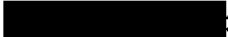


June 13, 2003

End User Development Group



Re: Purchase of Illegal Satellite Signal Theft Device(s).

Dear :

The DIRECTV End User Development Organization is responsible for the investigation of individuals receiving DIRECTV programming without authorization. Illegal reception and use of DIRECTV programming is accomplished through the use of modified DIRECTV Access Cards (sometimes referred to as "test cards") and other illegal signal theft devices.

Business records recently obtained by this office show that you purchased illegal signal theft equipment to gain unauthorized access to DIRECTV programming. We are contacting you because your purchase and use, or attempted use, of illegal signal theft equipment to access DIRECTV programming violates federal and state laws.

Federal and state statutes impose serious civil damages against those who possess and use illegal signal theft equipment. *See* 47 U.S.C. § 605(a)(making it illegal to receive or assist another in receiving an encrypted satellite signal); 18 U.S.C. § 2511(1)(a)(making it illegal to intercept an encrypted satellite signal); 17 U.S.C. § 1201(a)(1)(making it illegal to circumvent a technological measure such as the DIRECTV conditional access system). So strict are these statutes that Congress has made the **mere possession** of signal theft equipment a violation of federal law in certain circumstances. *See* 18 U.S.C. § 2512(1)(b)(making it illegal to "possess" any electronic, mechanical or other device sent by mail, knowing or having reason to know that the design of the device renders it primarily useful for the purpose of the surreptitious interception of an encrypted satellite signal).

Your purchase, possession and use of signal theft equipment to gain unauthorized access to DIRECTV's satellite television programming subjects you to statutory damages of up to \$10,000.00 **per violation**. *See* 47 U.S.C. § 605(e)(3). Moreover, your involvement in modifying devices to illegally gain access to DIRECTV's programming increases potential statutory damages to \$100,000. Finally, these statutes allow DIRECTV to recover from you compensatory and punitive damages, attorneys' fees and other expenses. *See* 47 U.S.C. § 605(e)(3)(B); 18 U.S.C. § 2520(b). Thus, individuals in any way involved with illegal signal theft equipment face substantial monetary damage awards for their conduct.

DIRECTV is making an effort to rectify past misappropriations of its satellite programming by users of signal theft equipment and to prevent the use of illegal access devices in the future. Satellite piracy is illegal and results in unfair expense to DIRECTV and its paying



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subscribers. For this reason, DIRECTV actively pursues legal action against those engaged in signal theft.

With the above goals in mind and in light of DIRECTV's signal theft claims against you, we would like to resolve this matter with you. In return for your cooperation, DIRECTV is willing to forego its claims against you for violations occurring prior to the date of this letter. DIRECTV is prepared to release its claims in return for your agreement to: (1) surrender all illegally modified Access Cards or other satellite signal theft devices in your possession, custody or control; (2) execute a written statement to the effect that you will not purchase or use illegal signal theft devices to obtain satellite programming in the future, nor will you have any involvement in the unauthorized reception and use of DIRECTV's satellite television programming; and (3) pay a monetary sum to DIRECTV for your past wrongful conduct and the damages thereby incurred by the company.

If you should choose to reject DIRECTV's settlement offer, or should you fail to respond, please be advised that DIRECTV will take all measures to preserve its rights and remedies under federal and state law. This may involve the initiation of legal proceedings in Federal District Court seeking the award of damages and other relief discussed above.

While we are willing to discuss this matter with you, DIRECTV will not imprudently and indefinitely wait for you to acknowledge your unlawful conduct. **Therefore, to discuss the contents of this letter, you must contact an Investigator at [REDACTED] on or before 6:00 p.m., Pacific Standard Time, June 27, 2003. Any available Investigator can handle your call. Please reference your case number (page 1 of this letter) when you call.** After that date, DIRECTV will abandon its attempts to negotiate and/or amicably resolve this matter. In any event, as a result of this investigation, DIRECTV Customer Service representatives will not be able to handle questions regarding your illegal access to DIRECTV satellite programming. **Please direct any and all future inquiries to this office.**

There is little question that you will benefit by resolving this matter through informal discussion. Illegal access to DIRECTV programming is a serious problem and, consequently, DIRECTV has no choice but to fully pursue illegal residential access cases to the end. If you have any comments or questions regarding this letter, or any other matter, please call me as soon as possible. We look forward to your cooperation in this matter.

Sincerely,

DIRECTV, Inc.
End User Development Group
Office Hours: 6:30 a.m. to 6:00 p.m., Pacific Standard Time
[REDACTED]