

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 FTI CONSULTING, INC. AS FINANCIAL ADVISOR TO
PEGASUS SATELLITE TELEVISION, INC. AND CERTAIN
OF ITS SUBSIDIARIES AND AFFILIATES FOR
THE PERIOD BEGINNING DECEMBER 1, 2004 AND ENDING DECEMBER
31, 2004**

FTI Consulting, Inc (“FTI”), Financial Advisor 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 December 1, 2004 and ending December 31, 2004 (the “December Compensation Period”). In support of the Monthly Statement, FTI 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 FTI as Financial Advisor 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 December Compensation Period, FTI’s fees for providing professional services to the Debtors totaled \$33,132.50. In connection with services rendered, FTI has recorded actual and necessary out-of-pocket expenses in the amount of \$927.31. There may exist additional out-of-pocket expenses that FTI 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 December 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	Amount Due
December 1 – December 31 2004	\$33,132.50	\$3,313.25	\$29,819.25	\$927.31	\$30,746.56

6. Attached hereto as **Exhibit B** is an invoice summarizing the hours billed by each professional at FTI, each professional’s respective hourly rates, fees charged and expenses incurred during the December Compensation Period.

7. Attached hereto as Exhibit C is a copy of the detailed Statement of Services Rendered, including a detailed accounting of time, task code, a description of the task performed by each professional during the November Compensation Period.

FTI Consulting, Inc.
3 Times Square
New York, NY 10036

BY: Randall S. Eisenberg
Randall S. Eisenberg
Senior Managing Director

FTI Consulting, Inc.
 Exhibit A of December Monthly Fee Statement
 Statement of Expenses Incurred
 Pegasus Satellite Television, Inc., et. al.
 Case No. 04-20878

Professional	Title	Date	Description	Transportation	Lodging	Telephone	Sundry	Meals	Total Expense
Adrian Frankum	Managing Director	12/15/2004	Traffic from NYC to PHIL.	227.00					227.00
Adrian Frankum	Managing Director	12/15/2004	Taxi from train station to client.	20.00					20.00
Adrian Frankum	Managing Director	12/15/2004	Taxi from client to train station.	19.00					19.00
Adrian Frankum	Managing Director	12/15/2004	Taxi from home to train station.	21.00					21.00
Scott Lyman	Associate	12/16/2004	Dinner while working late.					22.00	22.00
Eric Shakun	Associate	12/16/2004	Taxi from office to home for working late.	10.00					10.00
Eric Shakun	Associate	12/16/2004	Breakfast.					3.70	3.70
Eric Shakun	Associate	12/16/2004	Roundtrip train ticket from New York to Philadelphia for Pegasus.	233.00					233.00
Eric Shakun	Associate	12/16/2004	Roundtrip train ticket from home to Penn Station.	17.50					17.50
Eric Shakun	Associate	12/16/2004	Lodging in Philadelphia, PA for 1 night, check in 12/16/04 - check out 12/17/04.		175.56				175.56
Eric Shakun	Associate	12/17/2004	Dinner while working late.					17.00	17.00
Eric Shakun	Associate	12/17/2004	Dinner in hotel room.					25.00	25.00
Eric Shakun	Associate	12/17/2004	Car service from train station to home.	96.90					96.90
Eric Shakun	Associate	12/18/2004	Lunch while working in office on weekend.					12.65	12.65
Eric Shakun	Associate	12/18/2004	Parking expense for working in office on weekend.				12.00		12.00
Eric Shakun	Associate	12/19/2004	Parking expense for working in office on weekend.				15.00		15.00
				644.40	175.56	0.00	27.00	80.35	927.31

Exhibit B
Invoice from FTI Consulting, Inc (“FTI”)
Financial Advisor to Pegasus Satellite Television, Inc. et. al
(“Debtors”)

This Invoice for compensation covers the following amounts for each of the professionals, from FTI, that provided financial advisory services to the Debtor during the period December 1, 2004 to December 31, 2004 (“December Compensation Period”).

Applicant:	Hours:	Rate:	Fees:	Expenses:	Total:
Adrian Frankum	33.6	\$560.00	\$18,816.00	\$287.00	\$19,103.00
Jarod J. Wada	5.6	\$415.00	\$2,324.00	\$0.00	\$2,324.00
Eric Shakun	54.5	\$205.00	\$11,172.50	\$608.31	\$11,780.81
Scott Lyman	4.0	\$205.00	\$820.00	\$32.00	\$852.00
Total	97.7		\$ 33,132.50	\$ 927.31	\$ 34,059.81
Less Holdback ¹			\$ (3,313.25)	\$ 0.00	\$ (3,313.25)
Payment Due			<u>\$ 29,819.25</u>	<u>\$ 927.31</u>	<u>\$ 30,746.56</u>

¹ In accordance with the Administrative Order for Interim Compensation for professionals dated June 24, 2004, FTI is requesting a payment of \$30,746.56 which equates to 90% of fees for services rendered during the Invoice Period (\$29,819.25) and 100% of expenses incurred during the Invoice Period (\$927.31).

