

Objection Deadline: November 5, 2004 @ 4:00 p.m.
Hearing Date: November 8, 2004 @ 10:30 a.m.
PORTLAND

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

**FIRST INTERIM QUARTERLY AND FINAL FEE APPLICATION
FOR SERVICES RENDERED BY KING & SPALDING LLP
AS SPECIAL CORPORATE AND TRANSACTIONAL COUNSEL
TO PEGASUS SATELLITE TELEVISION, INC. AND CERTAIN
OF ITS SUBSIDIARIES AND AFFILIATES FOR THE
PERIOD BEGINNING JUNE 2, 2004 AND ENDING SEPTEMBER 30, 2004**

Name of Applicant:	King & Spalding LLP
Authorized to Provide Professional Services to:	Debtors
Date of Retention Order:	July 22, 2004, <u>nunc pro tunc</u> to June 2, 2004
Period for Which Compensation and Reimbursement is Sought:	June 2, 2004 through September 30, 2004
Amount of Compensation Sought as Actual, Reasonable, and Necessary for the Applicable Period:	\$ 33,309.50
Amount of Reimbursement Sought as Actual, Reasonable, and Necessary for the Applicable Period:	\$ 238.75
Total Amount of Holdback Fees for the Applicable Period:	\$ 3,330.95
This is a(n):	_____ interim <u> X </u> final Fee Application

Objection Deadline: November 5, 2004 @ 4:00 p.m.
Hearing Date: November 8, 2004 @ 10:30 a.m.
PORTLAND

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

**FIRST INTERIM QUARTERLY AND FINAL FEE APPLICATION
FOR SERVICES RENDERED BY KING & SPALDING LLP
AS SPECIAL CORPORATE AND TRANSACTIONAL COUNSEL
TO PEGASUS SATELLITE TELEVISION, INC. AND CERTAIN
OF ITS SUBSIDIARIES AND AFFILIATES FOR THE
PERIOD BEGINNING JUNE 2, 2004 AND ENDING SEPTEMBER 30, 2004**

King & Spalding LLP (“K&S”), Special Corporate and Transactional Counsel to Pegasus Satellite Television, Inc. and certain of its debtor subsidiaries and affiliates (collectively, the “Debtors”),¹ hereby moves this Court for approval of its first interim quarterly and final fee application (the “Fee Application”) pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure, Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Maine and the United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under section

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, LP., Telecast of Florida, Inc., WDSI License Corp., WILF, Inc., WOLF License Corp., WTLH License Corp.

330 of the Bankruptcy Code, effective January 30, 1996, for the periods (1) beginning June 2, 2004 and ending August 31, 2004 (the “First Quarterly Compensation Period”) and (2) beginning September 1, 2004 and ending September 30, 2004 (together with the First Quarterly Compensation Period, the “Compensation Period”) for (a) an interim allowance of reasonable compensation for services rendered and reimbursement of actual and necessary expenses incurred by K&S during the First Quarterly Compensation Period, and (b) a final allowance of reasonable compensation for services rendered and reimbursement of actual and necessary expenses incurred by K&S during the Compensation Period. In support of this Fee Application, K&S respectfully represents as follows:

BACKGROUND

1. On June 2, 2004 (the “Petition Date”), the Debtors commenced their respective cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their property as debtors-in-possession.

2. On June 10, 2004, the United States Trustee for the District of Maine appointed the Official Committee of Unsecured Creditors pursuant to section 1102(a) of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner in these cases.

3. 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”). The Interim Compensation Order establishes procedures for, inter alia, (a) monthly statements for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during a given month (each a “Monthly Fee Statement”), and (b) quarterly applications for interim allowance of the compensation and reimbursement of expenses sought in the Monthly Fee Statements (including any holdback) during the quarterly period (an “Interim Fee Application”).

4. Pursuant to the terms of the Interim Compensation Order, parties have 20 days after a professional files and serves a Monthly Fee Statement to object to such application. Upon expiration of the objection deadline each professional may file a certificate of no objection or a certificate of partial objection with the Court, after which the Debtors are authorized to pay the applicable professional an amount equal to 90 percent of the compensation for services rendered and 100 percent of the expenses requested in the Monthly Fee Statement not subject to any valid and timely objection. Consistent with the Interim Compensation Order, the Court shall schedule a hearing on the Interim Fee Applications at least once every three months, or at such other intervals as the Court deems appropriate. To the extent the Court approves a professional's Interim Fee Application, the Interim Compensation Order authorizes the Debtors to pay the professional 100 percent of the compensation for services rendered during the relevant period for which the professional has not previously been compensated.

