the “First Compensation Period”). In support of this Monthly Statement, C&TA states as follows:

1. On June 2, 2004 (the “Commencement Date”), Pegasus Satellite Communications, Inc. and certain of its affiliates (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as amended (“the “Bankruptcy Code”) in the Bankruptcy Court for the District of Maine (the “Bankruptcy Court”).

2. On June 24, 2004, the Court entered an order pursuant to sections 105(a) and 331 of the Bankruptcy Code 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 the filing of monthly fee statements and authorized payment of 90% of any unobjected-to fees and 100% of the expenses requested in the monthly fee statement.

3. On July 27, 2004, the Bankruptcy Court entered an order (the “C&TA Retention Order”) authorizing the retention of C&TA as financial advisor to the Committee *nunc pro tunc* to June 14, 2003, pursuant to that certain engagement letter dated as of June 14, 2004. (the “Engagement Letter”). Pursuant to the terms of the Engagement Letter, C&TA is entitled to receive a Monthly Advisory Fee of \$150,000 per month for its advisory services rendered on behalf of the Committee, as well as reimbursement of reasonable out-of-pocket expenses.

4. For the First Compensation Period, C&TA fees for providing professional services to the Committee totaled \$85,000, which amount represents the prorated Monthly Advisory Fee for the period from June 14, 2004 through June 30, 2004. In connection with services rendered, C&TA has recorded actual and necessary out-of-pocket expenses in the amount of \$3,185.43. There may exist additional out-of-pocket expenses that C&TA has incurred but not yet processed due to timing, which expenses will be submitted at a later date. Attached hereto are the following: (i) a schedule summarizing all time expended by C&TA professionals during the First Compensation Period (Exhibit A), and (ii) a schedule of out-of-pocket disbursements incurred in connection with the services performed during the First Compensation Period (Exhibit B).

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	Amount Due
6/14/04–6/30/04	\$85,000	\$8,500	\$76,500	\$3,185.43	\$79,685.43

6. Pursuant to the terms of the Interim Compensation Order, responses or objections to this Monthly Fee Statement, if any, must be in writing and must be filed with the Bankruptcy Court and served on the notice parties, as specified in the Interim Compensation Order, so as to be received on or before twenty (20) days following receipt of this Monthly Fee Statement (the “Objection Deadline”).

7. Upon the expiration of the Objection Deadline, the Applicant shall certify in writing to the Debtors that no objection, or an objection has been filed with the Bankruptcy Court relative to this Monthly Fee Statement, whichever is applicable, after which the Debtors shall pay to the Applicant an amount equal to either (i) ninety percent (90%) of the fees and one hundred percent (100%) of the expenses requested in this Monthly Fee Statement not subject to an objection, as appropriate, until the Bankruptcy Court hears and resolves such objection.

Dated: August 10, 2004

Respectfully Submitted,

CAPITAL & TECHNOLOGY ADVISORS LLC

/s/ Wayne Barr, Jr.

Wayne Barr, Jr.

Member

18 Corporate Woods Boulevard, Third Floor

Albany, NY 12211

(518) 462-2632 (telephone)

(518) 462-3045 (facsimile)

Exhibit A

**SUMMARY OF TIME CHARGES FOR THE PERIOD
JUNE 14, 2004 THROUGH AND INCLUDING JUNE 30, 2004**

Listed below are the professionals who performed services during the referenced periods, their full names and the time incurred by each.

Jared E. Abbruzzese, Chairman of C&TA - 10 hours

Date	# of Hours	Description
6/14	2	Confer with WBarr and PAquino regarding background information; attend introductory meeting in NYC with committee members
6/17	1	Participate in conference call, respond to issues raised by certain committee members
6/21	.5	Participate in conference call regarding TRO decision
6/23	5	Prepare for and attend meeting with DTV
6/29	1.5	Confer with WBarr regarding DTV, KERP and other issues, participate in conference call with cmte.

Wayne Barr, Jr., Member and General Counsel of C&TA – 22 hours

Date	# of Hours	Description
6/14	4	Finalize and review background and presentation materials with JA and PAquino, participate in cmte meeting
6/15	1	Review background materials
6/16	1.5	Prepare C&TA engagement letter and retention application
6/17	.7	Participate in cmte call; follow-up with C&TA team
6/21	4.5	Attend meeting in Chicago with Debtors' professionals
6/22	1	Confer with ESanchez regarding data room review
6/23	1	Revise engagement letter
6/24	1.5	Review and revise retention application
6/25	.8	Review conflicts list
6/28	3	Review KERP proposals, participate in conference call regarding same
6/29	2	Confer with ESanchez regarding KERP and other issues, participate in cmte call
6/30	1	Review C&TA's comments on KERP proposal; participate in cmte call

Peter Aquino, Senior Consultant – 4 hours

Date	# of Hours	Description
6/14	3	Review presentation and attend committee meeting
6/29	1	Confer with ESanchez regarding KERP

Eduardo Sanchez, Consultant – 66 hours

Date	# of Hours	Description
6/14	5	Revise and finalize presentation to committee
6/17	8	Review background information on Debtors
6/18	8	Review background information on Debtors
6/21	5	Meeting with Sidley Austin, Miller Buckfire (Greenhill, Akin) to get overview of Pegasus' current situation - Chicago.
6/22	8	Evaluating documents on online database
6/23	8	Evaluating documents on online database
6/28	8	Reviewing Pegasus' KERP / SSA proposals. Phone Conference Call with Sidley Austin (Greenhill, Akin) to discuss KERP / SSA proposals.
6/29	8	Reviewing Pegasus' KERP / SSA proposals. Phone Conference Call with Committee (Greenhill, Akin) to provide update on negotiations with DTV
6/30	8	Reviewing Pegasus' KERP / SSA proposals. Phone Conference Call with Greenhill and Akin Gump to discuss KERP

Exhibit B

**CAPITAL & TECHNOLOGY ADVISORS LLC
EXPENSE SUMMARY FOR THE PERIOD JUNE 14, 2004 – June 30, 2004**

EXPENSE CATEGORY	TOTAL EXPENSES
Travel(1)	\$2,578.40
Lodging	\$572.14
Meals While Traveling	\$34.89
TOTAL:	\$3,185.43

(1) Includes airfares, mileage, parking and taxi expenses.

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CERTIFICATE OF SERVICE

I, Michelle S. Pottle, being over the age of 18 and an employee of Pierce Atwood, hereby certify that on August 10, 2004 I caused the Statement of Fees for Services Rendered and Out-of-Pocket Expenses Incurred by Capital & Technology Advisors LLC as Financial Advisor to the Official Committee of Unsecured Creditors of Pegasus Satellite Television, Inc., *et al.*, for the Period Beginning June 14, 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, 2003, 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.

Dated: Portland, Maine
August 10, 2004

/s/ Michelle S. Pottle

Michelle S. Pottle
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Pierce Atwood
One Monument Square
Portland, ME 04101
(207) 791-1100

Mailing Information for Case 04-20878

Electronic Mail Notice List

The following is the list of attorneys who are currently on the list to receive e-mail notices for this case.

- **Gayle H. Allen**
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