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January 22, 2024

EchoStar Corporation
100 Inverness Terrace East
Englewood, CO 80112
Attn: Board of Directors

c/o Mr. Dean Manson
Chief Legal Officer
EchoStar Corporation
100 Inverness Terrace East
Englewood, CO 80112
dean.manson@echostar.com

Re: Alarm Over Evident Materially False Statements of Financials, Offerings of Securities Amid Evident Materially False Statements of Financials, Apparent Fraudulent Conveyances, and Apparent Breaches of Fiduciary Duty – EchoStar Corporation (the "**Company**" or "**EchoStar**")

Ladies and Gentlemen of the EchoStar Board of Directors (the "**Board**"):

The Buxton Helmsley Group, Inc. ("**BHG**" or "**we**") wants to address the Board now publicly, after the deplorable and inexcusable actions you took since our initial private letter sent to the Company, dated December 27, 2023 (the "**December 27 Letter**"). We expect that the Company's creditors (especially the creditors of the Company's newly merged subsidiary, DISH Network Corporation ("**DISH**")) and other interested parties will take immediate action on this information.

This Board should note that we will continue monitoring all actions of the Company, public statements, and disclosures (just as we have done with the previous companies we have exposed for similar misconduct and improprieties), in addition to further evidence we may gather hereafter, and will continue publicly noticing the Company as to how such further actions, additional statements, disclosures, and obtained evidence reinforces our findings discussed herein. These issues are not going away.

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I. INITIAL SUMMARY FOR CONTEXT.

For the context of those reading this letter who are not part of this Board, BHG sent our December 27 Letter to the Board, laying out what we believed were evidential materially false statements of financials (evidenced, yet concealed insolvency, or accounting and securities fraud, in violation of GAAP ASC 350/360 and Regulation S-X) at DISH, in addition to already apparent fraudulent conveyances occurring.

We also, within that December 27 Letter, thoroughly outlined how it was crystal clear to us that the overlapping control of Charles Ergen (Chairman of this Board, Chairman of the pre-merger DISH board of directors, and also controlling the voting power of both entities, as well) without question posed a conflict of interest, whereby Mr. Ergen would be incentivized to cause EchoStar shareholders to give far more consideration for DISH equity (as part of the DISH-EchoStar merger) than the evidenced fair value of DISH equity, for a few reasons.

DISH, evidentially, was deeply net asset insolvent (as we note later, even according to the published opinion of Standard & Poor's), yet we believe Mr. Ergen had a clear incentive to still give consideration on some level for DISH equity, in order to not lose control of DISH (a company near and dear to him, given that he founded it) and its underlying assets. EchoStar's Board and senior management, based on the evidenced value of DISH assets (resulting in DISH's senior unsecured debt issues being very evidentially under-secured by asset value, thus having left no equity value for DISH in reality), had they upheld their fiduciary duty to EchoStar shareholders (without taking into account the interests of DISH shareholders, for which this Board does not have a fiduciary duty to, *only* a duty to EchoStar shareholders), would have been economically better off bidding for DISH's assets in an auction under Section 363 of the U.S. Bankruptcy Code, instead of electing to shoulder billions of dollars in DISH debt that was already evidentially far under-secured by asset value. That said, under the circumstances, Mr. Ergen would then not have been assured EchoStar would have had the financial wherewithal to make such a bid (if the DISH-EchoStar merger had not occurred), nor would he have had the assurance that he would not have been outbid. If Mr. Ergen did not acquire DISH through EchoStar, he had a significant chance of losing control of DISH, the Company he founded. If DISH was put into bankruptcy, due to its severe financial distress and limited options, DISH would also have had to come clean about those evidenced tens of billions of dollars in asset value depreciation expenses which were not disclosed in DISH's periodic filings with the U.S. Securities and Exchange Commission (the "**SEC**").

In our December 27 Letter, we advised that we expected a response by January 12, 2024 (initially, expecting that response from DISH, then EchoStar after the merger closing), if the Company had any defense to our findings of apparent accounting and securities fraud occurring at the Company. We also advised the EchoStar Board that we believed it was crystal clear the DISH-EchoStar merger could not be consummated on its present terms, due to the substantial consideration given to DISH shareholders, when DISH's equity was apparent to be worth nothing (even DISH *bondholders* evidenced as being far from fully secured by asset value, let alone DISH *equity holders*). We also did not see how EchoStar could acquire DISH, in the midst of what we believed at the time appeared to be materially misleading statements made by DISH occurring at DISH, even pre-merger, given that any such negotiations were then based on evidentially inflated asset values within DISH's SEC-filed financial statements. The consideration given to DISH shareholders in the EchoStar merger agreement further reinforced our findings of the apparent accounting and securities fraud occurring at DISH.

This Board, with no apparent defense to our allegations and findings in our December 27 Letter, opted to close on the DISH-EchoStar merger days later; that is, rather than taking the only action that was clearly the route required to uphold this Board's fiduciary duties to (again, *only*) EchoStar shareholders, which was to withdraw from the DISH-EchoStar proposed merger plans (at the very least, until DISH had corrected its very apparent material misstatements of financials, in evident violation of accounting standards and securities laws).

