

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 ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF PEGASUS SATELLITE TELEVISION, INC., *ET AL.*
FOR THE PERIOD FROM DECEMBER 1, 2004 THROUGH DECEMBER 31, 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 December 1, 2004 and ending December 31, 2004 (the “Seventh 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 Seventh 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 December 1, 2004 through December 31, 2004. C&TA recorded out-of-pocket expenses during the Seventh Compensation Period in the amount of \$801.07. 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 Seventh Compensation Period (Exhibit A), and (ii) a schedule of out-of-pocket disbursements incurred in connection with the services performed during the Seventh 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
11/1/04– 11/30/04	\$150,000	\$15,000	\$135,000	\$801.07	\$135,801.07

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: February 1, 2005

Respectfully Submitted,

CAPITAL & TECHNOLOGY ADVISORS LLC

/s/ Wayne Barr, Jr.

Wayne Barr, Jr.

Member

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**SUMMARY OF TIME CHARGES FOR THE PERIOD
DECEMBER 1, 2004 THROUGH AND INCLUDING DECEMBER 31, 2004**

Listed below are the professionals who performed services during the referenced periods, their full names and the time incurred by each.

Wayne Barr, Jr. – 14.5 hours

Date	# of Hours	Description
12/1	4	Review and revise document in anticipation of due diligence investigation.
12/2	.5	Conference call with bondholder regarding case status
12/3	2	Review diligence report; provide comments
12/10	1	Review digital build-out proposals with two markets
12/15	5	Review Plan of Reorganization; participate in conference call with Committee and advisors
12/23	2	Participate in committee call

Eduardo Sanchez – 44 hours

Date	# of Hours	Description
12/1	8	Preparation of due diligence documents for Pegasus visit. Trip to Philadelphia.
12/2	8	Participate in Due Diligence meetings at Pegasus HQ in Philadelphia. Conference Call with bondholder to answer questions related to the case. Travel back to Reston.
12/3	4	Preparing Summary of due diligence discovery.
12/10	4	Analyzing Digital build out proposals
12/15	8	Review Plan of Reorganization; Conference Call with Committee and Advisors to status of Broadcast auction + Plan of Reorganization. New York
12/16	8	Meeting in Pegasus HQ - Philadelphia - with PCC/PST to go over claims analysis and cash forecast.
12/22	2	Call with Pegasus COO to get update on on-going negotiations
12/23	2	Conference Call with Committee and Advisors to status of Broadcast auction + Plan of Reorganization.

**CAPITAL & TECHNOLOGY ADVISORS LLC
EXPENSE SUMMARY FOR THE PERIOD DECEMBER 1 –31, 2004**

Expense Category	Total Expenses
Travel (1)	\$507.50
Lodging	215.46
Meal While Traveling	61.69
Miscellaneous (2)	<u>16.42</u>
Total	\$801.07

- (1) Includes airfares, train fares, mileage, parking and taxi expenses.
- (2) Include Internet access charges.