Date	Professional	Title	Hours	Task Code	Description
12/1/2004	Adrian Frankum	Managing Director	0.6	H	Call with P. Caruso (Sidley) on claims management.
12/1/2004 Total			0.6		
12/15/2004	Adrian Frankum	Managing Director	1.6	H	Prepare for and attend meeting with J. Pooler and S. Hammond (both Debtor) to review presentation to the Creditor's Committee.
12/15/2004	Adrian Frankum	Managing Director	1.5	A	Travel to Philadelphia to attend meeting at Debtor (Half Billable).
12/15/2004	Adrian Frankum	Managing Director	3.2	H	Working session with client to determine claims to be objected to.
12/15/2004	Adrian Frankum	Managing Director	0.3	H	Phone call with E. Shakun (FTI) re: Debtor claims objections filing.
12/15/2004	Adrian Frankum	Managing Director	1.5	A	Travel to New York from Philadelphia (Half Billable).
12/15/2004	Eric Shakun	Associate	0.3	H	Phone call with A. Frankum (FTI) re: Debtor claims objections filing.
12/15/2004	Jarod Wada	Director	1.3	B	Review November Monthly Fee Statement and provide comments to S. Lyman (FTI).
12/15/2004 Total			9.7		
12/16/2004	Eric Shakun	Associate	0.9	H	Prepare claim filing template.
12/16/2004	Eric Shakun	Associate	1.5	A	Travel to Philadelphia from New York (Half Billable).
12/16/2004	Eric Shakun	Associate	1.1	H	Discussion with S. Hammond (Debtor) re: claims preparation and objections.
12/16/2004	Eric Shakun	Associate	0.3	H	Draft email correspondence to A. Frankum (FTI) re: claims objection process.
12/16/2004	Eric Shakun	Associate	0.4	H	Review and summarize notes from phone conversation with A. Frankum (FTI) re: definition of claim objection buckets.
12/16/2004	Eric Shakun	Associate	0.9	H	Meeting with S. Martini (Debtor) and A. Feinberg (Debtor) to clarify claims objection categories and definitions.
12/16/2004	Eric Shakun	Associate	1.3	H	Review of claims filed against entity PSC with A. Feinberg (Debtor) to locate claims for objection.
12/16/2004	Eric Shakun	Associate	2.4	H	Create schedules for Debtor claims objections.
12/16/2004	Eric Shakun	Associate	0.9	H	Discussion with D. Quigley (Debtor) re: objecting to PMC claims.
12/16/2004	Eric Shakun	Associate	0.4	H	Review and analyze claims objection schedule provided by D. Quigley (Debtor) re: Wachovia & HSBC claims.
12/16/2004	Scott Lyman	Associate	2.6	B	Prepare the November Fee Statement.
12/16/2004	Scott Lyman	Associate	1.4	H	Create schedules for Debtor claims objections.
12/16/2004 Total			14.1		
12/17/2004	Adrian Frankum	Managing Director	0.5	H	Call with E. Shakun (FTI) regarding claims objections.
12/17/2004	Adrian Frankum	Managing Director	0.4	H	Call with P. Caruso (Sidley) regarding timing for the claims objection.
12/17/2004	Adrian Frankum	Managing Director	1.2	H	Working session with E. Shakun (FTI) to review and revise work performed on claims management.
12/17/2004	Adrian Frankum	Managing Director	1.1	H	Review claims database.
12/17/2004	Eric Shakun	Associate	1.5	A	Travel to New York from Philadelphia (Half Billable).
12/17/2004	Eric Shakun	Associate	0.5	H	Call with A. Frankum (FTI) regarding claims objections.
12/17/2004	Eric Shakun	Associate	0.7	H	Update master claims template based upon discussion of PBT claims with J. Levine (Debtor).
12/17/2004	Eric Shakun	Associate	1.2	H	Working session with A. Frankum (FTI) to review and revise work performed on claims management.
12/17/2004	Eric Shakun	Associate	0.7	H	Meeting with D. Quigley (Debtor) followed up by analysis and documentation of PMC claim objections.
12/17/2004	Eric Shakun	Associate	1.2	H	Update claims file based upon discussions with J. Levine (Debtor) re: PBT.
12/17/2004	Eric Shakun	Associate	1.4	H	Creation and population of multi-debtor exhibit. Review of exhibit for accuracy.
12/17/2004	Eric Shakun	Associate	0.8	H	Creation of "Late Claims" exhibit. Analyze the claims master file to ensure that all late claims are included in the exhibit.
12/17/2004	Eric Shakun	Associate	3.3	H	Analysis of PBT and GSS claims files to locate outstanding claims. Ensure claims are properly classified for claims objections.
12/17/2004	Eric Shakun	Associate	0.2	H	Discussions with S. Hammond (Debtor) re: Gatelinx and Wachovia redundant claims.
12/17/2004	Eric Shakun	Associate	0.3	H	Discussions with S. Martini (Debtor) and A. Feinberg (Debtor) re: claims definitions and application objection categories.

