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March 11, 2024

EchoStar Corporation
100 Inverness Terrace East
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Attn: Board of Directors

c/o Mr. Dean Manson
Chief Legal Officer
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Re: Continued Filing of Materially False Statements of Financials, Including Complete Failure to Reconcile DISH Network Corporation Acquisition within February 29, 2024, Financial Statements Filed with U.S. SEC – 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**") addresses the Board, yet again, after your continued evidential violations of federal securities laws and the Generally Accepted Accounting Principles ("**GAAP**") which this Company is bound to comply with.

Within the Company's new Form 10-K filing with the U.S. Securities and Exchange Commission (the "**SEC**") on February 29, 2024 (the "**February 29 Form 10-K**"), the Company is continuing its violations of GAAP and Regulation S-X, certifying the existence of tens of billions of dollars of extraneous balance sheet value merely because DISH Network Corporation ("**DISH**") got away with it (pre-acquisition), after this Company has – again – already concluded that value to *not exist* (expressly as part of the value consideration given to DISH equity holders, at the time of EchoStar's DISH acquisition). EchoStar leadership already cemented its realistic value opinion of ~$3 billion for the "shareholder's equity" of DISH, by assigning such a value to entirely acquire the equity interests of DISH. That was the very *maximum* value that could be reported for "shareholder's equity", when consolidating the financials of DISH into those of EchoStar, post-acquisition – you already concluded it.

We will also discuss the numerous apparent impossibilities and discrepancies between the Company's earnings call, for the February 29 Form 10-K, and the financial statements certified within the February 29 Form 10-K.

Within BHG's previous public and private letters,[1] we have already discussed the apparent accounting and securities fraud scheme occurring at the Company, with it now *continuing* (we will add, with the apparent aiding and abetting of KPMG – beyond ashamed, they should be). For that reason, we are dually copying this letter to the United States Senate Committee on Finance ("**Senate Finance Committee**"), in addition to separately, publicly addressing the Senate Finance Committee itself, with the hope that the SEC will appropriately intervene, given the situation that the perpetrators of an apparent accounting and securities fraud scheme have not even minimally publicly denied the allegations. Again, it would be laughable if you only attempt to deny the allegations now, months later, and after we have escalated the matters to the Senate Finance Committee.

We are also filing an additional whistleblower report with the SEC, given this Company's continued (now, apparently willful) violations of federal securities laws and accounting standards, with – even more reprehensibly – the apparent involvement of its auditors (KPMG).

Given that it is now clear that EchoStar Chief Financial Officer Veronika Takacs apparently does not even basically take seriously her obligations to comply with federal securities laws and accounting standards, we are calling her out in our letter to the Senate Finance Committee, and identifying her as a primary candidate to be deposed in this case of apparent willful accounting and securities fraud occurring at a publicly traded company in the United States.

We will also point out, before beginning, how interesting it is that the Company apparently did not wish for their Chief Financial Officer that signs off on the fully consolidated financial statements (Ms. Takacs, as identified in our previous letters) to be present on the March 1 earnings call, but instead the Chief Financial Officer of the subsidiary (DISH) where accounting and securities fraud is most apparent; clearly, the Company wishing to hold DISH's CFO to the fire instead of Ms. Takacs, despite her ultimately signing off on DISH financials. Interestingly, Charlie Ergen was *also* not present on the March 1 earnings call, after being repeatedly called out in BHG's public letters for apparent breaches of duty, not to mention apparent accounting and securities fraud occurring at his companies. We do not believe the absence of Ms. Takacs and Mr. Ergen was anything less than intentional, to attempt escaping possible "heat" from investors after BHG's letters. If you are not present, you cannot be asked questions by investors, right? Mr. Ergen, quite surely in our minds, knew that investors would likely question why he evidentially far overpaid for DISH equity (due to a clear conflict of interest, as discussed in BHG's previous public and private letters), not to mention why he apparently has yet to deny the allegations of apparent accounting and securities fraud.

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I. SUBSTANTIAL DOUBT OF ABILITY TO CONTINUE AS GOING CONCERN.

