

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 JULY 1, 2004 AND ENDING JULY 31, 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 July 1, 2004 and ending July 31, 2004 (the "Second 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, L.P., 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 Second Compensation Period, Arnold & Porter LLP’s fees for providing professional services to the Debtors totaled \$13,570.00. In connection with services rendered, Arnold & Porter LLP has recorded actual and necessary out-of-pocket expenses in the amount of \$402.23. 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 Second Compensation Period.

5. A summary of all fees and out-of-pocket expenses applied for in this Monthly Statement is outlined below:

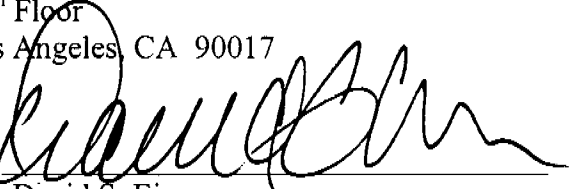
Interim Period July 1 – July 31 2004	Total Fees	Less Holdback @ 10%	Fees Due	Total Expenses	Amounts Due
DirecTV	\$4,777.50	\$477.75	\$4,299.75	\$190.95	\$4,490.70
Intellectual Property	7,690.00	769.00	6,921.00	211.28	7,132.28
MDL	1,102.50	110.25	992.25	0.00	992.25

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 Second 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

#332999

ARNOLD & PORTER LLP

213.243.4000
213.243.4199 Fax
44th Floor
777 South Figueroa Street
Los Angeles, CA 90017-5844

Statement

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

Invoice # 1107100
(15235.002)
DIRECTV

August 31, 2004

For Legal Services Rendered through July 31, 2004	\$ 4,777.50
Disbursements Recorded through July 31, 2004	
Courier	108.75
Duplicating	82.20
Disbursements Total	190.95
Total Amount Due	\$ 4,968.45

Federal Tax Identification Number 53-0208605

Washington, DC New York London Brussels Los Angeles Century City Northern Virginia Denver

ARNOLD & PORTER LLP

213.243.4000
213.243.4199 Fax
44th Floor
777 South Figueroa Street
Los Angeles, CA 90017-5844

Statement

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

Invoice # 1107398
(15235.004)
Intellectual Property

August 31, 2004

For Legal Services Rendered through July 31, 2004	\$ 7,690.00
Disbursements Recorded through July 31, 2004	
Case Technology Center	139.52
Duplicating	71.76
Disbursements Total	211.28
Total Amount Due	\$ 7,901.28

Federal Tax Identification Number 53-0208605

Washington, DC New York London Brussels Los Angeles Century City Northern Virginia Denver

ARNOLD & PORTER LLP

213.243.4000
213.243.4199 Fax

44th Floor
777 South Figueroa Street
Los Angeles, CA 90017-5844

Statement

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

Invoice # 1107106
(15235.012)
MDL

August 31, 2004

For Legal Services Rendered through July 31, 2004 \$ 1,102.50

Total Amount Due \$ 1,102.50

Federal Tax Identification Number 53-0208605

Washington, DC New York London Brussels Los Angeles Century City Northern Virginia Denver

August 31, 2004

15235.002 (DirectTV)

Invoice # 1107100

Legal Services-Attorney Summary

Timekeeper	Hours	Rate	Value
David B. Apatoff	0.75	570.00	427.50
David S. Eisen	7.75	550.00	4,262.50
Kathryn A. DiGalbo	0.50	175.00	87.50
TOTAL	9.00		4,777.50

Legal Services-Attorney Summary

Timekeeper	Hours	Rate	Value
Hadrian R. Katz	1.50	570.00	855.00
Sidney A. Rosenzweig	8.50	375.00	3,187.50
Troy Strunkey	0.75	175.00	131.25
April J. Chandler	1.00	130.00	130.00
Joshua L. Giesey	20.00	135.00	2,700.00
Marco W. McClees	4.25	135.00	573.75
Julie A. Keenan	0.75	150.00	112.50
TOTAL	36.75		7,690.00

August 31, 2004

15235.012 (MDL)

Invoice # 1107106

Legal Services-Attorney Summary

Timekeeper	Hours	Rate	Value
Joseph A. Micallef	2.25	490.00	1,102.50
TOTAL	2.25		1,102.50

Arnold & Porter LLP

Remittance Copy

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

Invoice # 1107100
(15235.002)
DIRECTV

August 31, 2004

For Legal Services Rendered through July 31, 2004 \$ **4,777.50**

Disbursements Recorded through July 31, 2004

Courier	108.75
Duplicating	82.20

Disbursements Total **190.95**

Total Amount Due \$ **4,968.45**

Remit To:

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

Disbursements:

Category	Date	Description	Amount
Courier	07/12/04	VENDOR: Worldwide Attorney Service; INVOICE#: 31066; DATE: 6/15/2004 - Courier fees - 6/3/04 - Special Research - Immediate - USDC/Central District, Los Angeles - CV0000368 - Pegasus v. Direct TV - obtain conformed copy of entry of	108.75
Duplicating			82.20
Total Disbursements			190.95
Total Current Amount Due			\$4,968.45

Arnold & Porter LLP

Remittance Copy

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

Invoice # 1107398
(15235.004)
Intellectual Property

August 31, 2004

For Legal Services Rendered through July 31, 2004	\$	7,690.00
Disbursements Recorded through July 31, 2004		
Case Technology Center	139.52	
Duplicating	71.76	
Disbursements Total		211.28
Total Amount Due	\$	7,901.28

