## UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA HONORABLE DAVID O. CARTER, JUDGE PRESIDING

\_ \_ \_ \_ \_ \_ \_

ECHOSTAR SATELLITE

CORPORATION, et al.,

Plaintiffs,

vs.

No. SACV 03-0950-DOC

Day 11, Volume III

Defendants.

)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Jury Trial

Santa Ana, California

Friday, April 25, 2008

Jane C.S. Rule, CSR 9316

Federal Official Court Reporter

United States District Court

411 West 4th Street, Room 1-053

Santa Ana, California 92701

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08-04-25 EchoStarD11V3

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		Page 3
1	INDEX	
3		
4	EXAMINATION	
5		
6	Witness Name Direct Cross Redirect	Recross
7	JACKSON, MARK	
	By Mr. Stone 10	
8		
	KUDELSKI, HENRI	
9	By Mr. Eberhart 18	
10		
11		
12		
13	EXHIBITS	
14		
15	Exhibit Identification	Evidence
16	Defendants' No. 526-A	29
17	Defendants' No. 812	41
18	Defendants' No. 824	45
19	Defendants' No. 1185	51
20	Defendants' No. 1202	22
21	Defendants' No. 1260	30
22		
23		
24		
25		

1 SANTA ANA, CALIFORNIA, FRIDAY, APRIL 25, 2008 2 DAY 11 - VOLUME III 3 (1:06 p.m.)4 (The following proceedings is taken outside 5 the presence of the jury.) 6 THE COURT: We are on the record outside the presence of the jury. 7 8 Mr. Snyder? 9 MR. SNYDER: Thank you, your Honor. 10 We have listened to all of the Court's comments, 11 and under the circumstances, we are withdrawing Mr. Peluso 12 as a witness. 13 THE COURT: I'm leery of that statement, not of 14 Under all the circumstances, I don't want this record 15 to ever reflect that Mr. Peluso may have the option of 16 testifying. 17 MR. SNYDER: I understand that. 18 THE COURT: I want this record to strictly reflect 19 that I have to have that hearing as I offered last evening 20 and yesterday before he does testify, because this is such a 21 dangerous area in terms of character flowing over from both 22 sides. And frankly, the way this developed is each of the 23 parties have called persons who are truly adverse witnesses, 24 that then provided the vehicle, and each of you set what I 25 call a standard of goodness, you know, from family values,

from the number of children, et cetera, all of which is irrelevant. I let that go, because neither one of you objected, frankly.

Each of you coequally have gotten involved with the agencies that they worked with, but you did that, not only oftentimes at the beginning, but apparently with the understanding that the other party was going to get into that with their witnesses. So there must be some subtle agreement between the two of you, if not overt, certainly implied that that was going to be acceptable. Mr. Peluso is welcome to testify, but after the last admonition from the Court I don't know where that's going.

So I already said to Mr. Klein last evening certain areas I have already acceded to, and he's more than welcome to testify. But that huge lead-in, from my perspective, really strikes, in a sense, more character evidence, and that's my concern. So if you are withdrawing him voluntarily, you choose not to present him, then I'm going to strike his testimony, and then we'll move on. But this record should never indicate that he is not welcome to testify. He may be relevant. I just have to have a hearing outside of the presence of the jury. And that -- of course, that was something that apparently neither counsel really pushed for last evening when I had everybody available. Do you still want to withdraw him or not?

```
1
               MR. SNYDER: Yes.
2
               THE COURT: Okay. Then he is withdrawn.
 3
               All right. Then, number two, how do you each want
 4
     to handle this issue concerning statements for the
5
     truthfulness or the non-truthfulness, et cetera, Mr. Hagan?
 6
               MR. HAGAN: Your Honor, Mr. Snyder and I spoke at
7
     the break, and we have been able to reach an agreement that
8
    neither side will request that the Court issue a specific
9
     detailed instruction based on each statement and whether it
10
     was offered for the truth of the matter.
11
               THE COURT: Are you stipulating to that,
12
    Mr. Hagan --
13
               MR. HAGAN: We are.
14
               THE COURT: -- on behalf of EchoStar and
15
    NagraStar?
16
               MR. HAGAN: On behalf of the plaintiffs, we are
17
     stipulating, your Honor.
18
               THE COURT: On behalf of NDS and the defendants?
19
               MR. SNYDER: Reserving the objections that we
20
     raised last night before the Court ruled, we are stipulating
21
     to that, your Honor.
22
               THE COURT: All right. Now, what happens in the
23
     future with the unforeseen?
24
               My greatest concern is one of you may think that
25
     there is some unfairness if we get into this area again and
```

1 there isn't that stipulation. So I'm not requiring that. 2 am just asking us to look ahead, because while that may be, 3 you know, wise on your parts with this last gentleman, what 4 happens if we go through that colloquy again? I don't want 5 to be inconsistent, in other words, in the rulings. So let's do this. Let me protect both of you. 7 Let me just say at this point there is a stipulation, but 8 that does not permanently foreclose, depending upon how this 9 unwinds, you know, you bringing this to the Court's 10 attention again with a -- with a huge instruction at the 11 end. Because I'd hate to see a witness take the stand and 12 we go through that process again for either side, and the 13 other side then felt it was unfair, it seemed inconsistent 14 that particular juror was singled out -- I mean, that 15 particular witness was singled out. 16 So let's -- right now there is a stipulation, but 17 it doesn't close the door; fair enough? 18 MR. SNYDER: If I understand you correctly, and 19 may I sort of restate it, your Honor --20 THE COURT: Just restate it. 21 MR. SNYDER: -- to make sure I've got it? 22 The Court had concerns that Mr. Gee was -- was 23 entering into hearsay testimony. We had a hearing outside 24 the presence of the jury last night at which you took an 25 offer of proof, objections were raised, and the Court made

certain rulings.

Mr. Gee then testified before the jury today, and based on our review of that testimony, we have stipulated with plaintiffs counsel that no limiting instruction need be made.

Going forward, I believe that -- that the same process is likely necessary, and if that's what the Court intended by those comments, yes, we agree.

THE COURT: Okay. I -- I'm saying you don't have to agree right now. Going forward, I am not asking either one of you to do that.

MR. SNYDER: Thank you.

THE COURT: I just can't foresee what happens, and my fear is that Witness Number 10 who's called, if we go through the same process, one of you might not be willing to enter into that stipulation, seeing it to your advantage. That means that this whole area would be examined and reexamined again, including Mr. Gee, because it wouldn't be fair to give an admonition to the jury about one witness, the truthfulness of such statements and then -- and then come back and not give it concerning another witness. And I'm unartfully stating that. I just want consistency by the Court and somewhat consistency by you.

So right now there is a stipulation. It's off the table. There's stipulation that no admonition will be given

1 to the jury. My reasons are documented. I've made written 2 findings concerning each of those four witnesses for circuit 3 review and what my rulings would have been, but -- well, 4 enough conversation on that, then. 5 Kristee, if you would get the jury. 6 (The following proceedings is taken in the 7 presence of the jury.) 8 THE COURT: The jury is present. All counsel are 9 present. 10 Counsel, thank you for your courtesy. 11 There was a witness briefly called. I don't want 12 you to draw any inference from the witness's testimony, that 13 witness's -- any inference as to why his testimony is being 14 stricken, but Mr. Peluso's testimony is stricken at this 15 time. You're to disregard it. 16 Counsel, if you'd be kind enough to ask the 17 witness to retake the stand, Mr. Jackson. 18 MARK JACKSON, DEFENDANTS' WITNESS, RESUMED 19 THE COURT: And Mr. Jackson, we were going to 20 start, once again, with Mr. Stone, who's beginning his 21 redirect examination of you. 22 MR. STONE: Thank you, your Honor. 23 THE COURT: Thank you, sir. 24 25

## REDIRECT EXAMINATION

2 BY MR. STONE:

1

- 3 Q This is going to be anticlimactic, because it will be
- 4 short, Mr. Jackson.
- 5 A Okay. Great.
- 6 Q All right. Now, you testified you were haggling over
- 7 | price at this second meeting with NDS; do you recall that?
- 8 A Yes.
- 9 Q And the issue was you thought NDS was too high of a
- price, and you wanted them to come down; is that a fair
- 11 summary?
- 12 A I think I was trying to get to their price was part of
- 13 the issue, a lot of it, and -- and what is the price. And
- 14 yes, getting it down is always a course of haggling.
- 15 Q Now, you said you told Kudelski that you were
- 16 | negotiating with NDS about NDS replacing Kudelski?
- 17 A No, I don't believe so.
- 18 Q I thought you testified that you informed Kudelski
- about these negotiations to get a better price out of
- 20 Kudelski; did I mishear you?
- 21 A I believe you did. I said that's a typical tactic to
- use, is to get your competitors' price point to work each
- other against each other to get a lower price from both
- 24 parties.
- Q Oh, did you work NDS against Kudelski?

```
1
         Well, I think we -- we kind of told them where our
2
    price points were on the Kudelski side, and -- and vice
3
    versa. We tried to work it, but you know, we'll have to
 4
     see.
5
        Well, no, my question is, did you work NDS against
 6
    Kudelski? Did you go to Kudelski and say "Here's what NDS
7
     is offering"?
8
         Not to my recollection, no.
9
               THE COURT: Just a moment. "Not to my
10
    recollection"?
11
               THE WITNESS: No, sir.
12
               THE COURT: Is that your answer, "no"?
13
               THE WITNESS: That's correct, sir, my answer is
14
     "no."
15
    BY MR. STONE:
         And when you invited the folks from NDS to come in and
17
     talk, Dov Rubin was the representative for NDS, correct --
18
         Yes, sir.
    Α
19
          -- at these meetings?
20
          How many meetings did you have?
21
          Two that I recall, then we had some settlement
22
    meetings.
23
         All right. Without getting into the settlement
24
    meetings, if I recall correctly, in the business
25
    discussions, you were the first person to raise the issue of
```

- the lawsuit?
- 2 A Yes, sir.
- 3 | Q Not Mr. Rubin?
- 4 A Correct.
- 5 Q He was there to talk business about supplying
- 6 conditional access services to EchoStar, correct?
- 7 A Yes.
- 8 Q And were these discussions separate and apart from the
- ones that Bell ExpressVu might have been having with NDS?
- 10 A I don't know.
- 11 Q Well, you weren't there to talk on behalf of Bell
- 12 | ExpressVu, I take it?
- 13 A No.
- 14 Q And so there might have been discussions between your
- 15 | largest customer and -- and NDS as well?
- 16 A Yes.
- 17 Q Now, what was the status of the ROM 3 card as reported
- 18 by Kudelski in 2001? Was it reported to you as secure,
- compromised or something else?
- 20 A I don't know.
- Q What was the status of the ROM 3 as reported by
- 22 Kudelski in 2002; secure, compromised or something else?
- 23 A I don't know.
- Q What was the status of the ROM 3 as reported by
- 25 Kudelski in 2003; secure, compromised or something else?

- 1 A I don't know.
- 2 Q How many subscribers did EchoStar/DISH Network have at
- 3 the end of 2000?
- 4 A At this -- right now, at this second, I don't know. We
- 5 could look it up, though.
- 6 Q Okay. What about in 1999, do you have any sense of how
- 7 many subscribers there were in that time period?
- 8 A Not right this moment, no, sir.
- 9 Q Would it be fair to say significantly less than
- 10 20 million that existed in 2004?
- 11 A Again, I don't know. I -- I don't think we -- we have
- 12 | 20 million subscribers today.
- 13 Q Maybe I misheard you. Did you have about 3 million in
- 14 | 1999, roughly; does that sound right to you?
- 15 A I don't know without looking it up, I'm sorry.
- 16 Q Would you agree that if a card swap had begun in 1999
- and been accomplished in early 2000, that would have
- 18 involved far fewer subscribers than in 2004?
- 19 A Yes.
- 20 | Q Now, you were asked questions by your own counsel about
- 21 stolen documents, which I think you said you didn't know
- 22 about?
- 23 A Correct.
- 24 Q I take it you wouldn't condone purchasing stolen
- 25 documents of a competitor?

```
Α
          Correct.
2
          That would violate the business standards of EchoStar?
 3
          Yes.
 4
          And I assume you also wouldn't condone obtaining
5
    documents that had been stolen from a competitor?
    Α
          Correct.
7
               MR. STONE: Thank you, sir.
8
               No further questions.
9
               MR. WELCH: We have no questions, no further
10
     questions, your Honor.
11
               THE COURT: Okay. We are going to -- are you in
12
     the continental United States or outside the United States?
13
               THE WITNESS: Currently, I'm a resident in the
14
     continental United States.
15
               THE COURT: Okay. I'm going to put you on 48
16
    hours' notice. If you're needed, you will be expected to be
17
    back in this court within 48 hours of the time counsel
18
     informs you.
19
               THE WITNESS: Yes, sir.
20
               THE COURT: I've told everybody else June 15th up
21
    to this time, but I believe that the case could conclude as
     early as not next week, but early the following week.
23
     just to be certain, I don't want to hunt for you on vacation
24
     or in another business meeting or anyplace else in the
```

25

world; understood?

```
THE WITNESS: Yes, sir.
2
               THE COURT: Okay. Thank you very much. You may
3
     step down.
 4
               Counsel, your next witness, please.
5
               MR. EBERHART: David Eberhart on behalf of
 6
     defendants, your Honor. We call Henri Kudelski.
7
               THE COURT: Thank you.
8
               Is there an interpreter with the gentleman?
9
               (No audible response.)
10
               THE COURT: Thank you.
11
               Would you ask Mr. Kudelski to stop at that
12
    location.
13
               Would you ask the gentleman to raise his right
14
    hand, please.
15
              HENRI KUDELSKI, DEFENDANTS' WITNESS, SWORN
16
               THE WITNESS: Yes, I swear.
17
               THE COURT: Thank you. If you'd please be seated
18
    here in the witness box.
19
               And once again, the interpreter is present.
20
               Sir, would you state your name, as the
21
     interpreter.
22
               THE INTERPRETER: My name is Jean-Marie Fey, and I
23
    will interpret French into --
24
               THE COURT: A lot louder.
25
               THE INTERPRETER: My name is Jean-Marie Fey, and I
```

```
1
     will interpret French into English and English into French.
2
               THE COURT: Okay. Now, we're going to need a
3
    microphone if we are going to do that.
 4
               Would you hand the gentleman, Debbie, the
5
    microphone, please.
 6
               Somebody has a cell phone out in the audience or
7
     whatever. Turn it off.
8
               (Interruption in the proceedings.)
9
               THE COURT: And sir, would you state your full
10
    name for the jury.
11
               THE WITNESS: My --
12
               THE COURT: Well, if you understand that, of
13
     course you can say it.
14
               (Laughter.)
15
               THE WITNESS: Okay. My name is Henri Kudelski,
16
    Henri Kudelski.
17
               THE COURT: And would you spell your last name for
18
     the jury.
19
               THE WITNESS: K-u-d-e-l-s-k-i.
20
               THE COURT: Thank you.
21
               Do you speak some English?
22
               THE WITNESS: Yes. Yes, I speak some English.
23
               THE COURT: Okay. Do you speak English well
24
     enough so that the attorneys can ask you questions in
25
     English and you can respond in English?
```

```
1
               THE WITNESS: I hope so.
 2
               THE COURT: Okay. Now, you have an interpreter
 3
     present, and if there is something that you do not
 4
     understand, simply turn to the interpreter, and he'll
 5
     interpret it for you; would that be acceptable to you, sir?
 6
               THE WITNESS: Yes, it will.
 7
               THE COURT: Now, if you'd like to rely upon
 8
     French, you may, but if you feel comfortable speaking in
 9
     English, you may. Which would you prefer to start with?
10
               THE WITNESS: I will try to start in English.
11
               THE COURT: All right. Now, we'll make the
12
     attorneys slow down so the questions can be understood.
13
               First, would you move your chair a little closer
14
     to the microphone, or move the microphone a little closer to
15
     your chair.
16
               THE WITNESS: Okay.
17
               THE COURT: Now, we've done both; that's
18
     excellent.
19
               All right. Counsel, this is Mr. --
20
               MR. EBERHART: Direct examination by
21
    Mr. Eberhart -- Mr. Eberhart.
22
               THE COURT: Mr. Eberhart.
23
               And Mr. Eberhart will ask you questions on behalf
24
     of NDS on direct examination. Thank you, sir.
25
```

## DIRECT EXAMINATION

2 BY MR. EBERHART:

1

- 3 Q Good afternoon, Mr. Kudelski.
- 4 A Good afternoon.
- 5 Q How are you currently employed?
- 6 A Now, I'm principal security engineer in NagraVision,
- 7 NagraCard.
- 8 Q And NagraVision and NagraCard are two separate
- 9 companies, correct?
- 10 A Yes, it is.
- 11 Q And both NagraVision and NagraCard are part of the
- 12 Kudelski Group, correct?
- 13 A Yes, it is.
- 14 Q And your father founded the Kudelski Group, correct?
- 15 A Yes, my father found the -- the Kudelski company.
- 16 Q And your brother Andre is the CEO of the Kudelski Group
- 17 today, correct?
- 18 A Yes.
- 19 Q And you have worked for Kudelski Group companies since
- 20 at least 1996, correct?
- 21 A No. I begin to work for NagraVision in 1995.
- 22 Q And have you worked for NagraVision from 1995 up until
- 23 today?
- 24 A Yes.
- 25 Q And NagraStar is a customer of NagraVision and

- 1 | NagraCard, correct?
- 2 A NagraStar, it's a joint company between EchoStar and
- 3 Nagra -- and I don't know if it's Kudelski Group or it's
- 4 NagraVision.
- 5 Q But NagraCard and NagraVision sell services and
- 6 products to NagraStar, correct?
- $^{7}$  A Is what I understand.
- 8 Q And you, specifically, you helped launch EchoStar's
- 9 conditional access system back in 1995 and '96, correct?
- 10 A Yes.
- 11 Q And following the launch of EchoStar's conditional
- 12 access system, you worked on maintaining the security of
- that conditional access system, correct?
- 14 A In -- in -- no.
- 15 Q You never worked on maintaining the security of
- 16 EchoStar's security system --
- THE COURT: Well, that's going to be a -- that's
- 18 going to be a double negative, almost. Just restate it.
- MR. EBERHART: I'll restate it again, your Honor.
- 20 BY MR. EBERHART:
- 21 Q Did you ever make any effort or devote any of your
- working time to maintaining the security of EchoStar's
- 23 | conditional access system?
- 24 A Yes, I was working for the countermeasure part. My
- position was to -- a team leader of the conditional