5. By Order dated July 22, 2004, this Court approved K&S's retention application (the "K&S Retention Application") pursuant to section 327(e) of the Bankruptcy Code, as special corporate and transaction counsel to the Debtors, nunc pro tunc to the Petition Date. In this capacity, K&S was to assist the Debtors with potential strategic transactions, such as a possible sale of some or all of their assets.

6. On August 26, 2004, the Court authorized the sale of substantially all of the Debtors' assets comprising the Debtors' direct broadcast satellite business to DIRECTV. K&S has been advised by the Debtors that, as a result of such sale, the Debtors no longer have a need for K&S's services.

7. In accordance with the Interim Compensation Order, on or about August 26, 2004, K&S's First Monthly Fee Statement (the "First Monthly Fee Statement") seeking compensation in the amount of \$23,438.50 for professional services rendered by K&S during the

period from the Petition Date through July 31, 2004 was filed and served. On September 29, 2004, the Debtors filed an Omnibus Certificate of No Objection Regarding Statement for Fees for Services Rendered and Out-of-Pocket Expenses as to the Professionals Specifically Retained by the Debtors for Period Beginning July 1, 2004 and Ending July 31, 2004 (the "Certificate of No Objection"), which included the First Monthly Fee Statement. As stated above, pursuant to the Interim Compensation Order, upon filing the Certificate of No Objection the Debtors were authorized to pay K&S 90 percent of the fees and 100 percent of the expenses requested in the First Monthly Fee Statement. As of the date hereof, the Debtors have paid K&S the amount sought in the First Monthly Fee Statement (\$21,094.65 (90% of \$23,438.50) for professional services rendered).

8. In accordance with the Interim Compensation Order, on or about September 27, 2004, K&S's Second Monthly Fee Statement (the "Second Monthly Fee Statement") seeking compensation in the amount of \$2,555.50 for professional services rendered by K&S and reimbursement of \$230.65 in expenses actually and necessarily incurred by K&S during the period from August 1, 2004 through August 31, 2004 was served. Pursuant to the Interim Compensation Order, objections to the Second Monthly Fee Statement are due by October 17, 2004. If there are no objections by this date, the Debtors are authorized to pay K&S the amount sought in the Second Monthly Fee Statement (\$2,299.95 (90% of \$2,555.50) for professional services rendered and \$230.65 for actual and necessary expenses).

9. Contemporaneously herewith, in accordance with the Interim Compensation Order, K&S's Third Monthly Fee Statement seeking compensation in the amount of \$7,315.50 for professional services rendered by K&S and reimbursement of \$8.10 in expenses actually and necessarily incurred by K&S during the period from September 1, 2004 through September 30, 2004 is being served.

10. Given that K&S's services are no longer required by the Debtors, K&S has filed this Fee Application as a final fee application in order to reduce expenses incurred by the Debtors' estates.

JURISDICTION

11. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

12. Since the Petition Date, K&S has incurred minimal costs and expenses primarily associated with the preparation of the K&S Retention Application, and the Monthly Fee Statements and this Fee Application, each of which are mandated by the Interim Compensation Order. As such, by this Fee Application, K&S seeks approval of (a) an interim allowance of reasonable compensation for services rendered and reimbursement of actual and necessary expenses incurred by K&S during the First Quarterly Compensation Period in the amount of \$26,224.65 (the "First Quarterly Compensation Amount"), and (b) a final allowance of reasonable compensation for services rendered and reimbursement of actual and necessary expenses incurred by K&S during the Compensation Period in the amount of \$33,548.25 (together with the First Quarterly Compensation Amount, the "Compensation Amount"). The Compensation Amount includes 100 percent of the fees and expenses incurred by K&S during the Compensation Period.

