

phrases not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

GREAT AMERICAN'S PROFESSIONAL QUALIFICATIONS

3. Great American is a leading international liquidation, auction and consulting firm with extensive experience liquidating many varieties of assets, including the classes of assets that are the subject of the Motion. Great American has liquidated assets or provided consulting services to numerous clients including K-Mart, Frank's Nursery's, Warehouse Music, Factory 2U, Joanne Fabrics, Arthur Anderson, Diva Satellite Systems, and Webvan. Great American maintains strong industry relationships and buyer resources, including a database of over 200,000 current, past and former purchasers of assets from Great American liquidations. Finally, Great American is able to utilize a number of sales techniques, including live, on-site webcast auction sales to increase competition amongst purchasers and increase bottom line recoveries.

4. Great American's professionals have extensive experience in providing consulting services to financially distressed companies.

GREAT AMERICAN'S FAMILIARITY WITH THE ASSETS

5. Great American has toured each of the Facilities where the Assets which are the subject of the Motion are located, has examined the Assets, and has worked with the Debtors to formulate a plan for liquidating the Assets while maximizing the recovery for the benefit of the Debtors' creditors. Accordingly, given Great American's ability to provide expert advice regarding the liquidation of the Assets, as well as Great American's familiarity with the Debtors and the Assets, I believe that Great American is uniquely well-qualified to serve as the Debtors' liquidation and auction consultant in these chapter 11 cases. Additionally, in light of

Great American's familiarity with the Assets and their expertise in liquidating similar assets, the use of Great American as the Debtors' liquidation and auction consultant will also be cost effective for the Debtors and their estates.

SERVICES TO BE RENDERED

6. By the Motion, the Debtors seek to retain Great American as their liquidation and auction consultant in these chapter 11 cases to provide advice and services relating to the sale of certain Assets that are no longer needed by the Debtors in the operation of their businesses. Specifically, and as set forth more fully in the Motion and the Consulting Agreement (which is attached to the Motion as Exhibit A), Great American expects to render the following professional services:

- conduct one or more Auctions of the Assets at each of the Facilities where the Assets are located, including providing all personnel and qualified supervisors necessary to conduct and supervise the Sale;
- implement appropriate advertising to maximize the proceeds obtained for the Assets from the Auctions;
- prepare the Assets for the Auctions, conduct the Auctions and dispose of all unsold Assets from the Facilities and any unsold vehicles or trailers;
- use commercially reasonable efforts to maximize the recovery for the Company trade exhibit in Las Vegas;
- to the extent requested by Company, provide a report and reasonable documentation setting forth the fair market value of those certain assets, previously identified to Consultant, that are being sold to Company's affiliate Pegasus Communications Corporation to assist Company and Pegasus Communications Corporation in establishing a the fair market value for those assets;
- offer at a fair market value Dell D600 laptop computers and Treo 300 cell phones to the limited group of Company employees designated by the Company, with any such sales not being subject to the payment of a Buyer's Premium; and

- provide such other services reasonably requested by the Company to effectively conduct the Sale and complete the disposition of the Assets.

DISINTERESTEDNESS AND ELIGIBILITY

7. In preparing this Affidavit, I caused to be reviewed a list of the significant parties-in-interest provided to Great American by the Debtors (the "Interested Parties"), which is attached hereto as Exhibit A. The list of the Interested Parties is comprised of the following:

- a) The Debtors and their affiliates;
- b) The Debtors' officers and directors;
- c) Certain of the Debtors' significant creditors;
- d) Certain lenders to the Debtors;
- e) Persons holding a large percentage of the Debtors' issued and outstanding voting securities;
- f) The Debtors' professionals in these bankruptcy cases;
- g) The Debtors' significant trade creditors; and
- h) Other professionals employed by the Debtors.

8. To the best of my knowledge and belief, neither Great American, I, nor any other employee of Great American has any connection with or holds any interest adverse to the Interested Parties in the matters on which Great American is proposed to be retained. From time to time, Great American and its affiliates have provided services, may currently provide services, and likely will continue to provide services, to certain creditors of the Debtors, other parties-in-interest and various other parties potentially adverse to the Debtors in matters unrelated to these chapter 11 cases. Certain of these creditors, other parties-in-interest, attorneys, or accountants have or may have provided goods or services to, currently provide or may currently provide goods or services to, and may in the future provide goods or services to Great American and its affiliates and the Great American Principals in matters unrelated to these

chapter 11 cases. Moreover, from time to time, Great American also may have had dealings on other unrelated matters with certain of the other professionals expected to provide services in these cases.