- 1 | countermeasure part for EchoStar part.
- 2 Q And isn't it also true, sir, that you worked on
- 3 electronic countermeasures that helped protect EchoStar's
- 4 | system from piracy?
- 5 A Yes, I work on that part.
- Q And please, sir, explain to the jury what is an
- 7 electronic countermeasure.
- 8 A When you have a security issue, you find some devices
- 9 or some hacker devices. These devices, you need -- they can
- watch television when you -- we don't want. They can do it.
- 11 To stop this device working -- continue to work with some
- 12 countermeasure over the air to disable these kind of
- devices. That's the target of a countermeasure.
- 14 Q And the ECM, or electronic countermeasure, is something
- 15 that your company sends down through the satellite signal to
- 16 the set-top box and the -- and the Smart Card that is in
- 17 | that set-top box, correct?
- 18 A Yes.
- 19 Q And at times, you supervised some of the teams that
- were developing ECMs for the EchoStar system, correct?
- 21 A Yes, I did.
- 22 Q And you also reviewed information about what efforts
- pirates were making to hack or break EchoStar's security
- 24 system, correct?
- 25 A I -- I saw what the pirate was talking about by the

```
1
     forum part.
 2
               MR. EBERHART: Please show the witness
 3
     Exhibit 1202, Michael.
 4
    BY MR. EBERHART:
 5
        Mr. Kudelski, Exhibit 1202 is an e-mail dated
    October 14th, 1999, from Alan Guggenheim to you and a number
     of other individuals; is that correct?
 8
          Yes, that correct.
 9
          And did you receive this during the course of your work
10
    for NagraVision, NagraCard?
11
          I think so, but I'm not sure one other person. I
12
    don't -- this one.
13
          The sender of the e-mail is Alan Guggenheim. Do you
14
    recognize that name?
15
          Yes.
16
          Who is Alan Guggenheim?
17
          Alan Guggenheim is -- was a CEO of NagraStar. I don't
18
     know if -- at that time, he was CEO of NagraStar, but he was
19
    working for us before.
20
               MR. EBERHART: Defendants offer Exhibit 1202, your
21
    Honor.
22
               THE COURT: Any objection?
23
               MR. HAGAN: No objections, your Honor.
24
               THE COURT: It's received.
25
```

```
1
               (Defendants' Exhibit No. 1202 is received
 2
          into evidence.)
 3
               MR. EBERHART: Charlie, if you could bring up the
 4
    header of the e-mail.
 5
    BY MR. EBERHART:
          Mr. Kudelski, this lists several additional individuals
 7
     as recipients of Mr. Guggenheim's e-mail of October --
 8
    October 14th, 1999, and I'm going to ask you who each one of
 9
     them is.
10
          Who is Christophe Gaillard?
11
          Christophe Gaillard was a guy working in NagraStar for
12
     the -- to maintain the system.
13
          Okay. And at the time of this e-mail, who was
14
    Christophe Nicolas?
15
          Christophe Nicolas -- I -- I don't know if it was my
16
    boss at that time or -- but after that -- now, it's my boss.
17
          And at the time of this e-mail, who was Jean-Daniel
18
    Meynet (phonetic)?
19
        He was also a worker for NagraStar to maintain the
20
    system.
21
          And who was Marco Saselli at the time of this e-mail?
22
        He was a developer.
23
        And who was Oliver Brique?
24
          He was a guy working on -- on the development of the
25
    Smart Card.
```

```
1
          Please turn to page 3 of Exhibit 1202, and I'd like to
2
     focus your attention on the post by someone named StuntGuy
3
    near the bottom of that page.
          Do you see that it indicates StuntGuy made a post on
5
    October 14th, 1999 at 7:54 a.m.?
6
          It's -- it's him on -- on this e-mail.
7
          Okay. And that is -- that is one of the posts that
8
    Mr. Guggenheim is forwarding to you on October 14th, 1999,
9
    correct?
10
         Yes.
11
          Turning to the last page of Exhibit 1202, looking at
12
    the last full paragraph.
13
          The e-mail indicates, quote, "Just to clear up any
14
    possible confusion, the ROM images that have been released
15
    on the net are mostly from a 288-01 cards ROM image (we
16
    refer to this image as ROM 2). The notable exception, as
17
    code mentioned, is a section that ranges from 7F00..7FEF,
18
    which was released by Macro. This section came from a
19
    288-02 ROM image, which we refer to as ROM 3."
20
          Did I read that correctly, sir?
21
          I -- I need to just -- can I read that?
22
         Yeah, absolutely.
23
    Α
         Yes.
24
         And so by October of 1999, you had been advised that
25
    portions of EchoStar's ROM 2 and ROM 3 code had been posted
```

- 1 on the internet, correct? 2 No -- that I -- I don't have the code of the home code, 3 just the post saying it was done, but is not home code. 4 So you were told in October of 1999 that portions of 5 the ROM 2 and ROM 3 had been posted on the internet, correct? It's a guy -- StuntGuy say that information. 8 Well, let's talk about StuntGuy for a minute. 9 Show the witness Exhibit 526, please, Michael. 10 Charlie, Exhibit 526 is already in evidence, so you 11 can --12 BY MR. EBERHART: 13 I'd like you to focus on the header of Exhibit 526, 14 which is an e-mail from Suzanne Guggenheim to you and 15 several other individuals; is that correct? 16 Yes, that correct. 17 And in this e-mail, Mrs. Guggenheim is forwarding to 18 you DISH Network ROM information, correct? 19 Yes, that correct. 20 And near the bottom of the first page of Exhibit 526, 21 it states "ES ROM 2.zip, publicly available, EchoStar ROM 22 dump and commented disassembly, note, work in progress"; did 23 I read that correctly? It's at the bottom of the first page

Is what the -- the post say.

of the exhibit, sir.

24

25

```
1
     Q
          Okay.
 2
          Mike, would you please show the witness Exhibit 526-B.
 3
    BY MR. EBERHART:
 4
          Now, Mr. Kudelski, Exhibit 526-B is what EchoStar and
 5
    NagraStar's counsel represented to us to be the attachment
    to Exhibit 526.
          And your Honor, we would offer Exhibit 526-B at this
 8
     time.
 9
               THE COURT: Is there any objection?
10
               MR. HAGAN: I'd like to -- let's see if the
11
    witness has seen it before, and if he has, then there's no
12
     objection, your Honor.
13
               MR. EBERHART: Your Honor, he's testified that
14
     it's an e-mail he received.
15
               THE COURT: With an attachment.
16
               MR. EBERHART: Correct, your Honor. The
17
     attachment shown on the e-mail.
18
               MR. HAGAN: We have no objection.
19
               THE COURT: Received.
20
               (Defendants' Exhibit 526-B is received into
21
          evidence.)
22
               THE WITNESS: I cannot confirm that, but I believe
23
    it is.
24
               MR. EBERHART: Charlie, would you display the
25
    first page of Exhibit 526-B.
```

- 1 BY MR. EBERHART:
- 2 Q If you could look at the very top of the first page of
- 3 Exhibit 526-B, it indicates that this is a zip file, and the
- a name of the zip file is ESROM2.zip, correct?
- 5 A Yes.
- 6 Q And that is the name of the file that was attached to
- 7 Exhibit 526, correct?
- 8 A Yes.
- 9 Q Okay. And the first page of Exhibit 526-B indicates
- 10 that the files contained in that zip file were dated in
- 11 October of 1999, correct?
- 12 A Yes.
- 13 Q I'd like you to turn to the third -- excuse me, fourth
- page of Exhibit 526-B.
- And the first text at the top of that page, sir, is
- 16 "New data query"; are you with me?
- 17 A Yeah, I saw that.
- 18 Q Looking down at the first section that's set off by
- 19 large I's with accents on them, it states "This file is
- generated by the interactive disassembler, IDA, licensed to
- 21 | the EROM guys"; did I read that correctly?
- 22 A Yeah, it's what you say.
- Q Okay. And a few lines down it reads "disassembly of
- 24 EchoStar 288-01 CAM"; did I read that correctly?
- 25 A Yes, is what is written.

- Q Okay. And an EchoStar 288-01 CAM, that's what we would
- 2 call a ROM 2 card, correct?
- 3 A That -- I -- I don't have the -- between that part, if
- 4 it says that.
- Description of Q And looking at the next sentence on that page, it says
- 6 | "Lots of assumptions and guesses in here due to spotty
- 7 availability of ROM dumps," correct?
- 8 A Yes, that was --
- 9 Q So this document, which is from October of 1999,
- 10 directly indicates that ROM dumps were available and were
- being disassembled from the EchoStar system in 1999,
- 12 correct?
- 13 A No, that -- that just said that document say was
- 14 available, and this -- this document said it is that, but
- 15 that doesn't mean it is --
- 16 Q Now, you received this document on or about June 25th
- 17 of 2000, correct?
- 18 A 25th of June, 2000, yes.
- 19 Q Okay. Did you do anything to confirm whether or not
- the pirates really had acquired ROM dumps from an EchoStar
- 21 card?
- 22 A I didn't do nothing myself, because I was not in
- charge of the development part. I transmit that, or I
- doesn't do nothing because it was directly Christophe
- Nicolas and that -- Olivier Brique (phonetic) do that job.

```
1
          And what did they determine, was this really taken from
2
    EchoStar ROM dumps?
 3
          I -- I don't remember that, because I -- it was not my
 4
    part.
 5
               MR. EBERHART: Please hand the witness Exhibit
 6
     526-A, Michael.
7
               THE COURT: Ladies and gentlemen, let me just
8
     inquire. Because of the language barriers, are you
9
     understanding his answers? And if you're having any
10
     difficulty, then I'd prefer we go back to the interpreter
11
     just to make certain that his answers are understandable.
12
               THE JUROR: I'm having trouble understanding him.
13
               THE COURT: A couple jurors are having trouble, so
14
     let's use the interpreter, then, with counsel's permission.
15
               We are going to use the interpreter just to make
16
     certain that the jury fully understands your answers.
17
               THE WITNESS: Okay.
18
               THE COURT: Counsel?
19
    BY MR. EBERHART:
20
          Mr. Guggenheim, we've handed you -- I'm sorry,
21
    Mr. Kudelski, we've handed you what's been marked as
22
     Exhibit 526-A, and this is another document that counsel for
23
    EchoStar and NagraStar represented to us as being the
24
     attachment to Exhibit 526, which has, as you can see on the
25
    face of the document, multiple attachments.
```

```
1
          And your Honor, we would offer Exhibit 526-A.
2
               THE COURT: This is one of the attachments,
3
     Counsel?
 4
               Any -- any objection?
 5
               MR. HAGAN: No, sir, your Honor.
               THE COURT: Received.
 7
               (Defendants' Exhibit No. 526-A is received
8
          into evidence.)
9
               MR. EBERHART: Would you publish that, Charlie.
10
               Thank you.
11
    BY MR. EBERHART:
12
         Now, Mr. Kudelski, this Exhibit 526-A is a cartoon that
13
    was attached to Suzanne Guggenheim's e-mail to you, and it
14
     says "StuntGuy, if we can decrypt these, we'll have the E*
15
    procedure for sure"; is that correct?
16
          Yes, it's what's -- it's put on that document.
17
          And so -- and in this diagram or this -- this cartoon,
18
     StuntGuy is being portrayed as an Indiana Jones-type or an
19
     explorer looking for how to hack the EchoStar system,
20
     correct?
21
         Yes, that's correct.
22
               THE COURT: Just a moment.
23
               Kristee, could you get the microphone to work?
24
     Thank you very much. The interpreter has it. For some
25
     reason, maybe he hasn't turned it on.
```

```
THE INTERPRETER: It's working now.
 2
               THE COURT: Tap the microphone.
 3
               It's working.
 4
               Thank you, Kristee.
 5
    BY MR. EBERHART:
          Sir, are you aware that NDS found StuntGuy during the
 7
     course of this litigation?
 8
          No.
 9
               MR. EBERHART: Michael, please hand the witness
10
    Exhibit 1260.
11
    BY MR. EBERHART:
12
       Mr. Kudelski, Exhibit 1260 is an e-mail from Joel Conus
13
    to JJ Gee, you, Alan Guggenheim and Cedric Groux dated
14
    August 31st, 2001, correct?
15
          Yes.
16
          And did you receive this during your work for
17
    NagraVision, NagraCard?
18
         Yes, I think so. I'm on the list.
19
               MR. EBERHART: Defendants offer Exhibit 1260,
20
    your Honor.
21
               THE COURT: Any objection?
22
               MR. HAGAN: No objections, your Honor.
23
               THE COURT: Received.
24
               (Defendants' Exhibit No. 1260 is received
25
          into evidence.)
```

- 1 BY MR. EBERHART:
- 2 Q On the first page of Exhibit 1260, Joel Conus writes
- 3 | "Here is the list of ECMs we've made for E\*"; did I read
- 4 that correctly?
- 5 A Yes.
- 6 Q And so Joel Conus was e-mailing Mr. Gee a list of the
- 7 | electronic countermeasures that your company had prepared
- 8 for EchoStar, correct?
- 9 A It seems so.
- 10 Q And we established before that EchoStar was one of your
- customers, correct?
- 12 A Yes, that's correct.
- 13 Q And you wanted this information that you were sending
- 14 your customer to be accurate, didn't you?
- 15 A Yes.
- 16 Q Please look at page 2 of Exhibit 1260.
- 17 Looking at the top of page 2, it indicates "ECM
- Number 4, November 2000"; do you see that, sir?
- 19 A Yes.
- 20 Q And it says that the target of that ECM was all of the
- 21 pirate commercial DNASP-003 cards, correct?
- 22 A Yes.
- Q And those are the ROM 3 cards, correct, sir?
- 24 A Yes.
- 25 Q And it says that "The effect of that ECM was to loop

- 1 | the card," correct?
- 2 A Yes.
- 3 Q And looping the card means that it is not usable for
- 4 pirating EchoStar's signal, correct?
- 5 A It was to deactivate the card.
- 6 Q And the assessment, the internal assessment that you
- 7 share with your customer, EchoStar, was that this was,
- 8 | quote, "very successful, gave a hard time to Koinvizion,
- 9 biggest dealer at the time," correct?
- 10 A Yes.
- 11 Q So you had a very successful ECM in November 2000.
- Now, jumping down a couple of places, we have ECM
- Number 6 from January 2001; do you see that, sir?
- 14 A Yes.
- 15 Q And that says "The target is the Koinvizion, E3M, V3,
- DNASP-003 cards and the E3M fix 2 and 3 cards from the New
- 17 Group," correct?
- 18 A Yes.
- 19 Q And that the effect of that ECM was to loop the card
- 20 and kill the cryptoprocessor, correct?
- 21 A Yes.
- 22 Q And that meant that the effect of this ECM was to make
- the card unusable, and also to kill off the portion of the
- 24 card that performed the cryptography functions necessary for
- 25 | obtaining television, correct?

```
1
          It was -- the purpose was to deactivate it.
2
          And Nagra's assessment of that ECM is that it was,
 3
     quote, "a successful ECM, put Koinvizion and the New Group
     out of business soon after," correct?
5
          Yes.
 6
          So in your ECM history that you sent to your customer,
7
     you wrote that "The January 2001 ECM put Koinvizion and the
8
    New Group out of business," correct?
9
          That's what is written.
10
          Now, you also talk about ECM Number 7, which is dated
11
     April 1st, 2001. For that ECM, "The target was all of the
12
     IRDs, that's set-top boxes, containing any card that blocks
13
     the run EMMs or that are behind a blocker device"; did I
14
     read that correctly?
15
          Yes.
16
          And what is a blocker device, sir?
17
          It is an element that you can put between the decoder
18
     and the microchip.
19
               THE COURT: Well, something happened to that.
20
               THE INTERPRETER: It's out of battery.
21
               THE COURT: Is it? Let me see it.
22
               (Interruption in the proceedings.)
23
               THE COURT: Well, it's temperamental.
24
               (Interruption in the proceedings.)
25
               THE COURT: Do you want to reask the question,
```

```
1
     Counsel?
2
    BY MR. EBERHART:
 3
          What is a blocker device, sir?
 4
          There are two different terms for blocker.
                                                       It can be
5
     an element that you plug between the set-top box and the
     card in order to filter certain commands.
          Another version of the blocker would be to modify the
8
     card itself in order for it to block those commands.
         And so this ECM Number 7 was specifically designed to
10
     fight blocker devices, correct?
11
    Α
         Yes.
12
         And the effect of this ECM was to tag and kill the
13
    set-top box or IRD, correct?
14
    Α
          Yes.
15
          And when you assessed this ECM, your company wrote
16
     "Successful ECM, first ECM targeting the IRDs," correct?
17
          Yes.
18
          So following that successful April 2001 ECM, you sent
19
     another ECM in May of 2001, that's ECM Number 8, and this
20
    document indicates that "The target was all of the IRDs with
21
    an AVR 3 blocker inside, especially with the MCG3.05
     software," correct?
23
          Yes.
24
          So this was another ECM designed to fight the blockers,
```

25

correct?

- 1 A It was an ECM that was designed to attack certain
- 2 specific blockers.
- 3 Q And the effect of this ECM was to tag and kill the IRD
- 4 or set-top box, correct?
- 5 A Yes.
- $^{6}$  Q And the assessment that Nagra made of that ECM was,
- quote, "Successful ECM, a new software MCG3.06 was soon
- 8 released by the pirates to fix the problem, " so the pirates
- 9 fought back, correct?
- 10 A Yes.
- 11 Q And then you fought back again on July 25th, 2001,
- 12 correct?
- 13 A Yes.
- 14 Q So on July 25th, 2001, you issued ECM Number 10. That
- 15 ECM "targeted all the DNASP-II and DNASP-III cards that have
- 16 | illegal rights, sub and/or IPPV and the do-not-block-the-run
- 17 EMMs"; did I read that correctly?
- 18 A Yes.
- 19 Q And by illegal rights, those are illegal subscription
- 20 | rights or illegal pay-per-view rights, correct?
- 21 A Yes, but it targeted only certain types of illegal
- 22 rights.
- 23 Q And were the illegal rights that it was targeting what
- we refer to as 3M or Three-Musketeers cards?
- 25 A Those were the rights we had on the devices that we

- 1 observed.
- 2 Q So this ECM Number 10 was designed to fight 3M or
- 3 E3M-type devices for EchoStar piracy, correct?
- 4 A It targeted certain types of E3M devices that we had in
- 5 the field.
- 6 Q And you were only targeting certain types of E3Ms and
- 7 blockers, because you had already stopped the other kinds of
- 8 E3M and blockers, hadn't you?
- 9 A No, I don't think so.
- 10 Q Let's talk -- let's see what the document says about
- 11 the effect of ECM Number 10. It says "It was designed to
- 12 | randomize the IRD key, loop the card and kill the
- cryptoprocessor," correct?
- 14 A Yes.
- 15 Q So, again, this was designed to make the card unusable
- 16 for additional piracy, correct?
- 17 A Yes.
- 18 Q And the assessment that Nagra wrote of ECM Number 10
- was, quote, "Very successful ECM. Many people had illegal
- 20 | rights in locked cards or had a blocker code that was badly
- 21 applied to their card"; did I read that correctly?
- 22 A Yes.
- Q So this July 25th, 2001 ECM was very successful in
- 24 Nagra's words?
- 25 A Yes.

- 1 Q Now, this was a document that Nagra -- either
- 2 | NagraVision or NagraCard prepared for EchoStar, correct?
- 3 A Yes.
- 4 Q But this document was produced by NagraVision and
- 5 NagraCard in this litigation. If you look at the bottom,
- 6 you can see the NVNC Bates number on it, correct?
- 7 A Yes.
- 8 Q Do you have any idea why this document was not produced
- 9 to us by plaintiffs?
- 10 A No.
- MR. EBERHART: Please show the witness
- 12 Exhibit 1184.
- 13 BY MR. EBERHART:
- 14 Q Now, Mr. Kudelski, in addition to using ECMs to fight
- piracy during the year 2001, isn't it also true that
- NagraVision and NagraCard issued patches to the ROM 3 cards
- 17 to try to fight piracy?
- 18 A Yes.
- 19 Q Are you familiar with a vulnerability in the ROM 3 card
- 20 called "the buffer overflow vulnerability"?
- 21 A I've seen the recipe that was published in December and
- 22 that made it possible to attack the cards.
- 23 Q And it's your understanding that that recipe, as you
- call it, used the buffer overflow vulnerability, correct?
- 25 A That I would not know, because it's the development

- 1 | team that deals with developing the microchip card.
- Q Okay. So you -- you don't know anything about a buffer
- 3 overflow vulnerability in the EchoStar ROM 3 card?
- $^4$  A No, I heard the name, but I -- I'm not aware of how it
- 5 works.
- 6 Q Let's take a look at Exhibit 1184, sir.
- 7 It's already been admitted, Charlie, so we can put that
- 8 up on the screen.
- 9 BY MR. EBERHART:
- 10 Q I'd like to focus your attention about halfway down the
- 11 first page of Exhibit 1184, and this is an e-mail that you
- wrote to Alan Guggenheim and several other people on
- 13 April 17th, 2001, correct?
- 14 A No.
- 15 Q You did not write this e-mail?
- 16 A No, this is the answer of Alan Guggenheim to my e-mail.
- 17 Q Sir, I'm -- I'm directing you to halfway down the page
- where there is a header that says "Original message from
- 19 Henri Kudelski, sent Tuesday, April 17, 2001, 6:14 a.m."; do
- 20 you see that, sir?
- 21 A Yes.
- 22 Q And so the text below that is text that you wrote,
- 23 correct?
- 24 A In -- there is a portion of the text that I wrote, but
- 25 there is other things in between.