Not only did this Board still push through to close on the DISH-EchoStar merger (again, with no apparent defense to BHG's findings of evidenced accounting and securities fraud), but also made it clear that it apparently did not care the scale on which investors were so apparently being misled. On January 4, 2024, the Company filed a mixed shelf registration statement with the SEC, whereby it implicated the idea of selling *even further* equity and other derivative securities, without having cured the evidentially materially false statements of financials already at hand. In our opinion, this was validation that BHG's findings were *correct*, in that the Company desperately required recapitalization after the DISH-EchoStar merger, due to such evidenced insolvency. BHG, that same morning of the filing, notified the Company of our utter amazement at the gall of this Board, and – given this Board's inappropriate actions (and furtherance of an evidenced accounting and securities fraud scheme) – we amended the Board's deadline for response to our December 27 Letter from January 12, 2024, to January 8, 2024.

After BHG notified the Company of its failure to respond to our December 27 Letter, this Board drastically amplified the apparent fraudulent conveyances occurring at DISH, which we have no doubt DISH creditors will agree are subject to claw-back under the U.S. Bankruptcy Code, in the midst of such evidenced net asset insolvency (not only that, but such evidenced net asset insolvency being brought to the attention of this Board, just less than two weeks before the conveyances having occurred). On January 10, 2024, the Company disclosed that it had stripped many prized assets from DISH, conveying them to a new EchoStar subsidiary and leaving an *even further* under-secured shell of liabilities (that "shell" being DISH).

In sum, this Board was notified, in writing, by a whistleblower (BHG), as to evidentially concealed net asset insolvency at DISH; the Board apparently had either no defense to or chose not to respond to our findings of evidentially concealed net asset insolvency; and the Board responded by further stripping the little collateral left securing those DISH bondholders' interests. Once again, if DISH had been placed into bankruptcy, EchoStar would not have been able to strip away numerous DISH assets; rather, those assets would have been rightfully auctioned off or given monetary consideration for the benefit of DISH creditors, under either a bankruptcy sale or equitable plan of reorganization. Once again, had Mr. Ergen placed DISH into bankruptcy, he very well could have lost control of those assets, and certainly would not have been able to simply strip those assets from the DISH liabilities those DISH assets were securing. This Company disclosed those asset transfers as "strategic transactions," but we believe a much more accurate terminology under the circumstances would be apparent "fraudulent conveyances." One can only wonder what other similar "strategic transactions" have occurred, or will soon occur, to the further detriment of investors. We, further, as a result of this asset stripping after our December 27 Letter, believe EchoStar has no intent of fulfilling the debt obligations of EchoStar's DISH subsidiary. We ask this Board what incentive it would have to fulfill those obligations with even less asset value to produce cash flows for a means of doing so, and no obligation to inject asset value back into DISH after just now massively stripping DISH's asset value (why would this leadership have stripped that asset value if they were going to soon reverse their actions?). It is unconscionable how this Company believes it can ever be trusted by prospective investors after having pulled such apparent "bait-and-switch" moves, now even offering that stripped collateral to prospective investors for a new bond issue. The next prospective bondholders being taunted with that "collateral" are supposed to believe this Board will not simply pull that bait-and-switch all over again, let alone over and over? Who really ever has a claim to any such "collateral," in the midst of such shenanigans? **It also seems clear to us that the Company apparently realizes the likelihood (in our opinion, a virtual surety) that the asset transfers were a fraudulent**

conveyance under the U.S. Bankruptcy Code, given – on page 21 of the prospectus[1] related to the active DISH bond exchange offer – the Company included a whole section on the security interests being offered possibly being deemed a fraudulent conveyance under the U.S. Bankruptcy Code. Then, the Company went even so far as to say (this deserves its own section, so we will give it one):[2]

> ***"In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the EchoStar Notes."*** (emphasis added)

What level-headed investor would *ever* accept the Company's exchange offer, especially after reading that sentence of the prospectus, then reading this letter, and now knowing that the asset transfers occurred *after* a whistleblower wrote the Company about DISH being evidentially insolvent (when the asset transfers *then* occurred approximately two weeks thereafter)? We believe it is also a material omission from the prospectus related to the exchange offer, in the way that the Company did not disclose having received private correspondence (from BHG) outlining/alleging that DISH was evidenced to be insolvent *before* the Company moved assets out of DISH (and now is touting those assets as "fresh" collateral). The fact that the Company made such disclosures on this issue (of the apparent fraudulent conveyances) within that prospectus certainly makes it appear that this leadership knew *exactly* what they did.

We believe the Company and this Board are on track to bankrupt the DISH subsidiary, after having stripped those assets from the books of DISH – the intent to leave an empty shell of liabilities is abundantly clear to us. It would have been no different if those assets were conveyed out of the reach of DISH bondholders into the pockets of DISH shareholders (which, they effectively were, given that DISH/EchoStar shareholders now have a claim to those assets, that claim being unobstructed by certain creditors who did have a claim before, but do not now), at the time of net asset insolvency. We believe the intent to fraudulently convey assets was very clear, given that this Board had received written notice (from BHG) as to thoroughly evidenced net asset insolvency at DISH, in the two weeks leading up to this Company pilfering those crown jewel assets from DISH.

