IN THE SUPREME COURT OF THE STATE OF NEVADA

PLUMBERS LOCAL UNION NO. 519 PENSION TRUST FUND; AND CITY OF STERLING HEIGHTS POLICE AND FIRE RETIREMENT SYSTEM, DERIVATIVELY ON BEHALF OF NOMINAL DEFENDANT DISH NETWORK CORPORATION,

Appellants,

vs.

CHARLES W. ERGEN; JAMES DEFRANCO; CANTEY M. ERGEN; STEVEN R. GOODBARN; DAVID K. MOSKOWITZ; TOM A. ORTOLF; CARL E. VOGEL; GEORGE R. BROKAW; JOSEPH P. CLAYTON; GARY S. HOWARD; DISH NETWORK CORPORATION, A NEVADA CORPORATION; AND SPECIAL LITIGATION COMMITTEE OF DISH NETWORK CORPORATION,

Respondents.

Electronically Filed
Mar 30 2021 12:36 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court No. 81704

District Court No.
A-17-763397-B

JOINT APPENDIX
Vol. 59 of 85
[JA013574-JA013797]

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Randall J. Baron *(Pro Hac Vice)* Benny C. Goodman III *(Pro Hac Vice)* Erik W. Luedeke *(Pro Hac Vice)* ROBBINS GELLER RUDMAN & DOWD LLP 655 West Broadway, Suite 1900 San Diego, CA 92101-8498 Tel: (619) 231-1058 *Lead Counsel for Appellants*	C. Barr Flinn Emily V. Burton YOUNG CONAWAY STARGATT & TAYLOR, LLP Rodney Square 1000 North King Street Wilmington, DE 19801 Tel: (302) 571-6600 *Attorneys for the Special Litigation Committee of Nominal Defendant DISH Network Corporation*

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Report of the Special Litigation Committee of DISH Network Corporation and Appendices of Exhibits Thereto (Exs. 1-792; Appx. Vols. 1-50) **Evidentiary Hearing SLC Exhibit 102[2]**	4-73	JA000739-JA016874	11/27/18

[1] Volumes 2-85 of the Joint Appendix include only a per-volume table of contents. Volume 1 of the Joint Appendix includes a full table of contents incorporating all documents in Volumes 1-85.

[2] The Evidentiary Hearing Exhibits were filed with the District Court on July 6, 2020.

3.2(a)*	Articles of Incorporation of DISH DBS Corporation (incorporated by reference to Exhibit 3.4(a) to the Registration Statement on Form S-4 of DISH DBS Corporation, Registration No. 333-31929), as amended by the Certificate of Amendment of the Articles of Incorporation of DISH DBS Corporation, dated as of August 25, 2003 (incorporated by reference to Exhibit 3.1(b) to the Annual Report on Form 10-K of DISH DBS Corporation for the year ended December 31, 2003, Commission File No. 333-31929), and as further amended by the Amendment of the Articles of Incorporation of DISH DBS Corporation, effective December 12, 2008 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of DISH DBS Corporation filed December 12, 2008, Registration No. 333-31929).
3.2(b)*	Bylaws of DISH DBS Corporation (incorporated by reference to Exhibit 3.4(b) to the Registration Statement on Form S-4 of DISH DBS Corporation, Registration No. 333-31929).
4.1*	Registration Rights Agreement by and between DISH Network Corporation and Charles W. Ergen (incorporated by reference to Exhibit 4.8 to the Registration Statement on Form S-1 of DISH Network Corporation, Registration No. 33-91276).
4.2*	Indenture, relating to the 4 5/8% Senior Notes due 2017, dated as of May 16, 2012 among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed May 16, 2012, Commission File No. 0-26176).
4.3*	Indenture, relating to the 4.250% Senior Notes due 2018, dated as of April 5, 2013, among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of DISH Network Corporation filed April 5, 2013, Commission File No. 0-26176).
4.4*	Indenture, relating to the 7 7/8% Senior Notes Due 2019, dated as of August 17, 2009 between DISH DBS Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed August 18, 2009, Commission File No. 0-26176).
4.5*	Indenture, relating to the 5.125% Senior Notes due 2020, dated as of April 5, 2013, among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed April 5, 2013, Commission File No. 0-26176).
4.6*	Indenture, relating to the 6.75% Senior Notes due 2021, dated as of May 5, 2011, among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference from Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed May 5, 2011, Commission File No. 000-26176).
4.7*	Indenture, relating to the 5 7/8% Senior Notes due 2022, dated as of May 16, 2012 among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of DISH Network Corporation filed May 16, 2012, Commission File No. 0-26176).
4.8*	Indenture, relating to the 5% Senior Notes due 2023, dated as of December 27, 2012 among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed December 27, 2012, Commission File No. 0-26176).
4.9*	Indenture, relating to the 5 7/8% Senior Notes due 2024, dated as of November 20, 2014 among DISH DBS Corporation, the guarantors named on the signature pages thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed November 21, 2014, Commission File No. 0-26176).

4.10*	Indenture, relating to the 7 3/4% Senior Notes due 2026, dated as of June 13, 2016, among DISH DBS Corporation, the guarantors named on the signature pages thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed June 13, 2016, Commission File No. 0-26176).
4.11*	Indenture, relating to the 3 3/8% Convertible Notes due 2026, dated as of August 8, 2016, by and between DISH Network Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed August 8, 2016, Commission File No. 0-26176).
10.1*	2002 Class B CEO Stock Option Plan (incorporated by reference to Appendix A to DISH Network Corporation's Definitive Proxy Statement on Schedule 14A dated April 9, 2002). **
10.2*	Satellite Service Agreement, dated as of March 21, 2003, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2003, Commission File No. 0-26176). ***
10.3*	Amendment No. 1 to Satellite Service Agreement dated March 31, 2003 between SES Americom Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended September 30, 2003, Commission File No. 0-26176). ***
10.4*	Satellite Service Agreement, dated February 19, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ***
10.5*	Amendment No. 1 to Satellite Service Agreement, dated March 10, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ***
10.6*	Amendment No. 3 to Satellite Service Agreement, dated February 19, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ***
10.7*	Whole RF Channel Service Agreement, dated February 4, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ***
10.8*	Letter Amendment to Whole RF Channel Service Agreement, dated March 25, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ***
10.9*	Amendment No. 2 to Satellite Service Agreement, dated April 30, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2004, Commission File No. 0-26176). ***
10.10*	Second Amendment to Whole RF Channel Service Agreement, dated May 5, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2004, Commission File No. 0-26176). ***
10.11*	Third Amendment to Whole RF Channel Service Agreement, dated October 12, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.22 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176). ***

10.12*	Amendment No. 4 to Satellite Service Agreement, dated October 21, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.23 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176). ***
10.13*	Amendment No. 3 to Satellite Service Agreement, dated November 19, 2004 between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.24 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176). ***
10.14*	Amendment No. 5 to Satellite Service Agreement, dated November 19, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.25 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176). ***
10.15*	Amendment No. 6 to Satellite Service Agreement, dated December 20, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.26 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176). ***
10.16*	Amendment No. 4 to Satellite Service Agreement, dated April 6, 2005, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2005, Commission File No. 0-26176). ***
10.17*	Amendment No. 5 to Satellite Service Agreement, dated June 20, 2005, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2005, Commission File No. 0-26176). ***
10.18*	Incentive Stock Option Agreement (Form A) (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **
10.19*	Incentive Stock Option Agreement (Form B) (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **
10.20*	Restricted Stock Unit Agreement (Form A) (incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **
10.21*	Restricted Stock Unit Agreement (Form B) (incorporated by reference to Exhibit 99.4 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **
10.22*	Nonemployee Director Stock Option Agreement (incorporated by reference to Exhibit 99.6 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **
10.23*	Separation Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 2.1 to the Amendment No. 1 to the Form 10 of EchoStar Corporation filed December 12, 2007, Commission File No. 001-33807).
10.24*	Tax Sharing Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.2 to the Amendment No. 1 to the Form 10 of EchoStar Corporation filed December 12, 2007, Commission File No. 001-33807).
10.25*	Employee Matters Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.3 to the Amendment No. 1 to the Form 10 of EchoStar Corporation filed December 12, 2007, Commission File No. 001-33807).

10.26*	Intellectual Property Matters Agreement between EchoStar Corporation, EchoStar Acquisition L.L.C., Echosphere L.L.C., DISH DBS Corporation, EIC Spain SL, EchoStar Technologies L.L.C. and DISH Network Corporation (incorporated by reference from Exhibit 10.4 to the Amendment No. 1 to the Form 10 of EchoStar Corporation filed December 12, 2007, Commission File No. 001-33807).
10.27*	Form of Satellite Capacity Agreement between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.28 to the Amendment No. 2 to Form 10 of EchoStar Corporation filed December 26, 2007, Commission File No. 001-33807).
10.28*	Description of the 2008 Long-Term Incentive Plan dated December 22, 2008 (incorporated by reference to Exhibit 10.42 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2008, Commission File No. 0-26176). **
10.29*	DISH Network Corporation 2009 Stock Incentive Plan (incorporated by reference to Appendix A to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed September 19, 2014, Commission File No. 000-26176). **
10.30*	Amended and Restated DISH Network Corporation 2001 Nonemployee Director Stock Option Plan (incorporated by reference to Appendix B to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed March 31, 2009, Commission File No. 000-26176). **
10.31*	Amended and Restated DISH Network Corporation 1999 Stock Incentive Plan (incorporated by reference to Appendix C to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed March 31, 2009, Commission File No. 000-26176). **
10.32*	NIMIQ 5 Whole RF Channel Service Agreement, dated September 15, 2009, between Telesat Canada and EchoStar Corporation (incorporated by reference from Exhibit 10.30 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ***
10.33*	NIMIQ 5 Whole RF Channel Service Agreement, dated September 15, 2009, between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.31 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ***
10.34*	Professional Services Agreement, dated August 4, 2009, between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.3 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended September 30, 2009, Commission File No. 001-33807). ***
10.35*	Allocation Agreement, dated August 4, 2009, between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.4 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended September 30, 2009, Commission File No. 001-33807).
10.36*	Amendment to Form of Satellite Capacity Agreement (Form A) between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.34 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).
10.37*	Amendment to Form of Satellite Capacity Agreement (Form B) between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.35 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).
10.38*	EchoStar XVI Satellite Capacity Agreement between EchoStar Satellite Services L.L.C. and DISH Network L.L.C. (incorporated by reference from Exhibit 10.36 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ***

10.39*	Amended and Restated Investment Agreement, dated as of February 24, 2011, and First Amendment to Amended and Restated Investment Agreement, dated as of March 15, 2011, between DISH Network Corporation and DBSD North America, Inc. (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K of ICO Global Communications (Holdings) Limited filed March 17, 2011, Commission File No. 001-33008).
10.40*	Implementation Agreement, dated as of March 15, 2011, between DISH Network and ICO Global Communications (Holdings) Limited (incorporated by reference from Exhibit 10.2 to the Current Report on Form 8-K of ICO Global Communications (Holdings) Limited filed March 17, 2011, Commission File No. 001-33008).
10.41*	Restructuring Support Agreement, dated as of March 15, 2011, between DISH Network and ICO Global Communications (Holdings) Limited (incorporated by reference from Exhibit 10.3 to the Current Report on Form 8-K of ICO Global Communications (Holdings) Limited filed March 17, 2011, Commission File No. 001-33008).
10.42*	Purchase Agreement, dated as of June 14, 2011, by and among TerreStar Networks Inc., TerreStar License Inc., TerreStar National Services Inc., TerreStar Networks Holdings (Canada) Inc., TerreStar Networks (Canada) Inc., 0887729 B.C. Ltd., and Gamma Acquisition L.L.C. and DISH Network Corporation (solely with respect to Section 6.19 thereof) (incorporated by reference from Exhibit 99.1 to the Current Report on Form 8-K of DISH Network Corporation filed June 16, 2011, Commission File No. 000-26176).
10.43*	Cost Allocation Agreement, dated April 29, 2011, between EchoStar and DISH Network (incorporated by reference from Exhibit 10.2 to the Quarterly Report on Form 10-Q of EchoStar for the quarter ended June 30, 2011, Commission File No. 001-33807).
10.44*	Settlement and Patent License between TiVo Inc. and DISH Network Corporation and EchoStar Corporation, dated as of April 29, 2011 (incorporated by reference to Exhibit 10.9 to the Quarterly Report on Form 10-Q/A of EchoStar Corporation filed February 21, 2012, Commission File No. 001-33807). ***
10.45*	QuetzSat-1 Transponder Service Agreement, dated November 24, 2008, between EchoStar 77 Corporation, a direct wholly-owned subsidiary of EchoStar, and DISH Network L.L.C. (incorporated by reference to Exhibit 10.25 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ***
10.46*	Receiver Agreement dated January 1, 2012 between Echosphere L.L.C. and EchoStar Technologies L.L.C. (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2012, Commission File No. 0-26176). ***
10.47*	Broadcast Agreement dated January 1, 2012 between EchoStar Broadcasting Corporation and DISH Network L.L.C. (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2012, Commission File No. 0-26176). ***
10.48*	Confidential Settlement Agreement and Release dated as of October 21, 2012 by and between Voom HD Holdings LLC and CSC Holdings, LLC, on the one hand, and DISH Network L.L.C., on the other hand, and for certain limited purposes, DISH Media Holdings Corporation, MSG Holdings, L.P., The Madison Square Garden Company and EchoStar Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended September 30, 2012, Commission File No. 0-26176). ***
10.49*	Description of the 2013 Long-Term Incentive Plan dated November 30, 2012 (incorporated by reference to the Current Report on Form 8-K of DISH Network Corporation filed December 6, 2012, Commission File No. 000-26176). **
10.50*	Amendment to EchoStar XVI Satellite Capacity Agreement between EchoStar Satellite Services L.L.C. and DISH Network L.L.C. dated December 21, 2012 (incorporated by reference to Exhibit 10.62 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2012, Commission File No. 0-26176). ***

10.51*	Transaction Agreement, dated February 20, 2014, by and among EchoStar Corporation, Hughes Satellite Systems Corporation, Alpha Company LLC, DISH Network L.L.C., DISH Operating L.L.C. and EchoStar XI Holding L.L.C. (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2014, Commission File No. 0-26176). ***
10.52*	Investor Rights Agreement, dated February 20, 2014, by and among EchoStar Corporation, Hughes Satellite Systems Corporation, DISH Operating L.L.C. and DISH Network L.L.C. (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2014, Commission File No. 0-26176). ***
10.53*	Form of Satellite Capacity Agreement between EchoStar Satellite Operating Corporation and DISH Operating L.L.C. (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2014, Commission File No. 0-26176).***
10.54*	First Amended and Restated Credit Agreement dated October 13, 2014, among American AWS-3 Wireless II L.L.C., Northstar Wireless, LLC and Northstar Spectrum, LLC, as amended on February 12, 2015 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176). ***
10.55*	First Amended and Restated Credit Agreement dated October 13, 2014, among American AWS-3 Wireless III L.L.C., SNR Wireless LicenseCo, LLC and SNR Wireless HoldCo, LLC, as amended on February 12, 2015 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176). ***
10.56*	First Amended and Restated Limited Liability Company Agreement dated October 13, 2014, among Northstar Spectrum, LLC, Northstar Manager, LLC and American AWS-3 Wireless II L.L.C., as amended on February 12, 2015 (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176). ***
10.57*	First Amended and Restated Limited Liability Company Agreement dated October 13, 2014, among SNR Wireless HoldCo, LLC, SNR Wireless Management, LLC and American AWS-3 Wireless III L.L.C., as amended on February 12, 2015 (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176). ***
10.58*	Management Services Agreement dated September 12, 2014, between American AWS-3 Wireless II L.L.C. and Northstar Wireless, LLC (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176). ***
10.59*	Management Services Agreement dated September 12, 2014, between American AWS-3 Wireless III L.L.C. and SNR Wireless LicenseCo, LLC (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176).***
10.60*	Second Amendment, dated October 1, 2015, to the First Amended and Restated Credit Agreement dated October 13, 2014, among American AWS-3 Wireless II L.L.C., Northstar Wireless, LLC and Northstar Spectrum, LLC, as first amended on February 12, 2015 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of DISH Network Corporation filed October 2, 2015, Commission File No. 0-26176).
10.61*	Guaranty of Certain Obligations to FCC, dated as of October 1, 2015, made by DISH Network Corporation in favor of the Federal Communications Commission (Northstar Wireless) (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of DISH Network Corporation filed October 2, 2015, Commission File No. 0-26176).

10.62*	Second Amendment, dated October 1, 2015, to the First Amended and Restated Credit Agreement dated October 13, 2014, among American AWS-3 Wireless III L.L.C., SNR Wireless LicenseCo, LLC and SNR Wireless HoldCo, LLC, as first amended on February 12, 2015 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of DISH Network Corporation filed October 2, 2015, Commission File No. 0-26176).
10.63*	Guaranty of Certain Obligations to FCC, dated as of October 1, 2015, made by DISH Network Corporation in favor of the Federal Communications Commission (SNR Wireless) (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K of DISH Network Corporation filed October 2, 2015, Commission File No. 0-26176).
10.64*	Second Amendment to Receiver Agreement dated November 4, 2015, between Echosphere L.L.C. and EchoStar Technologies L.L.C.
10.65*	Form of Base/Additional Note Hedge Transaction Confirmation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of DISH Network Corporation filed August 8, 2016, Commission File No. 0-26176).
10.66*	Form of Base/Additional Warrant Transaction Confirmation (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of DISH Network Corporation filed August 8, 2016, Commission File No. 0-26176).
10.67☐	Third Amendment to Receiver Agreement dated November 4, 2016, between Echosphere L.L.C. and EchoStar Technologies L.L.C.
10.68☐	First Amendment to Broadcast Agreement dated November 4, 2016, between EchoStar Broadcasting Corporation and DISH Network L.L.C.
21☐	Subsidiaries of DISH Network Corporation.
23☐	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
24☐	Power of Attorney authorizing R. Stanton Dodge as signatory for George R. Brokaw, James DeFranco, Cantey M. Ergen, Steven R. Goodbarn, Charles M. Lillis, Afshin Mohebbi, David K. Moskowitz, Tom A. Ortolf and Carl E. Vogel.
31.1☐	Section 302 Certification of Chief Executive Officer.
31.2☐	Section 302 Certification of Chief Financial Officer.
32.1☐	Section 906 Certification of Chief Executive Officer.
32.2☐	Section 906 Certification of Chief Financial Officer.
101 ☐	The following materials from the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2016, filed on February 22, 2017, formatted in eXtensible Business Reporting Language ("XBRL"): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Consolidated Statement of Changes in Stockholders' Equity (Deficit), (iv) Consolidated Statements of Cash Flows, and (v) related notes to these financial statements.

☐ Filed herewith.

* Incorporated by reference.

** Constitutes a management contract or compensatory plan or arrangement.

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*** Certain portions of the exhibit have been omitted and separately filed with the Securities and Exchange Commission with a request for confidential treatment.

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SIGNATURE S

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DISH NETWORK CORPORATION

By: /s/ *Steven E. Swain*
Steven E. Swain
Senior Vice President and Chief Financial Officer

Date: February 22, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ *Charles W. Ergen* Charles W. Ergen	Chairman and Chief Executive Officer *(Principal Executive Officer)*	February 22, 2017
/s/ Steven E. Swain Steven E. Swain	Senior Vice President and Chief Financial Officer *(Principal Financial Officer)*	February 22, 2017
/s/ Paul W. Orban Paul W. Orban	Senior Vice President and Chief Accounting Officer *(Principal Accounting Officer)*	February 22, 2017
* George R. Brokaw	Director	February 22, 2017
* James DeFranco	Director	February 22, 2017
* Cantey M. Ergen	Director	February 22, 2017
* Steven R. Goodbarn	Director	February 22, 2017
* Charles M. Lillis	Director	February 22, 2017
* Afshin Mohebbi	Director	February 22, 2017
* David K. Moskowitz	Director	February 22, 2017
* Tom A. Ortolf	Director	February 22, 2017
* Carl E. Vogel	Director	February 22, 2017

* By: /s/ *R. Stanton Dodge*
R. Stanton Dodge
Attorney-in-Fact

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIR M

The Board of Directors and Stockholders
DISH Network Corporation:

We have audited the accompanying consolidated balance sheets of DISH Network Corporation and subsidiaries (the Company) as of December 31, 2016 and 2015, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2016. We also have audited DISH Network Corporation's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). DISH Network Corporation's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control Over Financial Reporting* . Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DISH Network Corporation and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also in our opinion, DISH Network Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) .