- 1 Q Well, maybe we can parse that out for the jury, sir.
- Let's take a look at the -- the first sentence. It
- reads, "Hi, Alan. The last post gives you the answer." Did
- 4 you write that language?
- 5 A Yes.
- 6 Q It goes on to state "I haven't analyzed the Feb.
- <sup>7</sup> update, yet, but if it does check to make sure the packet
- 8 size is under 64 byte, then there is no way to send a packet
- 9 to wrap around and overwrite the stack"; did you write that?
- 10 A No, I write the first sentence.
- 11 Q Okay. Who wrote that, sir?
- 12 A It's in the post.
- 13 Q Okay.
- 14 A If you go to the second -- second page of the e-mail,
- 15 the -- the fourth line from the bottom, which starts with "I
- 16 haven't analyzed the Feb."
- Q Okay. So you copied some text that was from a posting,
- and you inserted that into your e-mail, correct?
- 19 A Yes.
- 20 Q And you prefaced that text with the language "The last
- 21 post gives you the answer," correct?
- 22 A Yes.
- Q Okay. So you were telling Mr. Guggenheim that the
- language you quoted gave the answer to the question of
- whether the buffer overflow was fixed, right?

- 1 A That's -- that was the preface that I wrote.
- 2 Q But listen to my question carefully, sir.
- Mr. Guggenheim asked you, "Did the February update to
- 4 the ROM 3 cards fix the buffer overflow vulnerability?"
- And you responded, "The last post gives the answer,"
- 6 which is "It has been fixed," correct?
- 7 A That is the -- that is how I prefaced my e-mail,
- 8 because the development told me that it was fixed.
- $^{9}$  Q So the developers told you that the buffer overflow
- vulnerability in the ROM 3 card had been fixed by
- 11 April 17th, 2001, correct?
- 12 A That is what I was told at that particular date.
- 13 Q And those were the developers for NagraVision and
- NagraCard, correct, the developers who told you that
- 15 information?
- 16 A Yes.
- MR. EBERHART: Show the witness Exhibit 812,
- 18 please, Michael.
- 19 BY MR. EBERHART:
- 20 Q Exhibit 812 is an e-mail that was sent to you and
- 21 | several other people by Alan Guggenheim on February 1st,
- 22 | 2001, correct?
- 23 A Yes.
- Q And this is an e-mail that you received during the
- course of your work for NagraVision and NagraCard, correct?

```
1
     Α
          Yes.
2
               MR. EBERHART: Defendants offer Exhibit 812,
3
     your Honor.
               THE COURT: Any objection?
5
               MR. HAGAN: No objections, your Honor.
 6
               THE COURT: Received.
7
               (Defendants' Exhibit No. 812 is received into
8
          evidence.)
9
    BY MR. EBERHART:
10
          Mr. Guggenheim is forwarding to you an e-mail from
11
    Mike Dugan, correct?
12
    Α
         Yes.
13
          And Mr. Guggenheim is writing to you the following:
14
    Quote, "We need help from you guys"; did I read that
15
    correctly?
16
    Α
          Yes.
17
         At the time Mr. Dugan's e-mail was written, which is
18
     January 31, 2001, what was Mr. Dugan's position with
19
    EchoStar?
          I do not recall what his exact -- his exact position
21
    was, but he was working for EchoStar at that time.
22
          Let's take a look at the bottom of page 1 of
23
    Exhibit 812. It indicates "Michael T. Dugan, president and
24
    COO, EchoStar Corporation." Does that refresh your
25
    recollection as to Mr. Dugan's role on January 31, 2001?
```

- 1 A Yes.
- Q Okay. So the president and COO of EchoStar Corporation
- wrote the following to NagraStar on January 31, 2001: "My
- 4 direction is as follows: DISH Network is to have two key
- 5 changes a day during the week and one key change on
- 6 Saturday. I want this done immediately."
- 7 Did I read that correctly?
- 8 A Yes.
- 9 Q And what he was saying, sir, was that he wanted the
- 10 keys for encryption for the conditional access system to be
- changed twice a day in order to fight piracy, correct?
- 12 A Yes.
- 13 Q Was that done?
- 14 A I don't remember.
- 15 Q He goes on to say, "I want a set-top box changed from
- 16 the service that will kill these SOBs that are now going to
- 17 lock their Tsops. You have many options here."
- What's a Tsop, sir?
- 19 A I don't know. I don't recall.
- 20 Q Mr. Dugan has indicated that he wants some change to
- 21 the set-top boxes in order to fight piracy, correct?
- 22 A Yes.
- Q Let's look at the next part of the e-mail.
- Mr. Dugan writes, "I do not want the card patch
- 25 released due to the security leak. We know this was not

- 1 EchoStar, since none of us even know of this strategy" --
- 2 | sorry -- "knew of this strategy"; did I read that correctly,
- 3 sir?
- $^{4}$  A Yes.
- 5 Q And Mr. Dugan is writing about a patch to the EchoStar
- 6 | Smart Cards, correct?
- $^7$  A Yes, that's what he wrote.
- 8 Q Okay. What was the security leak that he was
- 9 referencing in this e-mail?
- 10 A I have no idea.
- 11 Q What did you do to investigate that security leak?
- 12 A I work in the countermeasure section or department, and
- 13 this was not part of my functions.
- Q Were you ever told that someone investigated the
- 15 security leak?
- 16 A I don't recall. I don't know who would have done that.
- Q Did you ever find the source of the leak?
- 18 A No, I -- I couldn't say, because I don't know what we
- 19 are talking about.
- 20 Q Let's look at the next sentence, or next paragraph,
- 21 rather.
- Mr. Dugan writes, "We need 100 percent focus on this
- 23 stuff. We have made great progress. We have destroyed the
- commercial aspect of stealing. We have made it clear this
- is not commercial and driven back to the hobbyist."

- 1 Did I read that correctly?
- 2 A Yes.
- 3 Q And Mr. Dugan is saying that you have destroyed the
- 4 commercial aspect of satellite piracy, correct?
- 5 A That's what's written.
- 6 Q And that's because through your ECMs, you had put the
- dealers of the EchoStar 3M technology out of business; isn't
- 8 that correct?
- 9 A No, I don't think so.
- 10 Q Let's go on to see what Mr. Dugan says next.
- I apologize for some rough language, your Honor.
- 12 THE COURT: That's fine, Counsel. Just read it
- 13 just like it is.
- 14 BY MR. EBERHART:
- 15 Q "I don't want to let up. I want to hammer, hammer and
- 16 hammer these pricks. We had all the damn answers and cards
- 17 to play on these guys. We should be ready to blow our their
- 18 brains. I want focus, please."
- 19 Did I read that correctly, Mr. Kudelski?
- 20 A That is what is written.
- 21 Q And he's saying that he wants to take these actions in
- order to hammer the pirates, correct?
- 23 A Yes.
- Q And he's saying that EchoStar and NagraStar had all of
- 25 the damn answers and cards to play against the pirates,

- 1 | correct?
- 2 A That was his vision.
- Okay. Now, Mr. Kudelski, this is another document that
- 4 was produced to us by your company, NagraVision, NagraCard,
- 5 | correct? You can look at the bottom and see the NVNC on it.
- 6 A Yes.
- 7 Q Is that correct, sir?
- 8 A Yes.
- 9 Q Do you know why this document was not produced to us by
- 10 EchoStar or NagraStar?
- 11 A No.
- MR. EBERHART: Please show the witness
- 13 Exhibit 824, please, Michael.
- 14 BY MR. EBERHART:
- Q Sir, Exhibit 824 is an e-mail that was sent to you by
- Joel Conus on January 11th, 2001, correct?
- 17 A Yes.
- 18 Q And you are Mr. Conus's supervisor around that time,
- 19 weren't you?
- 20 A Yes.
- 21 Q And you received this document as part of your work for
- NagraVision and NagraCard, correct?
- 23 A Yes.
- MR. EBERHART: Defendants move Exhibit 824,
- 25 your Honor.

```
1
               THE COURT: Any objection?
2
               MR. HAGAN: No, sir, your Honor.
 3
               THE COURT: Received.
 4
               (Defendants' Exhibit No. 824 is received into
5
          evidence.)
    BY MR. EBERHART:
7
          Looking about two-thirds of the way down the first page
8
     on Exhibit 824, sir. Let's back up for a minute.
9
          You testified a minute ago that Mr. Conus was someone
10
     you supervised, correct?
11
          I was a supervisor, yes.
12
          And one of Mr. Conus's jobs, at least at the time of
13
     this e-mail, was to prepare summaries of the status of
14
    piracy against the EchoStar system, correct?
15
          Yes.
16
          And Exhibit 824 is an example of one of those summaries
17
    of piracy against the EchoStar system, correct?
18
    Α
          Yes.
19
         And those summaries were intended to give a truthful
20
    assessment of where piracy stood against the EchoStar system
21
    when those summaries were written, correct?
22
         No. They merely give a vision of what was on the
23
     internet.
24
          So there is no information in Exhibit 824 that comes
25
    from Nagra?
```

- 1 A Yes, the summary is written by our team.
- Q Well, let's look at page 2 of Exhibit 824. And at the
- 3 | top of page 2, there is a listing of different ROMs and
- 4 different pirate devices and software, correct?
- 5 A Yes.
- 6 Q Who wrote that text?
- 7 A That is my team.
- 8 Q Okay. So this text that begins with "DNASP-002" is
- 9 text that your team wrote summarizing their assessment of
- 10 the status of different ROM cards and piracy devices,
- 11 correct?
- 12 A Yes.
- 13 Q And so on January 11th, 2001, your team wrote that the
- DNASP-003 cards -- those are the ROM 3 cards, correct?
- 15 A Yes.
- 16 Q Your team wrote that the ROM 3 cards were compromised
- 17 EEPROM read/write open, correct?
- 18 A Yes.
- 19 Q That status changed over time, didn't it, sir?
- 20 A It changed every time there was new information.
- 21 | Q And we're going to look at some of those changes, sir,
- but before we do that, I'd like you to turn back to page 1
- of Exhibit 824.
- Now, two-thirds of the way down the page, it states "A
- fully-commented disassembly of the DNASP-003 ROM code and

```
1
     its EEPROM has been published early this week. The comments
2
     are from StuntGuy. Johnny Asic notes that there is no way
 3
     that StuntGuy has been able to comment the whole code since
 4
     its release right before Christmas. It seems obvious that
5
     StuntGuy already had the code before it was released."
          Did I read that correctly, sir?
7
          Uh-huh.
8
          And so that was Mr. Conus's assessment that it was
9
     obvious that StuntGuy had the ROM 3 code before it was
10
     released in Christmas of 2000, correct?
11
               THE INTERPRETER: I'm going to translate this for
12
    him.
13
               THE WITNESS: Would it be possible to get the
14
     attachment and the attachment?
15
               MR. EBERHART: Absolutely.
16
               May I approach, your Honor?
17
               THE WITNESS: What is in this e-mail is the
18
     summary of what the hackers were saying.
19
    BY MR. EBERHART:
20
          And you've now looked at the -- the reference that's
21
    being summarized by Mr. Conus. Does that reference in
22
     anywhere say, quote, "It seems obvious that StuntGuy already
23
    had the code before it was released"?
24
          I cannot say if this is a comment by the person who
25
    wrote the report or if it is a comment by a hacker.
```

- 1 Q Okay. I'm asking you, sir, you have the reference in
- front of you that Mr. Conus refers to in Exhibit 824, and
- does that reference say, as Mr. Conus, I believe wrote, "It
- 4 seems obvious that StuntGuy already had the code before it
- 5 | was released"?
- 6 A I do not have the ability to say whether -- where it
- 7 comes from and whether it comes from somewhere else or from
- 8 here.
- 9 Q But it's not in the attachment?
- 10 A It -- it is not in the attachment, but you need to know
- 11 that the attachment is a cut and paste from posts.
- 12 Q So it could come from Mr. Conus, or it could come from
- a post that he didn't bother to attach to his e-mail; that's
- 14 | what you are saying, sir?
- 15 A Yes.
- 16 Q Let's turn to page 2, again, of Exhibit 824.
- We talked for a moment about the text your team wrote
- about the DNASP-002 and DNASP-003 cards. Now, the DNASP-002
- 19 is ROM 2, correct?
- 20 A Yes.
- 21 Q And that, like the DNASP-003, also says "Compromised,
- EEPROM read/write open, " correct?
- 23 A That's what's written.
- Q And by "compromised," you meant that the pirates were
- able to access or hack the card, correct?

- 1 A The pirates were able to use the recipe to access the
- 2 card.
- 3 Q And was that for both the ROM 2 and ROM 3 card as of
- 4 the time Exhibit 824 was written?
- 5 A Yes, that's what's written in the report.
- 6 Q So it's your claim that pirates in January of 2001
- 7 could use the so-called Nipper recipe to access ROM 2 cards?
- 8 A That's my understanding, yeah.
- 9 Q So if Christophe Nicolas testified that the recipe
- 10 could not be used against ROM 2, he was wrong about that?
- 11 A Maybe I made a wrong assumption. As far as I'm
- 12 | concerned, it was compromised, and I imagine it was because
- of the recipe.
- 14 Q Okay. And are you aware that the plaintiffs have
- 15 stipulated that they are not trying to hold NDS responsible
- 16 for piracy of ROM 2?
- 17 A No.
- MR. EBERHART: Hand the witness Exhibit 1185,
- 19 please.
- 20 BY MR. EBERHART:
- 21 Q Now, Exhibit 1185 is another e-mail sent to you by
- Joel Conus, this one on February 22nd, 2001, correct?
- 23 A Yes.
- Q And this is another e-mail that you received during the
- course of your work for NagraVision and NagraCard, correct?

```
1
     Α
          Yes.
2
               MR. EBERHART: Defendants offer Exhibit 1185,
3
     your Honor.
               THE COURT: Any objection?
5
               MR. HAGAN: No objections, your Honor.
 6
               THE COURT: Received.
7
               (Defendants' Exhibit No. 1185 is received
8
          into evidence.)
9
    BY MR. EBERHART:
10
          Taking a look about -- withdrawn.
11
          Now, this is another report on piracy that Joel Conus
12
    provided to you, correct?
13
    Α
          Yes.
14
          And looking about -- looking about two-thirds of the
15
    way down the page, Mr. Conus lists the following status for
16
    the ROM 3 or DNASP-003 card, quote, "Secured VIP rights in
17
    some cards block cards not affected by the update"; did I
18
    read that correctly?
19
    Α
          Yes.
20
          And this e-mail on February 22nd, 2001, was sent after
21
    EchoStar and NagraStar issued their patch to close the
22
    buffer overflow vulnerability, correct?
23
          I think.
    Α
24
          And you were in charge of ECMs, correct?
25
    Α
          Yes.
```

```
1
          Looking up above that status section of the report.
2
     indicates "The update that has been made on the DNASP-003
 3
     didn't generate much feedback. There is no feedback at all
 4
     on the forums, and there are a couple of people on the IRC
5
     who had issues getting their cards to dump. It's not a bad
     thing, since this update was supposed to be as stealth as
7
    possible."
8
          Did I read that correctly?
9
          Yes.
10
          Was this effort at stealth something you did in
11
     response to Mr. Dugan's complaint about the security leak?
12
          What leak are you talking about?
13
          Let's take a look at Exhibit 812 again, please.
14
          And it's at the middle of the e-mail that Mr. Dugan
15
    wrote -- on January 31, 2001, he writes, "I do not want the
16
     card patch released due to the security leak."
17
          No, I do not see any relationship between the two.
18
          Okay. So Mr. Dugan wrote to you on January 31st, 2001,
19
     about a security leak and a concern that he did not want the
20
     card patch released at that time, and when you released the
21
     card patch some 20 days later, it was supposed to be as
22
     stealth as possible, but you don't think there's any
23
     connection; is that your testimony?
24
          It is a fact that when you send out patches, you want
25
     them to be as discrete as possible.
```

- MR. EBERHART: Show the witness Exhibit 1186,
- 2 Michael.
- 3 BY MR. EBERHART:
- $^{4}$  Q Why do you want the patches to be as stealthy as
- 5 possible, Mr. Kudelski?
- $^6$  A So that the hackers cannot see that we are releasing a
- 7 patch.
- 8 Q And so at least as of the time of Exhibit 1185,
- 9 EchoStar and NagraStar were still able to release patches
- without the hackers being able to realize that it was
- 11 happening?
- 12 A No, we tried as best as possible to hide the patches or
- 13 to -- to be as discrete as possible when releasing the
- 14 patches, but that is not always possible.
- Q But Exhibit 1185 indicates that it was possible at the
- 16 time of this patch, correct?
- 17 A Which part?
- 18 Q 1185 makes reference to an update to the DNASP-003,
- 19 correct?
- 20 A I cannot see where the reference is made.
- 21 Q It's Exhibit 1185. It is right about the middle of the
- 22 page. It begins "The update that has been made on the
- 23 DNASP-003."
- 24 A It says that on the forums, they did not see the
- 25 patches.

```
1
          And those are the pirate forums, sir, correct?
 2
          That is -- that is -- we -- what we observed when we
 3
     monitored the party. That does not mean that they did not
 4
     see it.
 5
          And you were in charge of ECMs and patches in
     February 2001, correct?
          No, I was only in charge of ECMs, not patches.
 8
          Who was in charge of patches, sir?
 9
          That is the development team.
10
          Who on the development team?
11
          That was Oliver Brique.
     Α
12
               MR. EBERHART: Turn to Exhibit 1186, please.
13
               THE COURT: And Counsel, why don't you find a
14
     convenient place to finish for today.
15
               MR. EBERHART: This is fine, your Honor.
16
               THE COURT: Is this a good place?
17
               MR. EBERHART: This is fine.
18
               THE COURT: All right.
19
               Ladies and gentlemen, I think it's time to send
20
     you home. It's a little earlier than I expected, but maybe
21
     we could look at some of these documents outside your
22
     presence, and that way the witness will be more familiar
23
     with them. We'll get all counsel together and see if we can
24
     reach an agreement. This will speed this along.
```

Would you join me again on Tuesday at 8:00,

25

```
1
    please?
2
               THE JURORS: Sure.
 3
               THE COURT: Okay. Let's please not talk about
 4
     this case. By the way, has anybody spoken to anybody so I
5
     can start the case all over again?
 6
               (Laughter.)
7
               THE COURT: It's just a general way to remind you.
8
     So please don't discuss this case, nor form or express any
9
     opinion.
10
               Thank you very much. Please drive safely.
11
               And Counsel, if you'd have a seat for just a
12
    moment.
13
               If you'd remain, sir, for just a minute.
14
               (The following proceedings is taken outside
15
          the presence of the jury.)
16
               THE COURT: And Counsel, if you'd like to have a
17
     seat for just a moment.
18
               All right, sir. Thank you very much. We'll see
19
     you on Tuesday morning at 8:00. Thank you for your
20
     courtesy.
21
               Concerning Graham James, you had said that there
22
    would be a letter or something forthcoming from some agency
23
     or from some solicitor. Could I see that letter, please?
24
               MR. NOLL: Christine is getting it, Judge.
25
               THE COURT: Pardon me?
```

```
1
               MR. NOLL: Christine is getting it.
2
               THE COURT: Okay. Is that a copy or the original?
 3
               MS. WILLETS: It was e-mailed to us, so it's a
 4
     copy.
 5
               THE COURT: So it's a copy. This was e-mailed to
 6
     you with its --
               MS. WILLETS: Yes.
8
               THE COURT: "Embassy of the United States of
9
     America."
10
               "Dear applicant, we are unable to issue you a visa
11
    because you have been found ineligible for admission to the
12
     United States under the following sections of the
13
     Immigration Nationality Act. The items marked with an 'X'
14
    pertain to your case. Please disregard the unmarked items.
15
               "The item that is marked is Section
16
     212A(2)(a)(i)(l), crime involving moral turpitude and
17
     212A(2)(b), multiple criminal convictions when sentenced to
18
     confinement for five or more years."
19
               It has a date of April 23rd, 2008, which would be
20
     two days ago, and the reference number is 035 -- and I
21
    believe that that's a backslash -- 114.
22
               Now, apparently the applicant's name is not used
23
     on the document, a number is used by the embassy; is that
24
    your understanding?
25
               MR. HAGAN: I haven't yet seen the letter,
```

```
1
     your Honor.
 2
               THE COURT: Have we received -- did this gentleman
 3
     allegedly appear with a solicitor or barrister of some type?
 4
               MR. HAGAN: He did, your Honor.
 5
               THE COURT: What was that barrister or solicitor's
 6
     name?
 7
               MR. HAGAN: It was an attorney from DLA Piper.
 8
     Let me get the name.
 9
               THE COURT: Okay. Where's DLA Piper; who's here
10
     from DLA Piper?
11
               MR. NOLL: We've got several lawyers here,
12
     your Honor.
13
               THE COURT: Are you gentlemen the gentlemen who
14
     appeared in London?
15
               MR. HAGAN: No.
16
               UNIDENTIFIED SPEAKER: We are not.
17
               MR. HAGAN: These are lawyers from DLA, but they
18
     don't -- they weren't the ones that appeared in London. It
19
     is an attorney from their London law firm.
20
               THE COURT: I see.
21
               MR. HAGAN: I think maybe to clear this up -- and
22
     I -- I see your point, there is no name, there's a reference
23
     number -- we could get a declaration from the solicitor that
24
     attended with Mr. James to confirm this or to provide -- if
25
     the Court needs additional information or additional
```

evidence.