Lastly, we believe that – now that EchoStar has absorbed DISH liabilities that were evidenced to be far under-secured by asset value even pre-merger, it is apparent to us that – by simple math[3] – the evidence is clear to us that EchoStar (on a consolidated basis, with DISH) is – in reality – now apparently net asset insolvent *itself* (on a consolidated, post-merger basis), due to this leadership's enormously careless acquisition of DISH (our opinion, and we are sure other investors will share that opinion after seeing this letter here). We, therefore, believe that EchoStar equity has now been rendered worthless, with that remaining true unless major recapitalization were to occur (though, again, we believe the SEC would agree any recapitalization transactions may not occur until the evidential violations of accounting standards and securities laws, leading up to the merger, are cured). Any such sudden efforts to strategically recapitalize (including debt exchange offers) also stand to simply further support our findings of such an apparent lack of capitalization. We will drill into that more later.

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[1] *See* Prospectus filed by EchoStar with SEC, dated January 12, 2024:
https://www.sec.gov/Archives/edgar/data/1415404/000110465924003785/tm243063-1_s4.htm#tRIFA
[2] *See* Prospectus filed by EchoStar with SEC, dated January 12, 2024 (Page 21):
https://www.sec.gov/Archives/edgar/data/1415404/000110465924003785/tm243063-1_s4.htm#tRIFA
[3] *See* Section III.

II. BHG'S DEMONSTRATED ACCURACY AND TRACK RECORD OF UNCOVERING AND EXPOSING ACCOUNTING AND SECURITIES FRAUD.

For the context of readers, BHG is not new to the area of uncovering and exposing apparent accounting and securities fraud schemes.

Most recently, BHG investigated and exposed how drug manufacturer Mallinckrodt plc. (formerly, NYSE: MNK) had not only concealed billions of dollars in asset value depreciation expenses from its financial statements leading up to and during its initial Chapter 11 bankruptcy proceedings initiated in October 2020, but also how the company had – upon emergence from that initial reorganization in June 2022 – begun a mirror accounting and securities fraud scheme. BHG publicly exposed the evidenced, repeated accounting and securities fraud scheme in March 2023, and – within a short time thereafter – Mallinckrodt's stock price had plummeted over 85%, with first-lien creditors cornering the company into repeat bankruptcy negotiations. Mallinckrodt re-filed for bankruptcy in August 2023, coming clean to the bankruptcy court that the fair value of its assets was billions of dollars less than was being certified within its SEC-filed financial statements, which effectively vindicated BHG's allegations of accounting and securities fraud. The directors and officers of Mallinckrodt are now facing a class-action securities fraud lawsuit, alleging a version of the accounting and securities fraud scheme publicly outlined by BHG.

BHG had also (prior to our exposing Mallinckrodt) revealed how Endo International plc. (formerly, NASDAQ: ENDP) had failed to disclose its net asset insolvency to investors, in accordance with its obligation under the laws of Ireland (as an Ireland-incorporated entity), in addition to concealing billions of dollars in asset value depreciation expenses from the company's SEC-filed financial statements. Within five days of BHG's public letter to the shareholders and creditors of Endo, *The Wall Street Journal* reported that the company had been cornered into bankruptcy negotiations by first-lien creditors, and the company's stock plummeted over 60% during that single day's trading session. Endo finally disclosed the billions of dollars in evidenced expenses demanded by BHG to be disclosed, just days before filing for Chapter 11 bankruptcy protection. **Also important to note, Endo was compelled to disclose those concealed intangible asset value depreciation expenses after BHG was forced to set forth virtually mirror allegations (and based on the same accounting standards and securities laws applicable here) as within Section III of this letter.**

Letters issued by BHG in relation to the companies it has investigated and exposed, in addition to related press releases, may be found at https://www.buxtonhelmsley.com/media.

III. EVIDENCED NET ASSET INSOLVENCY AND APPARENT ACCOUNTING AND SECURITIES FRAUD.

The Company (and DISH, prior to its acquisition) has affirmed (within those periodic filings made with the SEC) its understanding, on numerous occasions, that it is bound to comply with the Generally Accepted Accounting Principles of the United States ("**GAAP**") and Regulation S-X of the U.S. Securities Act of 1933, as amended ("**Regulation S-X**", codified at 17 C.F.R. § 210), as a publicly listed issuer in the United States.

As the Company is aware, Regulation S-X not only obligates – as a baseline – compliance with GAAP, but also includes numerous, independent catch-all disclosure obligation provisions, the intent of which is to ensure there are no crafty GAAP loopholes for exploitation by creatively dishonest fiduciaries.

As stated within BHG's December 27 Letter, our findings of evidenced accounting and securities fraud relate to DISH's financial reporting surrounding intangible assets (particularly, the "FCC Authorizations" line item). These intangible assets, where definite-lived, are specifically governed by those GAAP standards codified under ASC 360 (titled "*Property, Plant, and Equipment*"); and, where those assets may be considered indefinite-lived, governed by ASC 350 (titled "*Intangibles—Goodwill and Other*").