/s/ KPMG LLP

Denver, Colorado
February 22, 2017

DISH NETWORK CORPORATION
CONSOLIDATED BALANCE SHEET S
(Dollars in thousands, except share amounts)

	As of	
	December 31, 2016	December 31, 2015
Assets		
Current Assets:		
Cash and cash equivalents	$ 5,323,725	$ 1,053,158
Marketable investment securities	35,616	557,911
Trade accounts receivable, net of allowance for doubtful accounts of $17,955 and $22,167, respectively	753,129	864,028
Inventory	464,835	390,328
Derivative financial instruments (Note 2)	—	556,828
Other current assets (Note 8)	1,705,749	120,990
Total current assets	8,283,054	3,543,243
Noncurrent Assets:		
Restricted cash, cash equivalents and marketable investment securities	82,360	82,374
Property and equipment, net	2,557,382	2,924,180
FCC authorizations	16,498,733	15,667,604
Other investment securities	324,371	327,250
Other noncurrent assets, net	345,947	342,059
Total noncurrent assets	19,808,793	19,343,467
Total assets	$ 28,091,847	$ 22,886,710
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities:		
Trade accounts payable	$ 505,986	$ 470,226
Deferred revenue and other	772,831	869,659
Accrued programming	1,542,036	1,532,809
Accrued interest	305,721	224,513
Other accrued expenses	463,831	531,733
Current portion of long-term debt and capital lease obligations	937,580	1,534,000
Total current liabilities	4,527,985	5,162,940
Long-Term Obligations, Net of Current Portion:		
Long-term debt and capital lease obligations, net of current portion	15,541,320	12,221,925
Deferred tax liabilities	2,595,481	2,084,789
Long-term deferred revenue and other long-term liabilities	461,534	385,026
Total long-term obligations, net of current portion	18,598,335	14,691,740
Total liabilities	23,126,320	19,854,680
Commitments and Contingencies (Note 14)		
Redeemable noncontrolling interests (Note 2)	330,634	284,243
Stockholders' Equity (Deficit):		
Class A common stock, $.01 par value, 1,600,000,000 shares authorized, 226,812,205 and 281,866,884 shares issued, 226,812,205 and 225,748,624 shares outstanding, respectively	2,268	2,819
Class B common stock, $.01 par value, 800,000,000 shares authorized, 238,435,208 shares issued and outstanding	2,384	2,384
Additional paid-in capital	3,279,646	2,779,978
Accumulated other comprehensive income (loss)	781	61,981
Accumulated earnings (deficit) (Note 11)	1,352,040	1,471,084
Treasury stock, at cost (Note 11)	—	(1,569,459)
Total DISH Network stockholders' equity (deficit)	4,637,119	2,748,787
Noncontrolling interests	(2,226)	(1,000)
Total stockholders' equity (deficit)	4,634,893	2,747,787
Total liabilities and stockholders' equity (deficit)	$ 28,091,847	$ 22,886,710

The accompanying notes are an integral part of these consolidated financial statements.

DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands, except per share amounts)

	For the Years Ended December 31,		
	2016	2015	2014
Revenue:			
Subscriber-related revenue	$ 15,033,939	$ 14,953,559	$ 14,495,091
Equipment sales and other revenue	60,623	115,342	148,296
Total revenue	15,094,562	15,068,901	14,643,387
Costs and Expenses (exclusive of depreciation shown separately below - Note 8):			
Subscriber-related expenses	8,887,437	8,783,009	8,313,046
Satellite and transmission expenses	726,791	762,832	693,114
Cost of sales - equipment and other	61,915	91,654	107,777
Subscriber acquisition costs:			
Cost of sales - subscriber promotion subsidies	157,955	194,305	255,913
Other subscriber acquisition costs	709,772	908,983	988,718
Subscriber acquisition advertising	603,213	579,260	566,687
Total subscriber acquisition costs	1,470,940	1,682,548	1,811,318
General and administrative expenses	783,224	777,507	815,745
FCC auction expense (Note 14)	—	515,555	—
Depreciation and amortization (Note 8)	953,146	1,000,048	1,077,936
Impairment of long-lived assets (Note 8)	—	123,352	—
Total costs and expenses	12,883,453	13,736,505	12,818,936
Operating income (loss)	2,211,109	1,332,396	1,824,451
Other Income (Expense):			
Interest income	31,164	19,523	61,841
Interest expense, net of amounts capitalized	(52,992)	(494,010)	(611,209)
Other, net	117,182	278,043	(69,341)
Total other income (expense)	95,354	(196,444)	(618,709)
Income (loss) before income taxes	2,306,463	1,135,952	1,205,742
Income tax (provision) benefit, net	(837,009)	(366,676)	(276,840)
Net income (loss)	1,469,454	769,276	928,902
Less: Net income (loss) attributable to noncontrolling interests, net of tax	19,601	22,184	(15,791)
Net income (loss) attributable to DISH Network	$ 1,449,853	$ 747,092	$ 944,693
Weighted-average common shares outstanding - Class A and B common stock:			
Basic	464,807	462,995	460,126
Diluted	484,162	464,697	462,927
Earnings per share - Class A and B common stock:			
Basic net income (loss) per share attributable to DISH Network	$ 3.12	$ 1.61	$ 2.05
Diluted net income (loss) per share attributable to DISH Network	$ 3.05	$ 1.61	$ 2.04
Comprehensive Income (Loss):			
Net income (loss)	$ 1,469,454	$ 769,276	$ 928,902
Other comprehensive income (loss):			
Foreign currency translation adjustments	—	—	3,878
Unrealized holding gains (losses) on available-for-sale securities	3,050	20,205	(11,729)
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(99,312)	(99,361)	7,050
Deferred income tax (expense) benefit, net	35,062	(33,370)	1,436
Total other comprehensive income (loss), net of tax	(61,200)	(112,526)	635
Comprehensive income (loss)	1,408,254	656,750	929,537
Less: Comprehensive income (loss) attributable to noncontrolling interests, net of tax	19,601	22,184	(15,791)
Comprehensive income (loss) attributable to DISH Network	$ 1,388,653	$ 634,566	$ 945,328

The accompanying notes are an integral part of these consolidated financial statements.

DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands)

	Class A and B Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Treasury Stock	Noncontrolling Interests	Total	Redeemable Noncontrolling Interests
Balance, December 31, 2013	$ 5,144	$ 2,588,224	$ 173,872	$ (220,701)	$ (1,569,459)	$ 19,925	$ 997,005	$ —
Issuance of Class A common stock:								
Exercise of stock awards	29	44,719	—	—	—	—	44,748	—
Employee benefits	4	25,777	—	—	—	—	25,781	—
Employee Stock Purchase Plan	1	6,185	—	—	—	—	6,186	—
Non-cash, stock-based compensation	—	34,055	—	—	—	71	34,126	27
Income tax (expense) benefit related to stock awards and other	—	41,707	—	—	—	(691)	41,016	—
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	(4,679)	—	—	—	(4,679)	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	1,436	—	—	—	1,436	—
Foreign currency translation	—	—	3,878	—	—	—	3,878	—
Capital distribution to EchoStar - Satellite and Tracking Stock Transaction, net of deferred taxes of $31,274	—	(51,466)	—	—	—	—	(51,466)	—
Sling TV Exchange Agreement with EchoStar:								
Capital distribution to EchoStar, net of deferred taxes of $3,542	—	(5,845)	—	—	—	(6,118)	(11,963)	—
Deemed distribution to EchoStar - initial fair value of redeemable noncontrolling interest, net of deferred taxes of $8,489	—	(14,011)	—	—	—	—	(14,011)	22,500
Capital contribution from EchoStar - sale of T2 satellite net of deferred taxes of $5,554	—	9,446	—	—	—	—	9,446	—
Redeemable noncontrolling interest recognized - investment in Northstar Spectrum and SNR Holdco	—	—	—	—	—	—	—	20,700
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	(14,062)	(14,062)	(1,729)
Net income (loss) attributable to DISH Network	—	—	—	944,693	—	—	944,693	—
Balance, December 31, 2014	$ 5,178	$ 2,678,791	$ 174,507	$ 723,992	$ (1,569,459)	$ (875)	$ 2,012,134	$ 41,498
Issuance of Class A common stock:								
Exercise of stock awards	20	25,744	—	—	—	—	25,764	—
Employee benefits	4	26,022	—	—	—	—	26,026	—
Employee Stock Purchase Plan	1	8,103	—	—	—	—	8,104	—
Non-cash, stock-based compensation	—	19,072	—	—	—	—	19,072	127
Income tax (expense) benefit related to stock awards and other	—	31,844	—	—	—	691	32,535	—
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	(79,156)	—	—	—	(79,156)	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	(33,370)	—	—	—	(33,370)	—
Revaluation of EchoStar's interest in Sling TV to redemption value, net of deferred taxes of $5,820	—	(9,598)	—	—	—	—	(9,598)	15,418
Redeemable noncontrolling interest recognized - investment in Northstar Spectrum and SNR Holdco	—	—	—	—	—	—	—	204,200
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	(816)	(816)	23,000
Net income (loss) attributable to DISH Network	—	—	—	747,092	—	—	747,092	—
Balance, December 31, 2015	$ 5,203	$ 2,779,978	$ 61,981	$ 1,471,084	$ (1,569,459)	$ (1,000)	$ 2,747,787	$ 284,243

The accompanying notes are an integral part of these consolidated financial statements.

DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) – Continued
(In thousands)

	Class A and B Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Treasury Stock (See Note 12)	Noncontrolling Interests	Total	Redeemable Noncontrolling Interests
Balance, December 31, 2015	$ 5,203	$ 2,779,978	$ 61,981	$ 1,471,084	$ (1,569,459)	$ (1,000)	$ 2,747,787	$ 284,243
Issuance of Class A common stock:								
Exercise of stock awards	5	10,067	—	—	—	—	10,072	—
Employee benefits	4	25,142	—	—	—	—	25,146	—
Employee Stock Purchase Plan	2	8,551	—	—	—	—	8,553	—
Non-cash, stock-based compensation	—	12,826	—	—	—	—	12,826	211
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	(96,262)	—	—	—	(96,262)	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	35,062	—	—	—	35,062	—
Retirement of treasury stock	(562)	—	—	(1,568,897)	1,569,459	—	—	—
Issuance of warrants	—	375,600	—	—	—	—	375,600	—
Initial equity component of the 3 3/8% Convertible Notes due 2026, net of deferred taxes of $286,322	—	487,521	—	—	—	—	487,521	—
Convertible note hedges, net of deferred taxes of $234,987	—	(400,113)	—	—	—	—	(400,113)	—
Revaluation of EchoStar's interest in Sling TV to redemption value, net of deferred taxes of $9,824	—	(16,130)	—	—	—	—	(16,130)	25,954
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	(625)	(625)	20,226
Net income (loss) attributable to DISH Network	—	—	—	1,449,853	—	—	1,449,853	—
Other	—	(3,796)	—	—	—	(601)	(4,397)	—
Balance, December 31, 2016	$ 4,652	$ 3,279,646	$ 781	$ 1,352,040	$ —	$ (2,226)	$ 4,634,893	$ 330,634

The accompanying notes are an integral part of these consolidated financial statements.

DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW S
(In thousands)

	For the Years Ended December 31,		
	2016	2015	2014
Cash Flows From Operating Activities:			
Net income (loss)	$ 1,469,454	$ 769,276	$ 928,902
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Depreciation and amortization	953,146	1,000,048	1,077,936
Impairment of long-lived assets	—	123,352	—
Realized and unrealized losses (gains) on investments	(119,092)	(287,250)	60,515
Non-cash, stock-based compensation	13,037	19,199	34,153
Deferred tax expense (benefit)	506,932	206,392	134,535
Change in long-term deferred revenue and other long-term liabilities	76,508	104,233	26,581
Other, net	4,354	18,323	106,772
Changes in current assets and current liabilities, net			
Trade accounts receivable	115,111	88,901	217
Allowance for doubtful accounts	(4,212)	(1,436)	7,622
Prepaid and accrued income taxes	(144,256)	64,775	85,586
Inventory	(49,560)	116,503	380
Other current assets	17,509	15,632	3,263
Trade accounts payable	35,760	56,633	(212,664)
Deferred revenue and other	(96,828)	(21,714)	46,197
Accrued programming and other accrued expenses	24,289	163,213	78,129
Net cash flows from operating activities	2,802,152	2,436,080	2,378,124
Cash Flows From Investing Activities:			
Purchases of marketable investment securities	(345,210)	(447,901)	(4,119,489)
Sales and maturities of marketable investment securities	868,792	2,054,805	7,054,104
Purchases of derivative financial instruments	—	—	(149,969)
Settlement of derivative financial instruments	562,234	—	—
Purchases of property and equipment	(603,021)	(761,694)	(1,001,861)
Capitalized interest related to FCC authorizations (Note 2)	(724,329)	(352,683)	(214,000)
Purchases of FCC authorizations (Note 14)	—	(8,970,389)	(1,343,372)
AWS-3 FCC license refunds (deposits) (Note 14)	—	400,000	(1,320,000)
Other, net (Note 8)	(1,487,130)	3,713	131,510
Net cash flows from investing activities	(1,728,664)	(8,074,149)	(963,077)
Cash Flows From Financing Activities:			
Proceeds from issuance of senior notes (Note 9)	2,000,000	—	2,000,000
Proceeds from issuance of convertible notes (Note 9)	3,000,000	—	—
Purchases of convertible note hedges (Note 9)	(635,100)	—	—
Proceeds from issuance of warrants (Note 9)	375,600	—	—
Redemption and repurchases of senior notes (Note 9)	(1,500,000)	(650,001)	(1,099,999)
Capital contributions from Northstar Manager and SNR Management (Note 14)	—	204,200	20,700
Repayment of long-term debt and capital lease obligations	(34,824)	(31,525)	(31,653)
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	18,625	33,868	50,934
Debt issuance costs	(26,622)	—	(7,677)
Other, net	(600)	30,189	47,962
Net cash flows from financing activities	3,197,079	(413,269)	980,267
Net increase (decrease) in cash and cash equivalents	4,270,567	(6,051,338)	2,395,314
Cash and cash equivalents, beginning of period	1,053,158	7,104,496	4,709,182
Cash and cash equivalents, end of period	$ 5,323,725	$ 1,053,158	$ 7,104,496

The accompanying notes are an integral part of these consolidated financial statements.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business Activitie s

Principal Business

DISH Network Corporation is a holding company. Its subsidiaries (which together with DISH Network Corporation are referred to as "DISH Network," the "Company," "we," "us" and/or "our," unless otherwise required by the context) operate two primary business segments.

Pay-TV and Broadband

We offer pay-TV services under the DISH® brand and the Sling® brand (collectively "Pay-TV" services). The DISH branded pay-TV service consists of, among other things, Federal Communications Commission ("FCC") licenses authorizing us to use direct broadcast satellite ("DBS") and Fixed Satellite Service ("FSS") spectrum, our owned and leased satellites, receiver systems, third-party broadcast operations, customer service facilities, a leased fiber optic network, in-home service and call center operations, and certain other assets utilized in our operations. The Sling branded pay-TV services consist of, among other things, live, linear streaming over-the-top ("OTT") Internet-based domestic, international and Latino video programming services ("Sling TV"). Prior to 2015, we launched our Sling International video programming service (formerly known as DishWorld), which historically represented a small percentage of our Pay-TV subscribers. In February and June 2015, we launched our Sling domestic and Sling Latino services, respectively. In addition to our original Sling domestic service that could only be streamed on one device at a time (single-stream service), in April 2016, we launched a live beta multi-stream Sling domestic service, which includes, among other things, the ability to stream on up to three devices simultaneously. In June 2016, our multi-stream Sling domestic service transitioned from its introductory beta period and was re-branded as Sling Blue. Meanwhile, we re-branded our original single-stream Sling domestic service as Sling Orange. All Sling branded pay-TV subscribers are included in our Pay-TV subscriber count. As of December 31, 2016, we had 13.671 million Pay-TV subscribers in the United States.

In addition, we market broadband services under the dishNET™ brand, which had 0.580 million subscribers in the United States as of December 31, 2016. Our satellite broadband service utilizes advanced technology and high-powered satellites launched by Hughes Communications, Inc. ("Hughes") and ViaSat, Inc. ("ViaSat") to provide broadband coverage nationwide. This service primarily targets rural residents that are underserved, or unserved, by wireline broadband. In addition to the dishNET branded satellite broadband service, we also offer wireline broadband services under the dishNET brand as a competitive local exchange carrier to consumers in certain areas in 34 states and wireline voice services in certain areas of 14 of these states located in the western United States. We primarily bundle our dishNET branded services with our DISH branded pay-TV service.

Wireless

DISH Network Spectrum

We have invested over $5.0 billion since 2008 to acquire certain wireless spectrum licenses and related assets. These wireless spectrum licenses are subject to certain interim and final build-out requirements. As we consider our options for the commercialization of our wireless spectrum, we may incur significant additional expenses and may have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure, as well as the acquisition of additional wireless spectrum.

Auction 1000. On February 10, 2016, we filed an application with the FCC to potentially participate as a bidder in the forward auction phase of the broadcast incentive auction in the 600 MHz frequency range ("Auction 1000"). The available spectrum in each licensed geographic area in Auction 1000 is generally comprised of certain paired 5x5 spectrum blocks (5 MHz uplink spectrum and 5 MHz downlink spectrum). As a result, a nationwide footprint may be obtained by aggregating a single 5x5 spectrum block in each available licensed geographic area.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Auction 1000 has had multiple stages, with each stage having two phases. With respect to each stage, in the first phase, or reverse auction phase, participating television broadcasters "sell" their rights to use certain broadcast television spectrum in the 600 MHz frequency range to the FCC. Then following the first phase of a stage, in the second phase, or forward auction phase, the FCC will "resell" that spectrum to auction participants. In the event that certain criteria are not met within a particular stage for Auction 1000 to conclude, Auction 1000 then proceeds to a subsequent stage with less available spectrum than the immediately preceding stage and lower spectrum clearing targets.

Before the forward auction phase of Stage 1 of Auction 1000 began, a qualified bidder in the forward auction could make an upfront deposit of up to approximately $5.4 billion. On July 15, 2016, the FCC announced that a subsidiary of DISH Network and 61 other applicants were qualified to participate in the forward auction. The FCC determined that bidding in Auction 1000 will be "anonymous," which means that prior to and during the course of the auction, the FCC will not make public any information about a specific applicant's upfront deposits or its bids. In addition, FCC rules restrict information that applicants may disclose about their participation in Auction 1000.

- *Stage 1:* The reverse auction phase of Stage 1 began on March 29, 2016 and ended on June 29, 2016. Pursuant to the FCC's procedures for Auction 1000 and based on the results of the reverse auction phase of Stage 1, in order for Auction 1000 to have ultimately concluded, the aggregate bids in the forward auction phase of Stage 1 would have had to have exceeded approximately $88.4 billion. The forward auction phase of Stage 1 included 100 MHz of spectrum in over 90%of the available licensed geographic areas, based on the broadcasters' indicated availability of spectrum in the reverse auction phase. The forward auction phase of Stage 1 began on August 16, 2016 and ended on August 30, 2016, but the aggregate bids of approximately $23.1 billion did not exceed the approximately $88.4 billion required for Auction 1000 to ultimately conclude. As a result, Auction 1000 moved to Stage 2.

- *Stage 2:* The reverse auction phase of Stage 2 began on September 13, 2016 and ended on October 13, 2016. Pursuant to the FCC's procedures for Auction 1000 and based on the results of the reverse auction phase of Stage 2, in order for Auction 1000 to have ultimately concluded, the aggregate bids in the forward auction phase of Stage 2 would have had to have exceeded approximately $56.5 billion. The forward auction phase of Stage 2 included 90 MHz of spectrum in over 90% of the available licensed geographic areas, based on the broadcasters' indicated availability of spectrum in the reverse auction phase. The forward auction phase of Stage 2 began and ended on October 19, 2016, but the aggregate bids of approximately $21.5 billion did not exceed the approximately $56.5 billion required for Auction 1000 to ultimately conclude. As a result, Auction 1000 moved to Stage 3.

- *Stage 3:* The reverse auction phase of Stage 3 began on November 1, 2016 and ended on December 1, 2016. Pursuant to the FCC's procedures for Auction 1000 and based on the results of the reverse auction phase of Stage 3, in order for Auction 1000 to have ultimately concluded, the aggregate bids in the forward auction phase of Stage 3 would have had to have exceeded approximately $42.3 billion. The forward auction phase of Stage 3 included 80 MHz of spectrum in over 90% of the available licensed geographic areas, based on the broadcasters' indicated availability of spectrum in the reverse auction phase. The forward auction phase of Stage 3 began and ended on December 5, 2016, but the aggregate bids of approximately $19.7 billion did not exceed the approximately $42.3 billion required for Auction 1000 to ultimately conclude. As a result, Auction 1000 moved to Stage 4.

- Stage 4: The reverse auction phase of Stage 4 began on December 13, 2016 and ended on January 13, 2017. Pursuant to the FCC's procedures for Auction 1000 and based on the results of the reverse auction phase of Stage 4, in order for Auction 1000 to ultimately conclude , the aggregate bids in the forward auction phase of Stage 4 would have to exceed approximately $12.0 billion. The forward auction phase of Stage 4 includes 70 MHz of spectrum in over 90% of the available licensed geographic areas, based on the broadcasters' indicated availability of spectrum in the reverse auction phase. The clock bidding portion of the forward auction phase of Stage 4 began on January 18, 2017 and ended on February 10, 2017. The aggregate bids of approximately $19.6 billion exceeded the approximately $12.0 billion required for Auction 1000 to ultimately conclude. As a result, Auction 1000 moved to the assignment portion of the forward auction phase in which winning bidders in the clock bidding portion have the opportunity to bid for frequency-specific licenses. The assignment portion is scheduled to begin on March 6, 2017, and all assignment rounds are expected to end no later than March 30, 2017. During the assignment portion, the FCC rules restricting information that forward auction applicants may disclose about their participation in Auction 1000 remain in place. As mentioned above, a subsidiary of DISH Network qualified to participate in the forward auction. To the extent that it is the winning bidder for any 600 MHz licenses, we would expect to pay for such licenses from any upfront deposit made with the FCC and/or existing cash and marketable investment securities balances.