Date	Professional	Title	Hours	Task Code	Description
12/17/2004 Total					
12/18/2004	Adrian Frankum	Managing Director	3.1	H	Review and analyze underlying data file relating to claims objections.
12/18/2004	Adrian Frankum	Managing Director	0.9	H	Working session with E. Shakun (FTI) regarding claims objections.
12/18/2004	Adrian Frankum	Managing Director	1.9	H	Draft adjustments to initial exhibits to the objection motion.
12/18/2004	Eric Shakun	Associate	0.4	H	Phone conversation with M. McClintock (Sidley) re: exhibit preparation for claims objections.
12/18/2004	Eric Shakun	Associate	3.6	H	Analysis of PST to locate disputed claims. Populate the claims into exhibits.
12/18/2004	Eric Shakun	Associate	3.7	H	Incorporate feedback from A. Frankum (FTI) to update the claims exhibits and claims data master file.
12/18/2004	Eric Shakun	Associate	1.4	H	Ensure claims objection exhibits are properly accurate and formatted.
12/18/2004	Eric Shakun	Associate	0.9	H	Working session with A. Frankum (FTI) regarding claims objections.
12/18/2004 Total			15.9		
12/19/2004	Adrian Frankum	Managing Director	2.4	H	Analyze and review current draft of the claims objection exhibits and make edits.
12/19/2004	Adrian Frankum	Managing Director	0.4	H	Meet with E. Shakun (FTI) to discuss and review issues relating to the claims objections.
12/19/2004	Adrian Frankum	Managing Director	1.2	H	Review revised draft of the claims objection exhibits.
12/19/2004	Eric Shakun	Associate	0.4	H	Phone conversation with S. Martini (Debtor) re: PST redundant claims.
12/19/2004	Eric Shakun	Associate	0.7	H	Phone conversations with S. Martini (Debtor) re: insufficient PST claims, incorporation of updates into master claims file and exhibits.
12/19/2004	Eric Shakun	Associate	0.4	H	Meet with A. Frankum (FTI) to discuss and review issues relating to the claims objections.
12/19/2004	Eric Shakun	Associate	2.7	H	Ensure that multi-debtor claims are complete and accurate by cross-referencing claims through the claims master file listing.
12/19/2004	Eric Shakun	Associate	1.3	H	Cross-reference amended claims to their corresponding claim in the master file to ensure completeness.
12/19/2004	Eric Shakun	Associate	0.3	H	Phone conversation with S. Martini (Debtor) re: ProSat, Prime and Gatelinx claims.
12/19/2004	Eric Shakun	Associate	0.3	H	Phone conversation with M. McClintock (Sidley) to review and discuss claims objection exhibit formats.
12/19/2004	Eric Shakun	Associate	0.2	H	Discussion with M. McClintock (Sidley) re: ProSat, Wachovia and Gatelinx claims.
12/19/2004	Eric Shakun	Associate	1.2	H	Review draft exhibits for claims objections.
12/19/2004	Eric Shakun	Associate	3.3	H	Incorporate updates and changes to claims exhibits based upon comments from A. Frankum (FTI).
12/19/2004	Eric Shakun	Associate	1.3	H	Analysis and preparation of "No Liability" claims exhibit based upon conversations with S. Martini (Debtor), D.
12/19/2004	Eric Shakun	Associate	0.2	H	Write emails to FTI, Debtor and Sidley personnel re: draft updates of claim exhibits.
12/19/2004 Total			16.3		
12/20/2004	Adrian Frankum	Managing Director	2.1	H	Prepare for and attend call with E. Shakun (FTI), S. Hammond (Debtor), M. McClintock and P. Caruso (both Sidley) to review claims objections exhibits.
12/20/2004	Adrian Frankum	Managing Director	2.4	H	Review and revise current version of exhibits for claims objection.
12/20/2004	Adrian Frankum	Managing Director	0.4	H	Call with M. McClintock (Sidley) regarding proper notification of claimants for objector
12/20/2004	Adrian Frankum	Managing Director	0.2	H	Call with M. Offerelli (Trumbull) to discuss changes to claimant's addresses for Exhibit to objection.
12/20/2004	Adrian Frankum	Managing Director	2.3	H	Review and revise current draft of the exhibits to the December claims objection.
12/20/2004	Adrian Frankum	Managing Director	1.9	H	Review new address information from Trumbull and analyze multiple objections for single claims as requested by Sidley.
12/20/2004	Eric Shakun	Associate	1.7	H	Prepare for and attend call with A. Frankum (FTI), S. Hammond (Debtor), M. McClintock and P. Caruso (both Sidley) to review claims objections exhibits.
12/20/2004	Eric Shakun	Associate	0.4	H	Review and update claims exhibit files based upon comments per phone conversation with S. Martini (Debtor).
12/20/2004	Eric Shakun	Associate	0.3	H	Review and update claims exhibit files based upon comments per phone conversation with J. Levine (Debtor).
12/20/2004	Eric Shakun	Associate	0.4	H	Review and update claims exhibit files based upon comments per phone conversation with J. Cooler (Debtor).
12/20/2004	Eric Shakun	Associate	0.4	H	Review and update claims exhibit files based upon comments per phone conversation with S. Hammond
12/20/2004	Eric Shakun	Associate	1.8	H	Review and update claims exhibit presentation based upon comments per conference call with Debtor and
12/20/2004	Eric Shakun	Associate	1.9	H	Update claims exhibits to include proper addresses. Review and format addresses for accuracy.