Under GAAP ASC 350/360, a company may not report relevant asset values at any material extent higher than the true, fair value of the asset. Upon the acquisition of a definite-lived asset, the company is obligated to forecast the decline (depreciation) of the asset's fair value over the course of the asset's useful life, through establishing a depreciation amortization schedule. Over the course of the useful life of such an asset, the value is then periodically charged off ("amortized," according to that amortization schedule), in an attempt to proactively ensure the asset's fair value is not reported materially higher than the true, fair value of the asset, at the time of each financial reporting period. While an asset subject to these reporting obligations (such as a building owned by the Company) may gain market value over the course of ownership, and thereby exceed the book value of such an asset, such gains in market value may *not* be accrued (the fair value of such assets may be higher than the book value, but *not* materially lower). On the other hand, any losses in the value of an asset, which render the fair value of the asset to be lower than the carrying/book value of the asset, *must* be reported, and a failure to do so constitutes accounting and securities fraud through inflated asset value reporting.

While the goal of establishing such an amortization schedule is, again, to report the value depreciation of an asset over time, it is very unlikely that management would be entirely accurate in its initial depreciation forecasting, at the onset of such an asset's acquisition (as part of establishing such a depreciation amortization schedule). Rather, over the course of an asset's useful life, numerous "triggering events" may occur, which could render such an asset's value to be possibly "impaired" (possibly having depreciated beyond the forecasted fair value of the asset at that time, according to the asset's in-use depreciation amortization schedule).

A non-exhaustive list of possible "triggering event" scenarios are noted under ASC 360 (particularly, at ASC 360-10-35-21):

a. A significant decrease in the market price of a long-lived asset (asset group);
b. A significant adverse change in the extent or manner in which a long-lived asset (asset group) is being used or in its physical condition;
c. A significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset (asset group), including an adverse action or assessment by a regulator;
d. An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset (asset group);
e. A current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset (asset group); or
f. A current expectation that, more likely than not, a long-lived asset (asset group) will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

A similar, non-exhaustive list of possible "triggering event" scenarios (which would also naturally stand to similarly affect definite-lived assets covered under ASC 360) is also noted under ASC 350 (particularly, at ASC 350-30-35-18B), where these such examples may also apply to indefinite-lived assets of the Company:

a. Cost factors such as increases in raw materials, labor, or other costs that have a negative effect on future expected earnings and cash flows that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset;
b. Financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset;
c. Legal, regulatory, contractual, political, business, or other factors, including asset-specific factors that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset;
d. Other relevant entity-specific events such as changes in management, key personnel, strategy, or customers; contemplation of bankruptcy; or litigation that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset;
e. Industry and market considerations such as a deterioration in the environment in which an entity operates, an increased competitive environment, a decline in market-dependent multiples or metrics (in both absolute terms and relative to peers), or a change in the market for an entity's products or services due to the effects of obsolescence, demand, competition, or other economic factors (such as the stability of the industry, known technological advances, legislative action that results in an uncertain or changing business environment, and expected changes in distribution channels) that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset; or
f. Macroeconomic conditions such as deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset.

At the time such a "triggering event" occurs, the asset(s) must be assessed for value "impairment." "Impairment" (the depreciation of an asset's value) must be reported if the fair value of the asset is materially lower than the carrying value on the books of the company. Where such depreciation of an asset has occurred, the loss is required to be reported via an "impairment charge," which – pursuant to GAAP ASC 350/360 – is the difference between the carrying value of the asset and its true, fair value in reality.[4] At times, evidence may indicate that an asset's value is impaired (has depreciated beyond the post-amortization carrying value), and a more specific "triggering event" may be found to have occurred upon further investigation (in the "impairment testing" process).

In an instance where a company's management only records periodic amortization charges (according to that "depreciation amortization schedule," as previously discussed), but has not recorded any further impairment charges beyond the pre-scheduled amortization charges, such a scenario implies that management was perfectly accurate as part of the forecasting required to establish the in-use depreciation amortization schedule. Such perfect accuracy, and an implication that no unexpected triggering events have occurred, is highly unlikely (nearly impossible, to virtually require a crystal ball). Losses may later be recovered, but they are required to be disclosed as they fall, in real-time (as of each financial reporting period).

[4] *See* ASC 360-10-35-17, ASC 350-20-35-11, and ASC 350-30-35-19, among others.

Of the $53.7 billion in total asset value reported by DISH in the immediate pre-merger balance sheet, over 71% of that reported total asset value pertained to intangible assets. Moreover, DISH's intangible assets were nearly entirely related to the previously mentioned "FCC Authorization" balance sheet line item. Given that DISH's pre-merger balance sheet reported the existence of over $18.408 billion in net asset equity ("Shareholder's Equity," on the balance sheet) value, if even less than half of the Company's intangible asset value was lost (as a result of a "triggering event," or if market participants simply entirely disagreed with seemingly unrealistic, biased cash flow projections of DISH's management[5]), DISH was then net asset insolvent. An asset, very simply, is only worth as much as the value consideration actual market participants (actual bidders in the market) are willing to place on it. If a management conveniently elects to remain stuck in their own self-generated pipe dream (along the lines of *A Streetcar Named Desire*, "I don't want realism – I want magic!"), that pipe dream constitutes violations of accounting standards and securities laws when it plays a foundational role in financial reporting/disclosures.