See Note 14 for further information.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

Through our wholly-owned subsidiaries American AWS-3 Wireless II L.L.C. ("American II") and American AWS-3 Wireless III L.L.C. ("American III"), we have made over $10.0 billion in certain non-controlling investments in Northstar Spectrum, LLC ("Northstar Spectrum"), the parent company of Northstar Wireless, LLC ("Northstar Wireless," and collectively with Northstar Spectrum, the "Northstar Entities"), and in SNR Wireless HoldCo, LLC ("SNR HoldCo"), the parent company of SNR Wireless LicenseCo, LLC ("SNR Wireless," and collectively with SNR HoldCo, the "SNR Entities"), respectively. On October 27, 2015, the FCC granted certain AWS-3 wireless spectrum licenses (the "AWS-3 Licenses") to Northstar Wireless and to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Consolidated Balance Sheets. Under the applicable accounting guidance in Accounting Standards Codification 810, Consolidation ("ASC 810"), Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we have consolidated these entities into our financial statements beginning in the fourth quarter 2014. See Note 2 for further information.

The AWS-3 Licenses are subject to certain interim and final build-out requirements. We may need to make significant additional loans to the Northstar Entities and to the SNR Entities, or they may need to partner with others, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate these AWS-3 Licenses, and comply with regulations applicable to such AWS-3 Licenses. Depending upon the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such loans or partnerships could vary significantly. There can be no assurance that we will be able to obtain a profitable return on our non-controlling investments in the Northstar Entities and the SNR Entities.

See Note 14 for further information.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

2. Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

We consolidate all majority owned subsidiaries, investments in entities in which we have controlling influence and variable interest entities where we have been determined to be the primary beneficiary. Minority interests are recorded as noncontrolling interests or redeemable noncontrolling interests. See below for further information. Non-consolidated investments are accounted for using the equity method when we have the ability to significantly influence the operating decisions of the investee. When we do not have the ability to significantly influence the operating decisions of an investee, the cost method is used. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current period presentation.

Redeemable Noncontrolling Interests

Sling TV. Sling TV Holding L.L.C. ("Sling TV Holding," formerly known as DISH Digital Holding L.L.C.) has been consolidated into our financial statements since July 1, 2012. Effective August 1, 2014, EchoStar Corporation ("EchoStar") and Sling TV Holding entered into an exchange agreement (the "Exchange Agreement") pursuant to which, among other things, Sling TV Holding distributed certain assets to EchoStar and EchoStar reduced its interest in Sling TV Holding to a ten percent non-voting interest.

EchoStar's ten percent non-voting interest is redeemable contingent on a certain performance goal being achieved by Sling TV Holding. In addition, subject to certain conditions, the interest is redeemable at fair value within sixty days following the fifth anniversary of the Exchange Agreement. This interest is considered temporary equity and is recorded as "Redeemable noncontrolling interests" in the mezzanine section of our Consolidated Balance Sheets. EchoStar's redeemable noncontrolling interest in Sling TV Holding was initially accounted for at fair value. The performance goal has been determined to be probable of achievement. Accordingly, the value of EchoStar's redeemable noncontrolling interest in Sling TV Holding is adjusted each reporting period for any change in redemption value above the initial fair value (adjusted for the operating results of Sling TV Holding attributable to EchoStar subsequent to August 1, 2014), with the offset recorded in "Additional paid-in capital," net of deferred taxes, on our Consolidated Balance Sheets. The operating results of Sling TV Holding attributable to EchoStar are recorded as "Redeemable noncontrolling interests" in our Consolidated Balance Sheets effective August 1, 2014, with the offset recorded in "Net income (loss) attributable to noncontrolling interests, net of tax" on our Consolidated Statements of Operations and Comprehensive Income (Loss). On January 31, 2017, we entered into a Share Exchange Agreement with EchoStar pursuant to which, among other things, EchoStar will transfer its ten percent non-voting interest in Sling TV Holding to us. See Note 18 for further information on Sling TV Holding, the Exchange Agreement and the Share Exchange Agreement.

Northstar Wireless. Northstar Wireless is a wholly-owned subsidiary of Northstar Spectrum, which is an entity owned by Northstar Manager, LLC ("Northstar Manager") and us. Under the applicable accounting guidance in ASC 810, Northstar Spectrum is considered a variable interest entity and, based on the characteristics of the structure of this entity and in accordance with the applicable accounting guidance, we have consolidated Northstar Spectrum into our financial statements beginning in the fourth quarter 2014. After the five-year anniversary of the grant of the AWS-3 Licenses to Northstar Wireless (and in certain circumstances, prior to the five-year anniversary of the grant of the AWS-3 Licenses to Northstar Wireless), Northstar Manager has the ability, but not the obligation, to require Northstar Spectrum to purchase Northstar Manager's ownership interests in Northstar Spectrum (the "Northstar Put Right") for a purchase price that generally equals its equity contribution to Northstar Spectrum plus a fixed annual rate of return. In the event that the Northstar Put Right is exercised by Northstar Manager, the consummation of the sale will be subject to FCC approval. Northstar Spectrum does not have a call right with respect to Northstar Manager's ownership interests in Northstar Spectrum. Although Northstar Manager is the sole manager of Northstar Spectrum, Northstar Manager's ownership interest is considered temporary equity under the applicable accounting guidance and is thus recorded as part of "Redeemable noncontrolling interests" in the mezzanine section of our Consolidated Balance Sheets. Northstar Manager's ownership interest in Northstar Spectrum was initially accounted for at fair value. Subsequently, Northstar Manager's ownership interest in Northstar Spectrum is increased by the fixed annual rate of return through "Redeemable noncontrolling interests" in our Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interest, net of tax" on our Consolidated Statements of Operations and Comprehensive Income (Loss). The operating results of Northstar Spectrum attributable to Northstar Manager are recorded as "Redeemable noncontrolling interests" in our Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interests, net of tax" on our Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 14 for further information.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

SNR Wireless . SNR Wireless is a wholly-owned subsidiary of SNR HoldCo, which is an entity owned by SNR Wireless Management, LLC ("SNR Management") and us. Under the applicable accounting guidance in ASC 810, SNR HoldCo is considered a variable interest entity and, based on the characteristics of the structure of this entity and in accordance with the applicable accounting guidance, we have consolidated SNR HoldCo into our financial statements beginning in the fourth quarter 2014. After the five-year anniversary of the grant of the AWS-3 Licenses to SNR Wireless (and in certain circumstances, prior to the five-year anniversary of the grant of the AWS-3 Licenses to SNR Wireless), SNR Management has the ability, but not the obligation, to require SNR HoldCo to purchase SNR Management's ownership interests in SNR HoldCo (the "SNR Put Right") for a purchase price that generally equals its equity contribution to SNR HoldCo plus a fixed annual rate of return. In the event that the SNR Put Right is exercised by SNR Management, the consummation of the sale will be subject to FCC approval. SNR HoldCo does not have a call right with respect to SNR Management's ownership interests in SNR HoldCo. Although SNR Management is the sole manager of SNR HoldCo, SNR Management's ownership interest is considered temporary equity under the applicable accounting guidance and is thus recorded as part of "Redeemable noncontrolling interests" in the mezzanine section of our Consolidated Balance Sheets. SNR Management's ownership interest in SNR HoldCo was initially accounted for at fair value. Subsequently, SNR Management's ownership interest in SNR HoldCo is increased by the fixed annual rate of return through "Redeemable noncontrolling interests" in our Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interest, net of tax" on our Consolidated Statements of Operations and Comprehensive Income (Loss). The operating results of SNR HoldCo attributable to SNR Management are recorded as "Redeemable noncontrolling interests" in our Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interests, net of tax" on our Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 14 for further information.

Discontinued Operations

On April 26, 2011, we completed the acquisition of most of the assets of Blockbuster, Inc. As of December 31, 2013, Blockbuster had ceased material operations. On January 14, 2014, we completed the sale of our Blockbuster operations in Mexico. Our Consolidated Statements of Cash Flows for the year ended December 31, 2014 was impacted by outflows of $30 million related to discontinued operations from "Net cash flows from operating activities" and inflows of $21 million related to discontinued operations from "Net cash flows from investing activities." Our 2016 and 2015 consolidated financial statements and our 2014 Consolidated Statements of Operations and Comprehensive Income (Loss) has no impact from discontinued operations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense for each reporting period. Estimates are used in accounting for, among other things, allowances for doubtful accounts, self-insurance obligations, deferred taxes and related valuation allowances, uncertain tax positions, loss contingencies, fair value of financial instruments, fair value of options granted under our stock-based compensation plans, fair value of assets and liabilities acquired in business combinations, fair value of multi-element arrangements, capital leases, asset impairments, estimates of future cash flows used to evaluate impairments, useful lives of property, equipment and intangible assets, independent third-party retailer incentives, programming expenses and subscriber lives. Economic conditions may increase the inherent uncertainty in the estimates and assumptions indicated above. Actual results may differ from previously estimated amounts, and such differences may be material to our consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected prospectively in the period they occur.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Cash and Cash Equivalents

We consider all liquid investments purchased with a remaining maturity of 90 days or less at the date of acquisition to be cash equivalents. Cash equivalents as of December 31, 2016 and 2015 may consist of money market funds, government bonds, corporate notes and commercial paper. The cost of these investments approximates their fair value.

Marketable Investment Securities

We currently classify all marketable investment securities as available-for-sale, except for investments which we accounted for under the fair value option, discussed below. We adjust the carrying amount of our available-for-sale securities to fair value and report the related temporary unrealized gains and losses as a separate component of "Accumulated other comprehensive income (loss)" within "Total stockholders' equity (deficit)," net of related deferred income tax. Declines in the fair value of a marketable investment security which are determined to be "other-than-temporary" are recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss), thus establishing a new cost basis for such investment. For certain of our marketable investment securities, we elected to recognize the changes in fair value through "Other, net" within "Other Income (Expense)" on our Consolidated Statements of Operations and Comprehensive Income (Loss) (the "Fair Value Option").

We evaluate our marketable investment securities portfolio on a quarterly basis to determine whether declines in the fair value of these securities are other-than-temporary. This quarterly evaluation consists of reviewing, among other things:

- the fair value of our marketable investment securities compared to the carrying amount,
- the historical volatility of the price of each security, and
- any market and company specific factors related to each security.

Declines in the fair value of debt and equity investments below cost basis are generally accounted for as follows:

Length of Time Investment Has Been In a Continuous Loss Position	Treatment of the Decline in Value (absent specific factors to the contrary)
Less than six months	Generally, considered temporary.
Six to nine months	Evaluated on a case by case basis to determine whether any company or market-specific factors exist indicating that such decline is other-than-temporary.
Greater than nine months	Generally, considered other-than-temporary. The decline in value is recorded as a charge to earnings.

Additionally, in situations where the fair value of a debt security is below its carrying amount, we consider the decline to be other-than-temporary and record a charge to earnings if any of the following factors apply:

- we have the intent to sell the security,
- it is more likely than not that we will be required to sell the security before maturity or recovery, or
- we do not expect to recover the security's entire amortized cost basis, even if there is no intent to sell the security.

In general, we use the first in, first out method to determine the cost basis on sales of marketable investment securities.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Trade Accounts Receivable

Management estimates the amount of required allowances for the potential non-collectability of accounts receivable based upon past collection experience and consideration of other relevant factors. However, past experience may not be indicative of future collections and therefore additional charges could be incurred in the future to reflect differences between estimated and actual collections.

Inventory

Inventory is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. The cost of manufactured inventory includes the cost of materials, labor, freight-in, royalties and manufacturing overhead. Net realizable value is calculated as the estimated selling price less reasonable costs necessary to complete, sell, transport and dispose of the inventory.

Property and Equipment

Property and equipment are stated at amortized cost less impairment losses, if any. The costs of satellites under construction, including interest and certain amounts prepaid under our satellite service agreements, are capitalized during the construction phase, assuming the eventual successful launch and in-orbit operation of the satellite. If a satellite were to fail during launch or while in-orbit, the resultant loss would be charged to expense in the period such loss was incurred. The amount of any such loss would be reduced to the extent of insurance proceeds estimated to be received, if any. Depreciation is recorded on a straight-line basis over useful lives ranging from one to 40 years. Repair and maintenance costs are charged to expense when incurred. Renewals and improvements that add value or extend the asset's useful life are capitalized.

Impairment of Long-Lived Assets

We review our long-lived assets and identifiable finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For assets which are held and used in operations, the asset would be impaired if the carrying amount of the asset (or asset group) exceeded its undiscounted future net cash flows. Once an impairment is determined, the actual impairment recognized is the difference between the carrying amount and the fair value as estimated using one of the following approaches: income, cost and/or market. Assets which are to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. The carrying amount of a long-lived asset or asset group is considered impaired when the anticipated undiscounted cash flows from such asset or asset group is less than its carrying amount. In that event, a loss is recorded in "Impairment of long-lived assets" on our Consolidated Statements of Operations and Comprehensive Income (Loss) based on the amount by which the carrying amount exceeds the fair value of the long-lived asset or asset group. Fair value, using the income approach, is determined primarily using a discounted cash flow model that uses the estimated cash flows associated with the asset or asset group under review, discounted at a rate commensurate with the risk involved. Fair value, utilizing the cost approach, is determined based on the replacement cost of the asset reduced for, among other things, depreciation and obsolescence. Fair value, utilizing the market approach, benchmarks the fair value against the carrying amount. See Note 8 for further information.

DBS Satellites . We currently evaluate our DBS satellite fleet for impairment as one asset group whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. We do not believe any triggering event has occurred which would indicate impairment as of December 31, 2016.

AWS-4 Satellites. We currently evaluate our AWS-4 satellite fleet for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. We do not believe any triggering event has occurred which would indicate impairment as of December 31, 2016. For the year ended December 31, 2015, we wrote down the net book value of the D1 satellite and related ground equipment to its fair value as of December 31, 2015 and recorded a $123 million impairment charge in "Impairment of long-lived assets" on our Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 8 for further information.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Indefinite-Lived Intangible Assets and Goodwill

We do not amortize indefinite-lived intangible assets and goodwill but test these assets for impairment annually, during the fourth quarter or more often if indicators of impairment arise. Intangible assets that have finite lives are amortized over their estimated useful lives and tested for impairment as described above for long-lived assets. Our intangible assets with indefinite lives primarily consist of FCC licenses. Generally, we have determined that our FCC licenses have indefinite useful lives due to the following:

- FCC licenses are a non-depleting asset;
- existing FCC licenses are integral to our business segments and will contribute to cash flows indefinitely;
- replacement DBS satellite applications are generally authorized by the FCC subject to certain conditions, without substantial cost under a stable regulatory, legislative and legal environment;
- maintenance expenditures to obtain future cash flows are not significant;
- FCC licenses are not technologically dependent; and
- we intend to use these assets indefinitely.

DBS FCC Licenses. We combine all of our indefinite-lived DBS FCC licenses that we currently utilize or plan to utilize in the future into a single unit of accounting. For 2016 and 2015, management performed a qualitative assessment to determine whether it is more likely than not that the fair value of the DBS FCC licenses exceeds its carrying amount. In our assessment, we considered several qualitative factors, including, among others, overall financial performance, industry and market considerations, and relevant company specific events. In contemplating all factors in their totality, we concluded that it is more likely than not that the fair value of the DBS FCC licenses exceeds its carrying amount. As such, no further analysis was required.

The DBS FCC licenses were assessed quantitatively in 2014. Our quantitative assessments consisted of a discounted cash flow analysis encompassing future cash flows from satellites transmitting from such licensed orbital locations, including revenue attributable to programming offerings from such satellites, the direct operating and subscriber acquisition costs related to such programming, and future capital costs for replacement satellites. Projected revenue and cost amounts included projected subscribers. In conducting our annual impairment test in 2014, we determined that the fair value of the DBS FCC licenses exceeded its carrying amount.

Wireless Spectrum Licenses. We combine our AWS-4 and H Block wireless spectrum licenses and the Northstar Licenses and SNR Licenses into a single unit of accounting. For 2016 and 2015, management performed a qualitative assessment to determine whether it is more likely than not that the fair value of these licenses exceeds the carrying amount of these licenses. In our assessment, we considered several qualitative factors, including, among others, macroeconomic conditions, industry and market conditions, relevant company specific events, and perception of the market. In contemplating all factors in their totality, we concluded that it is more likely than not that the fair value of these licenses exceeds the carrying amount of these licenses. As such, no further analysis was required.

The AWS-4 and H Block wireless spectrum licenses were assessed quantitatively in 2014. Our quantitative assessment consisted of an income approach and a market approach. The income approach consisted of a probability weighted analysis considering estimated future cash flows discounted at a rate commensurate with the risk involved. The market approach benchmarked the fair value of the AWS-4 and H-Block wireless spectrum licenses against the carrying amount of these licenses. In conducting our annual impairment test in 2014, we determined that the fair value of the AWS-4 and H Block wireless spectrum licenses exceeded the carrying amount of these licenses.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Our 700 MHz wireless spectrum licenses are assessed as a single unit of accounting. For 2016 and 2015, management performed a qualitative assessment to determine whether it is more likely than not that the fair value of the 700 MHz wireless spectrum licenses exceeds its carrying amount. In our assessment, we considered several qualitative factors, including, among others, macroeconomic conditions, industry and market conditions, relevant company specific events, and perception of the market. In contemplating all factors in their totality, we concluded that it is more likely than not that the fair value of these licenses exceeds its carrying amount. As such, no further analysis was required.

The 700 MHz wireless spectrum licenses were assessed quantitatively in 2014, in which the estimated fair value for the 700 MHz licenses was determined using the market approach. The market approach benchmarks the fair value of the 700 MHz licenses against its carrying amount. In conducting our annual impairment test in 2014, we determined that the fair value of the 700 MHz wireless spectrum licenses exceeded its carrying amount.

Changes in circumstances or market conditions could result in a write-down of any of the above wireless spectrum licenses in the future.

Capitalized Interest

We capitalize interest associated with the acquisition or construction of certain assets, including, among other things, satellites and wireless spectrum licenses. Capitalization of interest begins when, among other things, steps are taken to prepare the asset for its intended use and ceases when the asset is ready for its intended use or when these activities are substantially suspended.

We are currently preparing for the commercialization of our AWS-4 and H Block wireless spectrum licenses, and interest expense related to their carrying amount is being capitalized. In addition, on October 27, 2015, the FCC granted certain AWS-3 Licenses to Northstar Wireless and to SNR Wireless, respectively, in which we have made certain non-controlling investments. Northstar Wireless and SNR Wireless are preparing for the commercialization of their AWS-3 Licenses and began capitalizing interest related to those AWS-3 Licenses as of October 27, 2015. As the carrying amount of these licenses is significant compared to the carrying value of our long-term debt, a substantial portion of our interest expense is capitalized.

Business Combinations

When we acquire a business, we allocate the purchase price to the various components of the acquisition based upon the fair value of each component using various valuation techniques, including the market approach, income approach and/or cost approach. The accounting standard for business combinations requires most identifiable assets, liabilities, noncontrolling interests and goodwill acquired to be recorded at fair value. Transaction costs related to the acquisition of the business are expensed as incurred. Costs associated with the issuance of debt associated with a business combination are capitalized and included as a yield adjustment to the underlying debt's stated rate. Acquired intangible assets other than goodwill are amortized over their estimated useful lives unless the lives are determined to be indefinite. Amortization of these intangible assets are recorded on a straight line basis over an average finite useful life primarily ranging from approximately two to ten years or in relation to the estimated discounted cash flows over the life of the intangible asset.

Other Investment Securities

Generally, we account for our unconsolidated equity investments under either the equity method or cost method of accounting. Because these equity securities are generally not publicly traded, it is not practical to regularly estimate the fair value of the investments; however, these investments are subject to an evaluation for other-than-temporary impairment on a quarterly basis. This quarterly evaluation consists of reviewing, among other things, company business plans, current financial statements and key financial metrics, if available, for factors that may indicate an impairment of our investment. Such factors may include, but are not limited to, cash flow concerns, material litigation, violations of debt covenants and changes in business strategy. The fair value of these equity investments is not estimated unless there are identified changes in circumstances that may indicate an impairment exists and these changes are likely to have a significant adverse effect on the fair value of the investment.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Long-Term Deferred Revenue and Other Long-Term Liabilities

Certain programmers provide us up-front payments. Such amounts are deferred and recognized as reductions to "Subscriber-related expenses" on a straight-line basis over the relevant remaining contract term (generally up to ten years). The current and long-term portions of these deferred credits are recorded in our Consolidated Balance Sheets in "Deferred revenue and other" and "Long-term deferred revenue and other long-term liabilities," respectively.

Sales Taxes

We account for sales taxes imposed on our goods and services on a net basis in our Consolidated Statements of Operations and Comprehensive Income (Loss). Since we primarily act as an agent for the governmental authorities, the amount charged to the customer is collected and remitted directly to the appropriate jurisdictional entity.

