

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 ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF PEGASUS SATELLITE TELEVISION, INC., *ET AL.*
FOR THE PERIOD BEGINNING JULY 1, 2004 AND ENDING JULY 31, 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 July 1, 2004 and ending July 31, 2004 (the “Second 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 Second Compensation Period, C&TA fees for providing professional services to the Committee totaled \$150,000, which amount represents the Monthly Advisory Fee for the period from July 1, 2004 through July 31, 2004. In connection with services rendered, C&TA has recorded actual and necessary out-of-pocket expenses in the amount of \$7,213.91. 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 Second Compensation Period (Exhibit A), and (ii) a schedule of out-of-pocket disbursements incurred in connection with the services performed during the Second 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
7/1/04-7/31/04	\$150,000	\$15,000	\$135,000	\$7,213.91	\$142,213.91

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 25, 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)

**SUMMARY OF TIME CHARGES FOR THE PERIOD
JULY 1, 2004 THROUGH AND INCLUDING JULY 31, 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 – 16.5 hours

Date	# of Hours	Description
7/1	3	Meeting in NYC with Committee , Debtors and advisors
7/6	3	Participate in conference calls with Committee, meeting at MBLY
7/13	4	Meeting at Sidley Austin; follow up discussions with committee members and C&TA personnel
7/14	4	Additional meetings with committee members regarding potential transaction; review and discuss transaction and diligence efforts with C&TA personnel
7/16	1	Participate in conference call
7/20	.5	Update call with C&TA personnel regarding negotiation status
7/23	.5	Update call with C&TA personnel regarding negotiation status
7/29	.5	Pegasus conference call

Wayne Barr, Jr., Member and General Counsel of C&TA – 85 hours

Date	# of Hours	Description
7/1	3	Meeting in NYC with Committee , Debtors and advisors
7/2	4	Review various issues including KERP; participate in conference call
7/6	1	Participate in conference call; follow up with ESanchez
7/7	2	Review diligence materials
7/8	1	Review diligence materials
7/12	.5	Conference call with ESanchez
7/14	8	Travel to and attend diligence session at Debtors' offices
7/19	8	Meetings in NYC with DTV and Debtors
7/20	6	Meetings in NYC with DTV and Debtors
7/21	6	Meetings in NYC with DTV and Debtors
7/22	7	Meetings in NYC with DTV and Debtors
7/25	8	Meetings in NYC with DTV and Debtors
7/26	9	Meetings in NYC with DTV and Debtors
7/27	9	Meetings in NYC with DTV and Debtors

Date	# of Hours	Description
7/28	9	Meetings in NYC with DTV and Debtors
7/29	4	Participate in conference calls regarding DTV transaction, KERP and other issues

Eduardo Sanchez, Consultant – 122 hours

Date	# of Hours	Description
7/1	8	Meeting with the Unsecured Creditors Committee, Debtors, and Advisors in NYC to DTV offer
7/2	8	Phone Conference Call with Sidley Austin, Pegasus (Greenhill, Akin Gump) to discuss Tier II,III STI and KERP for Senior Employees
7/6	8	Reviewing due diligence documents. Conference Call with Joe Pooler, Miller Buckfire (Greenhill, Akin) to go over Support Services Agreement. Conference Call with Pegasus, Sidley, Akin G, and Greenhill to get additional details on current STI compensation plan
7/7	8	Reviewing due diligence documents
7/8	8	Reviewing due diligence documents
7/12	4	Out of the office on vacation. Phone Conference Call with Greenhill and Akin Gump to discuss Tier II,III STI and KERP for Senior Employees
7/13	8	Meeting with the Unsecured Creditors Committee, Debtors, and DTV in NYC
7/14	8	Due diligence meeting at Pegasus HQ - Philadelphia - (CTA, Greenhill, Chanin, Miller, Pegasus mgmt).
7/15	8	Reviewing documents provided on Wednesday meeting
7/22	8	Conference Call with the Committee and Advisors to discuss KERP Proposal. Conference Call with Miller, Sidley to discuss Recovery Analysis prepared by Miller
7/23	8	Conference Call with the Committee and Advisors to discuss KERP Proposal and Progress on transaction with DTV. Conference Call with Miller, Sidley to present KERP Proposal
7/24	6	Drafting South Plains Memo to the Committee
7/26	8	Reviewing progress and documents related to negotiation with DTV
7/28	8	Conference Call Pegasus Committee + Advisors to discuss DTV negotiations progress (4:30 pm). Conference Call with Miller Buckfire (7:00 pm) to

Date	# of Hours	Description
		review Schedules to Pegasus APA
7/29	8	Conference Call Committee + Advisors to discuss DTV negotiations progress (3:00 pm). Preparing KERP Presentation to Committee
7/30	8	Reviewing progress and documents related to negotiation with DTV

**CAPITAL & TECHNOLOGY ADVISORS LLC
EXPENSE SUMMARY FOR THE PERIOD JULY 1, 2004 – JULY 31, 2004**

EXPENSE CATEGORY	TOTAL EXPENSES
Travel(1)	\$3,591.28
Lodging	3,219.93
Meals While Traveling	329.92
Miscellaneous	<u>72.78</u>
TOTAL:	\$7,213.91

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

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Debtors.)	(Jointly Administered)
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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 25, 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 July 1, 2004 and Ending July 31, 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 25, 2004

/s/ Michelle S. Pottle _____
Michelle S. Pottle
Legal Assistant
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**
gallen@verrilldana.com bankr@verrilldana.com;ebriggeman@verrilldana.com
- **Fred W. Bopp, III,**
fbopp@perkinsthompson.com malexander@perkinsthompson.com
- **Robert S. Brady**
bankruptcy@yest.com
- **Roger A. Clement, Jr.**
rclement@verrilldana.com bankr@verrilldana.com
- **Randy J. Creswell**
rcreswell@perkinsthompson.com cpaine@perkinsthompson.com
- **Daniel R. Felkel**
dfelkel@thplaw.com hmitchell-moore@thplaw.com
- **David J. Gaier**
dgaier@mccarter.com
- **Alan Eric Gamza**
agamza@mosessinger.com cdanielson@mosessinger.com
- **Jay S. Geller**
jgeller@maine.rr.com
- **Leonard M. Gulino**
lgulino@bssn.com sdilios@bssn.com
- **Nava Hazan**
nhazan@akingump.com
pdublin@akingump.com;aqureshi@akingump.com;djnewman@akingump.com;mtilney@akingump.com
- **Bruce B. Hochman**
bhochman@lambertcoffin.com cyoung@lambertcoffin.com
- **Kim Y. Jefferson**
ICBRCAL@state.tn.us
- **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
- **John P. McVeigh**
jmcveigh@preti.com

- **Ellen Moring**
emoring@sidley.com
pcaruso@sidley.com;jknowles@sidley.com;emcdonnell@sidley.com;jmargulies@sidley.com
- **Guy S. Neal**
gneal@sidley.com
- **Richard J. O'Brien**
robrien@lcwlaw.com bmcclure@lcwlaw.com
- **Jennifer H. Pincus**
jpincus@perkinsthompson.com
- **Peter Michael Reed**
sragdale@mvalaw.com
- **F. Bruce Sleeper**
bankruptcy@jbgh.com
- **Robert Checkoway**
robert.checkoway@usdoj.gov