THE COURT: Well, I'm not -- I'm not placing myself in the position that I disbelieve the document. I am placing myself in a position to have a record, you know, for appellate purposes, if you're successful with liability, that the Circuit and I can both understand, you know, that has a nexus to Mr. James.

One of the things I need to wrestle with this weekend is the following. After the -- hearing the evidence about the long-term relationship between NDS and Allen Menard in which, I believe, Menard was paid over \$300,000 --

MR. HAGAN: \$380,000, your Honor.

THE COURT: -- and then declined to renew his contract just prior to the trial, there is obviously a strong nexus between NDS and Menard. And I've put EchoStar many times in the position of, you know, producing witnesses and NDS in terms of producing witnesses.

At the beginning of the case, this Court had taken a position that each of the parties would be required to bring witnesses to trial so that the jury could judge credibility and they could be subjected to the adversarial system. I've threatened adverse inferences against either of the parties and against many of the pirates and other witnesses that this Court felt each party had some nexus to.

One of these persons is Graham James, who is now apparently employed by EchoStar, but was previously employed by NDS. Mr. James has a felony conviction for child molestation in the United Kingdom, apparently has his point of egress. And the United States Embassy, if this document is further authenticated, appears to have decided not to let Mr. James travel outside of the United Kingdom due to his probationary status or to allow him -- I'm sorry, a better way of putting that is allowing -- to allow him to enter into the United States because of his crime of moral turpitude.

I'm concerned after understanding the full alleged intertwining of Menard and NDS on prior occasions and trying to balance that with Menard's unavailability to both of you how it's equitable on this Court's part to allow the video deposition of Menard and place James in this position of requiring appearance or continuing to threaten you with an adverse inference. Obviously, if this document is further authenticated, the adverse inference is not going to be given. That's the easy decision. The more consequential decision for the Court is trying to balance the equity between the parties and deciding how you would be allowed to present James's testimony.

Now, on every occasion when we can get testimony from the person subject to the adversarial process, this

Court has a great preference for it, and so does the adversarial system, because the information that you have at this time is much more -- is much better than you certainly had even a month ago.

So I need at some point this -- in the next three or four days to decide, you know, how James is going to appear. And previously I'd offered the opportunity if this document is authenticated the idea of a -- of a satellite hookup between the United Kingdom and the United States through this courtroom, and I've done that as far away as Japan before and as close as Indiana.

Perhaps Monday morning we could meet with Millie for a moment and bring her up and see if this is even a possibility. If it's not, then I may take the fallback position and go by deposition, but I want to work down the line, because if this is no fault of Mr. James, even with the late start, this is a witness that shouldn't be precluded if he's being denied entry and is now making, even at this late state, the attempt -- stage, the attempt to do so. So I'm not making a ruling. I'm just trying to think through where this leads the Court in the next few days.

I'm going to put that aside for the time being and ask each of you how you'd like to spend your weekend.

No, I'm going to retrace that.

(Laughter.)

THE COURT: You'll be spending the weekend with me, but the time, hours.

It doesn't make much sense to have you, you know, come in and sit around and not be able to minimally accomplish the drafting of your special verdicts. I'll raise a couple issues with you. I'm no longer in the position of giving an instruction concerning the status of the law in Canada. After hearing this testimony, the provinces were in disarray. I don't know the number of provinces. I am not certain which persons were in which provinces at which time, fully, and apparently it took the Canadian Supreme Court to sort this out by 2002.

So the honest explanation to the jury would be that the law was in flux. That's a poor legal world, but the law was in flux in -- up to 2002 when the Canadian Supreme Court apparently handed down a decision that obviously generated an active pirate community in Canada, because the law was apparently influx. But I'm not willing to categorically state that the law in Canada allowed this conduct, in fact, it did not. By the same token, the law of Canada was so unclear that people presumed apparently, depending upon what province you were in, you could operate with impunity in its state of confusion.

So the present instruction concerning Canada is going to be rejected as submitted by NDS, but the door is

1 wide open to the drafting of another instruction, as long as 2 it's a balanced instruction. If I can't get that from the 3 parties or something from NDS and/or EchoStar, if I have any 4 concern, I'll simply leave the state of the -- of the 5 testimony as it is. I won't pinpoint an instruction. 6 won't point to this area and let each of you argue it. 7 The scope of the California Penal Code Section 8 that you're seeking is still being thought through by the 9 Court. So I'd like to hear what instructions, you know, 10 given the Court's tentative instructions, and of course, 11 subject to argument by each counsel about why the Court may 12 have created error so you have a full record. 13 What instructions are being sought other than the 14 discussion we've had thus far? It doesn't mean you're 15 acceding to my, you know, tentative thoughts on this. 16 just means are there new instructions that you are going to 17 produce, other instructions that you've contemplated since 18

our last meeting on Saturday.

Mr. Hagan?

19

20

21

22

23

24

25

MR. HAGAN: From our standpoint, your Honor, and I'll have to go back, and -- and this weekend I'll look at them again --

THE COURT: Well, today you're going to look at them, believe it or not.

MR. HAGAN: Yeah, today.

There is one instruction that I know that I don't think that I've seen, yet, and that we're going to be requesting, and that is an instruction on the tolling theories that the Court allowed plaintiffs to go forward on at the 12(b)(6) stage. In other words, your Honor, we would like to be able to argue in closing that based on some of the evidence that has been admitted thus far and that may be admitted through the course of the trial, EchoStar is able to establish on the one hand that the defendants engaged in efforts to actively conceal their wrongdoing, that the posting and that the distribution of cards were part of an overriding conspiracy such that the last overt action would toll the statute of limitations, which would allow us to reach back into the 1998, 1999 time frame.

THE COURT: You draft it for me and have it ready for me by this evening.

MR. HAGAN: Thank you, your Honor.

THE COURT: Now, one of the things I don't know that I'm satisfied, yet, is -- is trying to get the concept across to the jury that there is a limitation about the evidence that they can consider, and it really is focused on ROM 3, not ROM 2, not ROM 10, 11, et al. But by the same token, it has to be worded in such a way that the jury understands that if there is an irreparable hole in ROM 3 that later can't be cured by ECMs or patches, that

1 eventually leads to the collapse of the DNASP-II system. 2 Then you are allowed to argue for the swap-out costs, but 3 there you've got this incredible causation argument to go 4 through, which is what Mr. Eberhart is so ably attacking and 5 you so ably have presented. That's just a key instruction, 6 and it's going to require, I think, a lot more work on -- on 7 the Court's part. 8 Let me turn to NDS, Mr. Snyder, or who was with me 9 last week? Well, are you going to take the lead this 10 weekend or --11 MR. SNYDER: I'll be here, your Honor. 12 THE COURT: Okay. What additional -- not the 13 instructions that we've gone over, those are going to be 14 subject to argument, and you are going to, of course, tell 15 the Court why it should be modified, changed or whatever, 16 and I haven't made a ruling, of course, yet, on RICO. Well, 17 I made a ruling for this -- at the close of the plaintiffs' 18 case, but I'm opening the door again to you at the end of 19 your case. What additional instructions would I expect to 20 have submitted this weekend?

MR. SNYDER: I can't think of any right now, your Honor. All the ones that I believe are really in flux are about issues that we've already discussed, such as the multiple ROM versions and FTA.

THE COURT: Okay.

21

22

23

24

25

MR. SNYDER: And of course, we've heard your comments about the state of Canadian law.

THE COURT: How long do each of you need to draft special verdicts, and how long do we need to go over the evidence for next week? In other words, there is no reason for me to bring you back at 5:00 or 7:00 or 9:00 this evening if you can't get that work done. That's silly. In fact, I want you to have a little bit of rest. By the same token, I'd like to see what those are tomorrow, but I don't want to bring you in here at 8:00 if that time is well spent, you know, just getting a little bit of time off this evening for yourselves, and then being able to draft those and give them to me.

So one of my thoughts was that we ought to meet in the afternoon tomorrow, and you should give me Sunday morning as well so we have a block of time, so what I'm not doing to you is bringing you in, you know, all day Saturday or half a day Saturday, sending you home. Because in a perfect world, I'd see you Saturday afternoon. Saturday night you need to reserve for me, also, just in case.

Sunday morning, and then I'm letting you go home so you have a block of time on a Sunday afternoon just to catch up and rest. Otherwise, I'm -- I'm really splitting your days so you're always here.

If you have a better suggestion, that's terrific,

1 but I think that would give you tonight to relax a little 2 bit. It would give you tonight or tomorrow to draft your 3 specials. It would give us a working afternoon or evening 4 and a working morning on Sunday, and then if I need to, I've 5 got you Sunday afternoon, but I -- I think we could get it 6 done, and that way it's kind of a day sandwiched between the 7 two. But what are your thoughts? 8 MR. SNYDER: That schedule would work for us, 9 your Honor. 10 THE COURT: Would it work for you? 11 MR. HAGAN: That would work for us as well, 12 your Honor. 13 THE COURT: Okay. So then I'm going to release 14 you today in a few moments and not bring you back tonight. 15 I want to go over the witnesses for next week for just a 16 moment. 17 I've been trying to figure out the following. 18 am going to run through something I'm hearing that I think I 19 understand but I may be naive about. I just want to take 20 swap-out costs for a moment and not deal with lost profits 21 in this off the top of my head discussion. 22 Ergen and EchoStar hope for 90 or 91 million. 23 NagraStar hopes and prays for about a million, but EchoStar 24 has, in my naive mind, about a half ownership of NagraStar. 25 And so if recovery came in, Kudelski in a sense, would -- in

theory, the corporation, would split about a million dollars. And I'd be very interested if it was -- if it was the opposite way around, but it seems that he would split about a million dollars, but Charlie Ergen and EchoStar never splits the 90, in theory, to start with.

But from my memory, from the motion work we did, the first swap has allegedly cost Mr. Ergen and EchoStar \$90 million, but there is a provision in there, and I think Mr. Eberhart is going to be getting to that. There is a provision that the second swap, if it has to occur, is free. And behind the scenes, I think NDS's position is going to be, and has -- I think I've been alerted to this -- there's a backroom deal being made.

What's really happening is Mr. Andre Kudelski, not Henri, because Andre apparently runs the corporation, allegedly, is sitting there for over a year's period of time doing something in this negotiation. And if this money comes in, this, you know, 90 million that EchoStar gets, there is the potentiality of a backroom deal getting cut. And by that time, the case is out of this court, you know, the tragedy is it occurs a year from now, and you have -- you have no rights. I mean, you basically can't get back to that, I mean, if the jury believes that.

The difficulty is that Andre Kudelski will not submit himself to the jurisdiction of this Court, so you

```
1
    never have the opportunity from NDS's perspective of getting
2
    Mr. Kudelski on the stand, you know, making those
 3
     inferences, asking those questions, and having him look the
 4
     jury in the eye and say "yes" or "no." Now, they can judge
5
     demeanor, but it's hard for an argument to be made,
 6
     unfortunately, without that person present, because you
7
     don't have that body sitting there. But I'm not precluding
8
     it, in fact, you may have a very valid point.
9
               So where is the attorney for Mr. Kudelski, out
10
     with DLA Piper in the side room?
11
               UNIDENTIFIED SPEAKER: I think he left.
12
               THE COURT: Did he leave?
13
               UNIDENTIFIED SPEAKER: At 3:00.
14
               THE COURT: He left at 3:00?
15
               UNIDENTIFIED SPEAKER: Let me see if I can catch
16
    him.
17
               THE COURT: Now, by the same token, I could put
18
     such pressure on Mr. Andre Kudelski, quite frankly, through
19
     comments to the jury. I could -- I could force
20
    Andre Kudelski in here very quickly. You don't believe it,
21
    but I can. The problem with that is if I do that, then it
22
    has to be co-balanced. In other words, they have the same
23
     right to make the insinuation to Rupert Murdoch about this
24
    DirecTV -- you know, all of a sudden, NDS gets purchased,
25
     and DirecTV suddenly doesn't have any piracy. It's
```

1 called -- it's a great legal principle, what's good for the 2 goose is good for the gander. 3 And I don't want to take any more of a role than 4 I've already taken in terms of my dissatisfaction about the 5 main players not being here, with the exception of Mr. Ergen 6 so far, and maybe Mr. Peled will be here. So I'm just 7 pointing out to you the difficulty of that. 8 With Andre Kudelski sitting in that chair, your 9 theory may be absolutely valid, but I'm not going to enter 10 into this -- this fight and apply pressure to both sides, 11 although I think it's rather extraordinary that all four 12 players aren't here. They can hide behind the 13 jurisdictional limit, but Andre Kudelski has a tremendous 14 amount of profit, you know, to be made, potentially, from 15 NDS's standpoint if this is a backroom deal, and Mr. Murdoch 16 has some explaining to do, also, to the jury. 17 MR. SNYDER: May I be heard on that, your Honor? 18 THE COURT: No. 19 So do you want to make a bargain and we get them 20 all here, or do you want to just leave them in their present 21 position, and I -- I won't go any farther with this and 22 leave you to your own devices? 23 MR. SNYDER: Dr. Peled, the CEO and chairman of 24 NDS Group, I believe will be here next week. 25 THE COURT: That will balance out Mr. Ergen,

potentially. That still leaves the two main players and what I discern the dispute may be about, not appearing, Mr. Murdoch, potentially, and Mr. Andre Kudelski, who probably has his feelings hurt that his chip got hacked.

MR. SNYDER: News Corp is not a party to this

2.5

MR. SNYDER: News Corp is not a party to this case. Mr. Murdoch does not have a role with any of the parties in this case, and Mr. Murdoch, I do not believe, will attend the trial.

THE COURT: Okay. That makes it very simple. I'm not going to put any pressure on the parties, just leave it status quo. That's why I've had the conversation. And under those circumstances, there's not reason for the Court, you know, to attempt to apply pressure to drive Andre Kudelski in here. But everybody is forewarned about final argument.

Okay. Now, if we have the following people next week, the order seems to be as good as we can get it under the circumstance, but now we have Henri Kudelski on the witness stand. And Anthony Maldonado was not able to attend this week, but he'll be here next week.

MR. HAGAN: Correct, your Honor.