Income Taxes

We establish a provision for income taxes currently payable or receivable and for income tax amounts deferred to future periods. Deferred tax assets and liabilities are recorded for the estimated future tax effects of differences that exist between the book and tax basis of assets and liabilities. Deferred tax assets are offset by valuation allowances when we believe it is more likely than not that such net deferred tax assets will not be realized.

Accounting for Uncertainty in Income Taxes

From time to time, we engage in transactions where the tax consequences may be subject to uncertainty. We record a liability when, in management's judgment, a tax filing position does not meet the more likely than not threshold. For tax positions that meet the more likely than not threshold, we may record a liability depending on management's assessment of how the tax position will ultimately be settled. We adjust our estimates periodically for ongoing examinations by and settlements with various taxing authorities, as well as changes in tax laws, regulations and precedent. We classify interest and penalties, if any, associated with our uncertain tax positions as a component of "Interest expense, net of amounts capitalized" and "Other, net," respectively, on our Consolidated Statements of Operations and Comprehensive Income (Loss).

Fair Value Measurements

We determine fair value based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Market or observable inputs are the preferred source of values, followed by unobservable inputs or assumptions based on hypothetical transactions in the absence of market inputs. We apply the following hierarchy in determining fair value:

- Level 1, defined as observable inputs being quoted prices in active markets for identical assets;
- Level 2, defined as observable inputs other than quoted prices included in Level 1, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; and derivative financial instruments indexed to marketable investment securities; and
- Level 3, defined as unobservable inputs for which little or no market data exists, consistent with reasonably available assumptions made by other participants therefore requiring assumptions based on the best information available.

As of December 31, 2016 and 2015, the carrying amount for cash and cash equivalents, trade accounts receivable (net of allowance for doubtful accounts) and current liabilities (excluding the "Current portion of long-term debt and capital lease obligations") is equal to or approximates fair value due to their short-term nature or proximity to current market rates. See Note 6 for the fair value of our marketable investment securities and derivative financial instruments.

Fair values for our publicly traded debt securities are based on quoted market prices, when available. The fair values of private debt are based on, among other things, available trade information, and/or an analysis in which we evaluate market conditions, related securities, various public and private offerings, and other publicly available information. In performing this analysis, we make various assumptions regarding, among other things, credit spreads, and the impact of these factors on the value of the debt securities. See Note 9 for the fair value of our long-term debt.

Deferred Debt Issuance Costs and Debt Discounts

In accordance with accounting guidance on embedded conversion features, we value and bifurcate the conversion option associated with convertible notes from the host debt instrument. The resulting debt discount is deferred and amortized to interest expense using the effective interest rate method over the terms of the respective notes.

Costs of issuing debt are generally deferred and amortized to interest expense using the effective interest rate method over the terms of the respective notes.

See Note 9 for further information.

Revenue Recognition

We recognize revenue when an arrangement exists, prices are determinable, collectability is reasonably assured and the goods or services have been delivered.

Revenue from our Pay-TV services are recognized when programming is broadcast to subscribers. We recognize revenue from our broadband services when the service is provided. Payments received from Pay-TV and Broadband subscribers in advance of the broadcast or service period are recorded as "Deferred revenue and other" in our Consolidated Balance Sheets until earned.

For certain of our promotions, subscribers are charged an upfront fee. A portion of these fees may be deferred and recognized over the estimated subscriber life for new subscribers or the estimated remaining life for existing subscribers ranging from four to five years. Revenue from advertising sales is recognized when the related services are performed.

Subscriber fees for DISH branded pay-TV equipment rental fees and other hardware related fees, including fees for DVRs, fees for broadband equipment and additional outlet fees, advertising services and fees earned from our in-home service operations are recognized as revenue as earned. Generally, revenue from equipment sales and equipment upgrades is recognized upon shipment to customers. Revenue from sales of steaming-capable devices for our Sling branded pay-TV services are recognized over the promotion period.

Certain of our existing and new subscriber promotions include programming discounts. Programming revenues are recorded as earned at the discounted monthly rate charged to the subscriber.

We offer our customers the opportunity to download movies for a specific viewing period or permanently purchase a movie from our website. We recognize revenue when the movie is successfully downloaded by the customer, which, based on our current technology, occurs at the time the customer plays the movie for the first time.

Subscriber-Related Expenses

The cost of television programming distribution rights is generally incurred on a per subscriber basis and various upfront carriage payments are recognized when the related programming is distributed to subscribers. Long-term flat rate programming contracts are charged to expense using the straight-line method over the term of the agreement. The cost of television programming rights to distribute live sporting events for a season or tournament is charged to expense using the straight-line method over the course of the season or tournament.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

"Subscriber-related expenses" in the Consolidated Statements of Operations and Comprehensive Income (Loss) principally include programming expenses, costs for Pay-TV and broadband services incurred in connection with our in-home service and call center operations, billing costs, refurbishment and repair costs related to DBS receiver systems and broadband equipment , subscriber retention, other variable subscriber expenses and monthly wholesale fees paid to broadband providers. These costs are recognized as the services are performed or as incurred. The cost of broadband services is expensed monthly and generally incurred on a per subscriber basis.

Subscriber Acquisition Costs

Subscriber acquisition costs in our Consolidated Statements of Operations and Comprehensive Income (Loss) consist of costs incurred to acquire new Pay-TV and Broadband subscribers through independent third parties and our direct sales distribution channel. Subscriber acquisition costs include the following line items from our Consolidated Statements of Operations and Comprehensive Income (Loss):

- *"Cost of sales — subscriber promotion subsidies"* includes the cost of our DBS receiver systems sold to independent third-party retailers and other distributors of our equipment and DBS receiver systems sold directly by us to DISH branded pay-TV subscribers.

- *"Other subscriber acquisition costs"* includes net costs related to promotional incentives and costs related to installation and other promotional subsidies for our DISH branded pay-TV service as well as our direct sales efforts and commissions for our Sling branded pay-TV services.

- *"Subscriber acquisition advertising"* includes advertising and marketing expenses related to the acquisition of new Pay-TV and Broadband subscribers. Advertising costs are expensed as incurred.

We characterize amounts paid to our independent third-party retailers as consideration for equipment installation services and for equipment buydowns (incentives and rebates) as a reduction of revenue. We expense payments for equipment installation services as "Other subscriber acquisition costs." Our payments for equipment buydowns represent a partial or complete return of the independent third-party retailer's purchase price and are, therefore, netted against the proceeds received from the independent third-party retailer. We report the net cost from our various sales promotions through our independent third-party retailer network as a component of "Other subscriber acquisition costs."

Derivative Financial Instruments

We may purchase and hold derivative financial instruments for, among other reasons, strategic or speculative purposes. We record all derivative financial instruments on our Consolidated Balance Sheets at fair value as either assets or liabilities. Changes in the fair values of derivative financial instruments are recognized in our results of operations and included in "Other, net" within "Other Income (Expense)" on our Consolidated Statements of Operations and Comprehensive Income (Loss). We have not designated any derivative financial instrument for hedge accounting.

As of December 31, 2016, we did not hold any derivative financial instruments. As of December 31, 2015, we held derivative financial instruments indexed to the trading price of common equity securities with a fair value of $557 million. The fair value of these derivative financial instruments was dependent on the trading price of the indexed common equity securities. See Note 6 for further information.

Equipment Lease Programs

DISH branded pay-TV subscribers have the choice of leasing or purchasing the satellite receiver and other equipment necessary to receive our DISH branded pay-TV service. Most of our new DISH branded pay-TV subscribers choose to lease equipment and thus we retain title to such equipment. New Broadband subscribers lease the modem and other equipment necessary to receive broadband services. Equipment leased to new and existing DISH branded pay-TV and Broadband subscribers is capitalized and depreciated over their estimated useful lives.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

New Accounting Pronouncements

Revenue from Contracts with Customers. On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2014-09 *Revenue from Contracts with Customers* ("ASU 2014-09"), and has modified the standard thereafter. On July 9, 2015, the FASB approved a one year deferral on the effective date for implementation of this standard, which changed the effective date for us to January 1, 2018. This converged standard on revenue recognition was issued jointly with the International Accounting Standards Board to create common revenue recognition guidance for GAAP and International Financial Reporting Standards. ASU 2014-09 provides a framework for revenue recognition that replaces most existing GAAP revenue recognition guidance when it becomes effective. ASU 2014-09 allows for either a full retrospective or modified retrospective adoption. We are evaluating the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures. We have not yet selected an adoption method. While we have not determined the effect of the standard on our ongoing financial reporting, we believe that the standard will, among other things, change the allocation and timing of when revenue is recognized for those customers who have a contractual commitment to receive service for a minimum term, including time-limited discounts or free service periods. Under current accounting rules, we recognize revenue net of discounts during the promotional periods and do not recognize any revenue during free service periods. Under ASU 2014-09, revenue recognition will be accelerated for these contracts as the impact of discounts or free service periods that are considered performance obligations will be recognized uniformly over the total contractual period. In addition, the standard will require that incremental costs to obtain a customer, which represent a significant portion of our non-advertising subscriber acquisition costs, be deferred and recognized over the expected customer life, whereas our current policy is to expense these costs as incurred. As the new standard will impact revenue and cost recognition for a significant number of our contracts, as well as our business processes and information technology systems, our evaluation of the effect of the new standard is ongoing. We are currently in the process of identifying and implementing changes to our systems, processes, and internal controls to meet the requirements of the standard. The ultimate impact of adopting ASU 2014-09 for both revenue recognition and costs to obtain and fulfill contracts will depend on the promotions and offers in place during the period leading up to and after the adoption of ASU 2014-09.

Recognition and Measurement of Financial Assets and Financial Liabilities . On January 5, 2016, the FASB issued ASU 2016-01 *Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01") , which amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This amendment requires all equity investments to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under equity method of accounting or those that result in consolidation of the investee). This standard will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. We are evaluating the impact the adoption of ASU 2016-01 will have on our consolidated financial statements.

Leases. On February 25, 2016, the FASB issued ASU 2016-02 *Leases* ("ASU 2016-02"), which relates to the accounting of leasing transactions. This standard requires a lessee to record on the balance sheet the assets and liabilities for the rights and obligations created by leases with lease terms of more than 12 months. In addition, this standard requires both lessees and lessors to disclose certain key information about lease transactions. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We are evaluating the impact the adoption of ASU 2016-02 will have on our consolidated financial statements.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Financial Instruments – Credit Losses. On June 16, 2016, the FASB issued ASU 2016-13 *Financial Instruments – Credit Losses, Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which changes the way entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net earnings. This standard will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact the adoption of ASU 2016-13 will have on our consolidated financial statements and related disclosures.

Statement of Cash Flows - Update. On August 26, 2016, the FASB issued 2016-15 *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). This update consists of eight provisions that provide guidance on the classification of certain cash receipts and cash payments. If practicable, this update should be applied using a retrospective transition method to each period presented. For the provisions that are impracticable to apply retrospectively, those provisions may be applied prospectively as of the earliest date practicable. This update will become effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact the adoption of ASU 2016-15 will have on our consolidated financial statements.

Statement of Cash Flows: Restricted Cash. On November 17, 2016, the FASB issued ASU 2016-18 *Restricted Cash* ("ASU 2016-18"), which addresses the diversity where changes in restricted cash are classified on the cash flow statement. ASU 2016-18 requires that changes in restricted cash and cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts on the statement of cash flows. This standard will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. We expect that the adoption of ASU 2016-18 will have an immaterial impact on our consolidated financial statements and related disclosures.

Compensation – Stock Compensation. On March 30, 2016, the FASB issued ASU 2016-09 *Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which relates to the accounting for employee share-based payments. This standard addresses several aspects of the accounting for share-based payment award transactions, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. This standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. During the third quarter 2016, we adopted ASU 2016-09, which had an immaterial impact on our consolidated financial statements.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

3. Basic and Diluted Net Income (Loss) Per Share

We present both basic earnings per share ("EPS") and diluted EPS. Basic EPS excludes potential dilution and is computed by dividing "Net income (loss) attributable to DISH Network" by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if stock awards were exercised and if our 3 3/8% Convertible Notes due 2026 (the "Convertible Notes due 2026") issued August 8, 2016 were converted. The potential dilution from stock awards is accounted for using the treasury stock method based on the average market value of our Class A common stock. The potential dilution from conversion of the Convertible Notes due 2026 is accounted for using the if-converted method, which requires that all of the shares of our Class A common stock issuable upon conversion of the Convertible Notes due 2026 will be included in the calculation of diluted EPS assuming conversion of the Convertible Notes due 2026 at the beginning of the reporting period (or at time of issuance, if later). The following table presents EPS amounts for all periods and the basic and diluted weighted-average shares outstanding used in the calculation.

	For the Years Ended December 31,		
	2016	2015	2014
	(In thousands, except per share amounts)		
Net income (loss)	$ 1,469,454	$ 769,276	$ 928,902
Less: Net income (loss) attributable to noncontrolling interests, net of tax	19,601	22,184	(15,791)
Net income (loss) attributable to DISH Network - Basic	1,449,853	747,092	944,693
Interest on dilutive 3 3/8% Convertible Notes due 2026, net of tax	27,515	—	—
Net income (loss) attributable to DISH Network - Diluted	$ 1,477,368	$ 747,092	$ 944,693
Weighted-average common shares outstanding - Class A and B common stock:			
Basic	464,807	462,995	460,126
Dilutive impact of 3 3/8% Convertible Notes due 2026	18,361	—	—
Dilutive impact of stock awards outstanding	994	1,702	2,801
Diluted	484,162	464,697	462,927
Earnings per share - Class A and B common stock:			
Basic net income (loss) per share attributable to DISH Network	$ 3.12	$ 1.61	$ 2.05
Diluted net income (loss) per share attributable to DISH Network	$ 3.05	$ 1.61	$ 2.04

Certain stock awards to acquire our Class A common stock are not included in the weighted-average common shares outstanding above, as their effect is anti-dilutive. In addition, vesting of performance based options and rights to acquire shares of our Class A common stock granted pursuant to our performance based stock incentive plans ("Restricted Performance Units") are both contingent upon meeting certain goals, some of which are not yet probable of being achieved. Furthermore, the warrants that we issued to certain option counterparties in connection with the Convertible Notes due 2026 are only exercisable at their expiration if the market price per share of our Class A common stock is greater than the strike price of the warrants, which is approximately $86.08 per share, subject to adjustments. As a consequence, the following are not included in the diluted EPS calculation.

	As of December 31,		
	2016	2015	2014
	(In thousands)		
Anti-dilutive stock awards	1,870	712	447
Performance based options (1)	4,312	3,905	7,247
Restricted Performance Units (1)	1,336	1,382	1,798
Common stock warrants	46,029	-	-
Total	53,547	5,999	9,492

(1) The decrease in performance based options and Restricted Performance Units as of December 31, 2015 primarily resulted from the expiration of the 2005 LTIP in March 2015. See Note 13 for further information.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

4. Supplemental Data - Statements of Cash Flows

The following table presents our supplemental cash flow and other non-cash data.

	For the Years Ended December 31,		
	2016	2015	2014
	(In thousands)		
Cash paid for interest (including capitalized interest)	$ 775,300	$ 854,147	$ 833,483
Cash received for interest	15,020	21,380	138,529
Cash paid for income taxes	439,570	16,014	160,732
Capitalized interest (1)	844,330	369,897	223,658
Initial equity component of the 3 3/8% Convertible Notes due 2026, net of deferred taxes of $286,322 (2)	487,521	—	—
Employee benefits paid in Class A common stock	25,146	26,026	25,781
Satellites and other assets financed under capital lease obligations	1,328	—	3,462
Satellite and Tracking Stock Transaction with EchoStar:			
Transfer of property and equipment, net	—	—	432,080
Investment in EchoStar and HSSC preferred tracking stock - cost method	—	—	316,204
Transfer of liabilities and other	—	—	44,540
Capital distribution to EchoStar, net of deferred taxes of $31,274	—	—	51,466
Sling TV Exchange Transaction with EchoStar:			
Transfer of property and equipment, net	—	—	8,978
Transfer of investments and intangibles, net	—	—	25,097
Capital distribution to EchoStar, net of deferred taxes of $3,542	—	—	5,845
Deemed distribution to EchoStar - initial fair value of redeemable noncontrolling interest, net of deferred taxes of $8,489	—	—	14,011
Vendor financing	20,000	—	—

(1) See Note 2 for further information.
(2) See Note 9 for further information.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

5. Other Comprehensive Income (Loss)

The following table presents the tax effect on each component of "Other comprehensive income (loss)."

	For the Years Ended December 31,								
	2016			2015			2014		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit (1)	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
	(In thousands)								
Foreign currency translation adjustments	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,878	—	$ 3,878
Unrealized holding gains (losses) on available-for-sale securities	3,050	(1,111)	1,939	20,205	(7,476)	12,729	(11,729)	3,600	(8,129)
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(99,312)	36,173	(63,139)	(99,361)	(25,894)	(125,255)	7,050	(2,164)	4,886
Other comprehensive income (loss)	$ (96,262)	$ 35,062	$ (61,200)	$ (79,156)	$ (33,370)	$ (112,526)	$ (801)	$ 1,436	$ 635

(1) Prior to December 31, 2012, we had established a valuation allowance against all deferred tax assets that were capital in nature. At December 31, 2012, it was determined that these deferred tax assets were realizable and the valuation allowance was released, including the valuation allowance related to a specific portfolio of available-for-sale securities for which changes in fair value had historically been recognized as a separate component of "Accumulated other comprehensive income (loss)." Under the intra-period tax allocation rules, a credit of $63 million was recorded in "Accumulated other comprehensive income (loss)" on our Consolidated Balance Sheets related to the release of this valuation allowance.

We elected to use the aggregate portfolio method to determine when the $63 million would be released from "Accumulated other comprehensive income (loss)" to "Income tax (provision) benefit, net" on our Consolidated Statements of Operations and Comprehensive Income (Loss). Under the aggregate portfolio approach, the intra-period tax allocation remaining in "Accumulated other comprehensive income (loss)" is not released to "Income tax (provision) benefit, net" until such time that the specific portfolio of available-for-sale securities that generated the original intra-period allocation is liquidated. During the first quarter 2015, this specific available-for-sale security portfolio was liquidated and the $63 million credit that was previously recorded in "Accumulated other comprehensive income (loss)" was released to "Income tax (provision) benefit, net." This adjustment has no net effect on "Net cash flows from operating activities" or "Total stockholders' equity (deficit)."

The "Accumulated other comprehensive income (loss)" is detailed in the following table, net of tax:

Accumulated Other Comprehensive Income (Loss)	Unrealized/ Recognized Gains (Losses)
	(In thousands)
Balance as of December 31, 2014	$ 174,507
Other comprehensive income (loss) before reclassification	12,729
Amounts reclassified from accumulated other comprehensive income (loss)	(125,255)
Balance as of December 31, 2015	$ 61,981
Other comprehensive income (loss) before reclassification	1,939
Amounts reclassified from accumulated other comprehensive income (loss)	(63,139)
Balance as of December 31, 2016	$ 781

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

6. Marketable Investment Securities, Restricted Cash and Cash Equivalents, and Other Investment Securities

Our marketable investment securities, restricted cash and cash equivalents, and other investment securities consisted of the following:

	As of	
	December 31, 2016	December 31, 2015
	(In thousands)	
Marketable investment securities:		
Current marketable investment securities - strategic	$ 6,721	$ 259,145
Current marketable investment securities - other	28,895	298,766
Total current marketable investment securities	35,616	557,911
Restricted marketable investment securities (1)	81,679	82,280
Total marketable investment securities	117,295	640,191
Restricted cash and cash equivalents (1)	681	94
Other investment securities:		
Investment in EchoStar preferred tracking stock - cost method	228,795	228,795
Investment in HSSC preferred tracking stock - cost method	87,409	87,409
Other investment securities - cost method	8,167	11,046
Total other investment securities	324,371	327,250
Total marketable investment securities, restricted cash and cash equivalents, and other investment securities	$ 442,347	$ 967,535

(1) Restricted marketable investment securities and restricted cash and cash equivalents are included in "Restricted cash, cash equivalents and marketable investment securities" on our Consolidated Balance Sheets.

Marketable Investment Securities

Our marketable investment securities portfolio consists of various debt and equity instruments, all of which are classified as available-for-sale, except as specified below. See Note 2 for further information.

Current Marketable Investment Securities - Strategic

Our current strategic marketable investment securities portfolio includes and may include strategic and financial debt and equity investments in private and public companies that are highly speculative and have experienced and continue to experience volatility. As of December 31, 2016, this portfolio consisted of securities of a small number of issuers, and as a result the value of that portfolio depends, among other things, on the performance of those issuers. The fair value of certain of the debt and equity securities in this portfolio can be adversely impacted by, among other things, the issuers' respective performance and ability to obtain any necessary additional financing on acceptable terms, or at all.

Current Marketable Investment Securities - Other

Our current marketable investment securities portfolio includes investments in various debt instruments including, among others, commercial paper, corporate securities and U.S. treasury and/or agency securities.

Commercial paper consists mainly of unsecured short-term, promissory notes issued primarily by corporations with maturities ranging up to 365 days. Corporate securities consist of debt instruments issued by corporations with various maturities normally less than 18 months. U. S. Treasury and agency securities consist of debt instruments issued by the federal government and other government agencies.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Restricted Cash, Cash Equivalents and Marketable Investment Securities

As of December 31, 2016 and 2015, our restricted marketable investment securities, together with our restricted cash and cash equivalents, included amounts required as collateral for our letters of credit.

