

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 AUGUST 1, 2004 AND ENDING AUGUST 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 August 1, 2004 and ending August 31, 2004 (the “Third 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 Third Compensation Period, Kekst’s fees for providing professional services to the Debtors totaled \$10,200.00. In connection with services rendered, Kekst has recorded actual and necessary out-of-pocket expenses in the amount of \$2,629.81. 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 Third Compensation Period.

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

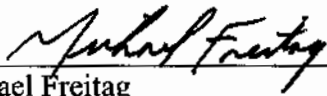
Interim Period	Total Fees	Less Holdback @ 10%	Fees Due	Total Expenses	Amounts Due
August 1 – August 31, 2004	\$10,200.00	\$1,020.00	\$9,180.00	\$2,629.81	\$11,809.81

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 Third 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 30, 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	4.5	\$2,700.00
Victoria Weld	Partner since 2000. Joined firm as an Associate in 1996.	\$500	15.0	\$7,500.00

Grand Total: \$10,200.00

Total Hours: 19.5

Blended Rate: \$523.08

EXPENSE SUMMARY

Expense Category	Sub-Category	Amount
Telecommunications		\$322.00
Photocopy		\$70.00
Subscriptions		\$95.00
News Services		\$140.00
Information Technology		\$70.00
Teleconference – 8/14/04	Premiere	\$242.81
Press release distribution – 8/2/04	Business Wire	\$1,690.00

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. 068901

September 1, 2004

Charges for services for the month of August 2004 \$10,200.00

EXPENSES

Telecommunications	\$322.00	
Photocopy	70.00	
Subscriptions	95.00	
News Services	140.00	
Information Technology	70.00	
Business Wire - 8/2	1,690.00	
Prem. Teleconferencing - 8/14	242.81	
		2,629.81
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Please pay this amount: \$12,829.81

PEGASUS SATELLITE COMMUNICATIONS, INC.
Supplement To Invoice #068901, dated September 1, 2004
Charges for post-petition services for the period August 1-31, 2004

PROJECT CATEGORY: General Strategic Counsel and Planning

Date	Professional	Hours	Rate	Amount
	<i>Description of Activity</i>			
<u>August 1</u>				
M. Freitag	2.0 hrs		\$600.00	\$1,200.00
	<i>Conference call with senior management to review all communications documents related to announcement of settlement</i>			
V. Weld	2.0 hrs		\$500.00	\$1,000.00
	<i>Conference call with senior management to review all communications documents related to announcement of settlement</i>			
<u>August 2</u>				
V. Weld	1.5 hrs		\$500.00	\$750.00
	<i>Conference call with senior management</i>			
<u>August 3</u>				
V. Weld	1.0 hrs		\$500.00	\$500.00
	<i>Conference call with senior management</i>			
<u>August 4</u>				
V. Weld	0.5 hrs		\$500.00	\$250.00
	<i>Conference call with senior management</i>			
<u>August 13</u>				
V. Weld	0.5 hrs		\$500.00	\$250.00
	<i>Conference call with senior management</i>			
<u>August 18</u>				
M. Freitag	0.5 hrs		\$600.00	\$300.00
	<i>Email discussions with C. Crate, S. Blank, V. Weld re: media inquiry</i>			
<u>August 19</u>				

V. Weld	0.5 hrs	\$500.00	\$250.00
<i>Conference call with senior management</i>			
<u>August 26</u>			
V. Weld	0.5 hrs	\$500.00	\$250.00
<i>Conference call with senior management</i>			
PROJECT TOTALS:	9.0 hrs		\$4,750.00

PROJECT CATEGORY: Media Activity

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

August 2

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Responded to media inquiries</i>			
M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Review of media coverage</i>			

August 3

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Responded to media inquiries</i>			

August 4

V. Weld	0.5 hrs	\$500.00	\$250.00
<i>Responded to media inquiries</i>			

August 17

M. Freitag	0.5 hrs	\$600.00	\$300.00
<i>Response to media inquiry and follow-up</i>			

PROJECT TOTALS:	3.5 hrs		\$1,850.00
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PROJECT CATEGORY: Materials Preparation

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

August 1

V. Weld	5.0 hrs	\$500.00	\$2,500.00
<i>Drafted and revised communications documents related to announcement of settlement</i>			

M. Freitag	1.0 hrs	\$600.00	\$600.00
<i>Revisions to communications documents</i>			

August 2

V. Weld	1.0 hrs	\$500.00	\$500.00
<i>Revisions to communications documents</i>			

CATEGORY TOTALS:	7.0 hrs		\$3,600.00
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<u>GRAND TOTALS:</u>	<u>19.5 hrs</u>		<u>\$10,200.00</u>
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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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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 30, 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 August 1, 2004 and Ending August 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 30, 2004

/s/ Sheila R. Dilios
SHEILA R. DILIOS

BERNSTEIN, SHUR, SAWYER & NELSON
100 Middle Street, P.O. Box 9729
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SERVICE VIA “ECF FILING”

- **Gayle H. Allen**
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- **Fred W. Bopp, III,**
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