THE COURT: Suzanne Guggenheim is here today. We just didn't get to her, because we're trying to get through Andre Kudelski. But the benefit is her attorney wasn't able to attend, and he'll be here next Tuesday.

```
1
               MR. EBERHART: To be clear, your Honor,
2
    Mr. Maldonado can only be here on Thursday next week.
 3
               THE COURT: So we are going to finish
 4
     Henri Kudelski. Are we then going to move to
5
     Suzanne Kudelski (sic)?
 6
               MR. SNYDER: The -- if you recall, your Honor, you
7
     asked Judge Smith to attend on Tuesday the 29th, because he
8
    has the source code and the computer, so we wanted to do
9
    Nigel Jones on that day.
10
               THE COURT: Nigel Jones?
11
               MR. SNYDER: Yes.
12
               Mr. Alan Guggenheim's attorney has indicated that
13
    Mr. Guggenheim is available late on the 29th and on the
14
     30th, but is not available on May 1st, so we'd like to put
15
    Mr. -- Mr. Guggenheim on the stand to make sure that he is
16
     done by Wednesday.
17
               THE COURT: And what day? You're going to put him
18
     on --
19
               MR. SNYDER: That would be -- that would be after
20
    Mr. Jones. He would go on Tuesday, and it may extend into
21
    Wednesday.
22
               THE COURT: Okay. And after Alan Guggenheim --
23
     you can change these over the weekend. I mean, just
24
     generally speaking.
25
               MR. SNYDER: Chris Dala.
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1
               THE COURT: Chris Dala, okay.
2
              MR. SNYDER: Otherwise known as "StuntGuy."
3
               THE COURT: StuntGuy. Probably Wednesday?
4
              MR. SNYDER: I believe so.
5
               THE COURT: Okay.
6
              MR. SNYDER: Mr. Hasak.
7
               THE COURT: Rubin Hasak, okay. Maybe Wednesday.
8
              MR. SNYDER: If that completes the day on
9
    Wednesday, we would then go to Anthony Maldonado.
10
               THE COURT: Okay. On Thursday, so you can get him
11
    back on the plane, for sure. And after that, I'm not too
12
    concerned. I mean, I -- Suzanne Guggenheim.
13
              MR. SNYDER: We'll -- we'll work with Mr. and
14
    Mrs. Guggenheim's attorney. They had asked if there'd be
15
    some space between them. If that's still the case, we will
16
    try and accommodate them. If it's not, and they want them
17
    together, we'll try and accommodate them on that scheduling
18
    as well, and we will, of course, let the Court and
19
    plaintiffs' counsel know.
20
               THE COURT: Now, Suzanne Guggenheim -- after
21
    Suzanne Guggenheim, on my list, as far as we've gotten were
22
    three videos, Kuykendall, Nance, and Osborne. About 30
23
    minutes for Kuykendall; Nance, 45; Osborne, 45.
24
              MR. SNYDER: Those are the defendants'
25
    designations. We totaled everybody's up, your Honor. Those
```

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1
     three videos, all together, are just over two hours.
2
     I'm not suggesting that they necessarily need to be played
 3
     together, of course, but the three of them together, for
 4
    planning purposes, are about three hours -- I'm sorry, two
5
    hours.
 6
               THE COURT: Right now, is there somebody else that
7
     you may be calling next week?
8
               MR. SNYDER: Mr. Kummer.
9
               THE COURT: Okay.
10
               MR. SNYDER: Mr. Emerson.
11
               THE COURT: Thank you.
12
               MR. SNYDER: Mr. Peled, next week.
13
               THE COURT: Dr. Peled.
14
               MR. SNYDER: Dr. Peled, yes. Thank you.
15
               THE COURT: That will be the following week, then.
16
               MR. SNYDER: We will try and get him in this week,
17
     your Honor.
18
               THE COURT:
                           Okay.
19
               MR. SNYDER: And perhaps Ray Kahn.
20
               THE COURT: I don't need to go any farther.
21
               MR. SNYDER: No, I appreciate that. We were also,
22
     as the Court had suggested, taking a close look at our
23
    witness list to see if there are other witnesses that we'll
24
     withdraw. I understand that the Court has not pressured us
25
     to do that, but we are examining that list, and some of the
```

1 additional videos that we had discussed earlier also fit 2 into that category, Mr. Sergei, Mr. Bruce, and Mr. Quinn. 3 THE COURT: So, in other words, you won't finish 4 next week. It looks realistically like you'll finish the 5 week after. MR. SNYDER: I expect that we'll need one or two 7 days the following week would be my best guess. Also, 8 your Honor, let me -- just so everybody is on notice, we may 9 need to call Mr. Barr next week, Mike Barr, but we need to 10 check on his availability, and we'll let everyone know. 11 THE COURT: I've forgotten, who is Mr. Barr? 12 MR. SNYDER: Mr. Barr is an expert who will 13 testify regarding the availability of various hacks and 14 piracy devices and dumps on the internet. 15 THE COURT: All right. Now, what time would you 16 like to meet tomorrow; 2:00, 3:00, what? 2:30 is a 17 compromise. 18 MR. SNYDER: 2:00 would be fine, your Honor. 19 THE COURT: All right. Why don't we meet at 2:00, 20 and when you first come into court, instead of me coming 21 back and forth, why don't you take that table again and put 22 the evidentiary items. I'd like to see those items again. 23 I'd like to start right back -- even though we've covered 24 some of them with the items for Nigel Jones and Chris Dala, 25 who are going to come pretty quickly, I'd like to take a

```
1
     look at the Anthony Maldonado evidentiary items, and the
2
     remainder of your items, Mr. Eberhart, for Henri Kudelski.
 3
     I want to see how much longer I think you're going to go and
 4
    what those items are, whether I'm going to instruct you to
5
     show that to him beforehand or not. I don't think I am, but
6
     I just want to see what those items are, because we are
7
     spending a lot of time just having a look at the items.
8
               If EchoStar is going to grant a special verdict
9
     form as well, then I want to see your special verdict form
10
     tomorrow at 2:30.
11
               All right. Now, then, if there is nothing
12
     further, I'm actually going to excuse you earlier today and
13
     let you go and get you refreshed for tomorrow, because
14
     tomorrow, tomorrow evening, could be a long, long process
15
     for you.
16
               Anything further, Mr. Hagan?
17
               MR. HAGAN: No, your Honor. See you tomorrow.
18
               THE COURT: Mr. Snyder?
19
               MR. SNYDER: No, nothing further today.
20
               THE COURT: I'll see you tomorrow at 2:00.
21
               MR. SNYDER: Thank you.
22
               (Recess.)
23
                                 -000-
24
25
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1	-000-
2	CERTIFICATE
3	
4	I hereby certify that pursuant to Section 753,
5	Title 28, United States Code, the foregoing is a true and
6	correct transcript of the stenographically reported
7	proceedings held in the above-entitled matter and that the
8	transcript page format is in conformance with the
9	regulations of the Judicial Conference of the United States.
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SACV 03-950-DOC April 25, 2008

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A	65:15,19,22	apparently 5:6,23	attachment 25:5	<b>balance</b> 59:14,21
ability 49:6	66:3,5	56:22 59:2,4	25:15,17 28:24	69:25
<b>able</b> 6:7 48:3	agencies 5:5	61:11,16,18,21	48:14,14 49:9	balanced 62:2
49:25 50:1 53:9	agency 55:22	67:15	49:10,11	<b>bargain</b> 69:19
53:10 61:4 63:6	<b>ago</b> 46:9 56:20	appear 57:3 60:7	attachments	Barr 74:9,9,11,12
63:8 65:12	60:4	appearance 59:17	28:25 29:2	barriers 28:8
70:19,24	agree 8:8,10	APPEARANCES	attack 35:1 37:22	<b>barrister</b> 57:3,5
ably 64:4,5	13:16	2:1	attacking 64:4	based 6:9 8:3 63:6
above-entitled	<b>agreement</b> 5:9 6:7	<b>appeared</b> 57:14	attempt 60:19,19	basically 67:22
76:7	54:24	57:18	70:13	Bates 37:6
absolutely 23:22	ahead 7:2	appearing 70:2	attend 70:8,19,25	battery 2:14,20
48:15 69:9	air 20:12	appears 59:6	71:7	33:20
acceded 5:14	al 1:6,9 2:2,9	appellate 58:5	attended 57:24	<b>beginning</b> 5:6
acceding 62:15	63:22	applicant 56:10	attention 7:10	9:20 58:19
accents 26:19	Alan 21:6,13,16	applicant's 56:22	23:2 38:10	begins 47:8 53:22
acceptable 5:10	21:17 30:13	applied 36:21	attorney 57:7,19	begun 13:16
17:5	38:12,16 39:3	apply 69:10 70:13	68:9 70:24	behalf 6:14,16,18
access 12:6 19:9	40:21 71:12,22	appreciate 73:21	71:12 72:14	12:11 15:5
19:12,13,23	alerted 67:12	approach 48:16	attorneys 2:3,6,10	17:23
42:10 49:25	alleged 59:12	<b>April</b> 1:18 4:1	2:13,18,20	believe 8:6 10:17
50:1,7	allegedly 57:3	33:11 34:18	16:24 17:12	10:21 14:21
accommodate	67:7,16	38:13,19 40:11	audible 15:9	25:22 49:3
72:16,17	Allen 58:11	56:19 76:11	audience 16:6	56:21 58:11
accomplish 61:5	allow 59:8,9,15	area 4:21 6:25	August 30:14	62:24 64:22
accomplished	63:13	8:17 62:6	authenticated	68:20 69:24
13:17	allowed 59:22	areas 5:14	59:6,19 60:8	70:7 72:4
accurate 31:14	61:19 63:4 64:2	argue 62:6 63:6	availability 27:7	believes 67:23
acquired 27:20	allowing 59:9	64:2	74:10,13	Bell 12:9,11
<b>Act</b> 56:13	America 56:9	argument 62:11	available 5:24	benefit 70:24
action 63:12	amount 69:14	64:3,14 68:5	24:21 27:10,14	best 53:12 74:7
actions 44:21	Ana 1:17,23 4:1	70:15	71:13,14	better 10:19 59:8
active 61:17	analyzed 39:6,16	Asic 48:2	AVR 34:21	60:3 65:25
actively 63:10	Andre 18:16	aside 60:22	aware 30:6 38:4	biggest 32:9
addition 37:14	67:14,15,24	asked 13:20 40:3	50:14	bit 65:8,11 66:2
additional 22:6	68:18,20 69:8	71:7 72:14	<b>a.m</b> 23:5 38:19	block 34:8 51:17
36:16 57:25,25	69:13 70:3,14	asking 7:2 8:10	B	65:16,22
64:12,19 74:1	70:24	49:1 68:3	back 8:21 14:17	blocker 33:13,16
admission 56:11	and/or 35:16 62:3	aspect 43:24 44:4	19:9 28:10 35:9	34:3,4,7,10,21
admitted 38:7	answer 11:12,13	assessed 34:15	35:11 43:25	36:20
63:7,8	38:16 39:3,21	assessment 32:6,6		blockers 34:24
admonition 5:11	39:24 40:5	33:2 35:6 36:18	46:8 47:22 62:21 63:14	35:2 36:7,8
8:19,25	answers 28:9,11	46:20 47:9 48:8	65:6 66:14	blocks 33:12
advantage 8:16	28:16 44:16,25	ASSOCIATES		blow 44:17
adversarial 58:22	<b>Anthony</b> 70:19	2:3	67:22 72:11	body 68:7
59:25 60:2	72:9 75:1	assume 14:4	74:21,23	boss 22:16,16
adverse 4:23	anticlimactic 10:3	assumption 50:11	backroom 67:13	<b>bother</b> 49:13
58:23 59:18,19	anybody 55:4,4	assumptions 27:6	67:19 69:15	bottom 23:3
advised 23:24	anyplace 14:24	attach 49:13	backslash 56:21	24:20,23 37:5
afternoon 18:3,4	apart 12:8	attached 26:6	bad 52:5	39:15 41:22
	apologize 44:11	29:13	<b>badly</b> 36:20	45:5
	<u> </u>	I	ı	ı

				1 0 9 0
<b>box</b> 15:18 20:16	31:23 32:16,16	Charlie 22:3	8:8 48:1 65:2	consequential
20:17 34:5,13	35:15,24 36:20	24:10 25:24	68:19	59:20
35:4 42:15	37:16,22 40:4	29:9 38:7 67:4	commercial 31:21	consider 63:21
boxes 33:12 42:21	43:6 44:16,25	check 39:7 74:10	43:24,25 44:4	consistency 8:22
brains 44:18	47:10,14,14,16	child 59:3	community 61:17	8:23
break 6:7 20:23	49:18 50:7	children 5:1	companies 18:9	conspiracy 63:12
briefly 9:11	51:17,17 52:5	chip 70:4	18:19	contained 26:10
bring 22:3 58:21	63:11	choose 5:18	company 18:15	containing 33:12
60:13 65:6,10	carefully 40:2	Chris 71:25 72:1	19:2 20:15 31:7	contemplated
66:14	CARTER 1:3	74:24	34:15 45:4	62:17
bringing 7:9	cartoon 29:12,17	Christine 2:5	competitor 13:25	continental 14:12
65:17	case 14:21 55:4,5	55:24 56:1	14:5	14:14
<b>Brique</b> 22:23	55:8 56:14	Christmas 48:4	competitors	continue 20:11
27:25 54:11	58:19 64:18,19	48:10	10:22	continuing 59:17
brother 18:16	65:20 67:20	Christophe 22:10	complaint 52:11	contract 58:15
<b>Bruce</b> 74:2	70:6,7 72:15	22:11,14,15	completes 72:8	Conus 30:12 31:2
<b>buffer</b> 37:20,24	catch 65:22 68:15	27:24 50:9	compromise	31:6 45:16 46:9
38:2 39:25 40:4	categorically	circuit 9:2 58:6	74:17	48:21 49:2,3,12
40:9 51:22	61:19	circumstance	compromised	50:22 51:11,15
business 11:24	category 74:2	70:18	12:19,22,25	Conus's 45:18
12:5 14:2,24	causation 64:3	circumstances	47:16 49:21,24	46:12 48:8
33:4,8 44:7	Cedric 30:13	4:11,14 70:12	50:12	convenient 54:14
<b>byte</b> 39:8	cell 16:6	claim 50:6	computer 71:8	conversation 9:4
	Center 2:13	clear 23:13 43:24	conceal 63:10	70:11
C	CENTRAL 1:2	57:21 71:1	concept 63:19	conviction 59:3
California 1:2,17	<b>CEO</b> 18:16 21:17	close 7:17 51:21	concern 5:17 6:24	convictions 56:17
1:23 2:15,21 4:1	21:18 69:23	60:11 64:17	52:19 62:4	<b>COO</b> 41:24 42:2
62:7	certain 5:14 8:1	73:22	concerned 50:12	<b>copied</b> 39:17
<b>call</b> 4:25 15:6	14:23 28:11,16	closer 17:13,14	59:12 72:12	copy 56:2,4,5
27:2 37:24 74:9	34:6 35:1,21	closing 63:6	concerning 6:4	Corp 70:5
<b>called</b> 4:23 8:14	36:4,6 61:10	code 23:17,25	8:21 9:2 55:21	corporation 1:6
9:11 37:20 69:1	<b>certainly</b> 5:9 60:3	24:2,2,3 36:20	61:7,24	2:2 41:24 42:2
calling 73:7	CERTIFICATE	47:25 48:3,5,9	concerns 7:22	67:1,15
<b>CAM</b> 26:24 27:1	76:2	48:23 49:4 62:7	conclude 14:21	correct 11:13,17
Canada 61:8,17	certify 76:4	71:8 76:5	conditional 12:6	12:4,6 13:23
61:19,21,24	cetera 5:1 6:5	coequally 5:4	19:9,11,13,23	14:1,6 18:9,12
Canadian 61:12	<b>CHAD</b> 2:4	collapse 64:1	19:25 42:10	18:14,17,20
61:15 65:2	<b>chair</b> 17:13,15	colloquy 7:4	condone 13:24	19:1,6,9,13
card 12:17 13:16	69:8	come 8:21 10:10	14:4	20:17,20,24
20:16 22:25	chairman 69:23	11:16 49:12,12	conduct 61:20	21:7,8 23:9 24:1
27:2,21 32:1,3,5	<b>change</b> 42:5,20	61:4 74:20,25	Conference 76:9	24:6,15,16,18
32:19,23,24	71:23	comes 46:24 49:7	confinement	24:19 25:16
33:12 34:6,8	<b>changed</b> 42:11,15	49:7 67:18	56:18	26:4,7,11 27:2,7
36:12,15,21	47:19,20 64:15	comfortable 17:8	confirm 25:22	27:12,17 29:15
37:19 38:1,3	changes 42:5	coming 74:20	27:19 57:24	29:20,21 30:14
40:10 42:24	47:21	<b>commands</b> 34:6,8	conformance	31:8,11,12,21
49:25 50:2,3	character 4:21	<b>comment</b> 48:3,24	76:8	31:23 32:1,4,9
51:16 52:16,20	5:16	48:25	confusion 23:14	32:17,20,25
52:21	charge 27:23	commented 24:22	61:23	33:4,8 34:10,13
cards 23:15 31:21	51:24 54:5,7,8	comments 4:10	connection 52:23	34:16,22,25
			l	I

35:4,9,12,20	4:6,13,18 5:12	credibility 58:22	decide 60:6	devote 19:21
36:3,13,16 37:2	6:2,8,11,14,18	crime 56:16 59:10	decided 59:6	diagram 29:17
37:6,24 38:13	6:20,22 7:20,22	crimic 30.10 37.10 criminal 56:17	deciding 59:22	different 34:4
38:23 39:18,21	7:25 8:7,9,13,23	Cross 3:6	decision 59:20,21	47:3,4,10
40:6,11,14,22	9:8,19,23 11:9	cryptography	61:16	difficulty 28:10
40:25 41:11	11:12 14:11,15	32:24	declaration 57:23	67:24 69:7
42:11,21 43:6	14:17,20 15:2,7	cryptoprocessor	declined 58:14	DILGER 2:11
44:4,8,22 45:1,5	15:10,17,24	32:20 36:13	decoder 33:17	direct 3:6 17:20
45:7,16,22	16:2,9,12,17,20	CSR 1:21 76:15	decrypt 29:14	17:24 18:1
46:10,14,17,21	16:23 17:2,7,11	cured 63:25	defendants 1:10	directing 38:17
47:4,11,14,17	17:17,22 19:17	currently 14:13	2:9 3:16,17,18	directing 38.17
48:10 49:19,22	21:22,24 25:9	18:5	3:19,20,21 6:18	directly 27:10,24
49:25 50:22,25	25:15,19 28:7	customer 12:15	9:18 15:6,15	DirecTV 68:24,25
51:12,22,24	28:13,18 29:2,6	18:25 31:14	21:20 22:1	disable 20:12
53:16,19 54:1,6	29:22 30:2,21	32:7 33:6	25:20 29:7	disarray 61:9
70:21 76:6	30:23 33:19,21	customers 31:11	30:19,24 41:2,7	disassembled
correctly 7:18	33:23,25 41:4,6	cut 49:11 67:19	45:24 46:4 51:2	27:11
11:24 23:20	44:12 46:1,3	<b>C.S</b> 1:21 76:14	51:7 63:9 72:24	disassembler
24:23 26:21,24	51:4,6 54:13,16	C.S 1.41 /0.14	demeanor 68:5	26:20
31:4 33:14	54:18 55:3,7,16		denied 60:18	disassembly
35:17 36:21	55:25 56:2,5,8	<b>D</b> 2:5,19 3:1	department 43:12	24:22 26:23
41:15 42:7 43:2	57:2,5,9,13,20	Dala 71:25 72:1	depending 7:8	47:25
44:1,19 48:6	57:25 58:2,14	74:24	61:22	disbelieve 58:3
51:18 52:8	58:19,25 59:21	damn 44:16,25		discern 70:2
cost 67:7	60:1,21 61:1,12	dangerous 4:21	<b>deposition</b> 59:16 60:15	discrete 52:25
costs 64:2 66:20	61:16 62:9,11	DARIN 2:11		53:13
counsel 2:1 5:23	62:23 63:4,15	data 26:16	designations 72:25	discuss 55:8
8:4 9:8,10,16	63:18 64:12,15	date 40:12 56:19	<b>designed</b> 34:9,24	discussed 64:23
13:20 14:17	64:25 65:3	76:11	35:1 36:2,11,15	74:1
15:4 17:19 25:5	66:10,13 67:20	dated 21:5 26:10	destroyed 43:23	discussion 62:14
28:18,22 29:3	67:25 68:12,14	30:13 33:10	44:3	66:21
34:1 44:12	68:17 69:18,25	<b>David</b> 1:3 2:5,12	detailed 6:9	discussions 11:25
54:13,23 55:11	70:9,12,22 71:3	15:5	determine 28:1	12:8,14
55:16 62:11	, ,	day 1:10 4:2 42:5		<b>DISH</b> 24:18 42:4
72:19	71:10,17,22	42:11 65:17,18	developed 4:22 developer 22:22	
counsel's 28:14	72:1,3,5,7,10,18 72:20 73:6,9,11	66:6 71:9,17	-	display 25:24
	, ,	72:8	<b>developers</b> 40:9 40:13,14	dispute 70:2
countermeasure 19:24 20:1,7,12	73:13,15,18,20 73:22,24 74:3	days 52:21 56:20	developing 20:20	<b>disregard</b> 9:15 56:14
, ,	· · · · · · · · · · · · · · · · · · ·	60:6,21 65:23	38:1	
20:13,14 43:12 <b>countermeasures</b>	74:11,15,19,20 75:18,20 76:14	74:7	development	dissatisfaction 69:4
20:3 31:7	courtesy 9:10	deactivate 32:5	22:24 27:23	distribution
couple 28:13	55:20	33:1	37:25 40:8 54:9	63:11
32:12 52:4 61:6	courtroom 60:10	deal 66:20 67:13	54:10	<b>District</b> 1:1,2,22
course 5:22 10:14	Court's 4:10 7:9	67:19 69:15	device 20:11	DLA 57:7,9,10,17
16:13 21:9 30:7	59:15 62:10	dealer 32:9	33:13,16 34:3	68:10
40:25 50:25	64:7	dealers 44:7	devices 20:8,9,9	DNASP-II 35:15
62:10 63:8	covered 74:23	deals 38:1	20:13 34:10	64:1
64:14,16 65:1	co-balanced	<b>Dear</b> 56:10	35:25 36:3,4	<b>DNASP-III</b> 35:15
72:18 73:3	68:22	Debbie 16:4	47:4,10 69:22	DNASP-002 47:8
court 1:1,22,22	created 62:12	December 37:21	74:14	49:18,18
Court 1.1,22,22	Cicatcu 02.12		/ 7.17	77.10,10