Other Investment Securities

We have strategic investments in certain debt and equity securities that are included in noncurrent "Other investment securities" on our Consolidated Balance Sheets and accounted for using the cost, equity and/or available-for-sale methods of accounting.

Our ability to realize value from our strategic investments in securities that are not publicly traded depends on the success of the issuers' businesses and their ability to obtain sufficient capital, on acceptable terms or at all, and to execute their business plans. Because private markets are not as liquid as public markets, there is also increased risk that we will not be able to sell these investments, or that when we desire to sell them we will not be able to obtain fair value for them.

Investment in Tracking Stock

On February 20, 2014, we entered into agreements with EchoStar to implement a transaction pursuant to which, among other things: (i) on March 1, 2014, we transferred to EchoStar and Hughes Satellite Systems Corporation ("HSSC"), a subsidiary of EchoStar, five satellites (EchoStar I, EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV (collectively the "Transferred Satellites"), including related in-orbit incentive obligations and cash interest payments of approximately $59 million), and approximately $11 million in cash in exchange for an aggregate of 6,290,499 shares of a series of preferred tracking stock issued by EchoStar (the "EchoStar Tracking Stock") and an aggregate of 81.128 shares of a series of preferred tracking stock issued by HSSC (the "HSSC Tracking Stock" and together with the EchoStar Tracking Stock, collectively, the "Tracking Stock"); and (ii) beginning on March 1, 2014, we lease back certain satellite capacity on the Transferred Satellites (collectively, the "Satellite and Tracking Stock Transaction"). As of November 30, 2015, we no longer lease satellite capacity on the EchoStar I satellite. The Tracking Stock generally tracks the residential retail satellite broadband business of Hughes Network Systems, LLC ("HNS"), a wholly-owned subsidiary of HSSC, including without limitation the operations, assets and liabilities attributed to the Hughes residential retail satellite broadband business (collectively, the "Hughes Retail Group"). The shares of the Tracking Stock issued to us represent an aggregate 80% economic interest in the Hughes Retail Group.

Since the Satellite and Tracking Stock Transaction is among entities under common control, we recorded the Tracking Stock at EchoStar's and HSSC's historical cost basis for these instruments of $229 million and $87 million, respectively. The difference between the historical cost basis of the Tracking Stock received and the net carrying value of the Transferred Satellites of $356 million (including debt obligations, net of deferred taxes), plus the $11 million in cash, resulted in a $51 million capital transaction recorded in "Additional paid-in capital" on our Consolidated Balance Sheets. Although our investment in the Tracking Stock represents an aggregate 80% economic interest in the Hughes Retail Group, we have no operational control or significant influence over the Hughes Retail Group business, and currently there is no public market for the Tracking Stock. As such, the Tracking Stock is accounted for under the cost method of accounting.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

On February 20, 2014, DISH Operating L.L.C. ("DOLLC") and DISH Network L.L.C. ("DNLLC"), each indirect wholly-owned subsidiaries of us, entered into an Investor Rights Agreement with EchoStar and HSSC with respect to the Tracking Stock (the "Investor Rights Agreement"). The Investor Rights Agreement provides, among other things, certain information and consultation rights for us; certain transfer restrictions on the Tracking Stock and certain rights and obligations to offer and sell under certain circumstances (including a prohibition on transfers of the Tracking Stock for one year, with continuing transfer restrictions (including a right of first offer in favor of EchoStar) thereafter, an obligation to sell the Tracking Stock to EchoStar in connection with a change of control of us and a right to require EchoStar to repurchase the Tracking Stock in connection with a change of control of EchoStar, in each case subject to certain terms and conditions); certain registration rights; certain obligations to provide conversion and exchange rights of the Tracking Stock under certain circumstances; and certain protective covenants afforded to holders of the Tracking Stock. The Investor Rights Agreement generally will terminate with respect to our interest should we no longer hold any shares of the HSSC-issued Tracking Stock and any registrable securities under the Investor Rights Agreement. On January 31, 2017, we entered into the Share Exchange Agreement with EchoStar pursuant to which, among other things, we will transfer the EchoStar Tracking Stock to EchoStar and the HSSC Tracking Stock to HSSC. See Note 18 for further information.

Unrealized Gains (Losses) on Marketable Investment Securities

As of December 31, 2016 and 2015, we had accumulated net unrealized gains of $1 million and $98 million, respectively. These amounts, net of related tax effect, were $1 million and $62 million, respectively. All of these amounts are included in "Accumulated other comprehensive income (loss)" within "Total stockholders' equity (deficit)." The components of our available-for-sale investments are summarized in the table below.

	As of December 31, 2016				As of December 31, 2015			
	Marketable Investment Securities	Unrealized Gains	Unrealized Losses	Unrealized Net	Marketable Investment Securities	Unrealized Gains	Unrealized Losses	Unrealized Net
	(In thousands)							
Debt securities (including restricted):								
U.S. Treasury and agency securities	$ 81,982	$ 13	$ (132)	$ (119)	$ 82,124	$ 2	$ (135)	$ (133)
Corporate securities	33,555	1,327	—	1,327	349,897	29,370	(480)	28,890
Other	1,758	64	(11)	53	47,847	73	(17)	56
Equity securities	—	—	—	—	160,323	68,751	(41)	68,710
Total	$ 117,295	$ 1,404	$ (143)	$ 1,261	$ 640,191	$ 98,196	$ (673)	$ 97,523

As of December 31, 2016, restricted and non-restricted marketable investment securities included debt securities of $76 million with contractual maturities within one year and $41 million with contractual maturities extending longer than one year through and including five years. Actual maturities may differ from contractual maturities as a result of our ability to sell these securities prior to maturity.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Marketable Investment Securities in a Loss Position

The following table reflects the length of time that the individual securities, accounted for as available-for-sale, have been in an unrealized loss position, aggregated by investment category. As of December 31, 2016, the unrealized losses related to our investments in debt securities primarily represented investments in U.S. treasury and agency securities. We have the ability to hold and do not intend to sell our investments in these debt securities before they recover or mature, and it is more likely than not that we will hold these investments until that time. In addition, we are not aware of any specific factors indicating that the underlying issuers of these debt securities would not be able to pay interest as it becomes due or repay the principal at maturity. Therefore, we believe that these changes in the estimated fair values of these marketable investment securities are related to temporary market fluctuations.

	As of			
	December 31, 2016		December 31, 2015	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
	(In thousands)			
Debt Securities:				
Less than 12 months	$ 52,011	$ (132)	$ 303,194	$ (612)
12 months or more	1,537	(11)	7,512	(20)
Equity Securities:				
Less than 12 months	—	—	6,133	(41)
12 months or more	—	—	—	—
Total	$ 53,548	$ (143)	$ 316,839	$ (673)

Fair Value Measurements

Our investments measured at fair value on a recurring basis were as follows:

	As of							
	December 31, 2016				December 31, 2015			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
	(In thousands)							
Cash equivalents (including restricted)	$ 5,187,900	$ 147,494	$ 5,040,406	$ —	$ 920,689	$ 82,675	$ 838,014	$ —
Debt securities (including restricted):								
U.S. Treasury and agency securities	$ 81,982	$ 81,982	$ —	$ —	$ 82,124	$ 77,328	$ 4,796	$ —
Corporate securities	33,555	—	27,025	6,530	349,897	—	343,733	6,164
Other	1,758	—	1,567	191	47,847	—	47,648	199
Equity securities	—	—	—	—	160,323	160,323	—	—
Subtotal	117,295	81,982	28,592	6,721	640,191	237,651	396,177	6,363
Derivative financial instruments	—	—	—	—	556,828	—	556,828	—
Total	$ 117,295	$ 81,982	$ 28,592	$ 6,721	$ 1,197,019	$ 237,651	$ 953,005	$ 6,363

As of December 31, 2016 and 2015, our Level 3 investments consisted predominately of corporate securities. On a quarterly basis we evaluate the reasonableness of significant unobservable inputs used in those measurements. For our Level 3 investments, we evaluate, among other things, the terms of the underlying instruments, the credit ratings of the issuers, current market conditions, and other relevant factors. Based on these factors, we assess the risk of realizing expected cash flows and we apply an observable discount rate that reflects this risk. We may also reduce our valuations to reflect a liquidity discount based on the lack of an active market for these securities.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Changes in Level 3 instruments were as follows:

	Level 3 Investment Securities
	(In thousands)
Balance as of December 31, 2014	$ 142,140
Net realized and unrealized gains (losses) included in earnings	1,089
Net realized and unrealized gains (losses) included in other comprehensive income (loss)	(2,289)
Purchases	—
Settlements	(134,577)
Issuances	—
Transfers into or out of Level 3	—
Balance as of December 31, 2015	$ 6,363
Net realized and unrealized gains (losses) included in earnings	—
Net realized and unrealized gains (losses) included in other comprehensive income (loss)	547
Purchases	—
Settlements	(189)
Issuances	—
Transfers into or out of Level 3	—
Balance as of December 31, 2016	$ 6,721

During the years ended December 31, 2016 and 2015, we had no transfers in or out of Level 1 and Level 2 fair value measurements.

Gains and Losses on Sales and Changes in Carrying Amounts of Investments

"Other, net" within "Other Income (Expense)" included on our Consolidated Statements of Operations and Comprehensive Income (Loss) is as follows:

	For the Years Ended December 31,		
Other Income (Expense):	**2016**	**2015**	**2014**
	(In thousands)		
Marketable investment securities - gains (losses) on sales/exchanges	$ 116,550	$ 119,448	$ 7,649
Marketable investment securities - unrealized gains (losses) on investments accounted for using the Fair Value Option	—	—	4,727
Derivative financial instruments - net realized and/or unrealized gains (losses)	5,405	173,369	(59,015)
Marketable investment securities - other-than-temporary impairments	(2,863)	(5,567)	(13,876)
Other	(1,910)	(9,207)	(8,826)
Total	$ 117,182	$ 278,043	$ (69,341)

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

7. Inventory

Inventory consisted of the following:

	As of	
	December 31, 2016	December 31, 2015
	(In thousands)	
Finished goods	$ 323,453	$ 304,827
Work-in-process and service repairs	132,313	74,828
Raw materials	9,069	10,673
Total inventory	$ 464,835	$ 390,328

8. Property and Equipment and Intangible Assets

Property and Equipment

Property and equipment consisted of the following:

	Depreciable Life (In Years)	As of	
		December 31, 2016	December 31, 2015
		(In thousands)	
Equipment leased to customers	2 - 5	$ 3,104,669	$ 3,549,701
EchoStar XV	15	277,658	277,658
EchoStar XVIII	15	411,255	—
D1	N/A	55,000	55,000
T1	15	401,721	401,721
Satellites acquired under capital lease agreements	10 - 15	499,819	499,819
Furniture, fixtures, equipment and other	1 - 10	805,526	775,834
Buildings and improvements	1 - 40	93,605	86,928
Land	—	5,205	5,504
Construction in progress	—	68,187	382,464
Total property and equipment		5,722,645	6,034,629
Accumulated depreciation		(3,165,263)	(3,110,449)
Property and equipment, net		$ 2,557,382	$ 2,924,180

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Construction in progress consisted of the following:

	As of	
	December 31, 2016	December 31, 2015
	(In thousands)	
EchoStar XVIII, including capitalized interest	$ —	$ 346,417
Other	68,187	36,047
Total construction in progress	$ 68,187	$ 382,464

Our EchoStar XVIII satellite was launched on June 18, 2016 and became operational as an in-orbit spare at the 61.5 degree orbital location during the third quarter 2016, at which time it was reclassified from Construction in progress to Satellites within "Property and equipment, net" on our Consolidated Balance Sheets.

Depreciation and amortization expense consisted of the following:

	For the Years Ended December 31,		
	2016	2015	2014
	(In thousands)		
Equipment leased to customers	$ 768,283	$ 824,799	$ 854,759
Satellites	96,965	87,827	95,766
Buildings, furniture, fixtures, equipment and other	87,898	87,422	127,411
Total depreciation and amortization	$ 953,146	$ 1,000,048	$ 1,077,936

Cost of sales and operating expense categories included in our accompanying Consolidated Statements of Operations and Comprehensive Income (Loss) do not include depreciation expense related to satellites or equipment leased to customers.

Satellites

Pay-TV Satellites . We currently utilize 13 satellites in geostationary orbit approximately 22,300 miles above the equator, two of which we own and depreciate over their estimated useful life. We currently utilize certain capacity on nine satellites that we lease from EchoStar, which are accounted for as operating leases. We also lease two satellites from third parties, which are accounted for as capital leases and are depreciated over the shorter of the economic life or the term of the satellite agreement.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

As of December 31, 2016, our pay-TV satellite fleet consisted of the following:

Satellites	Launch Date	Degree Orbital Location	Estimated Useful Life (Years)/Lease Termination Date
Owned:			
EchoStar XV	July 2010	61.5	15
EchoStar XVIII	June 2016	61.5	15
Leased from EchoStar (1):			
EchoStar VII (2)	February 2002	119	June 2018
EchoStar IX	August 2003	121	Month to month
EchoStar X (2)	February 2006	110	February 2021
EchoStar XI (2)	July 2008	110	September 2021
EchoStar XII (2)	July 2003	61.5	September 2017
EchoStar XIV (2)	March 2010	119	February 2023
EchoStar XVI (3)	November 2012	61.5	January 2018
Nimiq 5	September 2009	72.7	September 2019
QuetzSat-1	September 2011	77	November 2021
Leased from Other Third Party:			
Anik F3	April 2007	118.7	April 2022
Ciel II	December 2008	129	January 2019

(1) See Note 18 for further information on our Related Party Transactions with EchoStar.
(2) We generally have the option to renew each lease on a year-to-year basis through the end of the useful life of the respective satellite.
(3) We have the option to renew this lease for an additional five-year period. If we exercise our five-year renewal option, we have the option to renew this lease for an additional five years.

AWS-4 Satellites. On March 2, 2012, the FCC approved the transfer of 40 MHz of wireless spectrum licenses held by DBSD North America, Inc. ("DBSD North America") and TerreStar Networks, Inc. ("TerreStar") to us. On March 9, 2012, we completed the acquisitions of 100% of the equity of reorganized DBSD North America and substantially all of the assets of TerreStar, pursuant to which we acquired, among other things, certain satellite assets and 40 MHz of spectrum licenses held by DBSD North America (the "DBSD Transaction") and TerreStar (the "TerreStar Transaction"), which licenses the FCC modified in March 2013 to add AWS-4 authority ("AWS-4"). See Note 14 for further information. As a result of the DBSD Transaction and the TerreStar Transaction, we acquired three AWS-4 satellites, including two in-orbit satellites (D1 and T1) and one satellite under construction (T2).

During the fourth quarter 2014, EchoStar purchased our rights to the T2 satellite for $55 million. See Note 18 for further information.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Satellites	Launch Date	Degree Orbital Location	Estimated Useful Life (Years)
Owned:			
T1	July 2009	111.1	15
D1	April 2008	92.85	N/A

GAAP requires that a long-lived asset be reviewed for impairment when circumstances indicate that the carrying amount of the asset might not be recoverable. As of December 31, 2016 and 2015, it was determined that the T1 satellite met this criteria and therefore in the fourth quarter 2016 and 2015, we tested the T1 satellite for impairment.
We concluded that the T1 satellite's fair value exceeded its carrying amount and no impairment was necessary for either year. As of December 31, 2016, we do not believe any triggering event has occurred which would indicate impairment for the D1 satellite. As of December 31, 2015, it was determined that the D1 satellite met this criteria and therefore in the fourth quarter 2015 we tested the D1 satellite and related ground equipment for impairment. We concluded that the carrying amount of the D1 satellite and related ground equipment exceeded their fair value determined under the cost approach. To arrive at fair value utilizing the cost approach, a replacement cost for the satellite was determined, which was then reduced for, among other things, depreciation and obsolescence. As a result of this assessment, we wrote down the net book value of the D1 satellite from $150 million to $55 million and the net book value of the related ground equipment from $28 million to zero and recorded an impairment charge of $123 million in "Impairment of long-lived assets" on our Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ended December 31, 2015. The estimates used in our fair value analysis are considered Level 3 in the fair value hierarchy. As of December 31, 2016, the net book value for T1 and D1 was $272 million and $55 million, respectively.

Satellite Anomalies

Operation of our DISH branded pay-TV service requires that we have adequate satellite transmission capacity for the programming that we offer. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited.

In the event of a failure or loss of any of our owned or leased satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other owned or leased satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and thus may have a material adverse effect on our business, financial condition and results of operations.

In the past, certain of our owned and leased satellites have experienced anomalies, some of which have had a significant adverse impact on their remaining useful life and/or commercial operation. There can be no assurance that future anomalies will not impact the remaining useful life and/or commercial operation of any of the owned and leased satellites in our fleet. See Note 2 "Impairment of Long-Lived Assets" for further information on evaluation of impairment. There can be no assurance that we can recover critical transmission capacity in the event one or more of our owned or leased in-orbit satellites were to fail. We generally do not carry commercial launch or in-orbit insurance on any of the satellites that we use, other than certain satellites leased from third parties, and therefore, we will bear the risk associated with any uninsured launch or in-orbit satellite failures. In light of current favorable market conditions, in January 2016, we procured commercial launch and in-orbit insurance (for a period of one year following launch) for the EchoStar XVIII satellite, which was launched on June 18, 2016.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Intangible Assets

As of December 31, 2016 and 2015, our identifiable intangibles subject to amortization consisted of the following:

	As of			
	December 31, 2016		December 31, 2015	
	Intangible Assets	Accumulated Amortization	Intangible Assets	Accumulated Amortization
	(In thousands)			
Technology-based	$ 9,773	$ (994)	$ 14,510	$ (6,297)
Trademarks	22,499	(6,271)	16,257	(2,512)
Contract-based	8,650	(8,650)	8,650	(8,650)
Customer relationships	2,900	(2,900)	2,900	(2,900)
Total	$ 43,822	$ (18,815)	$ 42,317	$ (20,359)

These identifiable intangibles are included in "Other noncurrent assets, net" on our Consolidated Balance Sheets. Amortization of these intangible assets is recorded on a straight line basis over an average finite useful life primarily ranging from approximately five to 20 years. Amortization was $6 million, $9 million and $6 million for the years ended December 31, 2016, 2015 and 2014 respectively.

Estimated future amortization of our identifiable intangible assets as of December 31, 2016 is as follows (in thousands):

For the Years Ended December 31,	
2017	$ 5,082
2018	5,082
2019	4,950
2020	3,742
2021	1,214
Thereafter	4,937
Total	$ 25,007

Goodwill

The excess of our investments in consolidated subsidiaries over net tangible and identifiable intangible asset value at the time of the investment is recorded as goodwill and is not subject to amortization but is subject to impairment testing annually or whenever indicators of impairment arise. As of December 31, 2016 and 2015, our goodwill was $120 million, which relates to our wireless segment. In conducting our annual impairment test for 2016, we performed a qualitative assessment, which considered several factors, including, among others, macroeconomic conditions, industry and market conditions, and relevant company specific events and perception of the market. In contemplating all factors in their totality, we determined that the fair value of our wireless segment, which consists of a single reporting unit, was in excess of the carrying amount.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

FCC Authorizations

As of December 31, 2016 and 2015, our FCC Authorizations consisted of the following:

	As of December 31,	
	2016	**2015**
	(In thousands)	
DBS Licenses	$ 611,794	$ 611,794
700 MHz Licenses	711,871	711,871
MVDDS Licenses	24,000	24,000
AWS-4 Licenses	1,949,000	1,949,000
H-Block Licenses	1,671,506	1,671,506
AWS-3 Licenses	9,890,389	9,890,389
Capitalized Interest (1)	1,640,173	809,044
Total	$ 16,498,733	$ 15,667,604

(1) The change in capitalized interest as of December 31, 2016 resulted primarily from capitalized interest related to the AWS-3 Licenses, on which we began capitalizing interest as of October 27, 2015. See Note 2 for further information.

Other

During the third quarter 2016, we made a refundable payment to a third party in connection with a potential asset purchase. This amount is recorded in “Other current assets” on our Consolidated Balance Sheets.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

9. Long-Term Debt and Capital Lease Obligations

Fair Value of our Long-Term Debt

The following table summarizes the carrying amount and fair value of our debt facilities as of December 31, 2016 and 2015:

	As of			
	December 31, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In thousands)			
7 1/8% Senior Notes due 2016 (1)	$ —	$ —	$ 1,500,000	$ 1,506,750
4 5/8% Senior Notes due 2017 (2)	900,000	913,887	900,000	922,770
4 1/4% Senior Notes due 2018	1,200,000	1,228,464	1,200,000	1,207,560
7 7/8% Senior Notes due 2019	1,400,000	1,559,698	1,400,000	1,525,440
5 1/8% Senior Notes due 2020	1,100,000	1,141,866	1,100,000	1,100,000
6 3/4% Senior Notes due 2021	2,000,000	2,178,880	2,000,000	2,021,020
5 7/8% Senior Notes due 2022	2,000,000	2,114,780	2,000,000	1,889,780
5% Senior Notes due 2023	1,500,000	1,500,315	1,500,000	1,297,500
5 7/8% Senior Notes due 2024	2,000,000	2,064,000	2,000,000	1,765,000
7 3/4% Senior Notes due 2026	2,000,000	2,270,900	—	—
3 3/8% Convertible Notes due 2026	3,000,000	3,431,130	—	—
Other notes payable	47,844	47,844	30,996	30,996
Subtotal	17,147,844	$ 18,451,764	13,630,996	$ 13,266,816
Unamortized debt discount on the 3 3/8% Convertible Notes due 2026	(752,386)		—	
Unamortized deferred financing costs and other debt discounts, net	(52,704)		(41,563)	
Capital lease obligations (3)	136,146		166,492	
Total long-term debt and capital lease obligations (including current portion)	$ 16,478,900		$ 13,755,925	

(1) On February 1, 2016, we redeemed the principal balance of our 7 1/8% Senior Notes due 2016.
(2) Our 4 5/8% Senior Notes due 2017 mature on July 15, 2017 and have been reclassified to "Current portion of long-term debt and capital lease obligations" on our Consolidated Balance Sheets as of December 31, 2016.
(3) Disclosure regarding fair value of capital leases is not required.