13. As noted above, K&S was retained to assist the Debtors with potential strategic transactions, such as a possible sale of some or all of their assets. On August 26, 2004, the Court authorized the sale of substantially all of the Debtors' assets comprising the Debtors' direct

broadcast satellite business to DIRECTV. K&S has been advised by the Debtors that, as a result of the sale to DIRECTV, K&S's services are no longer required by the Debtors.

14. K&S does not intend to seek any further compensation from the Debtors in connection with their chapter 11 cases, and has chosen to incorporate its Third Monthly Fee Statement into this Fee Application in order to be efficient and to reduce costs and expenses to the estate.

15. The Interim Compensation Order requires professionals to file their first Interim Fee Application covering a three (3) month period, from the Petition Date through August 31, 2004. By this Fee Application, K&S is seeking approval of four (4) months of fees and expenses, from the Petition Date through September 30, 2004, such that K&S can effectively cease its involvement in these cases and withdraw from its representation of the Debtors without the estate incurring any further costs and expenses associated with K&S's preparation of Monthly Fee Statements and Interim Fee Applications. Contemporaneously herewith, K&S is filing its Monthly Fee Statement for the period beginning September 1, 2004 through September 30, 2004 seeking allowance of (a) reasonable compensation for services rendered by K&S in the amount of \$7,315.50 and (b) reimbursement of actual and necessary expenses incurred by K&S in the amount of \$8.10.

SUMMARY OF SERVICES RENDERED

16. When K&S filed the K&S Retention Application, K&S anticipated that during the course of the Debtors' chapter 11 cases, K&S would assist the Debtors with certain potential strategic transactions, such as a possible sale of some or all of their assets. Given the relatively quick sale of the Debtors' assets comprising its direct broadcast satellite business, the work performed by K&S was limited to activities in connection with filing the K&S Retention

Application, and preparing K&S's Monthly Fee Statements and this Fee Application, as required by the Interim Compensation Order. K&S believes it has efficiently addressed all of such tasks.

COMPENSATION AND REIMBURSEMENT REQUESTED

17. K&S seeks (a) an interim allowance of (1) reasonable compensation for services rendered by K&S during the First Quarterly Compensation Period in the aggregate amount of \$25,994.00, and (2) reimbursement of actual and necessary expenses incurred by K&S during the First Quarterly Compensation Period in the aggregate amount of \$230.65; and (b) a final allowance of (1) reasonable compensation for services rendered by K&S during the Compensation Period in the aggregate amount of \$33,309.50, and (2) reimbursement of actual and necessary expenses incurred by K&S during the Compensation Period in the aggregate amount of \$238.75.

18. K&S maintains written records of the time expended by attorneys and paraprofessionals in the rendition of their professional services to the Debtors. Such time records were made contemporaneously with the rendition of services by the person rendering such services and in the ordinary course of K&S's practice, and are presented in a form which complies with the Local Rules for the District of Maine. A compilation of the Monthly Fee Statements showing the name of the attorney or paraprofessional, the date on which the services were performed, a description of the services rendered, and the amount of time spent in performing the services during the Compensation Period is annexed hereto as Exhibit A.

19. The following is a summary of the fees and expenses sought and paid by the Debtors pursuant to the Interim Compensation Order during the Compensation Period:

MONTHLY FEE STATEMENT	FEES	EXPENSES	TOTAL	FEES PAID	EXPENSES PAID	10% HOLDBACK
JUNE-JULY	\$23,438.50	\$ 0.00	\$ 23,438.50	\$ 21,094.65	\$ 0.00	\$ 2,343.85
AUGUST	2,555.50	230.65	2,786.15	0.00	0.00	255.55
SEPTEMBER	7,315.50	8.10	7,323.60	0.00	0.00	731.55
TOTALS	<u>\$ 33,309.50</u>	<u>\$ 238.75</u>	<u>\$ 33,548.25</u>	<u>\$ 21,094.65</u>	<u>\$ 0.00</u>	<u>\$ 3,330.95</u>

20. The Compensation Amount represents a “lodestar” computation using the firm’s normal hourly billing charges in effect during the Compensation Period. The Compensation Period includes an aggregate of 119.8 hours of service and a blended hourly rate for attorneys of \$403.75. A schedule of the hours expended by the attorneys and paraprofessionals during the Compensation Period, their normal hourly rates, and the “lodestar” value of their services is annexed hereto as Exhibit B.