	I	I	İ	I
DNASP-003	easy 59:20	34:16,18,19,19	ESROM2.zip	47:2,23 49:2,16
31:21 32:16	<b>Eberhart</b> 2:12 3:9	34:24 35:1,3,6,7	26:4	50:4,18,21 51:2
47:14,25 49:18	15:5,5 17:20,21	35:14,15 36:2	establish 63:9	51:7 52:13 53:1
49:21 51:16	17:21,22,23	36:11,18,19,23	established 31:10	53:8,15,21
52:2 53:18,23	18:2 19:19,20	ECMs 20:20 31:3	et 1:6,9 2:2,9 5:1	54:12
<b>document</b> 27:9,13	21:2,4,20 22:3,5	37:14 44:6	6:5 63:22	EXHIBITS 3:13
27:14,16 28:22	24:12 25:3,13	51:24 54:5,7	evening 4:19 5:13	existed 13:10
28:25 29:16	25:16,24 26:1	63:25	5:24 63:16 65:7	expect 64:19 74:6
34:20 36:10	28:5,19 29:9,11	<b>EEPROM</b> 47:17	65:12 66:3	expected 14:16
37:1,4,8 45:3,9	30:5,9,11,19	48:1 49:22	75:14	54:20
45:21 56:23	31:1 34:2 37:11	effect 31:25 32:19	eventually 64:1	expert 74:12
58:3 59:5,18	37:13 38:9	32:22 34:12	everybody 5:24	explain 20:6
60:8	40:17,19 41:2,9	35:3 36:11	14:20 70:14	explaining 69:16
documented 9:1	44:14 45:12,14	effort 19:21 52:10	74:8	explanation 61:13
documents 13:21	45:24 46:6	efforts 20:22	everybody's	explorer 29:19
13:25 14:5	48:15,19 50:18	63:10	72:25	express 55:8
54:21	50:20 51:2,9	egress 59:5	evidence 3:15	ExpressVu 12:9
doing 65:17 67:17	53:1,3 54:12,15	either 7:12 8:10	5:17 22:2 24:10	12:12
dollars 67:2,4	54:17 64:4 67:9	37:1 58:23	25:21 29:8	extend 71:20
door 7:17 61:25	71:1 75:2	electronic 20:3,7	30:25 41:8 46:5	extraordinary
64:18	EchoStar 1:6 2:2	20:14 31:7	51:8 58:1,9 63:7	69:11
double 19:18	6:14 12:6 14:2	element 33:17	63:21 65:5	eye 68:4
<b>Dov</b> 11:17	19:2 20:1,20	34:5	evidentiary 74:22	e-mail 21:5,13
do-not-block-th	24:21 25:4	Embarcadero	75:1	22:4,7,13,17,21
35:16	26:24 27:1,11	2:13	exact 41:20,20	23:6,13 24:14
<b>Dr</b> 69:23 73:13,14	27:20 28:2,23	embassy 56:8,23	examination 3:4	24:17 25:14,17
draft 63:15 65:3	29:19 31:8,10	59:5	9:21 10:1 17:20	29:13 30:12
65:12 66:2	32:7 36:3 37:2	Emerson 73:10	17:24 18:1	38:11,15,16
drafting 61:5 62:1	38:3 41:19,21	EMMs 33:13	examined 8:17	39:14,18 40:7
draw 9:12	41:24 42:2 43:1	35:17	examining 73:25	40:20,24 41:10
drive 55:10 70:13	43:5 44:7,24	employed 18:5	example 46:16	41:17 42:23
driven 43:25	45:10 46:14,17	59:2,2	excellent 17:18	43:9 45:15
due 27:6 42:25	46:20 51:21	encryption 42:10	exception 23:16	46:13 48:17
52:16 59:7	53:9 58:16 59:2	engaged 63:9	69:5	49:13 50:21,24
<b>Dugan</b> 41:11,23	62:3 63:8 66:22	engineer 18:6	excuse 26:13	51:20 52:14
42:20,24 43:5	66:23 67:4,7,18	<b>English</b> 16:1,1,21	75:12	<b>e-mailed</b> 56:3,5
43:22 44:3,10	75:8	16:22,23,25,25	<b>exhibit</b> 3:15 21:3	e-mailing 31:6
52:14,18	EchoStarD11V3	17:9,10	21:5,20 22:1	<b>E3M</b> 32:15,16
<b>Dugan's</b> 41:17,18	1:25	enter 8:16 59:9	23:1,11 24:9,10	36:4,8
41:25 52:11	EchoStar's 19:8	69:9	24:13,20,24	E3Ms 36:6
dump 24:22 52:5	19:11,16,22	entering 7:23	25:2,4,6,7,20,25	<b>E3M-type</b> 36:3
dumps 27:7,10,20	20:3,23 23:25	entry 60:18	26:3,7,9,14 28:5	
28:2 74:14	32:4	equitable 59:15	28:22,24 29:1,7	F
	EchoStar/DISH	<b>equity</b> 59:21	29:12 30:10,12	face 28:25
E	13:2	Ergen 66:22 67:4	30:19,24 31:2	fact 52:24 61:20
E 3:1 29:14 31:3	ECM 20:14 31:17	67:7 69:5,25	31:16 37:12	65:8 68:8
earlier 54:20 74:1	31:20,25 32:11	<b>EROM</b> 26:21	38:6,11 40:17	<b>fair</b> 7:17 8:19
75:12	32:12,19,22	error 62:12	40:20 41:2,7,23	10:10 13:9
early 13:17 14:22	33:2,3,6,7,10,11	ES 24:21	45:13,15,24	fallback 60:14
14:22 48:1	34:9,12,15,16	especially 34:21	46:4,8,16,24	familiar 37:19
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SACV 03-950-DOC April 25, 2008

54:22	40:10	French 2:24	65:21 66:15	guy 22:11,24 24:7
family 4:25	flowing 4:21	15:23 16:1,1	69:21 71:20	guy 22.11,24 24.7 guys 26:21 41:14
far 13:18 50:11	flux 61:14,15	17:8	72:9 73:20 75:3	<b>guys</b> 20.21 41.14 44:17
60:10 62:14	64:22	Friday 1:18 4:1	75:13	44.1/
63:7 69:6 72:21	focus 23:2 24:13	front 49:2	goes 39:6 42:15	H
farther 69:21	38:10 43:22	FTA 64:24	S	hack 20:23 29:19
73:20	44:18	full 16:9 23:12	<b>going</b> 5:7,10,12 5:19 8:6,10 9:19	49:25
	focused 63:21	59:12 62:12	10:3 14:11,15	hacked 70:4
father 18:14,15 fault 60:16	folks 11:16	fully 28:16 61:11	,	hacker 20:9 48:25
fear 8:14		fully-commented	16:2,3 19:17,18 22:8 28:15	hackers 48:18
	<b>following</b> 4:4 9:6 14:22 19:11	47:25	42:16 47:21	53:6,10
Feb 39:6,16	34:18 41:13	functions 32:24	48:11 59:19	hacks 74:13
February 40:3,21 50:22 51:20	42:3 51:15	43:13		Hagan 2:4 6:5,6
54:6			60:6,22,24	6:12,13,16
Federal 1:22	55:14 56:12 58:9 66:17	further 14:8,9	61:25 62:16,23	21:23 25:10,18
		59:6,18 75:12	63:2 64:6,9,13	29:5 30:22 41:5
feedback 52:3,3 feel 17:8	70:16 73:15 74:7	75:16,19 <b>future</b> 6:23	64:14 66:13,18	46:2 51:5 56:25
		1 <b>uture</b> 0.23	67:9,11 69:9	57:4,7,15,17,21
feelings 70:4	<b>follows</b> 42:4 <b>force</b> 68:19	G	70:10 71:3,4,17	58:13 62:19,20
<b>felony</b> 59:3 <b>felt</b> 7:13 58:25	force 68:19	<b>Gaillard</b> 22:10,11	74:25 75:3,4,8 75:12	62:25 63:17
fewer 13:18		gander 69:2		66:11 70:21
	foregoing 76:5 foresee 8:13	Gee 7:22 8:2,18	<b>good</b> 18:3,4 54:16	75:16,17
Fey 2:24 15:22,25 field 36:5	forewarned 70:14	30:13 31:6	69:1,2 70:17	haggling 10:6,14
		general 55:7	goodness 4:25	half 65:18 66:24
<b>fight</b> 34:10,24 36:2 37:14,17	<b>forgotten</b> 74:11 <b>form</b> 55:8 75:9,9	generally 71:24	goose 69:2	halfway 38:10,17
,	format 76:8	generate 52:3	gotten 5:4 72:21	hammer 44:15,15
42:11,21 69:10	forth 74:21	generated 26:20	<b>Graham</b> 55:21 59:1	44:16,22
<b>figure</b> 66:17 <b>file</b> 26:3,4,6,10,19	forthcoming	61:17	grant 75:8	hand 15:14 16:4
files 26:10	55:22	gentleman 7:3	grant /3.8 great 10:5 43:23	28:5 30:9 50:18
filter 34:6	forum 21:1	15:8,13 16:4	60:1 69:1	63:9
final 70:15	forums 52:4	57:2	greatest 6:24	handed 28:20,21
find 20:8 43:17	53:24 54:1	gentlemen 28:7	Group 1:9 2:9	61:16
54:13	forward 8:6,10	54:19 57:13,13	18:12,14,16,19	handle 6:4
findings 9:2	63:4	getting 10:14	19:3 32:17 33:3	happened 33:19
fine 44:12 54:15	forwarding 23:8	11:23 52:5	33:8 69:24	happening 53:11
54:17 74:18	24:17 41:10	55:24 56:1	Groux 30:13	67:14
finish 54:14 71:3	fought 35:9,11	65:11 67:9,19	guess 74:7	happens 6:22 7:4
74:3,4	found 18:15 30:6	68:1	guesses 27:6	8:13
firm 57:19	56:11	give 8:19,21 46:19	Guggenheim 21:6	hard 32:8 68:5
first 11:25 17:13	<b>founded</b> 18:14	46:22 65:13,15	21:13,16,17	HARTSON 2:18
24:20,23 25:25	Fountainview 2:6	66:1,2,3	23:8 24:14,17	Hasak 72:6,7
26:2,9,15,18	four 9:2 60:6	given 8:25 59:20	28:20 30:13	hate 7:11
31:2 34:16	69:11	62:10	38:12,16 39:23	head 66:21
38:11 39:2,10	fourth 26:13	gives 39:3,21 40:5	40:3,21 41:10	header 22:4 24:13
46:7 67:7 74:20	39:15	giving 61:7	41:13 70:22	38:18
<b>fit</b> 74:1	frame 63:14	<b>go</b> 5:2 7:4,12 8:14	71:13,15,22	hear 62:9
five 56:18	Francisco 2:15,21	11:6 28:10	72:12,20,21	heard 38:4 65:1
fix 32:16 35:8	frankly 4:22 5:3	39:14 44:10	Guggenheim's	69:17
40:4	68:18	60:15 62:21	22:7 29:13	hearing 4:19 5:21
fixed 39:25 40:6,8	free 67:10	63:4 64:3 65:4	71:12 72:14	7:23 58:9 61:8
111104 57.25 10.0,0			, , ,	

SACV 03-950-DOC April 25, 2008

66:18 inserted 39:18 issues 52:5 61:6 juror 7:14 28:12 I hearsay 7:23 **inside** 34:21 64:23 iurors 28:13 55:2 **IDA** 26:20 held 76:7 insinuation 68:23 item 56:15 jury 1:16 4:5,7 idea 37:8 43:10 items 56:13,14 help 41:14 5:22 7:24 8:2,19 instruct 75:4 60:8 helped 19:8 20:3 instruction 6:9 74:22,22,24 9:1,5,7,8 16:10 Identification Henri 3:8 15:6,15 7:10 8:4 61:7,24 75:1,2,4,6,7 16:18 20:6 3.15 16:15,16 38:19 62:1,2,5 63:1,3 I's 26:19 28:16 39:1 III 1:10 4:2 64:5 55:15 58:21 67:15 70:18 illegal 35:16,19 J instructions 62:9 71:4 75:2 61:13 63:20,23 35:19,20,21,23 **Jackson** 3:7 9:17 he'll 17:4 70:20 62:10,13,16,17 67:23 68:4,19 36:19 9:18,19 10:4 69:16 70:25 64:13,19 image 23:15,16 James 55:21 Hi 39:3 intended 8:8 23:19 K 57:24 58:7 59:1 hide 53:12 69:12 46:19 **images** 23:14 Kahn 73:19 59:3,7,16 60:6 high 10:9 interactive 26:20 imagine 50:12 60:16 KENNETH 2:19 history 33:6 interested 67:2 immediately 42:6 key 36:12 42:4,5 James's 59:23 hobbyist 43:25 internal 32:6 **Immigration** 64:5 Jane 1:21 76:14 **internet** 24:1,5 **HOGAN** 2:18 56:13 keys 42:10 **January** 32:13 46:23 74:14 hold 50:15 implied 5:10 33:7 41:18,25 kill 32:20,23 hole 63:24 interpret 15:23 impunity 61:23 42:3 45:16 34:12 35:3 home 24:2,3 16:1 17:5 including 8:18 47:13 50:6 36:12 42:16 54:20 65:18,21 interpreter 2:24 inconsistent 7:5 52:15,18 kind 9:16 11:1 honest 61:13 15:8,19,21,22 7.13 **Japan** 60:11 20:12 66:6 Honor 4:9 6:6,17 15:25 17:2,4 incredible 64:3 Jean-Daniel kinds 36:7 6:21 7:19 9:22 28:10,14,15 **Indiana** 29:18 22:17 **Kingdom** 59:4,7 14:10 15:6 29:24 30:1 60:11 Jean-Marie 2:24 60:9 19:19 21:21,23 33:20 48:11 indicate 5:20 15:22,25 Klein 2:19 5:13 25:7,12,13,16 **Interruption** 16:8 indicated 42:20 **JJ** 30:13 knew 43:2 29:1,5 30:20,22 33:22,24 71:12 **job** 27:25 know 4:25 5:12 41:3,5 44:11 intertwining **indicates** 23:4,13 7:3,9 11:3 12:10 jobs 46:12 45:25 46:2 59:13 26:3,9 27:10 Joel 30:12 31:2,6 12:20,23 13:1,4 48:16 51:3,5 investigate 43:11 31:17 34:20 45:16 50:22 13:11,15,21 54:15 57:1,4,12 investigated 41:23 52:2 19:3 21:18 51:11 43:14 58:13 62:20 53:15 **Johnny** 48:2 22:15 37:25 63:5,17 64:11 invited 11:16 individuals 21:7 join 54:25 38:2 42:19,25 64:22 66:9,12 involved 5:4 22:6 24:15 joint 19:2 43:1,16,18 45:9 69:17 70:21 13:18 ineligible 56:11 Jones 71:9,10,20 49:10 58:4,6,17 71:1,6 72:25 involving 56:16 **inference** 9:12,13 60:6 61:3,9 62:9 74:24 **IPPV** 35:16 73:17 74:8,18 59:18,19 Jones-type 29:18 62:15 63:1,18 **IRC** 52:4 75:17 inferences 58:23 judge 1:3 55:24 **HONORABLE** 65:11,17 67:18 IRD 34:13 35:3 68:3 58:21 68:4 71:7 67:20 68:2,24 1:3 36:12 **influx** 61:18 Judicial 76:9 69:14 70:13 IRDs 33:12 34:16 **hookup** 60:9 information 72:19 74:10 July 35:11,14 hope 17:1 66:22 34:20 20:22 24:7.18 36:23 known 72:2 hopes 66:23 irrelevant 5:2 31:13 40:15 **jumping** 32:12 **Koinvizion** 32:8 hours 14:16,17 irreparable 63:24 46:24 47:20 June 14:20 27:16 32:15 33:3,7 61:2 73:1,4,5 issue 6:4,8 10:9 57:25 60:2 Kristee 9:5 29:23 27:18 10:13 11:25 **Houston 2:7 informed** 10:18 jurisdiction 67:25 30:4 huge 5:15 7:10 20:8 56:10 **informs** 14:18 jurisdictional Kudelski 3:8 hunt 14:23 **issued** 35:14 inquire 28:8 69:13 10:15,16,18,20 hurt 70:4 37:16 51:21

SACV 03-950-DOC April 25, 2008

				1490
10:25 11:2,6,6	leery 4:13	68:3 73:22 75:1	meetings 11:19,20	66:4
12:18,22,25	left 68:11,14	75:7	11:22,24	<b>motion</b> 67:6
15:6,11,15	legal 61:14 69:1	looked 48:20	memory 67:6	move 5:19 17:13
16:15,16 18:3	letter 55:22,23	looking 13:15	<b>Menard</b> 58:11,11	17:14 45:24
18:12,14,15,16	56:25	23:11 26:18	58:16 59:13,16	71:4
18:19 19:3 21:5	letting 65:21	27:5 29:19	Menard's 59:14	multiple 28:25
22:6 25:4 28:21	let's 7:6,16 24:8	31:17 46:7	mentioned 23:17	56:17 64:24
29:12 30:12	25:10 28:14	51:14,14 52:1	merely 46:22	Murdoch 68:23
37:14 38:19	36:10,10 38:6	looks 74:4	message 38:18	69:15 70:3,6,7
44:19 45:3 53:5	39:2 41:22	loop 31:25 32:19	Meynet 22:18	MYERS 2:10
66:25 67:14,24	42:23 43:20	36:12	Michael 2:12 21:3	WII EKS 2.10
68:2,9,18,20	44:10 46:8 47:2	looping 32:3	24:9 28:6 30:9	N
69:8,13 70:3,14	49:16 52:13	lost 66:20	40:18 41:23	N 3:1
70:18,24 71:4,5	55:3	lot 10:13 15:24	45:13 53:2	Nagra 19:3 35:6
75:2	liability 58:5	64:6 75:7	microchip 33:18	36:18 37:1
<b>Kummer</b> 73:8	licensed 26:20	Lots 27:6	38:1	46:25
Kuniner 73.8 Kuykendall 72:22	limit 69:13	louder 15:24	microphone 16:3	NagraCard 18:7
72:23	limitation 63:20	lower 10:23	16:5 17:14,14	18:8,11 19:1,5
K-u-d-e-l-s-k-i	limitation 63:20	10WC1 10.23	29:23 30:2	21:10 30:17
16:19	limiting 8:4	M	middle 52:14	37:2,5,16 40:14
10.17	line 39:15 60:16	M 2:4,5	53:21	40:25 45:4,22
$\overline{\mathbf{L}}$	lines 26:23	Macro 23:18	Mike 25:2 41:11	50:25
L 2:11,19	list 30:18 31:3,6	main 69:5 70:1	74:9	NagraStar 6:15
Ladies 28:7 54:19	72:21 73:23,25	maintain 22:12	Millie 60:12	18:25 19:2,6
language 28:8	listen 40:2	22:19	million 13:10,12	21:17,18 22:11
39:4,20,24	listened 4:10	maintaining	13:13 66:22,23	22:19 28:23
44:11	listing 47:3	19:12,15,22	67:1,4,8,18	42:3 44:24
large 26:19	lists 22:6 51:15	making 20:23	mind 66:24	45:10 51:21
largest 12:15	litigation 30:7	60:18,20 68:2	minimally 61:4	53:9 66:23,24
late 60:17,19	37:5	Maldonado 70:19	minute 24:8 46:8	NagraStar's 25:5
71:13	little 17:13,14	71:2 72:9 75:1	46:9 55:13	NagraVision 18:6
Laughter 16:14	54:20 65:8,11	Marco 22:21	minutes 72:23	18:8,11,21,22
55:6 60:25	66:1	MARK 3:7 9:18	mishear 10:20	18:25 19:4,5
launch 19:8,11	LLP 2:10,18	marked 28:21	misheard 13:13	21:10 30:17
law 2:3,6,10,13,18	location 15:12	56:13,15	modified 64:15	37:2,4,16 40:13
2:20 57:19 61:8	lock 42:17	matter 6:10 76:7	modify 34:7	40:25 45:4,22
61:14,15,18,19	locked 36:20	MCG3.05 34:21	molestation 59:4	50:25
61:20 65:2	<b>London</b> 57:14,18	MCG3.06 35:7	moment 11:9 13:8	Nagra's 33:2
lawsuit 12:1	57:19	mean 7:14 27:15	29:22 49:17	36:24
lawyers 57:11,17	long 62:1 65:3,4	54:3 62:14	55:12,17 60:13	naive 66:19,24
<b>lead</b> 64:9	75:14,14	67:22,23 71:23	66:16,20	name 3:6 15:20
leader 19:25	longer 61:6 75:3	72:12	moments 66:14	15:22,25 16:10
leads 60:21 64:1	long-term 58:10	means 8:17 32:3	Monday 60:12	16:15,17 21:14
<b>lead-in</b> 5:15	look 7:2 13:5 26:2	62:16	money 67:17	26:4,6 38:4
leak 42:25 43:8	31:16 37:5 38:6	meant 32:22	monitored 54:3	56:22 57:6,8,22
43:11,15,17	39:2 41:22	49:24	month 60:4	named 23:2
52:11,12,16,19	42:23 43:20	meet 60:12 65:14	moral 56:16	Nance 72:22,23
leave 62:4 68:12	45:5 47:2,21	74:16,19	59:10	NATHANIEL
69:20,22 70:10	51:10 52:13	meeting 10:7	morning 55:19	2:11
leaves 70:1	54:21 62:21,23	14:24 62:18	60:12 65:16,21	Nationality 56:13