To begin, we will highlight that – only now, after BHG's private and public letters – KPMG has suddenly qualified the Company's financial statements with its opinion of substantial doubt about the Company's ability to continue as a going concern. We believe KPMG has imploded any perception of its ability to fluently apply opinions of financial health at companies, given that they never gave DISH a "going concern" opinion, much less an opinion of "substantial doubt" to continue as a going concern, when DISH's last (standalone, pre-acquisition) Form 10-K filing with the SEC certified a major deficit of

[1] BHG's private and public letters to/from the Company may be found at: https://www.buxtonhelmsley.com/sats/

current assets compared to current liabilities, which is the very reason you affirmed – on your March 1, 2024, "earnings call" (hard to call it that, with such apparent accounting discrepancies) – that KPMG had placed such an opinion of "substantial doubt" on EchoStar's ability to continue as a going concern:

> "…**the accounting rules require us to consider our current cash position and project our cash position one year from our filing**, and do not allow us to consider any new funding sources unless that financing is committed at the point of our filing." [2] (emphasis added)

With respect to that just-cited quote from the Company's March 1 earnings call, if this leadership does not already regret holding the earnings call that BHG already informed the Company it was not able to hold while avoiding impeaching statements (yet again, demonstrating shocking overconfidence in abilities), you surely will by the end of this letter.

Getting back to that cited quote, such a material current asset shortfall (compared to current liabilities) already existed at DISH, pre-merger, and KPMG entirely skipped the "going concern" opinion for DISH, going straight to the opinion of "substantial doubt" of the ability of the Company to continue as a going concern. It is apparent to us that KPMG was asleep at the wheel until BHG's private and public letters raised such detailed concerns about the grave financial health of DISH and EchoStar (being apparently concealed from financial statements filed with the SEC). And yet, KPMG is still signing off on financial statements that immaterially vary from when the Company received no "going concern" opinion, as though such "substantial doubt" about a company's financial health does not very broadly, materially impact financing access and subsequent values of assets (given, the effects of such "substantial doubt" on transactional leverage, whether with relation to asset sales or financing). We are not playing cards here, but we have never been so compelled to call "baloney" (that isn't quite the name of the card game – we will save the expletive) in our life. Nothing makes sense in this picture because it is far from kosher, to run distinctly afoul of obligations under federal securities laws and accounting standards.

II. FAILURE TO RECONCILE ADMITTED LOSSES RELATED TO DISH.

As stated before, the leadership of EchoStar (you, the Board, and your management) already concluded **(and the leadership of DISH therefore admitted) that the value of "shareholder's equity" at DISH was approximately $3 billion (rather than the over $18 billion that was being certified in DISH financial statements** – the apparent accounting and securities fraud we have been speaking of since day one); therefore, concluding a "shareholder's equity" difference of over $15 billion (a massive difference between financial statements and reality) that was required to be reconciled as part of post-acquisition financial reporting. Even though the $15 billion in "shareholder's equity" value you (the leadership of EchoStar) concluded did not exist, at the time of concluding a fair value for "shareholder's equity" at DISH (at the time of acquiring DISH), *you – nevertheless – are now still nearly entirely certifying that value to reasonably exist* (within the February 29 Form 10-K).

If that $15 billion reasonably existed for the benefit of DISH equity holders (you are still certifying that equity value reasonably exists, but have already previously concluded it did not), then was your massively different valuation just months before fraudulent? Also, why did DISH equity holders then not receive that $15 billion that supposedly reasonably exists? Answer the questions or admit you do not have an answer. This leadership has apparently, since day one, not been able to even bring itself to deny our accounting and securities fraud allegations, much less rebut them.

[2] Company's March 1, 2024, Earnings Call (Statement Made by Paul Orban)

Before we proceed, we will point out that the SEC has already made clear within recent administrative proceedings that reasonably possible losses (including reasonably possible future losses related to negative trends in net sales) must be disclosed in financial statements. In the SEC's very own words:

> "Under the federal securities laws and Generally Accepted Accounting Principles ("GAAP"), a public company is **required to disclose** material loss contingencies that are reasonably possible, and trends or uncertainties that are reasonably likely to affect future net sales."[3] (emphasis added)

Therefore, even if the Company deemed a portion of the ~$15 billion (minimum) overstatement of "shareholder's equity" value at DISH to be attributed to simply reasonably possible losses, you *still* were required to accrue/disclose such reasonably possible losses in financial statements. What we are trying to illustrate here is that no matter how you concluded that there was a ~$15 billion (minimum) overstatement of "shareholder's equity" value at DISH, you were required to reflect that historical overstatement of net asset equity within the Company's financial statements, post-acquisition of DISH. Yet, you failed to do so.

