

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 KEKST AND COMPANY, INCORPORATED AS CORPORATE
COMMUNICATIONS CONSULTANT TO
PEGASUS SATELLITE TELEVISION, INC. AND CERTAIN
OF ITS SUBSIDIARIES AND AFFILIATES
FOR THE PERIOD BEGINNING JULY 1, 2004 AND ENDING JULY 31, 2004**

Kekst and Company, Incorporated (“Kekst”), corporate communications consultant 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, Kekst 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, LP., Telecast of Florida, Inc., WDSI License Corp., WILF, Inc., WOLF License Corp., WTLH License Corp.

2. On June 24, 2004, the Bankruptcy Court signed an order (the "Retention Order") authorizing the retention of Kekst and Company, Incorporated as corporate communications consultant 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 First Compensation Period, Kekst's fees for providing professional services to the Debtors totaled \$24,200.00. In connection with services rendered, Kekst has recorded actual and necessary out-of-pocket expenses in the amount of \$1,979.23. There may exist additional out-of-pocket expenses that Kekst 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:

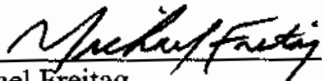
Interim Period	Total Fees	Less Holdback @ 10%	Fees Due	Total Expenses	Amounts Due
July 1 – July 31 2004	\$24,200.00	\$2,420.00	\$21,780.00	\$1,979.23	\$23,759.23

6. Attached hereto as Exhibit B is a schedule of the hours billed by each professional at Kekst, 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.

DATE: September 7, 2004

KEKST AND COMPANY, INCORPORATED
437 Madison Avenue
New York, NY 10022

BY: 
Michael Freitag
Partner (Authorized Signatory)

Name of Professional Individual	Position of the Applicant, Number of years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including changes)	Total Hours Billed	Total Compensation
Michael Freitag	Partner since 1993. Joined firm as an Associate in 1990.	\$600	19.5	\$11,700.00
Victoria Weld	Partner since 2000. Joined firm as an Associate in 1996.	\$500	25	\$12,500.00

Grand Total: \$24,200.00

Total Hours: 44.5

Blended Rate: \$543.82

EXPENSE SUMMARY

Telecommunications		\$755.00
Photocopy		\$175.00
Subscriptions		\$327.50
News Services		\$366.98
Information Technology		\$175.00
Teleconference – 7/14/04	Premiere	\$23.30
Travel		\$10.00
Database Search – 7/1	Factiva	\$22.43
Database Search – 6/30	Lexis/Nexis	\$124.02

KEKST AND COMPANY

TEL 212 521-4800
FAX 212 521-4900

Mr. Howard E. Verlin
Pegasus Satellite Communication, Inc.
c/o Pegasus Comm. Management Company
225 City Line Avenue, Suite 200
Bala Cynwyd, PA 19004-1704

Invoice No. 068665

August 1, 2004

Charges for services for the month of July 2004 \$24,200.00

EXPENSES

Telecommunications	\$755.00	
Photocopy	175.00	
Subscriptions	327.50	
News Services	366.98	
Information Technology	175.00	
Factiva - 7/1	22.43	
Lexis Nexis - 6/30	124.02	
Prem. Teleconferencing - 7/14	23.30	
Miscellaneous	10.00	
		1,979.23

Please pay this amount: \$26,179.23

PEGASUS SATELLITE COMMUNICATIONS, INC.
Supplement To Invoice #068665, dated August 1, 2004
Charges for post-petition services for the period July 1-31, 2004

PROJECT CATEGORY: General Strategic Counsel and Planning

Date	Professional	Hours	Rate	Amount
<u>July 7</u>				
	M. Freitag	0.50 hrs	\$600.00	\$300.00
	<i>Discussions with H. Verlin, E. Moring re: expected court developments and response to media inquiry</i>			
<u>July 8</u>				
	V. Weld	0.5 hrs	\$500.00	\$250.00
	<i>Discussions with H. Verlin regarding court hearing</i>			
<u>July 16</u>				
	M. Freitag	0.5 hrs	\$600.00	\$300.00
	<i>Discussions with H. Verlin regarding recent developments</i>			
<u>July 26</u>				
	M. Freitag	3.5 hrs	\$600.00	\$2,100.00
	<i>Discussions with senior management and advisors re: proposed settlement with DIRECTV and the NRTC</i>			
	V. Weld	3.0 hrs	\$500.00	\$1,500.00
	<i>Discussions with senior management and advisors re: proposed settlement with DIRECTV and the NRTC</i>			
<u>July 27</u>				
	M. Freitag	2.5 hrs	\$600.00	\$1,500.00
	<i>Discussions and review of documents with senior management and advisors re: proposed settlement with DIRECTV and the NRTC</i>			
	V. Weld	2.5 hrs	\$500.00	\$1,250.00
	<i>Discussions and review of documents with senior management and advisors re: proposed settlement with DIRECTV and the NRTC</i>			