21. In addition, K&S requests approval of reimbursement for the actual and necessary expenses incurred by K&S during the Compensation Period. As set forth in Exhibit C attached hereto, K&S incurred minimal expenses in the amount of \$238.75 (the “Expense Reimbursement Amount”). With respect to photocopying expenses, K&S charged the Debtors \$0.10 per page. With respect to telephone costs, it is K&S’s practice to bill all clients at actual cost.

22. K&S has no agreement of any kind, express or implied, to divide with any other person or entity any portion of the compensation sought or to be received by it in these cases.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

23. Section 330 provides that a court may award a professional employed under Section 327 of the Bankruptcy Code “reasonable compensation for actual and necessary services rendered ... and reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent and the value of such services, taking into account all relevant factors, including—

- (A) time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether services were performed within a reasonable amount of time commensurate with the complexity, importance and nature of the problem, issue or task addressed; and
- (E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

24. K&S respectfully submits that the services for which it seeks compensation in this Fee Application were necessary and required under the circumstances of this case. Accordingly, K&S respectfully requests that this Court grant the Fee Application.

NOTICE

25. Notice of this Fee Application has been given to (i) the United States Trustee for the District of Maine; (ii) the counsel to the Official Committee of Unsecured Creditors; (iii) counsel to the Debtors; and (iv) the Debtors. K&S submits that in light of this Court's Order Establishing Notice and Service Requirements in Debtors' Chapter 11 Cases dated June 7, 2004, and the nature of the relief requested, no further notice is required.

NO PRIOR REQUESTS

26. No prior application has been made in this or in any other Court for the relief requested herein.

WHEREFORE K&S respectfully requests that this Court enter an order (a) granting an interim allowance of (1) reasonable compensation for services rendered by K&S during the First Quarterly Compensation Period in the amount of \$25,994.00, and (2) allowing reimbursement for actual and necessary expenses incurred during the First Quarterly Compensation Period in the amount of \$230.65; (b) granting a final allowance of (1) reasonable compensation for services rendered by K&S during the Compensation Period in the amount of \$33,309.50 and (2) reimbursement for actual and necessary expenses incurred during the Compensation Period in the amount of \$238.75; (c) that the Debtors be authorized and directed to pay to K&S all of the foregoing amounts not yet paid, including \$3,330.95 which is equal to the 10 percent holdback of the Compensation Amount; and (d) granting K&S such other and further relief as this Court deems just and proper.

Dated: October 14, 2004

KING & SPALDING LLP

By: /s/ George B. South, Esq.
George B. South, Esq.

1185 Avenue of the Americas
New York, NY 10036-4003
Tel: (212) 556-2100
Fax: (212) 556-2222

Special Corporate and Transactional Counsel to
the Debtors

EXHIBIT A

PEGASUS SATELLITE TELEVISION, INC., ET AL.

Fee Application
June 2, 2004 through September 30, 2004

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Time</u>	<u>Task</u>
<u>Case Administration</u>				
8/30/04	R Trowbridge	Attend to service of June/July Fee Statement (0.4); attend to ECF password for M. Schoenberg (0.3)	0.7	B110
<u>Fee/Employment Applications</u>				
6/15/04	SJ Birbrower	Attention to conflicts issues	0.3	B160
6/16/04	G South	Emails regarding 327(e) retention and related issues (0.4); discussion with S. Birbrower regarding same (0.4)	0.8	B160
6/16/04	M Schoenberg	Perform conflicts check	4.5	B160
6/16/04	SJ Birbrower	Review conflicts and discuss same with M. Schoenberg (0.5); e-mail J. Graham regarding retention (0.1); correspondence with debtor's counsel regarding retention (0.5); review retention documents (0.5); confer with G. South regarding conflicts (0.4)	2.0	B160
6/17/04	M Schoenberg	Review conflicts check for conflicts of interest regarding 327(e) application	3.2	B160
6/18/04	M Schoenberg	Review conflicts check for 327(e) application (3.3); revise affidavit for 327(e) application (0.5)	3.8	B160
6/21/04	M Schoenberg	Review conflict check for 327(e) application (2.6); revise affidavit in support of 327(e) application (1.3); telephone conversation with C. Bennett regarding additional conflicts checks (0.6)	4.5	B160
6/22/04	M Schoenberg	Review conflicts forms for 327(e) application	1.0	B160
6/23/04	M Schoenberg	Revise conflicts schedule for 327(e) application (0.6); revise J. Graham affidavit in support of 327(e) motion (1.1)	1.7	B160
6/24/04	M Schoenberg	Revise affidavit of J. Graham for 327(e) application (3.2); update disclosure chart (0.7); meeting with S. Birbrower regarding conflicts issues (0.3)	4.2	B160
6/24/04	SJ Birbrower	Meet with M. Schoenberg regarding conflicts issues (0.3); review draft affidavit (1.1)	1.4	B160
6/28/04	G South	Reviewed J. Graham affidavit (0.9); related follow up with M. Schoenberg (0.3)	1.2	B160

