

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 FROM SEPTEMBER 1, 2004 THROUGH SEPTEMBER 30, 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 September 1, 2004 and ending September 30, 2004 (the “Fourth 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 Fourth 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 September 1, 2004 through September 30, 2004. In connection with services rendered, C&TA has recorded actual and necessary out-of-pocket expenses in the amount of \$793.90. 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 Fourth Compensation Period (Exhibit A), and (ii) a schedule of out-of-pocket disbursements incurred in connection with the services performed during the Fourth 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 @ 10%	Fees Due	Total Expenses	Amount Due
9/1/04-9/30/04	\$150,000	\$15,000	\$135,000	\$793.90	\$135,793.90

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: October 27, 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)

(518) 462-3045 (facsimile)

**SUMMARY OF TIME CHARGES FOR THE PERIOD  
SEPTEMBER 1, 2004 THROUGH AND INCLUDING SEPTEMBER 30, 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 –1.5 hours**

Date	# of Hours	Description
9/6	.5	Review and discuss Broadcast asset motion internally
9/8	.5	Review KERP proposal; discuss internally
9/14	.5	Internal discussion following Ops Update Call

**Wayne Barr, Jr. – 27.5 hours**

Date	# of Hours	Description
9/2	2	Review pending motion affecting certain Broadcast assets
9/6	2	Review pending motion, internal discussion regarding impact on Debtors and debtholders
9/7	3	Review Broadcast documents; participate in conference call with counsel to Debtors and Committee, review proposed transaction
9/8	2	Review KERP proposal, participate in conference call with counsel for Debtors and Committee, internal discussions regarding same
9/14	1.5	Participate in update call with Debtors; discuss internally
9/21	3	Prepare for and participate in conference call with Akin and Greenhill; prepare for hearing on Thursday.
9/22	4	Prepare for and participate in Committee conference call regarding Broadcast assets; travel to Portland and prepare for hearing on Thursday
9/23	4	Prepare for and attend hearing on Thursday; travel back to Albany
9/27	2	Review proposed settlement and participate in conference call regarding same
9/28	2	Review documents associated with settlement, participate in conference call with counsel to Debtors and Committee
9/30	2	Participate in conference call regarding disposition of Debtors' Broadcast assets

**Eduardo Sanchez – 154 hours**

Date	# of Hours	Description
9/1	8	Review of weekly Ops results
9/2	8	Reviewing Broadcast assets documents. Analyzing impact of motion relating to Broadcast assets.
9/3	8	Reviewing Broadcast assets documents. Analyzing impact of pending motion relating to Broadcast assets.

9/7	8	Reviewing Broadcast assets documents. Conference call with Sidley Austin and the Committee's advisors to go over pending motion and proposed transaction.
9/8	8	Reviewing Broadcast assets documents. Conference call with Sidley Austin and the Committee's advisors to review Debtor's Proposal for additional KERP
9/9	8	Preparing due diligence request: Broadcast assets
9/10	8	Preparing and revising due diligence request: Broadcast assets
9/13	8	Reviewing Broadcast assets online database
9/14	8	Reviewing Broadcast assets online database. Conference Call with Joe Pooler (PGTV CFO)/Miller Buckfire/Greenhill to get an update on Pegasus operations
9/15	8	Reviewing Broadcast assets online database
9/16	8	Reviewing Broadcast assets online database
9/17	8	Reviewing Broadcast assets online database
9/20	8	Preparing financial summaries PBT
9/21	8	Preparing financial summaries PBT. Conference Call with Akin, Greenhill to discuss relevant issues regarding sale of Broadcast Assets
9/22	8	Preparing financial summaries PBT. Conference Call with Committee plus advisers to discuss relevant issues regarding sale of Broadcast Assets
9/23	8	Preparing financial summaries PBT
9/24	8	Preparing financial summaries PBT
9/27	8	Reviewing settlement proposal. Conference call with Akin Gump to discuss status of settlement and implications
9/28	8	Reviewing settlement proposal. Conference call with Sidley Austin to request additional information about proposed settlement
9/30	2	Conference Call with Committee and advisers to discuss current status of sale of Broadcast Assets and other matters.

**CAPITAL & TECHNOLOGY ADVISORS LLC  
EXPENSE SUMMARY FOR THE PERIOD SEPTEMBER 1, 2004 – SEPTEMBER 30,  
2004**

<b>EXPENSE CATEGORY</b>	<b>TOTAL EXPENSES</b>
Travel(1)	<b>\$401.19</b>
Lodging	<b>334.92</b>
Meals While Traveling	<b><u>57.79</u></b>
<b>TOTAL:</b>	<b>\$793.90</b>

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

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	)	
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 October 22, 2004, 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 September 1, 2004 and Ending September 30, 2004, to be served on the parties listed on the attached service list by either (i) U.S. First Class Mail, Postage Prepaid or (ii) 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.

Dated: Portland, Maine  
October 27, 2004

/s/ Michelle S. Pottle  
Michelle S. Pottle  
Legal Assistant  
Pierce Atwood  
One Monument Square  
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(207) 791-1100 (Phone)

## Electronic Notification by the ECF System:

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