			Ī	ĺ
<b>NDS</b> 1:9 2:9 6:18	notable 23:16	13:6 14:11,15	2:12	<b>Penal</b> 62:7
10:7,9,16,16,25	note 24:22	15:2 16:2,15,23	O'MELVENY	<b>people</b> 36:19
11:5,6,16,17	notes 48:2	17:2,16 22:13	2:10	38:12 40:21
12:9,15 17:24	<b>notice</b> 14:16 74:8	23:7 25:1 26:9	P	52:4 61:21
30:6 50:15	November 31:18	26:23 27:1,19		70:16
58:10,16,18	32:11	28:17 38:2	packet 39:7,8	percent 43:22
59:3,13 61:25	<b>number</b> 5:1 6:3	39:11,13,17,23	page 23:1,3,11	perfect 65:19
62:3 64:8 68:24	8:14 21:6 31:18	42:2 43:8 45:3	24:20,23 25:25	performed 32:24
69:24	32:13 33:10	47:8 49:1 50:14	26:2,9,14,15	<b>period</b> 13:7 67:16
<b>NDS's</b> 67:11 68:1	34:9,19 35:14	52:18 55:3 56:2	27:5 31:2,16,17	permanently 7:8
69:15	36:2,11,18 37:6	57:9 64:12,25	38:11,17 39:14	permission 28:14
near 23:3 24:20	56:20,23 57:23	66:13 70:9,16	41:22 46:7 47:2	person 11:25
necessarily 73:2	61:9	71:22 72:1,5,7	47:3,22,24	21:11 48:24
necessary 8:7	<b>NVNC</b> 37:6 45:5	72:10 73:9,18	49:16 51:15	59:25 68:6
32:24		<b>Oliver</b> 22:23	53:22 76:8	persons 4:23 59:1
need 8:4 16:2	0	54:11	paid 58:11	61:10
20:9 23:21	O 1:3	Olivier 27:25	paragraph 23:12	perspective 5:16
41:14 43:22	objected 5:3	once 9:20 15:19	43:20	68:1
49:10 58:8 60:5	objection 21:22	ones 12:9 57:18	Pardon 55:25	pertain 56:14
65:3,4,20 66:4	25:9,12,18 29:4	64:22	parse 39:1	phone 16:6
73:2,20 74:6,9,9	30:21 41:4 46:1	<b>oOo</b> 75:23 76:1	part 10:12 18:11	phonetic 22:18
needed 14:16	51:4	open 47:17 49:22	19:24 20:1,1,5	27:25
needs 57:25	objections 6:19	62:1	21:1 27:3,23	pinpoint 62:5
negative 19:18	7:25 21:23	opening 64:18	28:4 42:23	<b>Piper</b> 57:7,9,10
negotiating 10:16	30:22 41:5 51:5	operate 61:22	43:13 45:21	68:10
negotiation 67:17	observed 36:1	opinion 55:9	53:17 59:15	<b>piracy</b> 20:4 36:3
negotiations	54:2	opportunity 60:7	63:11 64:7	36:16 37:15,17
10:19	obtaining 14:4	68:1	particular 7:14	42:11,21 44:4
neither 5:2,23 6:8	32:25	opposite 67:3	7:15 40:12	46:14,17,20
net 23:15	<b>obvious</b> 48:4,9,22	option 4:15	parties 4:23 10:24	47:10 50:16
Network 13:2	49:4	options 42:17	58:20,24 59:22	51:11 68:25
24:18 42:4	obviously 58:15	<b>order</b> 34:6,8	62:3 70:7,10	74:14
never 5:20 19:15	59:18 61:17	42:11,21 44:22	parts 7:3	pirate 20:25
67:5 68:1	occasion 59:24	70:17	party 5:7 54:3	31:21 47:4 54:1
new 26:16 32:16	occasions 59:13	original 38:18	58:25 70:5	61:17
33:3,8 35:7	occur 67:10	56:2	paste 49:11	pirates 20:23
47:20 62:16	occurs 67:21	<b>Osborne</b> 72:22,23	patch 42:24 43:5	27:20 35:8,8
News 70:5	October 21:6 22:7	ought 65:14	51:21 52:16,20	44:22,25 49:24
nexus 58:7,16,25	22:8 23:5,8,24	outside 4:4,6 5:22	52:21 53:7,16	50:1,6 58:24
Nicolas 22:14,15	24:4 26:11 27:9	7:23 14:12	patches 37:16	pirating 32:4
27:25 50:9	offer 7:25 21:20	54:21 55:14	52:24 53:4,9,12	<b>place</b> 54:14,16
<b>Nigel</b> 71:9,10	25:7 29:1 30:19	59:7	53:14,25 54:5,7	59:16
74:24	41:2 51:2	overflow 37:20,24	54:8 63:25	places 32:12
<b>night</b> 6:20 7:24	offered 4:19 6:10	38:3 39:25 40:4	pay-per-view	placing 58:2,4
65:20	60:7	40:9 51:22	35:20	plaintiffs 1:7 2:2
Nipper 50:7	offering 11:7	overriding 63:12	Peled 69:6,23	6:16 8:4 37:9
NOLL 2:5 55:24	Official 1:22	overt 5:9 63:12	73:12,13,14	50:14 63:4
56:1 57:11	oftentimes 5:6	overwrite 39:9	Peluso 4:11,15	64:17 72:19
non-truthfulness	Oh 10:25	ownership 66:24	5:10	<b>plane</b> 72:11
6:5	okay 6:2 8:9 10:5	O'DONNELL	Peluso's 9:14	planning 73:4
	<u> </u>	<u> </u>	<u> </u>	l

	1	1		
play 44:17,25	preface 40:1	producing 58:17	33:3 35:7 36:19	recipe 37:21,23
played 73:2	prefaced 39:20	58:18	41:14 48:22	50:1,7,9,13
players 69:5,12	40:7	products 19:6	51:16	recipients 22:7
70:1	prefer 17:9 28:10	<b>profit</b> 69:14	quoted 39:24	recognize 21:14
PLC 1:9 2:9	preference 60:1	profits 66:20	R	recollection 11:8
please 15:4,14,17	prepare 46:13	progress 24:22		11:10 41:25
16:5 20:6 21:2	prepared 31:7	43:23	R 2:12	record 4:6,14,18
23:1 24:9 25:2	37:2	proof 7:25	raise 11:25 15:13	5:20 58:4 62:12
28:5 30:9 31:16	presence 4:5,7	protect 7:6 20:3	61:6	recovery 66:25
37:11 40:18	5:22 7:24 9:7	provide 57:24	raised 6:20 7:25	Recross 3:6
44:18 45:12,13	54:22 55:15	provided 4:24	randomize 36:12	redirect 3:6 9:21
50:19 52:13	present 2:23 5:18	51:12	ranges 23:17	10:1
54:12 55:1,3,8	9:8,9 15:19 17:3	province 61:22	Ray 73:19	reexamined 8:18
55:10,23 56:14	59:23 61:24	provinces 61:9,10	reach 6:7 54:24	refer 23:16,19
plug 34:5	68:6 69:20	61:11	63:14	35:24
point 7:7 10:22	presented 64:5	provision 67:8,10	read 23:20,21	reference 48:20
57:22 59:4 60:5	president 41:23	publicly 24:21	24:23 26:21,24	48:21 49:1,3
62:6 68:8	42:2	publish 29:9	31:3 33:14	53:18,20 56:20
pointing 69:7	PRESIDING 1:3	published 37:21	35:17 36:21 41:14 42:7 43:2	57:22
points 11:2	pressure 68:18	48:1		referencing 43:9
poor 61:14	69:10 70:10,13	purchased 68:24	44:1,12,19 48:6 51:18 52:8	refers 49:2
<b>portion</b> 32:23	pressured 73:24	purchasing 13:24	reads 26:23 39:3	reflect 4:15,18
38:24	presumed 61:21	purpose 33:1		refresh 41:24
portions 23:25	pretty 74:25	purposes 58:5	ready 44:17 63:15 read/write 47:17	refreshed 75:13
24:4	previously 59:2	73:4	49:22	regarding 74:13
portrayed 29:18	60:7	pursuant 76:4	realistically 74:4	regulations 76:9
position 19:25	price 10:7,10,12	pushed 5:24	realize 53:10	rejected 61:25
41:18,20 58:3,4	10:13,19,22,23	put 14:15 29:16	really 5:16,23	relationship
58:17,20 59:16	11:2	33:3,7,17 38:7	27:20 28:1	52:17 58:10
60:15 61:7	pricks 44:16	44:6 58:16	63:21 64:22	relax 66:1
67:11 69:21	principal 18:6	60:22 68:17	65:23 67:14	release 48:4 53:9
possibility 60:14	<b>principle</b> 69:1	70:10 71:14,17	reask 33:25	66:13
possible 23:14	prior 58:15 59:13	74:21	reason 29:25 65:5	released 23:14,18
37:22 48:13	probably 70:4	putting 59:9	70:12	35:8 42:25 48:5
52:7,22,25 53:5	72:3	<b>p.m</b> 4:3	reasons 9:1	48:10,23 49:5
53:12,13,14,15	probationary	0	recall 10:7 11:21	52:16,20,20
post 23:2,4 24:3	59:8	query 26:16	11:24 41:20	releasing 53:6,13 relevant 5:21
24:25 39:3,12	<b>problem</b> 35:8	question 11:5	42:19 43:16	
39:21 40:5	68:21	33:25 39:24	71:6	rely 17:7
49:13	procedure 29:15	40:2	receive 21:9 30:16	remain 55:13
posted 23:25 24:5	proceedings 1:15	questions 13:20	received 21:24	remainder 75:2
<b>posting</b> 39:17 63:11	4:4 9:6 16:8	14:8,9,10 16:24	22:1 25:14,19	remember 28:3 42:14
	33:22,24 55:14	17:12,23 68:3	25:20 27:16	
posts 23:7 49:11	76:7	quickly 68:20	29:6,7 30:23,24	remind 55:7 renew 58:14
potentiality 67:19	<b>process</b> 7:12 8:7 8:15 59:25	74:25	40:24 41:6,7	
<b>potentially</b> 69:14	75:14	Quinn 74:2	45:21 46:3,4	replacing 10:16
70:1,3		quite 68:18	50:24 51:6,7	report 48:25 50:5 51:11 52:1
prays 66:23	produce 62:17	<b>quo</b> 70:11	57:2	
precluded 60:18	<b>produced</b> 37:4,8 45:4,9	quote 23:13 32:8	Recess 75:22	reported 12:17,18
precluding 68:7	43.4,7	44000 23.13 32.0	1100000   0.22	12:21,24 76:6

				rage It
Reporter 1:22	23:19,25,25	schedule 66:8	51:20	69:8
76:14	24:5,5,18,21,21	scheduling 72:17	sentence 27:5	size 39:8
REPORTER'S	27:2,7,10,20	scope 62:7	39:2,10 43:20	slow 17:12
1:15	28:2 31:23	screen 38:8	sentenced 56:17	Smart 20:16
representative	37:16,19 38:3	seat 55:11,17	separate 12:8	22:25 43:6
11:17	40:4,10 47:10	seated 15:17	18:8	Smith 71:7
represented 25:5	47:14,16,25	second 10:7 13:4	Sergei 74:2	Snyder 2:11 4:8,9
28:23	48:9 49:19 50:3	39:14,14 67:10	service 42:16	4:17 6:1,6,19
request 6:8	50:3,7,10,16	section 23:17,18	services 12:6 19:5	7:18,21 8:12
requesting 63:3	51:16 63:22,22	26:18 43:12	set 4:24 26:18	64:8,11,21 65:1
require 64:6	63:22,24 64:24	52:1 56:15 62:7	settlement 11:21	66:8 69:17,23
required 58:20	ROMs 47:3	76:4	11:23	70:5 71:6,11,19
requiring 7:1	room 1:23 68:10	sections 56:12	set-top 20:16,17	71:25 72:2,4,6,8
59:17	rough 44:11	secure 12:18,22	33:12 34:5,13	72:13,24 73:8
reserve 65:20	roughly 13:14	12:25	35:4 42:15,21	73:10,12,14,16
Reserving 6:19	<b>Rubin</b> 11:17 12:3	<b>Secured</b> 51:16	share 32:7	73:19,21 74:6
resident 14:13	72:7	security 18:6	share 32.7 short 10:4	74:12,18 75:18
respond 16:25	Rule 1:21 76:14	19:12,15,16,22	short 10.4 show 21:2 24:9	75:19,21
responded 40:5	ruled 6:20	20:8,23 42:25	25:2 37:11	SOBs 42:16
response 15:9	ruling 60:20	43:8,11,15	40:17 45:12	software 34:22
52:11	64:16,17	52:11,16,19	53:1 75:5	35:7 47:4
responsible 50:15	rulings 7:5 8:1	see 7:11 11:4 23:4	shown 25:17	solicitor 55:23
rest 65:8,23	9:3	25:10 28:24	sic 71:5	57:3,23
restate 7:19,20	run 33:13 66:18	31:18 32:13	side 6:8 7:12,13	solicitor's 57:5
19:18,19	runs 67:15	33:21 36:10	11:2 68:10	somebody 16:6
RESUMED 9:18	<b>Rupert</b> 68:23	37:6 38:20	sides 4:22 69:10	73:6
retake 9:17		44:10 45:5	signal 20:15 32:4	somewhat 8:23
retrace 60:24	S	52:17 53:6,20	significantly 13:9	soon 33:4 35:7
review 8:3 9:3	<b>SACV</b> 1:8	53:24 54:4,23	silly 65:7	sorry 13:15 28:20
reviewed 20:22	safely 55:10	55:18,23 57:20	simple 70:9	43:2 59:8 73:4
RICHARD 2:19	San 2:15,21	57:22 60:13	simply 17:4 62:4	sort 7:19 61:12
<b>RICO</b> 64:16	sandwiched 66:6	65:9,19 68:15	singled 7:14,15	sought 62:13
right 6:3,22 7:16	Santa 1:17,23 4:1	73:23 74:22	sir 9:23 11:11,13	sound 13:14
8:10,24 10:6	Saselli 22:21	75:3,6,9,17,20	11:18 12:2 13:8	source 43:17 71:8
11:23 13:4,8,14	satellite 1:6 2:2	seeing 8:16	14:7,19 15:1,20	so-called 50:7
15:13 17:11,19	20:15 44:4 60:8	seeking 62:8	16:9 17:5,24	space 72:15
39:25 48:4	satisfied 63:19	seen 25:11 37:21	20:2,6 23:20	speak 16:21,22,23
53:21 54:18	Saturday 42:6	56:25 63:2	24:24 26:15	<b>SPEAKER</b> 57:16
55:18 64:21	62:18 65:17,18	sell 19:5	29:5 30:6 31:18	68:11,13,15
68:23 73:6	65:19,19	send 39:8 52:24	31:23 32:13	speaking 17:8
74:15,19,23	saw 20:25 26:17	54:19	33:16 34:3 38:6	71:24
75:11	saying 8:9 24:3	sender 21:13	38:17,20 39:1	special 61:5 65:4
rights 35:16,19,20	42:9 44:3,21,24	sending 31:13	39:11 40:2 42:9	75:8,9
35:20,22,23,25	48:18 49:14	65:18	42:18 43:3 45:7	specials 66:3
36:20 51:16	says 27:4,5 29:14	sends 20:15	45:15 46:2,8	<b>specific</b> 6:8 35:2
67:22	31:20,25 32:15	sense 5:16 13:6	47:19,21 48:6	specifically 19:8
role 41:25 69:3	36:10,11 38:18	61:3 66:25	49:1,14 54:1,8	34:9
70:6	44:10 49:21	sent 33:6 34:18	55:13,18	speed 54:24
<b>ROM</b> 12:17,21,24	53:24	38:19 40:20	sit 61:4	spell 16:17
23:14,15,16,19	scenes 67:11	45:15 50:21	sitting 67:16 68:7	spend 60:23
, -, -, -				•