We estimated the fair value of our publicly traded long-term debt using market prices in less active markets (Level 2).

Our Senior Notes are:

- general unsecured senior obligations of DISH DBS Corporation ("DISH DBS");
- ranked equally in right of payment with all of DISH DBS' and the guarantors' existing and future unsecured senior debt; and
- ranked effectively junior to our and the guarantors' current and future secured senior indebtedness up to the value of the collateral securing such indebtedness.

The indentures related to our Senior Notes contain restrictive covenants that, among other things, impose limitations on the ability of DISH DBS and its restricted subsidiaries to:

- incur additional debt;
- pay dividends or make distributions on DISH DBS' capital stock or repurchase DISH DBS' capital stock;
- make certain investments;
- create liens or enter into sale and leaseback transactions;
- enter into transactions with affiliates;

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

- merge or consolidate with another company; and
- transfer or sell assets.

In the event of a change of control, as defined in the related indentures, we would be required to make an offer to repurchase all or any part of a holder's Senior Notes at a purchase price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest thereon, to the date of repurchase.

4 5/8% Senior Notes due 2017

On May 16, 2012, we issued $900 million aggregate principal amount of our five-year 4 5/8% Senior Notes due July 15, 2017. Interest accrues at an annual rate of 4 5/8% and is payable semi-annually in cash, in arrears on January 15 and July 15 of each year.

The 4 5/8% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

4 1/4% Senior Notes due 2018

On April 5, 2013, we issued $1.2 billion aggregate principal amount of our five-year 4 1/4% Senior Notes due April 1, 2018. Interest accrues at an annual rate of 4 1/4% and is payable semi-annually in cash in arrears on April 1 and October 1 of each year.

The 4 1/4% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

7 7/8% Senior Notes due 2019

On August 17, 2009 and October 5, 2009, we issued $1.0 billion and $400 million, respectively, aggregate principal amount of our ten-year 7 7/8% Senior Notes due September 1, 2019. Interest accrues at an annual rate of 7 7/8% and is payable semi-annually in cash, in arrears on March 1 and September 1 of each year.

The 7 7/8% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

5 1/8% Senior Notes due 2020

On April 5, 2013, we issued $1.1 billion aggregate principal amount of our seven-year 5 1/8% Senior Notes due May 1, 2020. Interest accrues at an annual rate of 5 1/8% and is payable semi-annually in cash in arrears on May 1 and November 1 of each year.

The 5 1/8% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

6 3/4% Senior Notes due 2021

On May 5, 2011, we issued $2.0 billion aggregate principal amount of our ten-year 6 3/4% Senior Notes due June 1, 2021. Interest accrues at an annual rate of 6 3/4% and is payable semi-annually in cash, in arrears on June 1 and December 1 of each year.

The 6 3/4% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

5 7/8% Senior Notes due 2022

On May 16, 2012 and July 26, 2012, we issued $1.0 billion and $1.0 billion, respectively, aggregate principal amount of our ten-year 5 7/8% Senior Notes due July 15, 2022. Interest accrues at an annual rate of 5 7/8% and is payable semi-annually in cash, in arrears on January 15 and July 15 of each year.

The 5 7/8% Senior Notes due 2022 are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

5% Senior Notes due 2023

On December 27, 2012, we issued $1.5 billion aggregate principal amount of our 5% Senior Notes due March 15, 2023. Interest accrues at an annual rate of 5% and is payable semi-annually in cash, in arrears on March 15 and September 15 of each year.

The 5% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

5 7/8% Senior Notes due 2024

On November 20, 2014, we issued $2.0 billion aggregate principal amount of our ten-year 5 7/8% Senior Notes due November 15, 2024. Interest accrues at an annual rate of 5 7/8% and is payable semi-annually in cash, in arrears on May 15 and November 15 of each year.

The 5 7/8% Senior Notes due 2024 are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest. Prior to November 15, 2017, we may also redeem up to 35.0% of the 5 7/8% Senior Notes due 2024 at a specified premium with the net cash proceeds from certain equity offerings or capital contributions.

7 3/4% Senior Notes due 2026

On June 13, 2016, we issued $2.0 billion aggregate principal amount of our ten-year 7 3/4% Senior Notes due July 1, 2026. Interest accrues at an annual rate of 7 3/4% and is payable semi-annually in cash, in arrears on January 1 and July 1 of each year, commencing on January 1, 2017.

The 7 3/4% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest. Prior to July 1, 2019, we may also redeem up to 35% of the 7 3/4% Senior Notes at a specified premium with the net cash proceeds from certain equity offerings or capital contributions.

3 3/8% Convertible Notes due 2026

On August 8, 2016, we issued $3.0 billion aggregate principal amount of the Convertible Notes due August 15, 2026 in a private unregistered offering. Interest accrues at an annual rate of 3 3/8% and is payable semi-annually in cash, in arrears on February 15 and August 15 of each year, commencing February 15, 2017.

The Convertible Notes due 2026 are:

- our general unsecured obligations;
- ranked senior in right of payment to any future indebtedness that is expressly subordinated in right of payment to the Convertible Notes due 2026;

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

- ranked equally in right of payment with all of our existing and future unsecured senior indebtedness;
- ranked effectively junior to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness;
- ranked structurally junior to all indebtedness and other liabilities of our subsidiaries; and
- not guaranteed by our subsidiaries.

We may not redeem the Convertible Notes due 2026 prior to the maturity date. If a "fundamental change" (as defined in the related indenture) occurs prior to the maturity date of the Convertible Notes due 2026, holders may require us to repurchase for cash all or part of their Convertible Notes due 2026 at a specified make-whole price equal to 100% of the principal amount of such Convertible Notes due 2026, plus accrued and unpaid interest to, but not including, the fundamental change repurchase date.

The indenture related to the Convertible Notes due 2026 does not contain any financial covenants and does not restrict us from paying dividends, issuing or repurchasing our other securities, issuing new debt (including secured debt) or repaying or repurchasing our debt.

Subject to the terms of the related indenture, the Convertible Notes due 2026 may be converted at an initial conversion rate of 15.3429 shares of our Class A common stock per $1,000 principal amount of Convertible Notes due 2026 (equivalent to an initial conversion price of approximately $65.18 per share of our Class A common stock) (the "Initial Conversion Rate"), at any time on or after March 15, 2026 through the second scheduled trading day preceding the maturity date. Holders of the Convertible Notes due 2026 will also have the right to convert the Convertible Notes due 2026 at the Initial Conversion Rate prior to March 15, 2026, but only upon the occurrence of specified events described in the related indenture. The conversion rate is subject to anti-dilution adjustments if certain events occur.

In accordance with accounting guidance on embedded conversion features, we valued and bifurcated the conversion option associated with the Convertible Notes due 2026 (the "equity component") from the host debt instrument. The $774 million initial value of the equity component on the Convertible Notes due 2026 was recorded in "Additional paid-in capital" within "Stockholders' equity (deficit)" on our Consolidated Balance Sheets with the offset being recorded as the debt discount. The resulting debt discount on the Convertible Notes due 2026 is being amortized to interest expense at an effective interest rate of 7% over the ten-year term of the Convertible Notes due 2026. This interest expense was recorded in "Interest expense, net of amounts capitalized" within "Other Income (Expense)" on our Consolidated Statements of Operations and Comprehensive Income (Loss).

Convertible Note Hedge and Warrant Transactions

In connection with the offering of the Convertible Notes due 2026, we entered into convertible note hedge transactions with certain option counterparties. The convertible note hedge transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes due 2026, the number of shares of our Class A common stock underlying the Convertible Notes due 2026, which initially gives us the option to purchase approximately 46 million shares of our Class A common stock at a price of approximately $65.18 per share. The total cost of the convertible note hedge transactions was $635 million. Concurrently with entering into the convertible note hedge transactions, we also entered into warrant transactions with each option counterparty whereby we sold to such option counterparty warrants to purchase, subject to customary anti-dilution adjustments, up to the same number of shares of our Class A common stock, which initially gives the option counterparties the option to purchase approximately 46 million shares of our Class A common stock at a price of approximately $86.08 per share. We received $376 million in cash proceeds from the sale of these warrants. For us, the economic effect of these transactions is to effectively raise the initial conversion price from approximately $65.18 per share of our Class A common stock to approximately $86.08 per share of our Class A common stock (thus effectively raising the conversion premium on the Convertible Notes due 2026 from approximately 32.5% to approximately 75%). In accordance with accounting guidance on hedge and warrant transactions, the net cost incurred in connection with the convertible note hedge and warrant transactions are recorded as a reduction in "Additional paid-in capital" within "Stockholders' equity (deficit)" on our Consolidated Balance Sheets as of December 31, 2016.

DISH NETWORK CORPORATION
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We will not be required to make any cash payments to each option counterparty or its affiliates upon the exercise of the options that are a part of the convertible note hedge transactions, but will be entitled to receive from them a number of shares of Class A common stock, an amount of cash or a combination thereof. This consideration is generally based on the amount by which the market price per share of Class A common stock, as measured under the terms of the convertible note hedge transactions, is greater than the strike price of the convertible note hedge transactions during the relevant valuation period under the convertible note hedge transactions. Additionally, if the market price per share of Class A common stock, as measured under the terms of the warrant transactions, exceeds the strike price of the warrants during the measurement period at the maturity of the warrants, we will owe each option counterparty a number of shares of Class A common stock in an amount based on the excess of such market price per share of Class A common stock over the strike price of the warrants. However, as specified under the terms of the warrant transactions, we may elect to settle the warrants in cash.

Interest on Long-Term Debt

	Semi-Annual Payment Dates	Annual Debt Service Requirements
		(In thousands)
4 5/8% Senior Notes due 2017	January 15 and July 15	$ 41,625
4 1/4% Senior Notes due 2018	April 1 and October 1	$ 51,000
7 7/8% Senior Notes due 2019	March 1 and September 1	$ 110,250
5 1/8% Senior Notes due 2020	May 1 and November 1	$ 56,375
6 3/4% Senior Notes due 2021	June 1 and December 1	$ 135,000
5 7/8% Senior Notes due 2022	January 15 and July 15	$ 117,500
5% Senior Notes due 2023	March 15 and September 15	$ 75,000
5 7/8 % Senior Notes due 2024	May 15 and November 15	$ 117,500
7 3/4 % Senior Notes due 2026	January 1 and July 1	$ 155,000
3 3/8 % Convertible Notes due 2026	February 15 and August 15	$ 101,250

Our ability to meet our debt service requirements will depend on, among other factors, the successful execution of our business strategy, which is subject to uncertainties and contingencies beyond our control.

Other Long-Term Debt and Capital Lease Obligations

Other long-term debt and capital lease obligations consisted of the following:

	As of December 31,	
	2016	2015
	(In thousands)	
Satellites and other capital lease obligations	$ 136,146	$ 166,492
Notes payable related to satellite vendor financing and other debt payable in installments through 2031 with interest rates ranging from approximately 1.9% to 8.8%	47,844	30,996
Total	183,990	197,488
Less: current portion	(37,580)	(34,000)
Other long-term debt and capital lease obligations, net of current portion	$ 146,410	$ 163,488

Capital Lease Obligations

Anik F3. Anik F3, an FSS satellite, was launched and commenced commercial operation in April 2007. This satellite is accounted for as a capital lease and depreciated over the term of the satellite service agreement. We have leased 100% of the Ku-band capacity on Anik F3 for a period of 15 years.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Ciel II . Ciel II, a Canadian DBS satellite, was launched in December 2008 and commenced commercial operation in February 2009. This satellite is accounted for as a capital lease and depreciated over the term of the satellite service agreement. We have leased 100% of the capacity on Ciel II for an initial 10 year term.

As of December 31, 2016 and 2015, we had $500 million capitalized for the estimated fair value of satellites acquired under capital leases included in "Property and equipment, net," with related accumulated depreciation of $365 million and $322 million, respectively. In our Consolidated Statements of Operations and Comprehensive Income (Loss), we recognized $43 million in depreciation expense on satellites acquired under capital lease agreements during each of the years ended December 31, 2016, 2015 and 2014.

Future minimum lease payments under the capital lease obligations, together with the present value of the net minimum lease payments as of December 31, 2016 are as follows (in thousands):

For the Years Ended December 31,	
2017	$ 76,297
2018	75,935
2019	50,320
2020	48,000
2021	48,000
Thereafter	16,000
Total minimum lease payments	314,552
Less: Amount representing lease of the orbital location and estimated executory costs (primarily insurance and maintenance) including profit thereon, included in total minimum lease payments	(153,360)
Net minimum lease payments	161,192
Less: Amount representing interest	(25,046)
Present value of net minimum lease payments	136,146
Less: Current portion	(33,412)
Long-term portion of capital lease obligations	$ 102,734

The summary of future maturities of our outstanding long-term debt as of December 31, 2016 is included in the commitments table in Note 14.

10. Income Taxes and Accounting for Uncertainty in Income Taxes

Income Taxes

Our income tax policy is to record the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported on our Consolidated Balance Sheets, as well as probable operating loss, tax credit and other carryforwards. Deferred tax assets are offset by valuation allowances when we believe it is more likely than not that net deferred tax assets will not be realized. We periodically evaluate our need for a valuation allowance. Determining necessary valuation allowances requires us to make assessments about historical financial information as well as the timing of future events, including the probability of expected future taxable income and available tax planning opportunities.

We file consolidated tax returns in the U.S. The income taxes of domestic and foreign subsidiaries not included in the U.S. tax group are presented in our consolidated financial statements on a separate return basis for each tax paying entity.

As of December 31, 2016, we had no net operating loss carryforwards ("NOLs") for federal income tax purposes and $27 million of NOL benefit for state income tax purposes, which are partially offset by a valuation allowance. The state NOLs begin to expire in the year 2017. In addition, there are $57 million of tax benefits related to credit carryforwards which are partially offset by a valuation allowance. The state credit carryforwards began to expire in 2015.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

The components of the (benefit from) provision for income taxes were as follows:

	For the Years Ended December 31,		
	2016	2015	2014
	(In thousands)		
Current (benefit) provision:			
Federal	$ 290,378	$ 144,990	$ 180,282
State	29,512	18,811	(44,565)
Foreign	10,187	(3,517)	6,588
Total current (benefit) provision	330,077	160,284	142,305
Deferred (benefit) provision:			
Federal	469,851	165,294	310,977
State	35,618	30,059	15,776
Foreign	—	—	(190,253)
Increase (decrease) in valuation allowance	1,463	11,039	(1,965)
Total deferred (benefit) provision	506,932	206,392	134,535
Total (benefit) provision	$ 837,009	$ 366,676	$ 276,840

Our $2.306 billion of "Income (loss) before income taxes" on our Consolidated Statements of Operations and Comprehensive Income (Loss) included income of $8 million related to our foreign operations.

The following table shows the principal reasons for the difference between the effective income tax rate and the statutory federal tax rate:

	For the Years Ended December 31,		
	2016	2015	2014
	% of pre-tax income/(loss)		
Statutory rate	35.0	35.0	35.0
State income taxes, net of federal benefit	2.5	3.3	1.1
Reversal of uncertain tax positions	(0.8)	(1.0)	(3.5)
Foreign tax planning strategies, net of federal benefit (1)	—	—	(9.8)
Amounts reclassified from accumulated other comprehensive income (loss) (2)	—	(5.5)	—
Increase (decrease) in valuation allowance	0.1	1.0	(0.2)
Other, net	(0.5)	(0.5)	0.4
Total (benefit) provision for income taxes	36.3	32.3	23.0

(1) Our effective tax rate for the year ended December 31, 2014 was favorably impacted by tax planning strategies related to the tax structure of certain foreign legal entities, net of federal benefit, totaling $118 million.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

(2) Our effective tax rate for the year ended December 31, 2015 was favorably impacted by a $63 million credit that was previously recorded in "Accumulated other comprehensive income (loss)" and was released to our income tax provision during the year ended December 31, 2015. Prior to December 31, 2012, we had established a valuation allowance against all deferred tax assets that were capital in nature. At December 31, 2012, it was determined that these deferred tax assets were realizable and the valuation allowance was released, including the valuation allowance related to a specific portfolio of available-for-sale securities for which changes in fair value had historically been recognized as a separate component of "Accumulated other comprehensive income (loss)." Under the intra-period tax allocation rules, a credit of $63 million was recorded in "Accumulated other comprehensive income (loss)" on our Consolidated Balance Sheets related to the release of this valuation allowance. We elected to use the aggregate portfolio method to determine when the $63 million would be released from "Accumulated other comprehensive income (loss)" to "Income tax (provision) benefit, net" on our Consolidated Statements of Operations and Comprehensive Income (Loss). Under the aggregate portfolio approach, the intra-period tax allocation remaining in "Accumulated other comprehensive income (loss)" is not released to "Income tax (provision) benefit, net" until such time that the specific portfolio of available-for-sale securities that generated the original intra-period allocation is liquidated. During the first quarter 2015, this specific available-for-sale security portfolio was liquidated and the $63 million credit that was previously recorded in "Accumulated other comprehensive income (loss)" was released to "Income tax (provision) benefit, net."

Deferred taxes arise because of the differences in the book and tax bases of certain assets and liabilities. Significant components of deferred tax assets and liabilities were as follows:

	As of December 31,	
	2016	2015
	(In thousands)	
Deferred tax assets:		
NOL, credit and other carryforwards	$ 56,498	$ 69,558
Accrued expenses	57,418	41,081
Stock-based compensation	16,606	15,753
Unrealized (gains) losses on available for sale and other investments	10,827	—
Deferred revenue	19,064	27,980
Total deferred tax assets	160,413	154,372
Valuation allowance	(22,606)	(21,143)
Deferred tax asset after valuation allowance	137,807	133,229
Deferred tax liabilities:		
Depreciation	(914,487)	(994,026)
FCC authorizations and other intangible amortization	(1,379,735)	(975,725)
Unrealized (gains) losses on available for sale and other investments	—	(82,535)
Bases difference in partnerships and cost method investments (1)	(366,937)	(138,160)
Discount on convertible notes and convertible note hedge transaction, net	(47,908)	—
Other liabilities	(24,221)	(27,572)
Total deferred tax liabilities	(2,733,288)	(2,218,018)
Net deferred tax asset (liability)	$ (2,595,481)	$ (2,084,789)

(1) Included in this line item are deferred taxes related to, among other things, our non-controlling investments in Northstar Spectrum and SNR HoldCo, including deferred taxes created by the tax amortization of the Northstar Licenses and SNR Licenses. Also included in this line item are deferred taxes related to our cost method investments, including our cost method investments in the Tracking Stock.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Accounting for Uncertainty in Income Taxes

In addition to filing federal income tax returns, we and one or more of our subsidiaries file income tax returns in all states that impose an income tax and a small number of foreign jurisdictions where we have immaterial operations. We are subject to U.S. federal, state and local income tax examinations by tax authorities for the years beginning in 2005 due to the carryover of previously incurred NOLs. We are currently under a federal income tax examination for fiscal years 2008 through 2012.

A reconciliation of the beginning and ending amount of unrecognized tax benefits included in "Long-term deferred revenue, distribution and carriage payments and other long-term liabilities" on our Consolidated Balance Sheets was as follows:

	For the Years Ended December 31,		
Unrecognized tax benefit	**2016**	**2015**	**2014**
	(In thousands)		
Balance as of beginning of period	$ 335,933	$ 207,675	$ 151,353
Additions based on tax positions related to the current year	40,492	135,937	69,643
Additions based on tax positions related to prior years	21,797	22,483	55,761
Reductions based on tax positions related to prior years	(34,106)	(22,697)	(18,646)
Reductions based on tax positions related to settlements with taxing authorities	(3,628)	(2,648)	(42,023)
Reductions based on tax positions related to the lapse of the statute of limitations	(3,118)	(4,817)	(8,413)
Balance as of end of period	$ 357,370	$ 335,933	$ 207,675

We have $200 million in unrecognized tax benefits that, if recognized, could favorably affect our effective tax rate. We do not expect any material portion of this amount to be paid or settled within the next twelve months.

