

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 MILLER BUCKFIRE LEWIS YING & CO., LLC AS
FINANCIAL ADVISOR AND INVESTMENT BANKER TO
PEGASUS SATELLITE COMMUNICATIONS, INC. AND AFFILIATES
FOR THE PERIOD BEGINNING JULY 1, 2004 AND ENDING JULY 31, 2004**

Miller Buckfire Lewis Ying & Co., LLC (“MBLY”), financial advisor to Pegasus Satellite Communications, Inc. and its affiliates, submits for review its monthly statement (the “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 the Monthly Statement, Marc D. Puntus 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 “Court”).

2. On July 1, 2004, the Debtors obtained from the Court an order (the “MBLY Retention Order”) authorizing, on a final basis, the retention of MBLY as financial advisor and investment banker to the Debtors pursuant to an engagement agreement dated May

27, 2004 (the “Engagement Letter”). The hearing on the Transaction Fee¹ component of the Engagement Letter was continued to July 28, 2004.

3. On August 2, 2004, the Debtors obtained from the Court an order (the “Amended MBL Y Retention Order”) replacing the MBL Y Retention Order and authorizing, on a final basis, the retention of MBL Y as financial advisor and investment banker to the Debtors pursuant to the Engagement Letter. Pursuant to the terms of the Engagement Letter, MBL Y is entitled to receive a Monthly Advisory Fee of \$175,000 per month for its advisory services rendered on behalf of the Debtors plus certain transaction fees in connection with the sale/restructuring of the Debtors’ DBS and broadcast business units, as well as reimbursement of reasonable out-of-pocket expenses.

4. On June 24 2004, the Court entered an order pursuant to sections 105(a) and 331 of the Bankruptcy Code establishing procedures for monthly compensation and reimbursement of expenses for professionals (the “Administrative Order”). Pursuant to the Administrative Order, the Court authorized a 10% fee “holdback” for all professionals of the Debtors’ estates.

5. For the Second Compensation Period, MBL Y’s fees for providing professional services to the Debtors total \$175,000. In connection with services rendered, MBL Y has recorded actual and necessary out-of-pocket expenses in the amount of \$14,998.28. There may exist additional out-of-pocket expenses that MBL Y 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 expenses recorded during the Second Compensation Period.

¹ Defined Terms used herein but not defined herein shall have the meanings ascribed to them in

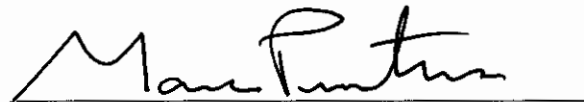
6. A summary of all fees and out-of-pocket expenses applied for in this

Monthly Statement is outlined below:

Interim Period	Total Fees	Less Holdback @ 10%	Fees Due	Total Expenses	Amounts Due
July 1 – July 31 '04	\$175,000.00	\$17,500.00	\$157,500.00	\$14,998.28	\$172,488.28

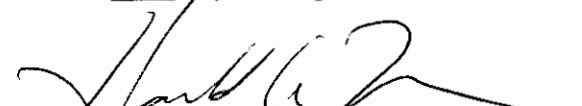
7. MBLY does not charge fees on an hourly basis. For informational purposes and pursuant to the MBLY Retention Order, MBLY has maintained contemporaneous time records in half hour increments. Attached hereto as Exhibit "B" is a schedule of time spent by MBLY professionals assigned to the Debtors during the Second Compensation Period.

8. Based upon the foregoing, pursuant to the Administrative Order, MBLY requests that, in the absence of service of a Notice Of Objection To Fee Statement on MBLY by a recipient of this Monthly Statement, the Company, in accordance with the Administrative Order, pay the MBLY invoice (attached hereto as Exhibit "C") by **September 15, 2004**.



Marc D. Puntus
Managing Director
Miller Buckfire Lewis Ying & Co., LLC
250 Park Avenue
New York, NY 10177

Sworn to and subscribed before
me this 25th day of August, 2004.


Notary Public

My Commission Expires: _____

HAROLD A. NEU
Notary Public, State of New York
No. 02NE5089029
Qualified in New York County
Commission Expires Aug. 28, 2008

Exhibit A

Summary Out-of-Pocket Expenses

<u>Expense Category</u>	<u>July 2004</u>
Travel	
Air	\$95.00
Train	403.00
Hotel	447.14
Ground Transportation / Parking	360.00
Meals / Other	0.00
Overtime Work	
Transportation	\$1,472.80
Meals	2,180.41
Admin Overtime	35.00
Graphics & Reproduction	\$834.44
Courier & Postage	\$7.00
Communications	\$994.42
Data Resources Charges	<u>\$8,159.07</u>
Total	\$14,988.28

Exhibit B

Summary of Pegasus Time Records for MBLV Professionals Over the First Compensation Period

Professional	Title	Time Sheet Reference Code						Total Hours
		1	2	3	4	5	6	
David Ying	Managing Director	-	1.0	6.0	-	5.5	-	12.5
Marc D. Puntus	Managing Director	1.0	94.0	104.5	-	8.0	2.0	209.5
Lloyd Sprung	Principal	4.0	45.0	61.0	3.0	21.5	-	134.5
Stuart Erickson	Principal	1.0	-	-	-	-	5.0	6.0
Roopesh Shah	Principal	-	-	-	-	3.5	-	3.5
James M. Lucania	Associate	5.5	63.0	15.0	3.0	15.5	6.5	108.5
Kevin Haggard	Summer Associate	3.5	36.0	98.5	3.0	33.0	0.5	174.5
Shantanu Agrawal	Analyst	14.0	18.0	21.5	-	4.0	17.0	74.5
Molly Hartman	Summer Analyst	-	1.0	4.0	-	3.5	12.0	20.5
Total		29.0	258.0	310.5	9.0	94.5	43.0	744.0

Exhibit C



MILLER BUCKFIRE LEWIS YING

**250 Park Ave
New York, NY 10177**

Invoice

Date	Invoice #
08/18/2004	410

Bill To
Pegasus Satellite Communications, Inc. c/o Pegasus Communications Mgmt. Co. 225 City Line Ave., Ste. 200 Bala Cynwyd, PA 19004 Attn: Mr. Joseph Pooler, CFO

Description	Amount
Monthly Advisory Fee for the month of July 2004 pursuant to paragraph 2(a) of the engagement letter dated May 27, 2004	175,000.00
Less: 10% Holdback	-17,500.00
For out of pocket expenses for the period July 1, 2004 - July 31, 2004	14,988.28
Wiring Instructions: Citibank ABA 021000089 Account Name: Miller Buckfire Lewis Ying & Co., LLC Account # 48904084 Ref: Your Company Name	
Remittance Instructions: Miller Buckfire Lewis Ying & Co., LLC 250 Park Ave, 19th Floor New York, NY 10177 Attn: Michael Elpern	

Tax ID # 02-0613709

Total **\$172,488.28**

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 26, 2004 I caused the Statement of Fees for Services Rendered and Out-of-Pocket Expenses Incurred by Miller Buckfire Lewis Ying & Co, LLC as Financial Advisor and Investment Banker to Pegasus Satellite Communications, Inc. and Affiliates 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, 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..

August 26, 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
- **Fred W. Bopp, III,**
fbopp@perkinsthompson.com malexander@perkinsthompson.com
- **Robert S. Brady**
bankruptcy@ycst.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 bmclure@lcwlaw.com
- **Jennifer H. Pincus**
jpincus@perkinsthompson.com
- **Peter Michael Reed**
sragdale@mvalaw.com
- **F. Bruce Sleeper**
bankruptcy@jbgf.com