FTI Consulting, Inc.
Exhibit C of December Monthly Fee Statement
Statement of Services Rendered
Pegasus Satellite Television, Inc., et. al.
Case No. 04-20878

Date	Professional	Title	Hours	Task Code	Description
12/20/2004	Eric Shakun	Associate	1.8	H	Final review of claims exhibits prior to filing.
12/20/2004	Eric Shakun	Associate	0.4	H	Update claims exhibit file based upon phone conversation with D. Quigley (Debtor).
12/20/2004	Eric Shakun	Associate	0.9	H	Update creditor addresses per claims objection exhibits based upon comments from M. Offerelli (Trumbull).
12/20/2004 Total			19.3		
12/21/2004	Adrian Frankum	Managing Director	1.1	K	Call with J. Pooler (Debtor) and P. Caruso (Sidley) to discuss the liquidation analysis for the POR.
12/21/2004 Total			1.1		
12/22/2004	Adrian Frankum	Managing Director	0.6	H	Call with S. Hammond (Debtor) regarding claims management.
12/22/2004	Adrian Frankum	Managing Director	0.2	K	Prepare for and participate in call with J. Levine and J. Pooler (both Debtor) regarding liquidation analysis.
12/22/2004	Adrian Frankum	Managing Director	2.1	K	Review information for liquidation analysis development.
12/22/2004 Total			2.9		
12/23/2004	Eric Shakun	Associate	1.2	H	Update master claims schedule to reflect actual claims filing filed by Sidley.
12/23/2004	Eric Shakun	Associate	0.3	H	Create and file binder for the 12/23 claims objection.
12/23/2004 Total			1.5		
12/29/2004	Jarod Wada	Director	1.2	J	Review of MORs.
12/29/2004 Total			1.2		
12/30/2004	Jarod Wada	Director	3.1	J	Review of MORs.
12/30/2004 Total			3.1		
Grand Total			100.7		
Travel Time		6.0			
Less 50%			(3.0)		
Total Hours Billed			<u><u>97.7</u></u>		

FTI Consulting, Inc.
Task Codes for Exhibit C
Pegasus Satellite Television, Inc. et. al.
Case No. 04-20878

Code	Task Description
A	Case Administration / Travel
B	Fee Statement and Fee Application (Prepare Fee Application)
C	Statements and Schedules (Prepare Schedules and Statement of Financial Affairs)
D	First Day Order Support including Strategy
E	Cash flow / cash management/ cash collateral support
F	Executory Contract Analysis
G	Work plan support
H	Claims Analysis and Support
I	Plan of reorganization/confirmation support
J	Accounting systems /Financial Reporting and MOR Support
K	Assistance in preparation and analysis for interested parties
L	Meetings and Correspondence with Debtors or UCC and/or its Professionals
M	Court Appearances & Trial Preparation

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

_____)	
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 February 1, 2005 I caused the Statement of Fees for Services Rendered and Expenses Incurred by FTI Consulting, Inc. as Financial Advisor to Pegasus Satellite Television, Inc. and Certain of its Subsidiaries and Affiliates for the Period Beginning December 1, 2004 and Ending December 31, 2004 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.

February 1, 2005

/s/ Sheila R. Dilios
SHEILA R. DILIOS

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