9. To the best of my knowledge, information and belief, Great American has not been retained to assist any entity or person other than the Debtors on matters relating to, or in direct connection with, these chapter 11 cases. If Great American's proposed retention by the Debtors is approved by this Court, Great American will not accept any engagement or perform any service for any entity or person other than the Debtors in these chapter 11 cases. Great American will, however, continue to provide professional services to entities or persons that may be creditors or equity security holders of the Debtors or parties-in-interest in this case, provided that such services do not relate to, or have any direct connection with, these chapter 11 cases.

10. Insofar as I have been able to determine, Great American and the employees of Great American that will work on this engagement do not hold or represent any interest adverse to the Debtors or their estates, and Great American is a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy Code, in that Great American, its professionals and employees:

- a) are not creditors, equity security holders or insiders of the Debtors;
- b) are not and were not investment bankers for any outstanding security of the Debtors;
- c) have not been, within three years before the date of the filing of the Debtors' chapter 11 petitions, (i) investment bankers for a security of the Debtors or (ii) attorneys for such an investment banker in connection with the offer, sale, or issuance of a security of the Debtors; and
- d) were not, within two years before the date of filing of the Debtors' chapter 11 petitions, a director, officer, or employee of the Debtors or of any investment banker as specified in subparagraph (b) or (c) of this paragraph.

11. I am not related or connected to and, to the best of my knowledge, no other professional of Great American who will work on this engagement is related or connected to, any United States Bankruptcy Judge for the District of Maine, any of the District Judges for the District of Maine who handle bankruptcy cases, the United States Trustee for this Region or any employee in the Office of the United States Trustee for this Region.

12. If Great American discovers any additional information that requires disclosure, Great American will promptly file a supplemental Affidavit with this Court.

DISCLOSURE OF COMPENSATION

13. Great American was not employed by the Debtors and did not receive any compensation from the Debtors during the 12 months preceding the Petition Date.

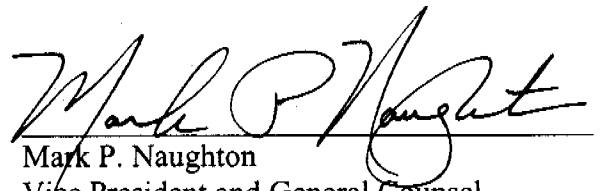
COMPENSATION AND FEE APPLICATION

14. Subject to the Court's approval, Great American will seek payment for compensation and reimbursement of expenses on the terms described in the Motion and Consulting Agreement (the "Fee Structure"). Great American seeks approval of the terms of its compensation pursuant to section 328(a) of the Bankruptcy Code. Given the nature of Great American's engagement, Great American will not be billing the Debtors by the hour and will not be keeping records of time spent for professional services rendered in these chapter 11 cases.


15. As Great American's compensation will be calculated based upon the proceeds received from the sale of the Assets, Great American respectfully submits that any Auction Proceeds payable to Great American should be treated as an administrative expense of the Debtors' estates and should be paid to Great American in the ordinary course of business of the Debtors.

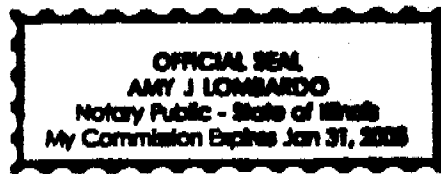
16. Great American submits that based on its experience and expertise in liquidating assets and providing related consulting services, the Fee Structure set forth in the Motion and Consulting Agreement is fair and reasonable. Great American believes that the Fee Structure appropriately reflects the nature and scope of the services to be provided by Great American, Great American's substantial experience with respect to the consulting services for which it is being retained, and the fee structures typically utilized by Great American and other leading liquidation and auction consultants both in and out of bankruptcy.

17. There is no agreement or understanding between Great American and any other entity, other than a member, partner or regular associate of Great American, for the sharing of compensation received or to be received for services rendered in connection with these proceedings.


Mark P. Naughton
Vice President and General Counsel
Garcel, Inc., d/b/a the Great American Group

Sworn to and subscribed before
me this 3 day of November, 2004.


Notary Public



My Commission Expires: Jan. 31, 2005