

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 AUGUST 1, 2004 AND ENDING AUGUST 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 August 1, 2004 and ending August 31, 2004 (the “Third 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 Third 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 August 1, 2004 through August 31, 2004. In connection with services rendered, C&TA has recorded actual and necessary out-of-pocket expenses in the amount of \$1,040.41. 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 Third Compensation Period (Exhibit A), and (ii) a schedule of out-of-pocket disbursements incurred in connection with the services performed during the Third 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	Fees Due	Total Expenses	Amount Due
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		@ 10%			
8/1/04–8/31/04	\$150,000	\$15,000	\$135,000	\$1,040.41	\$136,040.41

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, or (ii) 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: September 23, 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)

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**SUMMARY OF TIME CHARGES FOR THE PERIOD
AUGUST 1, 2004 THROUGH AND INCLUDING AUGUST 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 –6 hours

Date	# of Hours	Description
8/3	2	Review transaction documents relating to global settlement; teleconferences with committee members
8/4	1	Review objection filed by holder of subordinated indebtedness, discuss with committee members
8/11	1	Review operating results and discuss internally
8/18	1	Review operating results and discuss internally
8/20	1	Participate in committee call, follow up calls with committee members

Wayne Barr, Jr. – 21 hours

Date	# of Hours	Description
8/2	2	Review L/C and ancillary documents relating to DTV transaction
8/4	2	Review objection of DE Shaw to global settlement
8/9	4	Prepare and revise initial fee statement
8/11	2	Review of weekly operations results and internal memo; participate in update conference call with company and its financial advisors
8/18	3	Review of weekly operations results and internal memo; participate in conference call with creditors committee and Advisors to discuss outstanding issues surrounding subordinated debtholders
8/20	2	Participate in conference call with creditors committee and Advisors to discuss sub debtholder motion and reply
8/24	6	Review of weekly operations results and internal memo, participate in conference call with company and its advisors; prepare, revise and finalize second fee statement

Eduardo Sanchez – 108 hours

Date	# of Hours	Description
8/2	8	Review transition progress and documents related to negotiation with DTV
8/3	8	Review transition progress and documents related to negotiation with DTV

8/4	8	Review transition progress and documents related to negotiation with DTV
8/9	8	Review transition progress and documents related to negotiation with DTV
8/10	8	Review transition progress and documents related to negotiation with DTV.
8/11	8	Review of weekly Ops results, draft brief internal memo regarding same. Conference Call with Joe Pooler (PGTV CFO)/Miller Buckfire/Greenhill to get an update on migration planning with DTV
8/18	8	Review of weekly ops results, draft brief internal memo regarding same. Conference Call with Creditors Committee and Advisors to discuss open sub debt issues
8/20	8	Conference Call with Creditors Committee and Advisors to discuss sub debt issues, discuss internally
8/24	8	Review of weekly Ops results, draft brief internal memo regarding same. Conference Call with Joe Pooler (PGTV CFO)/Miller Buckfire/Greenhill to get an update on migration planning with DTV. Trip to Portland, ME
8/25	8	Pegasus Hearing (APA, global Settlement - DBS Business) in Portland, ME
8/26	8	Pegasus Hearing (APA, global Settlement - DBS Business) in Portland, ME. Travel back to Reston.
8/27	4	Pegasus - Analyzing pending and future events to plan for actions.
8/30	8	Review Broadcast assets documents
8/31	8	Review of weekly Ops results; draft brief internal memo regarding same

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

EXPENSE CATEGORY	TOTAL EXPENSES
Travel(1)	\$529.70
Lodging	404.46
Meals While Traveling	106.25
TOTAL:	\$1,040.41

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

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In re:)	Chapter 11
PEGASUS SATELLITE TELEVISION, INC., <u>et al.</u> ,)	Case No. 04-20878
Debtors.)	(Jointly Administered)

CERTIFICATE OF SERVICE

I, Michelle S. Pottle, being over the age of 18 and an employee of Pierce Atwood, hereby certify that on September 28, 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 August 1, 2004 and Ending August 31, 2004 to be served on the parties listed by verifying that such person(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
September 28, 2004

/s/ Michelle S. Pottle
Michelle S. Pottle
Legal Assistant
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Electronic Notification by the ECF System:

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