Since Q1 2020, DISH has not disclosed *any* asset impairment charges (only amortization) (*See* footnote),[6] despite numerous triggering events having occurred, which (the Company's recent actions support being true, as we will shortly address) have undeniably resulted in evidenced asset value losses/impairment (those evidenced losses not disclosed within SEC-filed financial statements). To name just a few of those triggering events:

a. One of the most violent quantitative tightening cycles in monetary policy history (it is taught in a university student's first courses on economics that as interest rates rise, asset values fall – not rocket science);
b. DISH's stock price dropping from trading at book value to less than 85% of book value (demonstrating that those market participants actually putting a bid behind the valuations of DISH's assets entirely disagree with the management that has a direct conflict of interest (via incentive compensation and the wish for continued employment) to be over-optimistic in asset value reporting);
c. Multiple negative downgrades of DISH's bond issues;
d. Multiple instances of disclosed litigation that naturally would affect the transactional leverage of the Company and the value a bidder would put on company assets (as was evidenced by the changes in open market valuations of the company's issued securities); and

[5] Corporate leadership almost always has an incentive to be overly optimistic in forecasted cash flows from an asset (more than an actual possible buyer of an asset), in addition to having an incentive not to lower those forecasts (requiring the reporting of an impairment charge/loss), given the basis for and calculation of insider incentive compensation, not to mention the wish for continued employment (which, the chances of are diminished, where losses are reported, even if they should be and are bound to be reported under accounting standards and securities laws).

[6] **DISH had understandably (given the intangible asset value carried on the books of the company) reported $356.4 million in asset value impairment (beyond pre-scheduled amortization) for Q1 2020, at the time the company's stock price had initially dropped materially below the value of equity carried on the books of the company**. Such a decline in stock price would not necessarily trigger an asset value write-down where a company was not carrying such intangible asset value (e.g., tangible assets, such as inventory assets, are more predictable as to the ability to recover the cost for production, in addition to having a much more reliable market). Intangible asset value also inherently only exists where the market is willing to give such extraneous value for such intangible assets. That is, among other factors, in addition to the hierarchy of how impairment charges are applied to asset categories where, for instance, goodwill value is being reported (impairment charges first being applied to an asset or reporting unit's goodwill carrying value, then to the actual asset or reporting unit itself).

e. The list just goes on.

As a result of those numerous triggering events having occurred, market participants (actual bidders for assets securing the capital structure) re-adjusted their valuations of the Company's assets, but the leadership of DISH, on the other hand, did not (electing to just coast along in financial reporting, accruing no more than the pre-scheduled amortization charges, instead of the full, evidenced asset value depreciation staring them in the face).

Over that time period (from Q1 2020 to the time of the DISH-EchoStar merger closing), and increasingly as the DISH-EchoStar merger closing neared, DISH's board of directors and management also made numerous statements on earnings calls, speaking of falling short of expectations and the operating challenges being faced (even speaking of "narrow path[s]"[7] to financial stability, which is a direct admission that the company had lost transactional leverage, which undeniably materially affected the value of assets, as was proven by the value consideration given to DISH shareholders compared to its balance sheet carrying values). Those statements were *also* verbally admitted triggering events under ASC 350/360. Yet, the DISH leadership disclosed *zero* asset value impairment (beyond the pre-scheduled amortization) over that time in its public filings. DISH leadership also failed to accrue depreciation, even after solidifying intent to dispose of its assets for less consideration than the carrying value of those assets, as part of signing onto the DISH-EchoStar merger agreement (*See* ASC 360-10-35-21(f)). You name the triggering event (no matter how concrete it was), and the leadership of DISH ignored the effects of it (despite the open market signaling its material effects), in evidential violation of GAAP (and Regulation S-X, given that Regulation S-X independently, dually obligates disclosure of depreciation expenses).

Very interestingly, BHG is not the only one who concluded that not only DISH equity was evidentially worthless, but that even senior unsecured bond issues of DISH were also apparently worthless. Standard & Poor's, by the time of the DISH-EchoStar merger (and for a period of time prior), had lowered issue-level recovery ratings on major DISH senior unsecured bond issues to *0%*. That meant that Standard & Poor's, one of the most respected fixed-income rating agencies in the industry, had also concluded that those DISH bondholders had approximately *0%* of their bonds secured by asset value, as was further evidenced by the open market's valuation of the securities (if those bonds were entirely secured by asset value, market participants would naturally be inclined to bid for the securities up to a competitive interest rate, before shifting focus to accumulation of the Company's next junior capital structure interests). We believe it was clear that the majority of that total asset value loss had already occurred (and that a small, final fraction of the remaining depreciation would occur at the point of a full default occurring), the company's bonds were trading significantly below par value (at interest rates that indicated far more than risk, and a lack of asset value securing the bond issue), at a premium leading up to a possible default. We also believe it is abundantly clear that these bonds were trading at an artificially high premium, given the evidential material overstatements of financial position being filed with the SEC. DISH was in a position where, if it defaulted on those bonds (or were forced to enter into a bankruptcy proceeding), they would have had to admit those massive depreciation expenses (also concluded by Standard & Poor's, beyond the open market), in one fell swoop, which would have raised massive questions about the integrity of DISH's financial reporting leading up to such bankruptcy proceedings.

