

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 OCTOBER 1, 2004 AND ENDING OCTOBER 31, 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 October 1, 2004 and ending October 31, 2004 (the “Fifth 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 Fifth 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 October 1, 2004 through October 31, 2004. In connection with services rendered, Greenhill has recorded actual and necessary out-of-pocket expenses in the amount of \$748.00. 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 Fifth Compensation Period (Exhibit A), and (ii) a schedule of out-of-pocket disbursements incurred in connection with the services performed during the Fifth 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
10/1/04–10/31/04	\$150,000	\$15,000	\$135,000	\$748.00	\$135,748.00

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: December 3, 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
OCTOBER 1, 2004 THROUGH AND INCLUDING OCTOBER 31, 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 –6 hours

Date	Hours	Tasks
10-Oct-04	1.0	Review PBT Offering Memorandum
13-Oct-04	1.0	Review Fee Application
27-Oct-04	1.0	Review comparable credit lending analysis
29-Oct-04	3.0	Review actual damage presentation

Total	6.0	Total October Hours
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Brad A. Robins – 20 hours

Date	Hours	Tasks
9-Oct-04	2.0	Review analysis relating to prepayment and default interest of senior loans
10-Oct-04	2.0	Review PBT Offering Memorandum
12-Oct-04	1.0	Review supplemental KERP proposal
13-Oct-04	1.0	Review Fee Application
14-Oct-04	2.0	Conference Call with advisors to discuss KERP, discuss internally
15-Oct-04	2.0	Conference Call with advisors to discuss KERP, discuss internally
21-Oct-04	3.0	Conference Call with advisors, discuss internally
22-Oct-04	2.0	Conference Call with advisors, discuss internally
26-Oct-04	2.0	Review comparable credit lending analysis
27-Oct-04	1.0	Review comparable credit lending analysis
29-Oct-04	2.0	Review actual damage presentation

Total	20.0	Total October Hours
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Chris Ortega –42 hours

Date	Hours	Tasks
8-Oct-04	2.0	Review analysis relating to prepayment and default interest of senior loans
10-Oct-04	4.0	Review PBT Offering Memorandum
12-Oct-04	2.0	Review supplemental KERP proposal
13-Oct-04	1.0	Review Fee Application
14-Oct-04	6.0	Conference Call with advisors to discuss KERP, discuss internally
15-Oct-04	2.0	Conference Call with advisors to discuss KERP, discuss internally
21-Oct-04	4.0	Conference Call with advisors, discuss internally
22-Oct-04	2.0	Review default interest and prepayment analysis; conference call, discuss internally

26-Oct-04	6.0	Review comparable credit lending analysis
27-Oct-04	3.0	Review comparable credit lending analysis
28-Oct-04	5.0	Review actual damage presentation
29-Oct-04	5.0	Review actual damage presentation

Total	42.0	Total October Hours
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R. Scott Greeder – 71 hours

Date	Hours	Tasks
6-Oct-04	6.0	Prepared analysis relating to prepayment and default interest of senior loans
7-Oct-04	5.0	Prepared analysis relating to prepayment and default interest of senior loans
8-Oct-04	3.0	Prepare fee application
9-Oct-04	6.0	Review PBT Offering Memorandum
11-Oct-04	3.0	Review supplemental KERP proposal
12-Oct-04	2.0	Finalize Fee Application
14-Oct-04	7.0	Conference Call with advisors to discuss KERP, discuss internally
15-Oct-04	3.0	Conference Call with advisors to discuss KERP, discuss internally
20-Oct-04	6.0	Work with Akin on default interest and prepayment analysis
21-Oct-04	4.0	Conference Call with advisors, discuss internally
22-Oct-04	2.0	Conference Call with advisors, discuss internally
25-Oct-04	6.0	Prepare comparable credit lending analysis
26-Oct-04	6.0	Revise comparable credit lending analysis
28-Oct-04	6.0	Prepare actual damage presentation
29-Oct-04	6.0	Finalize actual damage presentation

Total	71.0	Total October Hours
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Exhibit B

**GREENHILL & CO., LLC
EXPENSE SUMMARY FOR THE PERIOD October 1, 2004 – October 31, 2004**

EXPENSE CATEGORY	TOTAL EXPENSES
Other ⁽¹⁾	\$748.00
TOTAL:	\$748.00

(1) Includes travel, telecommunications, information services, printing, duplicating and other expenses.

Greenhill & Co., LLC
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(212) 389-1500
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Greenhill

November 18, 2004

Pegasus Satellite Television, Inc. Et Al

Invoice #040156

Submitted for services rendered in connection with the Official Committee of Unsecured Creditors:

<u>Description</u>	<u>Amount</u>
Advisory Fee – October 2004	\$150,000
Out-of-pocket expenses (Paragraph 4): Travel, telecommunications, information services, printing, duplicating and other expenses	<u>748</u>
Balance due	<u>\$150,748</u>

Please send payment via wire transfer to:

First Republic Bank
ABA Number: 321081669
Beneficiary Name: Greenhill & Co., LLC
Beneficiary Account Number: 97900018536
Federal Tax I.D. Number 13-3867900

Thank you.