



ECHO STAR COMMUNICATIONS CORPORATION

July 2, 1999

NagraStar LLC
30 Inverness Circle East
Englewood, CO 80112
Attn: Ed Altwain and Xavier Casard
Fax: (303) 706-5719

RE: Security Breach

Dear Ed and Xavier:

The purpose of this letter is to formally confirm in writing the discussions between our companies regarding the security breach of the Kudelski S.A. ("Kudelski") conditional access and related systems that has occurred. As you know, in February Kudelski, NagraStar LLC ("NagraStar"), and EchoStar Communications Corporation ("EchoStar") discussed instructions published on the internet that permit emulation of the Smart Card. As we first pointed out in those February discussions, this security breach needs to be remedied immediately.

Kudelski, NagraStar, and EchoStar have also discussed a fix, involving the swap-out of Smart Cards, to be completed in the next six months. The fix, of which the Smart Card swap out is only one piece, is extremely important and must be accomplished as soon as possible. EchoStar will continue to work with Kudelski and NagraStar to ensure that the swap-out of Smart Cards is accomplished with a minimum of inconvenience to our subscribers.

I point out that under Section 5.3 of the EchoStar Smart Card Purchase Agreement between EchoStar and NagraStar, EchoStar's cost for the Smart Cards providing the fix, is the cost properly charged NagraStar by Kudelski for the Smart Cards. Under Section 5.3 of the Kudelski Smart Card Purchase Agreement between Kudelski and NagraStar, the cost properly charged NagraStar by Kudelski for the Smart Cards providing the fix, is "equal to the direct marginal cost of manufacturing the Smart Cards (i.e., exclusive of all overhead costs)". I must also point out that failure to correct the security breach would constitute a default by Kudelski under Section 3(b) of the Escrow Agreement between Kudelski, NagraStar, EchoStar, and the Escrow Agent.

Please immediately confirm to EchoStar your detailed timetable for effecting the fix, and provide to us an estimate of the cost on a per Smart Card basis.

Sincerely,

Nicholas R. Sayeedi
Corporate Counsel

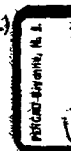
copy: Kudelski SA
1033 Chesaoux
SWITZERLAND
Attn: Nicolas Goetschmann
Fax: 41 21/732 0300

NG - requie	
<input checked="" type="checkbox"/>	Transmettre à AK-OLE-1M-CN
<input type="checkbox"/>	Copie à _____
<input type="checkbox"/>	Retour à _____
<input type="checkbox"/>	Classer <input type="checkbox"/> NG <input type="checkbox"/> Secr.
<input type="checkbox"/>	En attente
<input type="checkbox"/>	Réponse pos
<input type="checkbox"/>	Réponse nég

CASE NO.
SA CV 03-950 DOC (JTLx)
ECHO STAR SATELLITE CORP., et al

HIGHLY CONFIDENTIAL

Case No. SA CV03-950 DOC (JTL)



vs.

NDS GROUP PLC, et al.

DEFENDANT'S EXHIBIT 828

DATE _____ IDEN.

DATE _____ EVID.

BY _____
Deputy Clerk



ECHO STAR COMMUNICATIONS CORPORATION

July 2, 1999

NagraStar LLC
50 Inverness Circle East
Englewood, CO 80112
Attn: Ed Albrecht and Xavier Carrel
Fax: (303) 706-8719

RE: Security Breach

Dear Ed and Xavier:

The purpose of this letter is to formally confirm in writing the discussions between our companies regarding the security breach of the Kudelski S.A. ("Kudelski") conditional access and related systems that has occurred. As you know, in February Kudelski, NagraStar LLC ("NagraStar"), and EchoStar Communications Corporation ("EchoStar") discussed instructions published on the internet that permit emulation of the Smart Card. As we first pointed out in those February discussions, this security breach needs to be remedied immediately.

Kudelski, NagraStar, and EchoStar have also discussed a fix, involving the swap-out of Smart Cards, to be completed in the next six months. The fix, of which the Smart Card swap out is only one piece, is extremely important and must be accomplished as soon as possible. EchoStar will continue to work with Kudelski and NagraStar to ensure that the swap-out of Smart Cards is accomplished with a minimum of inconvenience to our subscribers.

I point out that, under Section 4.3 of the EchoStar Smart Card Purchase Agreement between EchoStar and NagraStar, EchoStar's cost for the Smart Cards providing the fix, is the cost properly charged NagraStar by Kudelski for the Smart Cards. Under Section 3.3 of the Kudelski Smart Card Purchase Agreement between Kudelski and NagraStar, the cost properly charged NagraStar by Kudelski for the Smart Cards providing the fix, is "equal to the direct marginal cost of manufacturing the Smart Cards (i.e., exclusive of all overhead costs)". I must also point out that failure to correct the security breach would constitute a default by Kudelski under Section 3(b) of the Escrow Agreement between Kudelski, NagraStar, EchoStar, and the Escrow Agent.

Please immediately confirm to EchoStar your detailed timetable for effecting the fix, and provide to us an estimate of the cost on a per Smart Card basis.

Sincerely,

Nicholas R. Sayeedi
Corporate Counsel

copy: Kudelski SA
1033 Chesaux
SWITZERLAND
Attn: Nicolas Goetschmann
Fax: 41 21/732 0300

NG - reply to	
<input checked="" type="checkbox"/>	Transmettre à AK-CH-E-3M-CN
<input type="checkbox"/>	Copie à
<input type="checkbox"/>	Retour à
<input type="checkbox"/>	Classer <input type="checkbox"/> NG <input type="checkbox"/> Sec.
<input type="checkbox"/>	En attente
<input type="checkbox"/>	Réponse positive
<input type="checkbox"/>	Réponse négative

HIGHLY CONFIDENTIAL

Case No. SA CV03-850 DOC (JTL)

EXHIBIT
828
10-25-2007

CIS00553