Accrued interest and penalties on uncertain tax positions are recorded as a component of "Interest expense, net of amounts capitalized" and "Other, net," respectively, on our Consolidated Statements of Operations and Comprehensive Income (Loss). During the year ended December 31, 2016 and 2015, we recorded $11 million and $3 million in net interest and penalty expense to earnings, respectively. During the year ended December 31, 2014, we recorded a credit of $3 million in net interest and penalty expense to earnings. Accrued interest and penalties were $26 million and $15 million at December 31, 2016 and 2015, respectively. The above table excludes these amounts.

11. Stockholders' Equity (Deficit)

Capital Stock and Additional Paid-In Capital

Our certificate of incorporation authorizes the following capital stock: (i) 1,600,000,000 shares of Class A common stock, par value $0.01 per share; (ii) 800,000,000 shares of Class B common stock, par value $0.01 per share; (iii) 800,000,000 shares of Class C common stock, par value $0.01 per share; and (iv) 20,000,000 shares of preferred stock, par value $0.01 per share. As of December 31, 2016 and 2015, there were no outstanding shares of Class C common stock or preferred stock.

The Class A, Class B and Class C common stock are equivalent except for voting rights. Holders of Class A and Class C common stock are entitled to one vote per share and holders of Class B common stock are entitled to 10 votes per share. Each share of Class B and Class C common stock is convertible, at the option of the holder, into one share of Class A common stock. Our Class A common stock is publicly traded on the NASDAQ Global Select Market under the symbol "DISH." Upon a change in control of DISH Network, each holder of outstanding shares of Class C common stock is entitled to 10 votes for each share of Class C common stock held. Our principal stockholder owns the majority of all outstanding Class B common stock. Together with all other stockholders, he also owns outstanding Class A common stock.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Common Stock Repurchase Program

Our Board of Directors previously authorized the repurchase of up to $1.0 billion of our outstanding Class A common stock. On November 2, 2016, our Board of Directors extended this authorization such that we are currently authorized to repurchase up to $1.0 billion of outstanding shares of our Class A common stock through and including December 31, 2017. As of December 31, 2016, we may repurchase up to $1.0 billion under this program. During the years ended December 31, 2016, 2015 and 2014, there were no repurchases of our Class A common stock.

Treasury Stock

As of December 31, 2015, we held 56,118,260 shares of treasury stock. We account for our treasury stock using the cost method and all treasury share repurchases are reflected on our Consolidated Balance Sheets as a component of "Treasury stock, at cost." On February 11, 2016, our Board of Directors approved the retirement of our treasury stock. During the first quarter 2016, we retired all 56,118,260 shares of our treasury stock.

12. Employee Benefit Plans

Employee Stock Purchase Plan

Our employees participate in the DISH Network employee stock purchase plan (the "ESPP"), in which we are authorized to issue up to 2.8 million shares of Class A common stock. At December 31, 2016, we had 1.0 million shares of Class A common stock which remain available for issuance under the ESPP. Substantially all full-time employees who have been employed by us for at least one calendar quarter are eligible to participate in the ESPP. Employee stock purchases are made through payroll deductions. Under the terms of the ESPP, employees may not deduct an amount which would permit such employee to purchase our capital stock under all of our stock purchase plans at a rate which would exceed $25,000 in fair value of capital stock in any one year. The purchase price of the stock is 85% of the closing price of the Class A common stock on the last business day of each calendar quarter in which such shares of Class A common stock are deemed sold to an employee under the ESPP. During the years ended December 31, 2016, 2015 and 2014, employee purchases of Class A common stock through the ESPP totaled approximately 0.2 million, 0.1 million and 0.1 million shares, respectively.

401(k) Employee Savings Plan

We sponsor a 401(k) Employee Savings Plan (the "401(k) Plan") for eligible employees. Voluntary employee contributions to the 401(k) Plan may be matched 50% by us, subject to a maximum annual contribution of $2,500 per employee. Forfeitures of unvested participant balances which are retained by the 401(k) Plan may be used to fund matching and discretionary contributions. Our Board of Directors may also authorize an annual discretionary contribution to the 401(k) plan, subject to the maximum deductible limit provided by the Internal Revenue Code of 1986, as amended. These contributions may be made in cash or in our stock.

The following table summarizes the expense associated with our matching contributions and discretionary contributions:

	For the Years Ended December 31,		
Expense Recognized Related to the 401(k) Plan	**2016**	**2015**	**2014**
	(In thousands)		
Total matching contributions, net of forfeitures	$ 6,546	$ 6,145	$ 6,222
Discretionary stock contributions, net of forfeitures	$ 23,158	$ 25,261	$ 25,972

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

13. Stock-Based Compensation

Stock Incentive Plans

We maintain stock incentive plans to attract and retain officers, directors and key employees. Stock awards under these plans include both performance and non-performance based stock incentives. As of December 31, 2016, we had outstanding under these plans stock options to acquire 7.9 million shares of our Class A common stock and 1.3 million restricted stock units. Stock options granted on or prior to December 31, 2016 were granted with exercise prices equal to or greater than the market value of our Class A common stock at the date of grant and with a maximum term of approximately ten years. While historically we have issued stock awards subject to vesting, typically at the rate of 20% per year, some stock awards have been granted with immediate vesting and other stock awards vest only upon the achievement of certain company-specific subscriber, operational and/or financial goals. As of December 31, 2016, we had 67.6 million shares of our Class A common stock available for future grant under our stock incentive plans.

Exercise prices for stock options outstanding and exercisable as of December 31, 2016 were as follows:

	Options Outstanding			Options Exercisable		
	Number Outstanding as of December 31, 2016	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable as of December 31, 2016	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price
$ — - $ 10.00	208,553	1.50	$ 6.31	208,553	1.50	$ 6.31
$ 10.01 - $ 20.00	1,885,085	3.47	$ 15.44	85,085	2.94	$ 16.73
$ 20.01 - $ 30.00	1,617,876	4.41	$ 26.64	1,067,876	4.22	$ 25.98
$ 30.01 - $ 40.00	1,434,345	5.85	$ 36.09	265,945	5.24	$ 34.85
$ 40.01 - $ 50.00	428,900	9.08	$ 46.22	7,800	2.03	$ 42.84
$ 50.01 - $ 60.00	1,532,000	8.53	$ 56.98	48,500	4.00	$ 57.58
$ 60.01 - $ 70.00	796,250	7.11	$ 66.56	189,050	7.16	$ 65.51
$ 70.01 - $ 80.00	20,000	3.00	$ 72.89	20,000	3.00	$ 72.89
$ — - $ 80.00	7,923,009	5.69	$ 36.21	1,892,809	4.27	$ 29.97

Stock Award Activity

Our stock option activity was as follows:

	For the Years Ended December 31,					
	2016		2015		2014	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
Total options outstanding, beginning of period	6,845,685	$ 31.13	11,725,823	$ 24.51	14,058,574	$ 21.71
Granted	1,901,000	$ 54.41	452,000	$ 69.11	667,750	$ 63.23
Exercised	(431,092)	$ 23.36	(1,884,938)	$ 16.15	(2,724,301)	$ 18.77
Forfeited and cancelled	(392,584)	$ 50.03	(3,447,200)	$ 21.78	(276,200)	$ 32.26
Total options outstanding, end of period	7,923,009	$ 36.21	6,845,685	$ 31.13	11,725,823	$ 24.51
Performance based options outstanding, end of period (1)	4,312,000	$ 31.39	3,904,500	$ 28.03	7,246,500	$ 24.14
Exercisable at end of period	1,892,809	$ 29.97	1,965,585	$ 26.82	3,299,023	$ 19.64

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

(1) These stock options are included in the caption "Total options outstanding, end of period." See discussion of the 2005 LTIP, 2008 LTIP, 2013 LTIP and Other Employee Performance Awards below.

We realized tax benefits from stock awards exercised as follows:

	For the Years Ended December 31,		
	2016	2015	2014
	(In thousands)		
Tax benefit from stock awards exercised	$ 5,006	$ 33,716	$ 52,366

Based on the closing market price of our Class A common stock on December 31, 2016, the aggregate intrinsic value of our stock options was as follows:

	As of December 31, 2016	
	Options Outstanding	Options Exercisable
	(In thousands)	
Aggregate intrinsic value	$ 179,314	$ 54,664

Our restricted stock unit activity was as follows:

	For the Years Ended December 31,					
	2016		2015		2014	
	Restricted Stock Units	Weighted-Average Grant Date Fair Value	Restricted Stock Units	Weighted-Average Grant Date Fair Value	Restricted Stock Units	Weighted-Average Grant Date Fair Value
Total restricted stock units outstanding, beginning of period	1,382,250	$ 32.01	1,798,331	$ 32.31	1,943,497	$ 29.09
Granted	67,060	$ 56.35	62,530	$ 68.79	316,500	$ 63.57
Vested	(60)	$ 49.15	(125,280)	$ 63.92	(278,000)	$ 45.04
Forfeited and cancelled	(113,250)	$ 45.12	(353,331)	$ 28.76	(183,666)	$ 32.77
Total restricted stock units outstanding, end of period (1)	1,336,000	$ 32.11	1,382,250	$ 32.01	1,798,331	$ 32.31

(1) All restricted stock units outstanding are Restricted Performance Units. See discussion of the 2005 LTIP, 2008 LTIP, 2013 LTIP and Other Employee Performance Awards below.

Long-Term Performance-Based Plans

2005 LTIP. During 2005, we adopted a long-term, performance-based stock incentive plan (the "2005 LTIP"). The 2005 LTIP provided stock options and restricted stock units, either alone or in combination, which vested over seven years at the rate of 10% per year during the first four years, and at the rate of 20% per year thereafter. Exercise of the stock awards was subject to the foregoing vesting schedule and a performance condition that a company-specific subscriber goal be achieved by March 31, 2015. The performance condition was not achieved, none of the awards became exercisable and the 2005 LTIP expired by its terms on March 31, 2015.

2008 LTIP. During 2008, we adopted a long-term, performance-based stock incentive plan (the "2008 LTIP"). The 2008 LTIP provided stock options and restricted stock units, either alone or in combination, which vested based on company-specific subscriber and financial goals. As of June 30, 2013, 100% of the eligible 2008 LTIP awards had vested.

DISH NETWORK CORPORATION
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2013 LTIP. During 2013, we adopted a long-term, performance-based stock incentive plan (the "2013 LTIP"). The 2013 LTIP provides stock options and restricted stock units in combination, which vest based on company-specific subscriber and financial goals. Exercise of the stock awards is contingent on achieving these goals by September 30, 2022.

Although no awards vest until the Company attains the performance goals, compensation related to the 2013 LTIP will be recorded based on management's assessment of the probability of meeting the remaining goals. If the remaining goals are probable of being achieved, we will begin recognizing the associated non-cash, stock-based compensation expense on our Consolidated Statements of Operations and Comprehensive Income (Loss) over the estimated period to achieve the goal.

During the years ended December 31, 2015, 2014, 2013, we determined that 30%, 10% and 20%, respectively, of the 2013 LTIP performance goals were probable of achievement. During the year ended December 31, 2016, no additional 2013 LTIP performance goals were deemed probable of achievement. As a result, we recorded non-cash, stock-based compensation expense for the years ended December 31, 2016, 2015 and 2014, as indicated in the table below titled "Non-Cash, Stock-Based Compensation Expense Recognized." As of December 31, 2016, approximately 20% of the 2013 LTIP awards had vested.

2017 LTIP. On December 2, 2016, we adopted a long-term, performance-based stock incentive plan (the "2017 LTIP"). The 2017 LTIP provides stock options, which vest based on company-specific subscriber and financial goals. Awards were initially granted under the 2017 LTIP as of January 1, 2017. Exercise of the stock awards is contingent on achieving these goals by December 31, 2020.

Although no awards vest until the Company attains the performance goals, compensation related to the 2017 LTIP will be recorded based on management's assessment of the probability of meeting the performance goals. If the performance goals are probable of being achieved, we will begin recognizing the associated non-cash, stock-based compensation expense on our Consolidated Statements of Operations and Comprehensive Income (Loss) over the estimated period to achieve the goal.

Other Employee Performance Awards. In addition to the above long-term, performance stock incentive plans, we have other stock awards that vest based on certain other company-specific subscriber, operational and/or financial goals. Exercise of these stock awards is contingent on achieving certain performance goals.

Additional compensation related to these awards will be recorded based on management's assessment of the probability of meeting the remaining performance goals. If the remaining goals are probable of being achieved, we will begin recognizing the associated non-cash, stock-based compensation expense on our Consolidated Statements of Operations and Comprehensive Income (Loss) over the estimated period to achieve the goal. See the table below titled "Estimated Remaining Non-Cash, Stock-Based Compensation Expense."

Although no awards vest until the performance goals are attained, we determined that certain goals were probable of achievement and, as a result, recorded non-cash, stock-based compensation expense for the years ended December 31, 2016, 2015 and 2014, as indicated in the table below titled "Non-Cash, Stock-Based Compensation Expense Recognized."

Given the competitive nature of our business, small variations in subscriber churn, gross new subscriber activation rates and certain other factors can significantly impact subscriber growth. Consequently, while it was determined that achievement of certain other company-specific subscriber, operational and/or financial goals was not probable as of December 31, 2016, that assessment could change in the future.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

The non-cash, stock-based compensation expense associated with these awards was as follows:

Non-Cash, Stock-Based Compensation Expense Recognized	For the Years Ended December 31, 2016	2015	2014
		(In thousands)	
2013 LTIP	$ 2,565	$ 10,157	$ 12,361
Other employee performance awards	1,424	1,694	14,095
Total non-cash, stock-based compensation expense recognized for performance based awards	$ 3,989	$ 11,851	$ 26,456

Estimated Remaining Non-Cash, Stock-Based Compensation Expense	2013 LTIP	Other Employee Performance Awards
	(In thousands)	
Expense estimated to be recognized during 2017	$ 7,067	$ 1,070
Estimated contingent expense subsequent to 2017	40,469	134,580
Total estimated remaining expense over the term of the plan	$ 47,536	$ 135,650

Of the 7.9 million stock options and 1.3 million restricted stock units outstanding under our stock incentive plans as of December 31, 2016, the following awards were outstanding pursuant to our performance-based stock incentive plans:

	As of December 31, 2016	
Performance Based Stock Options	**Number of Awards**	**Weighted-Average Grant Price**
2013 LTIP	1,472,000	$ 43.50
Other employee performance awards	2,840,000	$ 25.12
Total	4,312,000	$ 31.39
Restricted Performance Units		
2013 LTIP	736,000	
Other employee performance awards	600,000	
Total	1,336,000	

Stock-Based Compensation

Total non-cash, stock-based compensation expense for all of our employees is shown in the following table for the years ended December 31, 2016, 2015 and 2014 and was allocated to the same expense categories as the base compensation for such employees:

	For the Years Ended December 31, 2016	2015	2014
		(In thousands)	
Subscriber-related	$ 694	$ 2,164	$ 1,859
General and administrative	12,343	17,035	32,294
Total non-cash, stock-based compensation	$ 13,037	$ 19,199	$ 34,153

As of December 31, 2016, our total unrecognized compensation cost related to our non-performance based unvested stock awards was $22 million and will be recognized over a weighted-average period of approximately two years. Share-based compensation expense is recognized based on stock awards ultimately expected to vest.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Valuation

The fair value of each stock option granted for the years ended December 31, 2016, 2015 and 2014 was estimated at the date of the grant using a Black-Scholes option valuation model with the following assumptions:

	For the Years Ended December 31,		
Stock Options	**2016**	**2015**	**2014**
Risk-free interest rate	1.06 % - 2.27 %	1.40 % - 2.19 %	1.80 % - 2.84 %
Volatility factor	26.12 % - 33.37 %	26.42 % - 36.22 %	28.53 % - 38.62 %
Expected term of options in years	5.4 - 10.0	5.5 - 7.8	5.5 - 9.0
Weighted-average fair value of options granted	$ 12.45 - $ 26.86	$ 16.14 - $ 29.73	$ 19.08 - $ 29.20

While we currently do not intend to declare dividends on our common stock, we may elect to do so from time to time. Accordingly, the dividend yield percentage used in the Black-Scholes option valuation model was set at zero for all periods. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded stock options which have no vesting restrictions and are fully transferable. Consequently, our estimate of fair value may differ from other valuation models. Further, the Black-Scholes option valuation model requires the input of highly subjective assumptions. Changes in these subjective input assumptions can materially affect the fair value estimate.

We will continue to evaluate the assumptions used to derive the estimated fair value of our stock options as new events or changes in circumstances become known.

14. Commitments and Contingencies

Commitments

As of December 31, 2016, future maturities of our long-term debt, capital lease and contractual obligations are summarized as follows:

	Payments due by period						
	Total	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
	(In thousands)						
Long-term debt obligations	$ 17,147,844	$ 904,168	$ 1,204,274	$ 1,404,385	$ 1,104,503	$ 2,004,626	$ 10,525,888
Capital lease obligations	136,146	33,412	36,260	19,503	19,137	20,615	7,219
Interest expense on long-term debt and capital lease obligations	6,013,072	983,130	903,456	875,684	736,096	639,190	1,875,516
Satellite-related obligations	1,615,590	382,348	348,617	301,102	241,371	208,196	133,956
Operating lease obligations	139,673	41,334	25,266	18,954	13,728	9,332	31,059
Purchase obligations	2,202,987	1,765,669	275,669	130,230	16,386	8,833	6,200
Total	$ 27,255,312	$ 4,110,061	$ 2,793,542	$ 2,749,858	$ 2,131,221	$ 2,890,792	$ 12,579,838

In certain circumstances the dates on which we are obligated to make these payments could be delayed. These amounts will increase to the extent that we procure launch and/or in-orbit insurance on our satellites or contract for the construction, launch or lease of additional satellites.

The table above does not include $357 million of liabilities associated with unrecognized tax benefits that were accrued, as discussed in Note 10 and are included on our Consolidated Balance Sheets as of December 31, 2016. We do not expect any portion of this amount to be paid or settled within the next twelve months.

Wireless

DISH Network Spectrum

We have invested over $5.0 billion since 2008 to acquire certain wireless spectrum licenses and related assets.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

700 MHz Licenses . In 2008, we paid $712 million to acquire certain 700 MHz E Block ("700 MHz") wireless spectrum licenses, which were granted to us by the FCC in February 2009. At the time they were granted, these licenses were subject to certain interim and final build-out requirements. On October 29, 2013, the FCC issued an order approving a voluntary industry solution to resolve certain interoperability issues affecting the lower 700 MHz spectrum band (the "Interoperability Solution Order"), which requires us to reduce power emissions on our 700 MHz licenses. As part of the Interoperability Solution Order, the FCC, among other things, approved our request to modify the original interim and final build-out requirements associated with our 700 MHz licenses so that by March 2017, we must provide signal coverage and offer service to at least 40% of our total E Block population (the "Modified 700 MHz Interim Build-Out Requirement"). The FCC also approved our request to modify the 700 MHz Final Build-Out Requirement so that by March 2021, we must provide signal coverage and offer service to at least 70% of the population in each of our E Block license areas (the "Modified 700 MHz Final Build-Out Requirement"). While the modifications to our 700 MHz licenses provide us additional time to complete the build-out requirements, the reduction in power emissions could have an adverse impact on our ability to fully utilize our 700 MHz licenses. If the Modified 700 MHz Interim Build-Out Requirement is not met, the Modified 700 MHz Final Build-Out Requirement may be accelerated by one year, from March 2021 to March 2020, and we could face the reduction of license area(s). If the Modified 700 MHz Final Build-Out Requirement is not met, our authorization may terminate for the geographic portion of each license in which we are not providing service.

AWS-4 Licenses . On March 2, 2012, the FCC approved the transfer of 40 MHz of wireless spectrum licenses held by DBSD North America, Inc. ("DBSD North America") and TerreStar Networks, Inc. ("TerreStar") to us. On March 9, 2012, we completed the acquisition of 100% of the equity of reorganized DBSD North America (the "DBSD Transaction") and substantially all of the assets of TerreStar (the "TerreStar Transaction"), pursuant to which we acquired, among other things, certain satellite assets and wireless spectrum licenses held by DBSD North America and TerreStar. The total consideration to acquire the DBSD North America and TerreStar assets was approximately $2.860 billion.

On February 15, 2013, the FCC issued an order, which became effective on March 7, 2013, modifying our licenses to expand our terrestrial operating authority with AWS-4 authority ("AWS-4"). That order also mandated certain interim and final build-out requirements for the licenses. By March 2017, we must provide terrestrial signal coverage and offer terrestrial service to at least 40% of the aggregate population represented by all of the areas covered by the licenses (the "AWS-4 Interim Build-Out Requirement"). By March 2020, we were required to provide terrestrial signal coverage and offer terrestrial service to at least 70% of the population in each area covered by an individual license (the "AWS-4 Final Build-Out Requirement").

On December 20, 2013, the FCC issued a further order that, among other things, extended the AWS-4 Final Build-Out Requirement by one year to March 2021 (the "Modified AWS-4 Final Build-Out Requirement"). If the AWS-4 Interim Build-Out Requirement is not met, the Modified AWS-4 Final Build-Out Requirement may be accelerated by one year, from March 2021 to March 2020. If the Modified AWS-4 Final Build-Out Requirement is not met, our terrestrial authorization for each license area in which we do not meet the requirement may terminate. The FCC's December 20, 2013 order also conditionally waived certain FCC rules for our AWS-4 licenses to allow us to repurpose all 20 MHz of our uplink spectrum (2000-2020 MHz) for terrestrial downlink operations. On June 1, 2016, we notified the FCC that we had elected to use our AWS-4 uplink spectrum for terrestrial downlink operations, and effective June 7, 2016, the FCC modified our AWS-4 licenses, resulting in all 40 MHz of our AWS-4 spectrum being designated for terrestrial downlink operations.