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Time</u>	<u>Task</u>
6/28/04	M Schoenberg	Revise 327(e) affidavit and review local rules (0.3); meeting with G. South regarding same (0.3)	0.6	B160
6/28/04	SJ Birbrower	E-mail correspondence regarding retention	0.2	B160
6/29/04	G South	Follow up discussions with S. Birbrower and M. Schoenberg on J. Graham affidavit and conflict issues (1.0); reviewed retention documents (1.7); responded to emails regarding questions/comments on affidavit (0.4); attention to conflicts issues (0.7)	3.8	B160
6/29/04	M Schoenberg	Meeting with S. Birbrower regarding 327(e) affidavit (0.5); meeting with S. Birbrower and G. South regarding same (1.0); review conflicts check and revise 327(e) affidavit (3.8)	5.3	B160
6/29/04	SJ Birbrower	E-mail correspondence regarding affidavit and review same (0.3); meetings with M. Schoenberg regarding application (0.5); office conference with G. South and M. Schoenberg (1.0)	1.8	B160
6/30/04	SJ Birbrower	Discussed conflicts issues with G. South and M. Schoenberg	1.0	B160
6/30/04	G South	Reviewed draft application for K&S retention (0.2); discussed conflict issues with M. Schoenberg and S. Birbrower (1.0); reviewed firm email on conflicts and discussions with M. Schoenberg regarding same (1.0)	4.0	B160
6/30/04	M Schoenberg	Revise conflicts chart and review conflict check sheets (3.9); meet with G. South regarding affidavit and disclosure of conflicts (1.0); meet with G. South and S. Birbrower regarding conflict issues (1.0)	5.9	B160
7/1/04	G South	Emails and telephone calls with R. Cirillo, S. Birbrower and J. Graham regarding conflict issues (0.7); drafted revisions to affidavit and application based on such discussions and emails regarding same (1.2); telephone call with debtor's counsel re waiver language and follow up discussions with S. Birbrower (0.2); reviewed redraft of application and affidavit regarding retention of K&S (1.2); discussed conflict results from firm-wide request with M. Schoenberg (0.7); emails regarding timing of filing (0.2)	4.2	B160
7/1/04	JL Graham	Telephone calls with G. South, S. Birbrower and debtor's counsel regarding conflict issues (0.7); attention to conflicts issues and retention application (1.8)	2.5	B160