July 28

M. Freitag 1.5 hrs \$600.00 \$900.00
Discussions and review of documents with senior management and advisors re: proposed settlement with DIRECTV and the NRTC

V. Weld 1.5 hrs \$500.00 \$750.00
Discussions and review of documents with senior management and advisors re: proposed settlement with DIRECTV and the NRTC

July 29

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussions with V. Weld re: proposed settlement with DIRECTV and the NRTC

V. Weld 2.0 hrs \$500.00 \$1,000.00
Discussions and review of documents with M. Freitag, senior management and advisors re: proposed settlement with DIRECTV and the NRTC

July 30

M. Freitag 0.5 hrs \$600.00 \$300.00
Discussions with V. Weld re: proposed settlement with DIRECTV and the NRTC

V. Weld 1.50 hrs \$500.00 \$750.00
Discussions and review of documents with M. Freitag, senior management and advisors re: proposed settlement with DIRECTV and the NRTC

PROJECT TOTALS: 20.50 hrs \$11,200.00

PROJECT CATEGORY: Media Activity

Date	Professional	Hours	Rate	Amount
	<i>Description of Activity</i>			

July 8

M. Freitag 0.5 hrs \$600.00 \$300.00
Responded to media inquiries regarding court hearing

July 23

V. Weld 0.5 hrs \$500.00 \$250.00

*Response to media inquiry*July 26

M. Freitag 1.5 hrs \$600.00 \$900.00
Development of press release announcing settlement with DIRECTV and NRTC

July 27

M. Freitag 0.5 hrs \$600.00 \$300.00
Revisions to press release announcing settlement with DIRECTV and NRTC

July 30

M. Freitag 2.0 hrs \$600.00 \$1,200.00
Revisions to press release announcing settlement with DIRECTV and NRTC

PROJECT TOTALS: 5.0 hrs \$2,950.00

PROJECT CATEGORY: Materials Preparation

Date	Professional	Hours	Rate	Amount
	<i>Description of Activity</i>			

July 26

M. Freitag 1.0 hrs \$600.00 \$600.00
Development and review of materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

July 27

M. Freitag 0.5 hrs \$600.00 \$300.00
Development and review of materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

V. Weld 2.0 hrs \$500.00 \$1,000.00
Development and review of materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

July 28

M. Freitag 1.5 hrs \$600.00 \$900.00
Review of materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

V. Weld 1.0 hrs \$500.00 \$500.00
Development of materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

July 29

M. Freitag 0.5 hrs \$600.00 \$300.00
Review of materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

V. Weld 4.0 hrs \$500.00 \$2,000.00
Revisions to materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

July 30

M. Freitag 0.5 hrs \$600.00 \$300.00
Review of materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

V. Weld 4.0 hrs \$500.00 \$2,000.00
Revisions to materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

July 31

V. Weld 2.0 hrs \$500.00 \$1,000.00
Revisions to materials for communication with internal and external constituencies re: settlement with DIRECTV and NRTC

CATEGORY TOTALS: 17.0 hrs \$8,900.00

PROJECT CATEGORY: Court Hearings

Date	Professional	Hours	Rate	Amount
<i>Description of Activity</i>				

July 8

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Monitored court hearing telephonically</i>			

V. Weld	0.5 hrs	\$500.00	\$250.00
<i>Monitored court hearing telephonically</i>			

CATEGORY TOTALS: 1.0 hrs \$550.00

PROJECT CATEGORY: Fee Application

Date	Professional Hours	Rate	Amount
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Description of Activity

July 22

M. Freitag	1.0 hrs	\$600.00	\$600.00
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Preparation of initial monthly fee application

PROJECT TOTALS: 1.0 hrs \$600.00

GRAND TOTALS: 44.5 hrs \$24,200.00

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 14, 2004 I caused the Statement of Fees for Services Rendered and Expenses Incurred by Kekst and Company, Incorporated as Corporate Communications Consultant to Pegasus Satellite Television, Inc. and Certain of its Subsidiaries and Affiliates for the Period Beginning July 1, 2004 and Ending July 31, 2002, 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.

September 14, 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@yest.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@jbgh.com
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