Remit To:

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

(15235.004)
Intellectual Property

Legal Services:

Name	Date	Hours	Amount	Narrative
Marco W. McClees	07/01/04	1.25	168.75	Gathered documents requested by Hunton & William LLP.
Marco W. McClees	07/02/04	0.50	67.50	Gathered and printed documents requested by Hunton & Williams LLP.
Julie A. Keenan	07/02/04	0.75	112.50	Prepared Pegasus print job at request of Marco McClees.
Marco W. McClees	07/06/04	1.50	202.50	Gathered and e-mailed deposition indices to Hunton & Williams LLP.
Marco W. McClees	07/07/04	0.25	33.75	Searched for deposition indices per Sidney Rosenzweig's request.
Sidney A. Rosenzweig	07/08/04	0.50	187.50	Discussed status of case with local counsel E. Hutz; emailed D. Apatoff and H. Katz re same.
Joshua L. Gieseey	07/09/04	1.00	135.00	Legal Assistant services for Sidney Rosenzweig: Located requested documents for Hunton & Williams.
Sidney A. Rosenzweig	07/09/04	0.50	187.50	Discussed status of case with E. Hutz, and discussed strategies for proceeding with H. Katz; emailed D. Apatoff and J. Micallef re same.
Joshua L. Gieseey	07/12/04	1.00	135.00	Legal Assistant services for Sidney Rosenzweig: Located requested documents by Hunton and Williams.
Joshua L. Gieseey	07/14/04	4.00	540.00	Legal Assistant services for Sidney Rosenzweig: Searched for requested documents for Hunton and Williams.
Sidney A. Rosenzweig	07/14/04	0.50	187.50	Reviewed prosecution laches briefing and discussed Atlanta case with G. Holtzman & J. McClard.
Sidney A. Rosenzweig	07/15/04	2.50	937.50	Reviewed and redacted prosecution laches briefs and exhibits.
Joshua L. Gieseey	07/19/04	4.00	540.00	Legal Assistant Services for Sidney Rosenzweig: Located requested documents for Hunton & Williams.
Marco W. McClees	07/19/04	0.75	101.25	Gathered pleadings for Sidney Rosenzweig.
Sidney A. Rosenzweig	07/19/04	2.50	937.50	Reviewed and redacted prosecution laches briefs and exhibits.
April J. Chandler	07/20/04	1.00	130.00	Litigation Support Services: completed Introspect formal paper print request for Marco McLees.
Joshua L. Gieseey	07/20/04	3.00	405.00	Legal Assistant services for Sidney Rosenzweig: Located requested documents for Hunton and Williams.
Hadrian R. Katz	07/20/04	0.50	285.00	Confer re Pegasus settlement issues.
Joshua L. Gieseey	07/21/04	2.00	270.00	Legal Assistant Services for Sidney Rosenzweig: Located requested documents for Hunton & Williams.
Joshua L. Gieseey	07/22/04	1.00	135.00	Legal Assistant services for Sidney Rosenzweig: Located requested documents for Hunton & Williams.

August 31, 2004

Invoice # 1107398

Name	Date	Hours	Amount	Narrative
Sidney A. Rosenzweig	07/25/04	2.00	750.00	Reviewed Pegasus patent licenses and PMC corporate documents; participated in conference call with T. Lodge.
Joshua L. Gieseey	07/26/04	1.00	135.00	Legal Assistant services for Sidney Rosenzweig: Located requested documents for Hunton & Williams.
Joshua L. Gieseey	07/28/04	2.00	270.00	Legal Assistant services for Sidney Rosenzweig: Located requested documents for Hunton & Williams.
Hadrian R. Katz	07/28/04	1.00	570.00	Review draft releases and discuss with JM.
Joshua L. Gieseey	07/29/04	1.00	135.00	Legal Assistant services for Sidney Rosenzweig: Located requested documents for Hunton & Williams.
Troy Strunkey	07/29/04	0.75	131.25	Legal Assistant Services for Sidney Rosenzweig: Organizing boxes for vendor pick up.
Total Hours		36.75		
Total Fees			7,690.00	

Disbursements:

Category	Date	Description	Amount
Case Technology Center	07/31/04	CTC Job: Print images from iCONNECT or IntroSpect; Print images by Case Technology Center or case team personnel.	139.52
Duplicating			71.76
Total Disbursements			211.28
Total Current Amount Due			\$7,901.28

Arnold & Porter LLP

Remittance Copy

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

Invoice # 1107106
(15235.012)
MDL

August 31, 2004

For Legal Services Rendered through July 31, 2004	\$	1,102.50
--	-----------	-----------------

Total Amount Due	\$	1,102.50
-------------------------	-----------	-----------------

Remit To:

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

August 31, 2004

Invoice # 1107106

(15235.012)
MDL

Legal Services:

Name	Date	Hours	Amount	Narrative
Joseph A. Micallef	07/19/04	0.75	367.50	Review of email from T. Lodge regarding potential settlement issues; review of Complaint regarding T. Lodge's questions; met with D. Apatoff regarding T. Lodge's email questions.
Joseph A. Micallef	07/27/04	1.50	735.00	Review draft settlement agreement; teleconference with client.
Total Hours		2.25		
Total Fees			1,102.50	

Total Current Amount Due

\$1,102.50

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 September 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 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.

September 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
- **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 Cummings**
dcummings@nhdlaw.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