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Time</u>	<u>Task</u>
7/1/04	M Schoenberg	Review affidavit with G. South regarding firm-wide email concerning conflicts	0.7	B160
7/1/04	SJ Birbrower	Review and revise Retention Application (0.9); review email correspondence regarding same (0.3); participate in conference calls with debtor's counsel and G. South regarding conflict issues (0.7)	1.9	B160
7/2/04	G South	Reviewed conflict issues with M. Schoenberg (0.3); discussed revisions to affidavit with S. Birbrower (0.7); reviewed final affidavit and application (0.5); discussed hearing date issues with S. Birbrower (0.2)	1.7	B160
7/2/04	M Schoenberg	Revise affidavit and update conflicts disclosure (1.3); meet with G. South regarding conflicts issues (0.3); pull the interim compensation order and review for proper procedures (0.5)	2.1	B160
7/2/04	SJ Birbrower	Review affidavit with G. South (0.7); finalize Pegasus retention papers (0.2)	0.9	B160
7/6/04	G South	Emails with J. Graham and R. Cirillo regarding retention issues	0.5	B160
7/6/04	JL Graham	Attention to conflict issues (0.5); e-mails to G. South and R. Cirillo regarding retention issues (0.5)	1.0	B160
7/6/04	SJ Birbrower	Review conflicts issues	0.2	B160
7/7/04	SJ Birbrower	Attention to conflicts issues	0.5	B160
7/8/04	G South	Reviewed procedures for specially retained professionals and discussed same with S. Birbrower	0.5	B160
7/12/04	SJ Birbrower	Attention to conflicts issues	1.2	B160
7/15/04	G South	Reviewed retention issues	0.3	B160
7/16/04	G South	Discussions with S. Birbrower regarding engagement issues (0.2); review of documents (0.5)	0.7	B160
7/16/04	SJ Birbrower	Attention to various conflicts issues (0.3); confer with G. South regarding same (0.2)	0.5	B160
7/20/04	SJ Birbrower	Attention to conflicts issues	0.8	B160
7/26/04	M Schoenberg	Review Maine billing guidelines and fee procedures	0.2	B160
7/27/04	M Schoenberg	Begin shell application for first period	0.4	B160
7/29/04	M Schoenberg	Review updated conflicts search (0.7); speak with M. Cortez regarding status of open issues regarding new client matter (0.3)	1.0	B160

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Time</u>	<u>Task</u>
7/30/04	SJ Birbrower	Email correspondence regarding release of time in preparation of filing of monthly fee statement	0.2	B160
8/02/04	M Schoenberg	Draft and send e-mail to J. Graham regarding fee statement and application process (0.2); prepare draft monthly fee statement (0.6); discuss fee statement process with S. Birbrower (0.2); attend to e-mails regarding sale of Pegasus (0.1)	1.1	B160
8/02/04	SJ Birbrower	Office conference with M. Schoenberg regarding preparation of monthly fee statements	0.2	B160
8/10/04	M Schoenberg	Review monthly fee statement	0.6	B160
8/10/04	R Trowbridge	Attend to drafting June/July 2004 fee statement	2.0	B160
8/11/04	M Schoenberg	Revise monthly fee statement (0.6); meet with S. Birbrower regarding same (0.2); meet with R. Trowbridge regarding same (0.2)	1.0	B160
8/11/04	R Trowbridge	Attend to revisions to June/July 2004 fee statement and Fee Letter (0.7); discuss revisions to monthly fee statement with M. Schoenberg (0.2)	0.9	B160
8/11/04	SJ Birbrower	Office conference with M. Schoenberg regarding monthly fee application	0.2	B160
8/12/04	M Schoenberg	Revise monthly fee statement	0.5	B160
8/12/04	R Trowbridge	Attend to revisions to June/July 2004 fee statement	1.3	B160
8/13/04	M Schoenberg	Revise fee application(0.9); meet with S. Birbrower to review fee application (0.1)	1.0	B160
8/13/04	R Trowbridge	Amendments to June/July 2004 fee statement per M. Schoenberg (0.5); amendments to first fee application (0.3)	0.8	B160
8/13/04	SJ Birbrower	Confer with M. Schoenberg regarding fee application	0.1	B160
8/19/04	G South	Reviewed fee statement	0.5	B160
8/25/04	M Schoenberg	Prepare monthly fee statement for delivery to debtor counsel	0.4	B160
8/25/04	R Trowbridge	Attend to service list for fee statements (0.4); attend to PDF to M. Schoenberg regarding June/July 2004 fee statement (0.2)	0.6	B160
09/09/04	R Trowbridge	Draft August 2004 fee statement	1.0	B160
09/12/04	R Trowbridge	Prepare August 2004 Application and Fee Statement	1.2	B160
09/13/04	M Schoenberg	Revise August monthly fee statement (0.4)	0.4	B160

