

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 GREENHILL & Co., 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**

Greenhill & Co., LLC (“Greenhill”), 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, Greenhill 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 “Greenhill Retention Order”) authorizing the retention of Greenhill as financial advisor to the Committee *nunc pro tunc* to June 14, 2004, pursuant to that certain engagement letter dated as of June 14, 2004. (the “Engagement Letter”). Pursuant to the terms of the Engagement Letter, Greenhill 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, Greenhill 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, Greenhill has recorded actual and necessary out-of-pocket expenses in the amount of \$242.00. There may exist additional out-of-pocket expenses that Greenhill 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 Greenhill 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	\$242.00	\$135,242.00

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 25, 2004.

Respectfully Submitted,
GREENHILL & Co., LLC
/s/ Bradley A. Robins
Bradley A. Robins
Managing Director
300 Park Avenue, 23rd Floor
New York, NY 10022
(212) 389-1567 (telephone)
(212) 389-1767 (facsimile)

Exhibit A
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.

Michael A. Kramer –4 hours

Date	Hours	Tasks
15-Sep-04	4.0	Receive update on transition process, discuss internally

Total	4.0	Total September Hours
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Brad A. Robins – 14 hours

Date	Hours	Tasks
15-Sep-04	4.0	Receive update on transition process, discuss internally
22-Sep-04	6.0	Conference Call with Committee to discuss open-items, discuss internally
23-Sep-04	4.0	Conference Call with MBLY to discuss broadcast asset sale, discuss internally

Total	14.0	Total September Hours
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Chris Ortega –54 hours

Date	Hours	Tasks
3-Sep-04	4.0	Revise buyer list for broadcast assets
7-Sep-04	6.0	Conference call with Sidley, discuss internally
8-Sep-04	3.0	Review data room materials
14-Sep-04	6.0	Conference Call with Joe Pooler to get an update on migration planning with DTV
15-Sep-04	3.0	Review data room materials
20-Sep-04	2.0	Coordinate conference calls
21-Sep-04	6.0	Conference Call with advisors to discuss open-items, discuss internally
22-Sep-04	6.0	Conference Call with Committee to discuss open-items, discuss internally
23-Sep-04	4.0	Conference Call with MBLY to discuss broadcast asset sale, discuss internally
28-Sep-04	4.0	Analyze credit agreements
29-Sep-04	4.0	Analyze default interest rates and prepayment premiums
30-Sep-04	6.0	Conference call with advisors, discuss internally

Total	54.0	Total September Hours
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R. Scott Greeder – 56 hours

Date	Hours	Tasks
3-Sep-04	4.0	Revise buyer list for broadcast assets
7-Sep-04	8.0	Conference call with Sidley, discuss internally
8-Sep-04	3.0	Review data room materials
14-Sep-04	8.0	Conference Call with Joe Pooler to get an update on migration planning with DTV
15-Sep-04	3.0	Review data room materials
20-Sep-04	2.0	Coordinate conference calls
21-Sep-04	8.0	Conference Call with advisors to discuss open-items, discuss internally
22-Sep-04	8.0	Conference Call with Committee to discuss open-items, discuss internally
23-Sep-04	4.0	Conference Call with MBLY to discuss broadcast asset sale, discuss internally
28-Sep-04	4.0	Analyze credit agreements
29-Sep-04	4.0	Analyze default interest rates

Total	56.0	Total September Hours
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Exhibit B

**GREENHILL & CO., LLC
EXPENSE SUMMARY FOR THE PERIOD September 1, 2004 – September 30, 2004**

EXPENSE CATEGORY	TOTAL EXPENSES
Other ⁽¹⁾	\$242.00
TOTAL:	\$242.00

(1) Includes research, overtime travel and telephonic charges.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

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 October 22, 2004, 2004 I caused the Statement of Fees for Services Rendered and Out-of-Pocket Expenses Incurred by Greenhill & Co., 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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