	_		_	
spending 61:1	stipulating 6:11	summarized	69:4	29:10,24 30:4
75:7	6:17,20	48:21	talk 11:17 12:5,11	55:10,18,19
spent 65:11	stipulation 7:1,7	summarizing	24:8 33:10	63:17 73:11,14
split 67:1,3	7:16 8:16,24,25	47:9	36:10 55:3	75:21
splits 67:5	stolen 13:21,24	summary 10:11	talked 49:17	theories 63:4
splitting 65:23	14:5	47:1 48:18	talking 20:25	theory 67:1,5
spoke 6:6	<b>Stone</b> 2:19 3:7	<b>Sunday</b> 65:15,21	43:19 52:12	69:9
spoken 55:4	9:20,22 10:2	65:22 66:4,5	<b>Tap</b> 30:2	thing 52:6
spotty 27:6	11:15 14:7	supervised 20:19	target 20:13	things 38:25 58:8
stack 39:9	stood 46:20	46:10	31:20 32:15	63:18
stage 60:19 63:5	stop 15:11 20:11	supervisor 45:18	33:11 34:20	think 6:24 10:12
stand 7:11 9:17	stopped 36:7	46:11	targeted 35:15,21	11:1 13:11,21
68:2 70:19	strategy 43:1,2	supplying 12:5	36:4	21:11 30:18
71:15	Street 1:23 2:14	<b>supposed</b> 52:6,21	targeting 34:16	36:9 44:9 51:23
standard 4:25	2:20	Supreme 61:12	35:23 36:6	52:22 54:19
standards 14:2	stricken 9:14,14	61:16	team 19:25 38:1	57:21 60:20
standpoint 62:20	strictly 4:18	sure 7:21 21:11	47:1,7,9,13,16	63:2 64:6,21
69:15	strike 5:19	29:15 39:7 55:2	49:17 54:9,10	66:1,5,18 67:8
start 9:20 17:9,10	strikes 5:16	71:15 72:11	teams 20:19	67:11,12 68:11
55:5 60:17 67:5	<b>strong</b> 58:16	Suzanne 24:14	technology 44:7	69:11 75:3,5
74:23	stuff 43:23	29:13 70:22	television 20:10	third 26:13
starts 39:15	StuntGuy 23:2,4	71:5 72:12,20	32:25	thought 10:9,18
state 15:20 16:9	24:7,8 29:14,18	72:21	tell 64:14	62:8
39:6 60:19	30:6 48:2,3,5,9	swap 13:16 67:7	telling 39:23	thoughts 62:15
61:19,23 62:4	48:22 49:4 72:2	67:10	temperamental	65:14 66:7
65:2	72:3	swap-out 64:2	33:23	threaten 59:17
statement 4:13	sub 35:16	66:20	tentative 62:10,15	threatened 58:23
6:9	subject 59:25	swear 15:16	terms 4:21 34:4	three 60:5 72:22
statements 6:4	62:11 64:14	<b>SWORN</b> 15:15	58:18 69:4	
0.20	02.11 01.11	5 W OIL 15.15	36.16 09.4	73:1,3,4
8:20	subjected 58:22	system 19:9,12,13	terrific 65:25	73:1,3,4 <b>Three-Muskete</b>
8:20 states 1:1,22				, , ,
	subjected 58:22	system 19:9,12,13	terrific 65:25	Three-Muskete
states 1:1,22	subjected 58:22 submit 67:25	system 19:9,12,13 19:16,23 20:4	terrific 65:25 testified 8:2 10:6	Three-Muskete 35:24
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12	subjected 58:22 submit 67:25 submitted 61:25	<b>system</b> 19:9,12,13 19:16,23 20:4 20:20,24 22:12	terrific 65:25 testified 8:2 10:6 10:18 25:13	Three-Muskete 35:24 Thursday 71:2
states 1:1,22 14:12,12,14 24:21 26:19	<b>subjected</b> 58:22 <b>submit</b> 67:25 <b>submitted</b> 61:25 64:20	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9	Three-Muskete 35:24 Thursday 71:2 72:10
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1 T T 2:3,4 41:23	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T 2:3,4 41:23 table 8:25 74:21	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1 T T 2:3,4 41:23 table 8:25 74:21 tactic 10:21	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11 statute 63:13	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23 58:5	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T 2:3,4 41:23 table 8:25 74:21 tactic 10:21 tag 34:12 35:3	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5 Texas 2:7	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16 54:19 60:3,22
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11 statute 63:13 stealing 43:24	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23 58:5 sudden 68:24	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T 2:3,4 41:23 table 8:25 74:21 tactic 10:21 tag 34:12 35:3 take 7:11 12:12	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5 Texas 2:7 text 26:15 38:22	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16 54:19 60:3,22 61:2,11 63:14
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11 statute 63:13 stealing 43:24 stealth 52:6,10,22	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23 58:5 sudden 68:24 suddenly 68:25	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T 2:3,4 41:23 table 8:25 74:21 tactic 10:21 tag 34:12 35:3 take 7:11 12:12 13:24 38:6 39:2	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5 Texas 2:7 text 26:15 38:22 38:22,24 39:17	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16 54:19 60:3,22 61:2,11 63:14 65:10,11,16,22
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11 statute 63:13 stealing 43:24 stealth 52:6,10,22 stealthy 53:4	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23 58:5 sudden 68:24 suddenly 68:25 suggested 73:22	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T 2:3,4 41:23 table 8:25 74:21 tactic 10:21 tag 34:12 35:3 take 7:11 12:12 13:24 38:6 39:2 41:22 44:21	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5 Texas 2:7 text 26:15 38:22 38:22,24 39:17 39:20 47:6,8,9	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16 54:19 60:3,22 61:2,11 63:14 65:10,11,16,22 67:16,20 74:15
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11 statute 63:13 stealing 43:24 stealth 52:6,10,22 stealthy 53:4 stenographically	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23 58:5 sudden 68:24 suddenly 68:25 suggested 73:22 suggesting 73:2	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T 2:3,4 41:23 table 8:25 74:21 tactic 10:21 tag 34:12 35:3 take 7:11 12:12 13:24 38:6 39:2 41:22 44:21 52:13 60:14	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5 Texas 2:7 text 26:15 38:22 38:22,24 39:17 39:20 47:6,8,9 49:17	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16 54:19 60:3,22 61:2,11 63:14 65:10,11,16,22 67:16,20 74:15 75:7
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11 statute 63:13 stealing 43:24 stealth 52:6,10,22 stealthy 53:4 stenographically 76:6	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23 58:5 sudden 68:24 suddenly 68:25 suggested 73:22 suggesting 73:2 suggestion 65:25	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T 2:3,4 41:23 table 8:25 74:21 tactic 10:21 tag 34:12 35:3 take 7:11 12:12 13:24 38:6 39:2 41:22 44:21 52:13 60:14 64:9 66:19 69:3	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5 Texas 2:7 text 26:15 38:22 38:22,24 39:17 39:20 47:6,8,9 49:17 thank 4:9 8:12	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16 54:19 60:3,22 61:2,11 63:14 65:10,11,16,22 67:16,20 74:15 75:7 times 20:19 58:17
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11 statute 63:13 stealing 43:24 stealth 52:6,10,22 stealthy 53:4 stenographically 76:6 step 15:3	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23 58:5 sudden 68:24 suddenly 68:25 suggested 73:22 suggesting 73:2 suggestion 65:25 Suite 2:7,14,21	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T 2:3,4 41:23 table 8:25 74:21 tactic 10:21 tag 34:12 35:3 take 7:11 12:12 13:24 38:6 39:2 41:22 44:21 52:13 60:14 64:9 66:19 69:3 74:21,25	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5 Texas 2:7 text 26:15 38:22 38:22,24 39:17 39:20 47:6,8,9 49:17 thank 4:9 8:12 9:10,22,23 14:7	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16 54:19 60:3,22 61:2,11 63:14 65:10,11,16,22 67:16,20 74:15 75:7 times 20:19 58:17 Title 76:5
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11 statute 63:13 stealing 43:24 stealth 52:6,10,22 stealthy 53:4 stenographically 76:6 step 15:3 stipulated 8:3	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23 58:5 sudden 68:24 suddenly 68:25 suggested 73:22 suggesting 73:2 suggestion 65:25 Suite 2:7,14,21 summaries 46:13	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T2:3,4 41:23 table 8:25 74:21 tactic 10:21 tag 34:12 35:3 take 7:11 12:12 13:24 38:6 39:2 41:22 44:21 52:13 60:14 64:9 66:19 69:3 74:21,25 taken 4:4 9:6 28:1	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5 Texas 2:7 text 26:15 38:22 38:22,24 39:17 39:20 47:6,8,9 49:17 thank 4:9 8:12 9:10,22,23 14:7 15:2,7,10,17	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16 54:19 60:3,22 61:2,11 63:14 65:10,11,16,22 67:16,20 74:15 75:7 times 20:19 58:17 Title 76:5 today 8:2 13:12
states 1:1,22 14:12,12,14 24:21 26:19 47:24 56:8,12 59:5,10 60:9 76:5,9 stating 8:22 status 12:17,21,24 46:13 47:10,19 51:15 52:1 59:8 61:7 70:11 statute 63:13 stealing 43:24 stealth 52:6,10,22 stealthy 53:4 stenographically 76:6 step 15:3	subjected 58:22 submit 67:25 submitted 61:25 64:20 subscribers 13:2 13:7,12,18 subscription 35:19 subtle 5:8 successful 32:8,11 33:3 34:16,18 35:7 36:19,23 58:5 sudden 68:24 suddenly 68:25 suggested 73:22 suggesting 73:2 suggestion 65:25 Suite 2:7,14,21	system 19:9,12,13 19:16,23 20:4 20:20,24 22:12 22:20 27:11 29:19 42:10 46:14,17,20 58:23 60:2 64:1  T T 2:3,4 41:23 table 8:25 74:21 tactic 10:21 tag 34:12 35:3 take 7:11 12:12 13:24 38:6 39:2 41:22 44:21 52:13 60:14 64:9 66:19 69:3 74:21,25	terrific 65:25 testified 8:2 10:6 10:18 25:13 46:9 50:9 testify 4:20 5:11 5:15,21 74:13 testifying 4:16 testimony 5:19 7:23 8:3 9:12,13 9:14 52:23 59:23,24 61:8 62:5 Texas 2:7 text 26:15 38:22 38:22,24 39:17 39:20 47:6,8,9 49:17 thank 4:9 8:12 9:10,22,23 14:7	Three-Muskete 35:24 Thursday 71:2 72:10 time 9:15 13:7 14:17,21 19:22 21:18 22:13,16 22:17,21 25:8 32:8,9 41:17,21 45:18 46:12 47:19,20 50:4 52:20 53:8,16 54:19 60:3,22 61:2,11 63:14 65:10,11,16,22 67:16,20 74:15 75:7 times 20:19 58:17 Title 76:5

SACV 03-950-DOC April 25, 2008

				1490 12
62:23,25 66:14	47:22 49:16	59:10 60:9,9	44:15,15,18	WILLETTS 2:5
70:22 75:12,19	54:12 64:8	76:5,9	52:15,19,24	willing 8:15 61:18
token 61:20 63:23	turned 29:25	unmarked 56:14	53:4 60:15 65:8	wise 7:3
65:9 68:17	<b>Turning 23:11</b>	unusable 32:23	65:10 66:15,19	withdraw 5:25
told 10:15 11:1	turpitude 56:16	36:15	69:3,19,20	73:24
14:20 24:4 40:8	59:11	unwinds 7:9	72:16 75:3,6,9	
	twice 42:11		wanted 10:10	withdrawing 4:11 5:17
40:9,12,14 43:14	two 5:9 6:3 11:21	<b>update</b> 39:7 40:3 51:17 52:2,6	31:13 42:9 71:8	withdrawn 6:2
toll 63:13	18:8 34:4 42:4	,		51:10
	52:17 56:20	53:18,22 usable 32:3	wants 42:20 44:21 wasn't 70:24	witness 3:6 4:12
tolling 63:3		use 10:22 28:14	wash t /0.24 watch 20:10	
tomorrow 65:9,15 66:2 74:16	66:7 70:1 73:1,4 74:6			7:11,15 8:14,19
		28:15 50:1,7	<b>way</b> 4:22 39:8 46:7 47:24 48:2	8:21 9:11,17,18
75:10,13,14,14	two-thirds 46:7	<b>U.S</b> 76:14		11:11,13 14:13
75:17,20	47:24 51:14	$\mathbf{V}$	51:15 54:22	14:19 15:1,4,15
tonight 66:1,2,14	type 57:3	vacation 14:23	55:4,7 59:9 63:23 66:6 67:3	15:16,18 16:11
top 26:2,15 31:17	types 35:21 36:4,6	valid 68:8 69:9		16:15,19,22
47:3 66:21	typical 10:21	values 4:25	Wednesday 71:16	17:1,6,10,16
totaled 72:25	U	various 74:13	71:21 72:3,7,9	21:2 24:9 25:2
tragedy 67:21	<b>Uh-huh</b> 48:7	vehicle 4:24	week 14:22,22	25:11,22 28:5
transcript 1:15	unable 56:10	verdict 75:8,9	42:5 48:1 64:9	28:17 30:9
76:6,8	unartfully 8:22	verdicts 61:5 65:4	65:5 66:15	37:11 40:17
translate 48:11	unartiuny 8.22 unavailability	versa 11:3	69:24 70:17,20	45:12 48:13,17
transmit 27:23	59:14	version 34:7	70:20 71:2 73:7	50:18 53:1
travel 59:7	unclear 61:21	version 54.7 versions 64:24	73:12,15,16	54:22 60:17
tremendous	understand 4:17	vice 11:2	74:4,5,7,9	70:19 73:23
69:13	7:18 16:12 17:4	video 59:15	weekend 58:9	witnesses 4:23 5:8
trial 1:16 58:15	19:7 58:6 66:19	videos 72:22 73:1	60:23 61:1	9:2 58:17,18,21
58:21 63:8 70:8	73:24	74:1	62:21 64:10,20	58:25 66:15
tried 11:3 53:12	understandable	violate 14:2	71:23	73:23
trouble 28:12,13	28:11	VIP 51:16	WELCH 2:3,4	witness's 9:12,13
true 20:2 37:15	understanding	visa 56:10	14:9	worded 63:23
76:5	5:7 28:9,12	vision 45:2 46:22	welcome 5:11,15	words 7:5 36:24
truly 4:23	37:23 50:8	Volume 1:10 4:2	5:20	63:5 65:5 68:22
truth 6:10	56:24 59:12		weren't 12:11	74:3
truthful 46:19	understands	voluntarily 5:18 vs 1:8	45:19 57:18	work 10:22,25
truthfulness 6:5	28:16 63:24	vulnerability	West 1:23 2:13	11:3,5 18:21
8:20	understood 14:25	37:19,20,24	we'll 5:19 11:3	20:5,11 21:9
try 17:10 37:17	17:12	, , ,	17:11 29:14	24:22 29:23
72:16,17 73:16	unfair 7:13	38:3 40:4,10 51:22	54:23 55:18	30:16 40:25
trying 10:12	unfairness 6:25	V3 32:15	72:13,13,17	43:12 45:21
50:15 59:13,21	unforeseen 6:23	<b>V3</b> 32.13	73:23 74:6,10	50:25 60:15
60:20 63:19	unfortunately	$\mathbf{W}$	we're 16:2 47:21	64:6 65:7 66:8
66:17 70:23	68:6	$\overline{\mathbf{W}}$ 2:11	63:2 70:23	66:10,11 67:6
<b>Tsop</b> 42:18	UNIDENTIFIED	<b>WADE</b> 2:3,4	we've 17:17 28:20	72:13
Tsops 42:17	57:16 68:11,13	want 4:14,18 5:25	28:21 31:3	worked 5:5 18:19
<b>Tuesday</b> 38:19	68:15	6:3 7:4 8:22	57:11 62:14	18:22 19:12,15
54:25 55:19		9:11 14:23	64:13,23 65:1	20:2
70:25 71:7,20	United 1:1,22	20:10 33:25	72:21 74:23	worker 22:19
turn 16:7 17:4	14:12,12,14	42:6,15,24	wide 62:1	working 19:22,24
23:1 26:13	56:8,12 59:4,5,7	12.0,10,27	<b>WILLETS</b> 56:3,7	20:11 21:19
	i e	i .	1	1

April 25, 2008

Page 13

SACV 03-950-DOC

22:11,24 30:1,3 32:16 47:2,3 23:25 24:5 714 1:24 0 49:16,19 50:3,7 31:23 32:16 **753** 76:4 41:21 66:3,4 03-0950-DOC 1:8 **77057** 2:7 works 38:5 50:10,16 63:22 34:21 37:16,19 **035** 56:20 world 14:25 61:14 **2.zip** 24:21 38:3 40:4,10 **08-04-25** 1:25 8 65:19 **2:00** 74:16,18,19 47:14,16 48:9 8 34:19 wouldn't 8:18 1 75:20 50:3 51:16 **8:00** 54:25 55:19 **2:30** 74:16 75:10 63:22,24 13:24 14:4 1 41:22 47:22 65:10 **wrap** 39:9 **20** 13:10,12 52:21 **3M** 35:24 36:2 1st 33:11 40:21 **812** 3:17 40:17,20 **2000** 13:3,17 44:7 wrestle 58:8 71:14 41:2,7,23 52:13 write 38:15 39:4.9 27:17,18 31:18 **3:00** 68:13,14 **1-053** 1:23 **824** 3:18 45:13,15 39:10 32:11 48:10 74:16 **1:06** 4:3 45:24 46:4,8,16 2001 12:18 30:14 writes 31:2 42:24 **30** 3:21 72:22 **10** 3:7 8:14 35:14 46:24 47:2,23 43:22 52:15 32:13 33:7,11 **30th** 71:14 36:2,11,18 49:2,16 50:4 **writing** 41:13 34:18,19 35:11 **31** 41:18,25 42:3 63:22 43:5 35:14 36:23 52:15 100 43:22 9 written 9:1 26:25 37:15 38:13,19 **31st** 30:14 52:18 11 1:10 4:2 63:22 9:00 65:6 40:11,22 41:18 33:9 41:17 44:5 **11th** 45:16 47:13 **90** 66:22 67:5,18 4 41:25 42:3 44:20 46:21 **114** 56:21 91 66:22 431:18 47:1 49:23 50:4 45:16 47:13 **1184** 37:12 38:6 **92701** 1:23 4th 1:23 50:5 50:6,22 51:20 38:11 **9316** 1:21 76:15 **41** 3:17 wrong 50:10,11 52:15,18 54:6 **1185** 3:19 50:18 **94111-3305** 2:15 **411** 1:23 wrongdoing **2002** 12:22 61:12 50:21 51:2,7 **415** 2:15,22 2:21 63:10 53:8,15,18,21 61:15 **952-4334** 2:8 **45** 3:18 72:23,23 wrote 33:7 34:15 **2003** 12:25 **1186** 53:1 54:12 **96** 19:9 **48** 14:15,17 36:18 38:12,22 **2004** 13:10,18 **12(b)(6)** 63:5 **984-8700** 2:15,22 38:24 39:11 **2008** 1:18 4:1 **1202** 3:20 21:3,5 5 40:1 42:3 43:7 56:19 76:11 21:20 22:1 23:1 **5:00** 65:6 47:6,9,13,16 212A(2)(a)(i)(l)23.11 **51** 3:19 48:25 49:3,17 56:16 **1260** 3:21 30:10 **526** 24:9,10,13,20 52:15,18 **212A(2)(b)** 56:17 30:12,19,24 25:6 26:7 28:24 **22** 3:20 31:2.16 **526-A** 3:16 28:6 X **22nd** 50:22 51:20 14th 21:6 22:8 28:22 29:1,7,12 **X** 3:1 56:13 **23rd** 56:19 23:5,8 **526-B** 25:2,4,7,20 **2401** 2:6 **15th** 14:20 Y 25:25 26:3,9,14 **25** 1:18 4:1 **17** 38:19 yeah 23:22 26:17 **558-7755** 1:24 25th 27:16,18 **17th** 38:13 40:11 26:22 50:8 35:11,14 36:23 **18** 3:9 62:25 **26** 76:11 **1995** 18:21,22 632:13 year 37:15 67:21 **2600** 2:14,21 19:9 **6:14** 38:19 years 56:18 **275** 2:14,20 **1996** 18:20 **64** 39:8 year's 67:16 **28** 76:5 **1998** 63:14 yesterday 4:20 **288-01** 23:15 **1999** 13:6,14,16 7 21:6 22:8 23:5,8 26:24 27:1  $\mathbf{Z}$ 7 33:10 34:9 **288-02** 23:19 23:24 24:4 **7FEF** 23:17 **zip** 26:3,4,10 **29** 3:16 26:11 27:9,11 **7F00** 23:17 **29th** 71:7,13 63:14 \$ **7:00** 65:6 **7:54** 23:5 **\$300,000** 58:12 3 **\$380,000** 58:13 **700** 2:7 **3** 12:17,21,24 **2** 23:16,25 24:5 **\$90** 67:8 **713** 2:8 13:13 23:1,19 27:2 31:16,17