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Time</u>	<u>Task</u>
09/13/04	R Trowbridge	Revisions to August 2004 fee application and fee statement	0.8	B160
09/20/04	SJ Birbrower	Email to M. Schoenberg re: status of fee statement (0.2); office conference with M. Schoenberg re: email to team and status of representation (0.2); revise same (0.3)	0.7	B160
09/20/04	M Schoenberg	Review docket for objections to June-July fee statement (0.2); meet with S. Birbrower regarding status (0.2); prepare certificate of no objection (0.4); draft e-mail outlining fee statement procedures (0.3)	1.1	B160
09/21/04	M Schoenberg	Revise second fee statement	0.1	B160
09/21/04	R Trowbridge	Attend to revisions to fee application and fee statement per M. Schoenberg	0.9	B160
09/23/04	SJ Birbrower	Attend to fee application issues and status of representation	0.2	B160
09/27/04	M Schoenberg	Prepare interim fee application (4.7); meet with S. Birbrower regarding status (0.3)	5.0	B160
09/27/04	SJ Birbrower	Meet with M. Schoenberg re: status (0.2); follow up meeting with M. Schoenberg re: fee application (0.1)	0.3	B160
09/27/04	R Trowbridge	Attend to service list for August 2004 fee statement	0.4	B160
09/28/04	M Schoenberg	Meet with S. Birbrower regarding final fee application revisions (0.3); revise same (3.7); follow up with S. Birbrower regarding same (0.2)	4.2	B160
09/28/04	SJ Birbrower	Review and revise draft fee application (0.6); meet with M. Schoenberg regarding same (0.3); follow up with M. Schoenberg re: same (0.2)	1.1	B160
09/28/04	R Trowbridge	Attend to charts for first and final interim application	1.3	B160
09/29/04	M Schoenberg	Discuss final fee application with S. Birbrower (1.4) Revise final fee application (5.3)	6.8	B160
09/29/04	R Trowbridge	Attend to charts for First and Final Fee Application	0.5	B160
09/29/04	SJ Birbrower	Review and revise fee application (1.6); office conferences with M. Schoenberg re: same (1.4)	3.0	B160
09/30/04	R Trowbridge	Attend to preparation of charts for first and final fee application	0.9	B160

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Time</u>	<u>Task</u>
09/30/04	M Schoenberg	Meeting with S. Birbrower regarding revisions to fee application (0.3); revise fee application (3.7)	4.0	B160
09/30/04	SJ Birbrower	Review fee application (0.5); meet with M. Schoenberg re: same (0.3)	0.8	B160

EXHIBIT B

Pegasus Satellite Television, Inc., et al.
Application Period
June 2, 2004 through September 30, 2004

Name of Professional	Year Admitted to Practice	Hourly Billing Rate	Total Hours Billed	Total Compensation
----------------------	---------------------------	---------------------	--------------------	--------------------

Partners and Counsel

George B. South	1992	\$575.00	18.2	\$10,465.00
John L. Graham	1988	560.00	3.5	1,960.00
Partners and Counsel Total			21.7	\$12,425.00

Associates

Stefanie Birbrower	2002	\$285.00	19.5	\$5,557.50
Michael Schoenberg	2004	195.00	65.3	12,733.50
Associates Total			84.8	\$18,291.00

Paraprofessional

Roberta Trowbridge	N/A	\$195.00	13.3	\$2,593.50
Paraprofessional Total			13.3	\$2,593.50

Total Attorneys and Paraprofessional			119.8	<u>\$33,309.50</u>
---	--	--	--------------	---------------------------

PEGASUS SATELLITE TELEVISION, INC., ET AL

Project Categories

<u>Description</u>	<u>Hours</u>	<u>Fees</u>
Case Administration	0.7	\$136.50
Fee/Employment Applications	119.1	33,173.00
TOTAL	119.8	<u>\$33,309.50</u>

EXHIBIT C

EXPENSES

June 2, 2004 Through September 30, 2004

<u>Disbursements</u>	<u>Amount</u>
Duplicating costs ¹	\$238.60
Long Distance Phone Calls	.15
TOTAL	<u>\$238.75</u>

¹ Copy charges are calculated at \$0.10 per page.

FOR COSTS ADVANCED AND EXPENSES INCURRED:

08/31/04	Long Distance Phone Calls-NYC	\$0.15
08/31/04	Duplicating Costs-NYC	230.50
09/30/04	Duplicating Costs-NYC	8.10
	CURRENT EXPENSES	<u>\$238.75</u>