[7] *See* Transcript of DISH Network Corporation's Q3 2023 Earnings Call.

At a time when it seems clear to us that DISH was concealing billions of dollars in asset value impairment from financial statements from Q1 2020 forward, the DISH board of directors, as part of signing onto the DISH-EchoStar merger agreement, then accepted an enterprise value (which also naturally took into account the loss in fair value of those assets, as a result of contingent litigation – a "triggering event" requiring disclosure of such fair value losses under ASC 350/360) which implicated *only $3 billion* in shareholder equity value.[8] That is, despite DISH's leadership certifying over $18.4 billion in shareholder equity value, the reality of DISH equity value was evidenced in the open market to have declined to less than $3 billion, DISH leadership refused to admit/disclose those very real losses (due to constantly dissipating transactional leverage and a "*narrow path*", as stated on DISH's Q3 2023 earnings call), and the DISH board effectively admitted the reality of those undisclosed losses at the time of signing onto the DISH-EchoStar merger agreement, without having disclosed those losses within SEC filings.

Now that EchoStar has acquired the liabilities that were already evidenced to be (and concluded by Standard & Poor's to be) far under-secured by asset value (by the numbers, in the tens of billions of dollars), and given that EchoStar's $3.6 billion certified net asset equity value (at the time of the DISH-EchoStar merger) was far less than that collective amount of DISH's senior unsecured bond issuances concluded by even Standard & Poor's to have approximately zero asset value securing those interests, it is – by simple math – apparent to us that, as a result of the DISH-EchoStar merger, EchoStar would now be net asset insolvent itself (on a consolidated basis, with combination of DISH's financials). That assessment of net asset insolvency for EchoStar (post-merger) is even more on point if we compare the evidenced level of under-securement of DISH bonds to the open market capitalization of EchoStar equity (given, if DISH was apparent to be engaging in such accounting violations, comparison to the book value of EchoStar equity may likely not be as reliable as comparison to its open market capitalization).

Whether or not certain creditors would have claims to certain assets (across the enterprise) is moot; the fact of the matter is that – by the math – all liabilities added up, would then be in excess of the evidenced fair value of assets across the enterprise (which is how the Company is bound to report via its consolidated balance sheets filed with the SEC). If any material level of market participants actually believed DISH's intangible assets to be worth what has been continually claimed, they would be massively loading up on the Company's bonds at such a "bargain," and that clearly is not happening. It is quite apparent to us that, when the Company files its first consolidated post-merger balance sheet, that – provided the Company discloses all evidenced asset value impairment, as this leadership is obliged to do so under GAAP and Regulation S-X – that initial post-merger balance sheet should certify a collective negative net asset equity ("shareholder's equity") value.

[8] Though, again, the evidence is clear to us that value did not exist, that DISH equity was – by sheer evidence – worthless, and that EchoStar was likely only giving consideration to DISH equity (when EchoStar could have bought those assets in a bankruptcy auction, to avoid absorbing billions of dollars in debt that had zero asset value securing them) due to what we believe was a conflict of interest of Mr. Ergen, DISH and EchoStar's overlapping chairman and controlling shareholder (not wishing to possibly lose his prized assets in a bankruptcy auction, to another bidder). This position is further supported to be true, given that DISH appears to not have received any competing bids. Mr. Ergen, again, also had a major overlapping interest in that, if a bankruptcy auction were to occur, then DISH finances would have been carefully scrutinized by creditors (subject to discovery requests in the bankruptcy court) and all of our analysis here would have effectively been drawn out in the bankruptcy court (implicating massive asset value losses that were never disclosed within DISH financial statements).

IV. THE OBLIGATION OF ECHOSTAR BOARD AND MANAGEMENT TO CURE ALL HISTORICAL AND CURRENT VIOLATIONS OF ACCOUNTING STANDARDS AND SECURITIES LAWS, AND REFRAIN FROM ANY FURTHER VIOLATIONS.

This Board, first and foremost, has now inherited the obligation of restating all material misstatements of financials having occurred within DISH's historical filings with the SEC, constituting apparent violations of GAAP and Regulation S-X. This Board, in fact, already knew the obligation of correcting the mess it chose to inherit *before* it so recklessly decided to follow through with closing on the DISH acquisition. **We do not see how the Company can issue any further securities (as it has already begun soliciting existing DISH bondholders with exchange offers for a new bond issue) until these evidenced material misstatements of financials are fully corrected (those historical financial statements being restated, where violations of GAAP and Regulation S-X are so apparent and evidenced, with numerous triggering events occurring and DISH's leadership acting as though they had no material effect on the Company's transactional leverage and, therefore, its asset values).**