We will say, however, that it is clear to us (as extensively outlined in our previous letters to the Company) that the ~$15 billion (minimum) overstatement of "shareholder's equity" value at DISH was evident to not be related to contingent liabilities, but – instead – tens of billions of dollars in asset value depreciation expenses that had been snowballing for years, in the midst of numerous "triggering events" (in terms of GAAP ASC 350/360). Yet, this massive asset value depreciation was being concealed from DISH financial statements. We gave countless examples of "triggering events" that occurred since early 2020 (when DISH's equity value had dropped straight into the gutter, despite that being concealed from financial statements, and later expressly admitted to be a permanent loss for DISH equity holders at the time of DISH being acquired). Now, the Company is experiencing *even further* triggering events (the opinion of your auditor having "substantial doubt" as to this Company's ability to continue as a "going concern", and – in fact – skipping straight to substantial doubt from a basic "going concern" opinion, certainly constituted *yet another* "triggering event" under GAAP ASC 350/360). Nevertheless, you continue to certify financial statements as though the Company is unimpacted by such material triggering events (just as you have conveniently had your horse blinders on all along).

Let us also clear up a beyond harebrained statement this leadership so conveniently made during the Company's March 1 earnings call (the fact that Company lawyers apparently allowed this leadership to freely, publicly speak about financials when you have been unable to rebut, much less deny, allegations of apparent accounting and securities fraud, is utterly shocking). As stated by DISH CFO Paul Orban during the March 1 earnings call:

> ***"The accounting rules require a company to test goodwill at least annually, which we did in the fourth quarter. In our assessment, as a result of our market cap being suppressed for a prolonged period of time, we impaired goodwill in various -- in varying amounts across all of our segments."***

Does this management have chronic amnesia that you already arrived at a realistic "shareholder's equity" value of approximately $3 billion for DISH and its subsidiaries (a concluded overstatement of $15 billion compared to DISH's pre-merger financial statements)? You already concluded that realistic value, which

[3] SEC Administrative Proceeding Charges Against Mallinckrodt Plc., Announced November 30, 2023 (Administrative File No. 3-21806) (Page 2): https://www.sec.gov/files/litigation/admin/2023/33-11256.pdf

absolutely was a combination of undisclosed asset value depreciation expenses and other reasonably possible losses as a result of acquiring the assets (as already previously cited by the SEC to be required for disclosure in financial statements), which were determined at the time of setting a realistic "shareholder's equity" value for acquiring DISH. Where the public markets were valuing DISH's equity was moot – you had already struck the fair value yourselves, yet are continuing to conceal those losses from financial statements, post-acquisition. You utterly failed to accrue those conclusions, as part of the financial statements/disclosures set forth in the February 29 Form 10-K, in violation of federal securities laws and GAAP. Your approximately $2 billion in disclosed losses falls far short of the tens of billions of dollars in "shareholder's equity" that remains massively overstated. I will tell you again (because you all clearly need your face turned to reality multiple times over), *you already concluded a maximum value for "shareholder's equity" at DISH and its subsidiaries, which meant it was long overstated by at least $15 billion in immediate pre-merger financial statements;* ***not ~$2 billion***.

I will point out, is it not comical how when you acquired assets, you were willing to record the positive goodwill value that was included as part of value consideration in the transaction, but now you are not willing to record such a massively negative, concluded (as part of the DISH acquisition) overstatement of realistic "shareholder's equity" value?

To put this in perspective for any reader, what is happening in this case of apparent accounting and securities fraud is the equivalent of a party acquiring a piano for $1,000, recording it on their balance sheet at a value of $8,000, and then mentally substantiating that such a knowingly massive overstatement of asset value was okay to report because they found out that an unrealistic $8,000 valuation was on the last owner's balance sheet at the time of acquiring the piano. The last owner got away with such bookkeeping negligence, at a minimum, or – more likely – intentional fraud, so why can't the accounting fraud just be continued by the next owner? Such a known overstatement of value would make you look wealthier to others, too, right? But when that overstatement is called out by a party, like BHG has called out the Company multiple times now, and the Company continues such an obscene claim on its balance sheet that they have already implicitly admitted to be materially false, you then have crossed into evident fraud; there is no longer any claim of plausible deniability.

Once again, we refer all readers back to our previous public and private letters to EchoStar, which may be viewed at: https://www.buxtonhelmsley.com/sats/

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We will end with a very interesting quote from EchoStar Chief Executive Hamid Akhavan, which was not said in the context of this Company's financial statements, but might as well have been:

> "So please **give me a year to figure out, what which end is up** and how we are going to maximize our market performance."[4] (emphasis added)

It is apparent the Senate Finance Committee might need to help this Company's Board and management figure out "which end is up" with respect to its financial statements, as you do not get a year to figure that out. We hope to see it happen.

[4] March 1 EchoStar Earnings Call.

Very Truly Yours,

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