Secondly, while it was stated within the DISH-EchoStar definitive merger agreement (filed with the SEC on November 7, 2023) that EchoStar would record DISH assets at their historical carrying values, recording of assets at higher than their fair value would be in violation of GAAP ASC 350/360, where those assets were not given such value consideration in the DISH-EchoStar merger, and where those assets were/are evidenced to have a fair value far lower than the historical carrying value (as a result of apparent pre-merger accounting and securities fraud). This Board was, again, not even willing to give such consideration (equivalent to the historical carrying values of DISH assets) at the time of putting a firm number on the fair value of DISH's capital structure, yet now wishes to record that exorbitantly higher number? How the Company implies it will record DISH's assets makes about as much sense as if a hypothetical acquirer were to record goodwill value that was never a part of one of their acquisitions, in terms of the acquisition's value consideration. **We will add that we also believe the Company has (likely, for multiple reasons, in our view) conflated the DISH-EchoStar deal as a "merger" on numerous occasions, but that the end result is not characteristic of a true "merger." DISH and EchoStar (those two entities) did not become a single, merged/consolidated parent entity, but DISH was characteristically acquired by EchoStar and now has become a separate, acquired subsidiary. If DISH and EchoStar were truly "merged" (those two parent entities becoming one *single* legal entity, with all pre-merger subsidiaries then co-existing beneath – a company is accepting such legal co-existence as part of a true "merger"), then this leadership would not have been able to strip assets and move them outside of DISH (it would have been impossible to move them outside of the merged parent company, except if the assets were sold to a third-party or somehow part of a distribution to shareholders). We believe the characterization of a "merger" is part of an attempt to further the apparent accounting shenanigans at hand, and to delusionally rationalize the apparently inappropriate accounting related to the DISH-EchoStar transaction under GAAP. If we want to be most accurate in explaining what *actually* happened here, EchoStar acquired DISH in an all-stock deal; the two parent entities did not "merge" and become one combined, single legal entity. DISH bondholders would not be facing the nightmare they are now, if DISH and EchoStar truly "merged," by the definition. Talk about a conveniently apparent episode of putting lipstick on a pig and calling it a sheep...** Even if the Company recorded assets at higher than their fair value, the impairment disclosure mechanism/obligation of GAAP ASC 350/360 would require the Company to immediately charge off any carrying value of those assets that materially exceeded the true, fair value of those assets. Particularly, GAAP ASC 805-10-35-1 states: "[i]n general, an acquirer shall subsequently measure and account for assets acquired … in accordance with other applicable generally accepted

accounting principles (GAAP) for those items, depending on their nature" (i.e., there is no bypass to obligations under GAAP ASC 350/360 as part of recognizing DISH's assets on a post-acquisition basis, including the obligation to report assets at no higher than the evidenced fair value). That said, those asset depreciation expenses were already bound to be recorded within DISH's pre-merger financial statements (i.e., EchoStar should theoretically be able to record DISH's assets at an immaterially differential level from their historical carrying values, but is not able to as a result of the apparent pre-merger accounting and securities fraud at DISH). Financial statements are not supposed to essentially be fiction, but it is BHG's firmly grounded opinion that DISH financial statements have been just that; a work of fiction, for quite some time now. It will be interesting to see if EchoStar follows that same course of apparent accounting and securities fraud, now that it has inherited the obligation of correcting those material misstatements. Further, it is apparent to us that the Company has experienced even more triggering events (since our private communications leading up to this initial public letter), being the recent bond rating revisions/downgrades by Standard & Poor's on January 4, 2024, and January 12, 2024. Those revisions/downgrades are new triggering events that affect the transactional leverage in a potential asset sale (the fair value of Company assets), not to mention other possible transactions (even debt exchange offers), and therefore require disclosure of such further impairment/depreciation of asset values. We inform the Company of these two additional triggering events, given it is clear that horse blinders will remain conveniently intact until we do so. **With last regard to this accounting-related obligations section, it is also highly suspicious (we will leave it at that) to us that EchoStar itself, leading up to its acquisition of DISH, had not taken any real material impairment charges *since 2018* (other than infrequent, relatively minor write-downs of ~$3mm and lower). Multiple very material "triggering events" that affected DISH (including, but not limited to, quantitative tightening by global central banks, dwindling financial stability resulting in decreased transactional leverage, EchoStar-issued securities flashing glaring impairment indicators in the open market in light of such intangible asset value being carried on the books of the Company, etc.) also applied in the case of EchoStar, yet – again – no real material write-downs (to the extent of being realistic for the sheer materiality of the triggering events) have occurred beyond pre-scheduled amortization. EchoStar earnings calls also indicate such triggering events having occurred, but we are not going to waste time citing further examples. It seems apparent to us that the apparently improper accounting at DISH, pre-acquisition, may not be (in our view, likely is not) just an issue exclusive to DISH. The pattern across pre-merger financial statements at both EchoStar and DISH seems disturbingly similar, in our view, and that is not shocking, given both companies have long been under effective common control.**

Third, this Company has an apparent obligation to reverse the recent asset transfers disclosed on January 10, 2024, whereby DISH was already evidentially net asset insolvent and such transfers would then constitute apparent fraudulent conveyances under the U.S. Bankruptcy Code, then subject to claw-back.

Fourth, given the evidenced net asset insolvency at hand, it is apparent that the Company may not engage in any conveyances of assets in apparent further violation of the absolute priority rule under the U.S. Bankruptcy Code, including but not limited to payment of legal settlements and/or verdicts. Inability to pay legal settlements/verdicts, at a time of evidenced net asset insolvency, was also a critical issue for bondholders at Mallinckrodt plc. at the time BHG exposed the repeat accounting and securities fraud scheme having occurred in that case.

Lastly, we are not even sure how this Board can now remedy such a breach of duty to EchoStar shareholders, by following through with the DISH acquisition; both in the midst of apparent accounting

and securities fraud at DISH (brought to this Board's attention by BHG prior to closing on the acquisition), and where this Board had knowledge it was (in our view) – by sheer evidence – giving stunningly massive over-consideration to DISH equity holders, when DISH equity was evidentially worth far less than nothing (and where this Board would have been better off bidding for those assets in a bankruptcy sale, instead of causing EchoStar shareholders to *pay* for the equity of DISH that was thoroughly evidenced to be worthless, and at the same time causing EchoStar shareholders to inherit such a massive swath of evidentially far under-secured liabilities). Not only that, but where – post-merger, by simple math – that dimwitted acquisition has resulted in the apparent net asset insolvency of the acquiring entity (EchoStar), now on a post-merger, consolidated basis. We believe the only route for remedy of this breach of duty to EchoStar shareholders is a class-action lawsuit being brought against this Board and management, and it would be astonishing if this Company's leadership would not have personal liability as part of such a lawsuit (we doubt the insurer for this Board's director and officer insurance policy would pay out, where this Board was warned how apparent it was that the actions it was about to take constituted a breach of duty, gross negligence toward, and constituted apparent imminent harm to the financial interests of EchoStar investors).

* * *

In closing, we are beyond appalled by the actions of this Board and management and we hope the Company's creditors will act to put a halt to the dissemination of what we believe have been very apparent material misstatements, and/or otherwise stop what could be further fraudulent conveyances or accounting and securities fraud, by instituting involuntary bankruptcy proceedings or through other means. It would seem to us that DISH bondholders have substantial leverage to begin recovering those assets already apparently fraudulently conveyed (not to mention, keeping accurate books and records is an obligation under most all indebentures, let alone federal securities laws). We also hope that class-action firms will not waste a moment to take action (before such action could possibly be inhibited by an automatic stay).

We fully expect EchoStar Chief Financial Officer Veronika Takacs to comply with the Company's reporting obligations under GAAP and Regulation S-X as part of the post-merger financial reporting, and to correct/restate all pre-merger DISH financial statements where violations of GAAP and Regulation S-X are thoroughly evidenced (the effects of triggering events being ignored for *years*, very literally), as has been outlined here. Ms. Takacs was certainly aware of BHG's private communications with the Company leading up to this initial public letter, with her having viewed my personal LinkedIn profile the same evening as BHG's initial private letter (the December 27 Letter) was sent to the Company. Further, if continued actions of the Company do not align with Ms. Takacs personal beliefs as to what constitutes ethical (and legal) conduct, she should resign.

We will, as stated at the beginning of this letter, continue noticing the Company as to further/continued evidence of these violations of accounting standards and securities laws until they are cured. The Company would be wise to cease quarterly earnings calls until these apparent violations of accounting standards and securities laws are fully cured, just as Mallinckrodt plc. did after we began quoting further verbal statements that even more implicated the validity of our alleged scheme of accounting and securities fraud, not to mention additional "triggering events" having occurred. They, too, realized they were not as brilliant as they initially thought, after unwittingly giving further evidence to be used against them to increasingly prove our allegations. It is hard to imagine something less intelligent than this leadership engaging in a live Q&A session after these matters being publicly brought to light. Lastly,

while we believe your public relations firm would agree it being unwise to even address these matters publicly (bringing even more attention to them), if you do, a hollow denial and load of finger-pointing at the whistleblower is not going to assuage your investors (especially when you apparently had no good response for BHG, when we gave you the opportunity to respond privately).

Very Truly Yours,

Alexander E. Parker
Senior Managing Director
The Buxton Helmsley Group, Inc.

Cc (by e-mail and post): Ms. Veronika Takacs
Vice President, Chief Accounting Officer, and Controller
EchoStar Corporation
100 Inverness Terrace East
Englewood, CO 80112
veronika.takacs@echostar.com

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
Attn: The Honorable Gary Gensler, Chairman
Ms. Hester M. Peirce, Commissioner
Mr. Mark T. Uyeda, Commissioner
Mr. Jaime Lizárraga, Commissioner
Ms. Caroline A. Crenshaw, Commissioner

ENF-CPU (U.S. Securities and Exchange Commission)
14420 Albemarle Point Place, Suite 102
Chantilly, VA 20151-1750
Attn: Office of the Whistleblower

Mr. Benjamin Reed
Counsel, Division of Enforcement and Investigations
Public Company Accounting Oversight Board (PCAOB)
1251 Avenue of the Americas
New York, N.Y. 10020

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