H Block Licenses . On April 29, 2014, the FCC issued an order granting our application to acquire all 176 wireless spectrum licenses in the H Block auction. We paid approximately $1.672 billion to acquire these H Block licenses, including clearance costs associated with the lower H Block spectrum. The H Block licenses are subject to certain interim and final build-out requirements. By April 2018, we must provide reliable signal coverage and offer service to at least 40% of the population in each area covered by an individual H Block license (the "H Block Interim Build-Out Requirement"). By April 2024, we must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual H Block license (the "H Block Final Build-Out Requirement").

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If the H Block Interim Build-Out Requirement is not met, the H Block license term and the H Block Final Build-Out Requirement may be accelerated by two years (from April 2024 to April 2022) for each H Block license area in which we do not meet the requirement. If the H Block Final Build-Out Requirement is not met, our authorization for each H Block license area in which we do not meet the requirement may terminate.

MVDDS Licenses . We have multichannel video distribution and data service ("MVDDS") licenses in 82 out of 214 geographical license areas, including Los Angeles, New York City, Chicago and several other major metropolitan areas. By August 2014, we were required to meet certain FCC build-out requirements related to our MVDDS licenses, and we are subject to certain FCC service rules applicable to these licenses. In January 2015, the FCC granted our application to extend the build-out requirements related to our MVDDS licenses. We now have until 2019 to provide "substantial service" on our MVDDS licenses, and the licenses expire in 2024. Our MVDDS licenses may be terminated, however, if we do not provide substantial service in accordance with the new build-out requirements.

In 2016, the MVDDS 5G Coalition, of which we are a member, filed a petition for rulemaking requesting the FCC to consider updating the rules to allow us to provide two-way 5G services using our MVDDS licenses. We cannot predict when or if the FCC will grant the petition and proceed with a rulemaking. If the FCC adopts rules that would allow us to provide two-way 5G services using our MVDDS licenses, the requests of OneWeb and others for authority to use the band for service from NGSO satellite systems may hinder our ability to provide 5G services using our MVDDS licenses.

Commercialization of Our Wireless Spectrum Licenses and Related Assets. We have made substantial investments to acquire certain wireless spectrum licenses and related assets. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such investments or partnerships could vary significantly. We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers.

Auction 1000. On February 10, 2016, we filed an application with the FCC to potentially participate as a bidder in the forward auction phase of Auction 1000. The available spectrum in each licensed geographic area in Auction 1000 is generally comprised of certain paired 5x5 spectrum blocks (5 MHz uplink spectrum and 5 MHz downlink spectrum). As a result, a nationwide footprint may be obtained by aggregating a single 5x5 spectrum block in each available licensed geographic area.

Auction 1000 has had multiple stages, with each stage having two phases. With respect to each stage, in the first phase, or reverse auction phase, participating television broadcasters "sell" their rights to use certain broadcast television spectrum in the 600 MHz frequency range to the FCC. Then following the first phase of a stage, in the second phase, or forward auction phase, the FCC will "resell" that spectrum to auction participants. In the event that certain criteria are not met within a particular stage for Auction 1000 to conclude, Auction 1000 then proceeds to a subsequent stage with less available spectrum than the immediately preceding stage and lower spectrum clearing targets.

Before the forward auction phase of Stage 1 of Auction 1000 began, a qualified bidder in the forward auction could make an upfront deposit of up to approximately $5.4 billion. On July 15, 2016, the FCC announced that a subsidiary of DISH Network and 61 other applicants were qualified to participate in the forward auction. The FCC determined that bidding in Auction 1000 will be "anonymous," which means that prior to and during the course of the auction, the FCC will not make public any information about a specific applicant's upfront deposits or its bids. In addition, FCC rules restrict information that applicants may disclose about their participation in Auction 1000.

- *Stage 1:* The reverse auction phase of Stage 1 began on March 29, 2016 and ended on June 29, 2016. Pursuant to the FCC's procedures for Auction 1000 and based on the results of the reverse auction phase of Stage 1, in order for Auction 1000 to have ultimately concluded, the aggregate bids in the forward auction phase of Stage 1 would have had to have exceeded approximately $88.4 billion. The forward auction phase of Stage 1 included 100 MHz of spectrum in over 90% of the available licensed geographic areas, based on the broadcasters' indicated availability of spectrum in the reverse auction phase. The forward auction phase of Stage 1 began on August 16, 2016 and ended on August 30, 2016, but the aggregate bids of approximately $23.1 billion did not exceed the approximately $88.4 billion required for Auction 1000 to ultimately conclude. As a result, Auction 1000 moved to Stage 2.

- *Stage 2:* The reverse auction phase of Stage 2 began on September 13, 2016 and ended on October 13, 2016. Pursuant to the FCC's procedures for Auction 1000 and based on the results of the reverse auction phase of Stage 2, in order for Auction 1000 to have ultimately concluded, the aggregate bids in the forward auction phase of Stage 2 would have had to have exceeded approximately $56.5 billion. The forward auction phase of Stage 2 included 90 MHz of spectrum in over 90% of the available licensed geographic areas, based on the broadcasters' indicated availability of spectrum in the reverse auction phase. The forward auction phase of Stage 2 began and ended on October 19, 2016, but the aggregate bids of approximately $21.5 billion did not exceed the approximately $56.5 billion required for Auction 1000 to ultimately conclude. As a result, Auction 1000 moved to Stage 3.

- *Stage 3:* The reverse auction phase of Stage 3 began on November 1, 2016 and ended on December 1, 2016. Pursuant to the FCC's procedures for Auction 1000 and based on the results of the reverse auction phase of Stage 3, in order for Auction 1000 to have ultimately concluded, the aggregate bids in the forward auction phase of Stage 3 would have had to have exceeded approximately $42.3 billion. The forward auction phase of Stage 3 included 80 MHz of spectrum in over 90% of the available licensed geographic areas, based on the broadcasters' indicated availability of spectrum in the reverse auction phase. The forward auction phase of Stage 3 began and ended on December 5, 2016, but the aggregate bids of approximately $19.7 billion did not exceed the approximately $42.3 billion required for Auction 1000 to ultimately conclude. As a result, Auction 1000 moved to Stage 4.

- Stage 4: The reverse auction phase of Stage 4 began on December 13, 2016 and ended on January 13, 2017. Pursuant to the FCC's procedures for Auction 1000 and based on the results of the reverse auction phase of Stage 4, in order for Auction 1000 to ultimately conclude, the aggregate bids in the forward auction phase of Stage 4 would have to exceed approximately $12.0 billion. The forward auction phase of Stage 4 includes 70 MHz of spectrum in over 90% of the available licensed geographic areas, based on the broadcasters' indicated availability of spectrum in the reverse auction phase. The clock bidding portion of the forward auction phase of Stage 4 began on January 18, 2017 and ended on February 10, 2017. The aggregate bids of approximately $19.6 billion exceeded the approximately $12.0 billion required for Auction 1000 to ultimately conclude. As a result, Auction 1000 moved to the assignment portion of the forward auction phase in which winning bidders in the clock bidding portion have the opportunity to bid for frequency-specific licenses. The assignment portion is scheduled to begin on March 6, 2017, and all assignment rounds are expected to end no later than March 30, 2017. During the assignment portion, the FCC rules restricting information that forward auction applicants may disclose about their participation in Auction 1000 remain in place. As mentioned above, a subsidiary of DISH Network qualified to participate in the forward auction. To the extent that it is the winning bidder for any 600 MHz licenses, we would expect to pay for such licenses from any upfront deposit made with the FCC and/or existing cash and marketable investment securities balances.

We may need to raise significant additional capital in the future to fund the efforts described above, which may not be available on acceptable terms or at all. There can be no assurance that we will be able to develop and implement a business model that will realize a return on these wireless spectrum licenses or that we will be able to profitably deploy the assets represented by these wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations.

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DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

Through our wholly-owned subsidiaries American II and American III, we have made over $10.0 billion in certain non-controlling investments in Northstar Spectrum, the parent company of Northstar Wireless, and in SNR HoldCo, the parent company of SNR Wireless, respectively. Northstar Wireless and SNR Wireless each filed applications with the FCC to participate in Auction 97 (the "AWS-3 Auction") for the purpose of acquiring certain AWS-3 Licenses. Each of Northstar Wireless and SNR Wireless applied to receive bidding credits of 25% as designated entities under applicable FCC rules. In February 2015, one of our wholly-owned subsidiaries received a refund from the FCC of its $400 million upfront payment made in 2014 related to the AWS-3 Auction.

Northstar Wireless was the winning bidder for AWS-3 Licenses with gross winning bid amounts totaling approximately $7.845 billion, which after taking into account a 25% bidding credit, is approximately $5.884 billion. SNR Wireless was the winning bidder for AWS-3 Licenses with gross winning bid amounts totaling approximately $5.482 billion, which after taking into account a 25% bidding credit, is approximately $4.112 billion. In addition to the net winning bids, SNR Wireless made a bid withdrawal payment of approximately $8 million.

On August 18, 2015, the FCC released a *Memorandum Opinion and Order* , FCC 15-104 (the "Order") in which the FCC determi n ed, among other things, that DISH Network has a controlling interest in, and is an affiliate of, Northstar Wireless and SNR Wireless, and therefore DISH Network's revenues should be attributed to them, which in turn makes Northstar Wireless and SNR Wireless ineligible to receive the 25% bidding credits (approximately $1.961 billion for Northstar Wireless and $1.370 billion for SNR Wireless) (each a "Bidding Credit Amount" and collectively the "Bidding Credit Amounts"). Each of Northstar Wireless and SNR Wireless has filed a notice of appeal and petition for review of the Order with the United States Court of Appeals for the District of Columbia, challenging, among other things, the FCC's determination that they are ineligible to receive the Bidding Credit Amounts. Oral arguments were presented to the Court on September 26, 2016. We cannot predict with any degree of certainty the timing or outcome of these proceedings.

On October 1, 2015, DISH Network, American II, American III, Northstar Wireless, SNR Wireless, and certain other entities holding certain interests in Northstar Wireless and SNR Wireless, entered into a series of arrangements with respect to the AWS-3 Licenses, as further described below.

Letters Exchanged between Northstar Wireless and the FCC Wireless Bureau. As outlined in letters exchanged between Northstar Wireless and the Wireless Telecommunications Bureau of the FCC (the "FCC Wireless Bureau"), Northstar Wireless paid the gross winning bid amounts for 261 AWS-3 Licenses (the "Northstar Licenses") totaling approximately $5.619 billion through the application of funds already on deposit with the FCC. Northstar Wireless also notified the FCC that it would not be paying the gross winning bid amounts for 84 AWS-3 Licenses totaling approximately $2.226 billion.

As a result of the nonpayment of those gross winning bid amounts, the FCC retained those licenses and Northstar Wireless owed the FCC an additional interim payment of approximately $334 million (the "Northstar Interim Payment"), which is equal to 15% of $2.226 billion. The Northstar Interim Payment was recorded in "FCC auction expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ended December 31, 2015. Northstar Wireless immediately satisfied the Northstar Interim Payment through the application of funds already on deposit with the FCC and an additional loan from American II of approximately $69 million. As a result, the FCC will not deem Northstar Wireless to be a "current defaulter" under applicable FCC rules.

In addition, the FCC Wireless Bureau acknowledged that Northstar Wireless' nonpayment of those gross winning bid amounts does not constitute action involving gross misconduct, misrepresentation or bad faith. Therefore, the FCC concluded that such nonpayment will not affect the eligibility of Northstar Wireless, its investors (including DISH Network) or their respective affiliates to participate in future spectrum auctions (including Auction 1000 and any re-auction of the AWS-3 Licenses retained by the FCC). At this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction of those AWS-3 Licenses.

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If the winning bids from re-auction or other award of the AWS-3 Licenses retained by the FCC are greater than or equal to the winning bids of Northstar Wireless, no additional amounts will be owed to the FCC. However, if those winning bids are less than the winning bids of Northstar Wireless, then Northstar Wireless will be responsible for the difference less any overpayment of the Northstar Interim Payment (which will be recalculated as 15% of the winning bids from re-auction or other award) (the "Northstar Re-Auction Payment"). For example, if the winning bids in a re-auction are $1, the Northstar Re-Auction Payment would be approximately $1.892 billion, which is calculated as the difference between $2.226 billion (the Northstar winning bid amounts) and $1 (the winning bids from re-auction) less the resulting $334 million overpayment of the Northstar Interim Payment. As discussed above, at this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction. We cannot predict with any degree of certainty the timing or outcome of any re-auction or the amount of any Northstar Re-Auction Payment.

Amendment to Northstar Wireless Credit Agreement. On October 1, 2015, American II, Northstar Wireless and Northstar Spectrum amended the First Amended and Restated Credit Agreement dated October 13, 2014, by and among American II, as Lender, Northstar Wireless, as Borrower, and Northstar Spectrum, as Guarantor (as amended, the "Northstar Credit Agreement"), to provide, among other things, that: (i) the Northstar Interim Payment and any Northstar Re-Auction Payment will be made by American II directly to the FCC and will be deemed as loans under the Northstar Credit Agreement; (ii) the FCC is a third-party beneficiary with respect to American II's obligation to pay the Northstar Interim Payment and any Northstar Re-Auction Payment; (iii) in the event that the winning bids from re-auction or other award of the AWS-3 Licenses retained by the FCC are less than the winning bids of Northstar Wireless, the purchaser, assignee or transferee of any AWS-3 Licenses from Northstar Wireless is obligated to pay its pro-rata share of the difference (and Northstar Wireless remains jointly and severally liable for such pro-rata share); and (iv) during the period between the due date for the payments guaranteed under the FCC Northstar Guaranty (as discussed below) and the date such guaranteed payments are paid, Northstar Wireless' payment obligations to American II under the Northstar Credit Agreement will be subordinated to such guaranteed payments.

DISH Network Guaranty in Favor of the FCC for Certain Northstar Wireless Obligations . On October 1, 2015, DISH Network entered into a guaranty in favor of the FCC (the "FCC Northstar Guaranty") with respect to the Northstar Interim Payment (which was satisfied on October 1, 2015) and any Northstar Re-Auction Payment. The FCC Northstar Guaranty provides, among other things, that during the period between the due date for the payments guaranteed under the FCC Northstar Guaranty and the date such guaranteed payments are paid: (i) Northstar Wireless' payment obligations to American II under the Northstar Credit Agreement will be subordinated to such guaranteed payments; and (ii) DISH Network or American II will withhold exercising certain rights as a creditor of Northstar Wireless.

Letters Exchanged between SNR Wireless and the FCC Wireless Bureau. As outlined in letters exchanged between SNR Wireless and the FCC Wireless Bureau, SNR Wireless paid the gross winning bid amounts for 244 AWS-3 Licenses (the "SNR Licenses") totaling approximately $4.271 billion through the application of funds already on deposit with the FCC and a portion of an additional loan from American III in an aggregate amount of approximately $344 million (which included an additional bid withdrawal payment of approximately $3 million). SNR Wireless also notified the FCC that it would not be paying the gross winning bid amounts for 113 AWS-3 Licenses totaling approximately $1.211 billion.

As a result of the nonpayment of those gross winning bid amounts, the FCC retained those licenses and SNR Wireless owed the FCC an additional interim payment of approximately $182 million (the "SNR Interim Payment"), which is equal to 15% of $1.211 billion. The SNR Interim Payment was recorded in "FCC auction expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ended December 31, 2015. SNR Wireless immediately satisfied the SNR Interim Payment through a portion of an additional loan from American III in an aggregate amount of approximately $344 million. As a result, the FCC will not deem SNR Wireless to be a "current defaulter" under applicable FCC rules.

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In addition, the FCC Wireless Bureau acknowledged that SNR Wireless' nonpayment of those gross winning bid amounts does not constitute action involving gross misconduct, misrepresentation or bad faith. Therefore, the FCC concluded that such nonpayment will not affect the eligibility of SNR Wireless, its investors (including DISH Network) or their respective affiliates to participate in future spectrum auctions (including Auction 1000 and any re-auction of the AWS-3 Licenses retained by the FCC). At this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction of those AWS-3 Licenses.

If the winning bids from re-auction or other award of the AWS-3 Licenses retained by the FCC are greater than or equal to the winning bids of SNR Wireless, no additional amounts will be owed to the FCC. However, if those winning bids are less than the winning bids of SNR Wireless, then SNR Wireless will be responsible for the difference less any overpayment of the SNR Interim Payment (which will be recalculated as 15% of the winning bids from re-auction or other award) (the "SNR Re-Auction Payment"). For example, if the winning bids in a re-auction are $1, the SNR Re-Auction Payment would be approximately $1.029 billion, which is calculated as the difference between $1.211 billion (the SNR winning bid amounts) and $1 (the winning bids from re-auction) less the resulting $182 million overpayment of the SNR Interim Payment. As discussed above, at this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction. We cannot predict with any degree of certainty the timing or outcome of any re-auction or the amount of any SNR Re-Auction Payment.

Amendment to SNR Wireless Credit Agreement . On October 1, 2015, American III, SNR Wireless and SNR HoldCo amended the First Amended and Restated Credit Agreement dated October 13, 2014, by and among American III, as Lender, SNR Wireless, as Borrower, and SNR HoldCo, as Guarantor (as amended, the "SNR Credit Agreement"), to provide, among other things, that: (i) the SNR Interim Payment and any SNR Re-Auction Payment will be made by American III directly to the FCC and will be deemed as loans under the SNR Credit Agreement; (ii) the FCC is a third-party beneficiary with respect to American III's obligation to pay the SNR Interim Payment and any SNR Re-Auction Payment; (iii) in the event that the winning bids from re-auction or other award of the AWS-3 Licenses retained by the FCC are less than the winning bids of SNR Wireless, the purchaser, assignee or transferee of any AWS-3 Licenses from SNR Wireless is obligated to pay its pro-rata share of the difference (and SNR Wireless remains jointly and severally liable for such pro-rata share); and (iv) during the period between the due date for the payments guaranteed under the FCC SNR Guaranty (as discussed below) and the date such guaranteed payments are paid, SNR Wireless' payment obligations to American III under the SNR Credit Agreement will be subordinated to such guaranteed payments.

DISH Network Guaranty in Favor of the FCC for Certain SNR Wireless Obligations. On October 1, 2015, DISH Network entered into a guaranty in favor of the FCC (the "FCC SNR Guaranty") with respect to the SNR Interim Payment (which was satisfied on October 1, 2015) and any SNR Re-Auction Payment. The FCC SNR Guaranty provides, among other things, that during the period between the due date for the payments guaranteed under the FCC SNR Guaranty and the date such guaranteed payments are paid: (i) SNR Wireless' payment obligations to American III under the SNR Credit Agreement will be subordinated to such guaranteed payments; and (ii) DISH Network or American III will withhold exercising certain rights as a creditor of SNR Wireless.

Northstar Wireless is a wholly-owned subsidiary of Northstar Spectrum. Through American II, we own an 85% non-controlling interest in Northstar Spectrum. Northstar Manager owns a 15% controlling interest in, and is the sole manager of, Northstar Spectrum. Northstar Spectrum is governed by a limited liability company agreement by and between American II and Northstar Manager (the "Northstar Spectrum LLC Agreement"). Pursuant to the Northstar Spectrum LLC Agreement, American II and Northstar Manager made pro-rata equity contributions in Northstar Spectrum. As of October 1, 2015, the total equity contributions from American II and Northstar Manager to Northstar Spectrum were approximately $750 million and $133 million, respectively. As of October 1, 2015, the total loans from American II to Northstar Wireless under the Northstar Credit Agreement for payments to the FCC related to the Northstar Licenses were approximately $5.070 billion.

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SNR Wireless is a wholly-owned subsidiary of SNR HoldCo. Through American III, we own an 85% non-controlling interest in SNR HoldCo. SNR Management owns a 15% controlling interest in, and is the sole manager of, SNR HoldCo. SNR HoldCo is governed by a limited liability company agreement by and between American III and SNR Management (the "SNR HoldCo LLC Agreement"). Pursuant to the SNR HoldCo LLC Agreement, American III and SNR Management made pro-rata equity contributions in SNR HoldCo. As of October 1, 2015, the total equity contributions from American III and SNR Management to SNR HoldCo were approximately $524 million and $93 million, respectively. As of October 1, 2015, the total loans from American III to SNR Wireless under the SNR Credit Agreement for payments to the FCC related to the SNR Licenses were approximately $3.847 billion.

After Northstar Wireless and SNR Wireless satisfied their respective payments to the FCC on October 1, 2015 for the Northstar Licenses and the SNR Licenses, and the Northstar Interim Payment and the SNR Interim Payment (which included an additional bid withdrawal payment), our total non-controlling debt and equity investments in the Northstar Entities and the SNR Entities for payments to the FCC related to the AWS-3 Licenses were approximately $10.191 billion. Under the applicable accounting guidance in ASC 810, Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we have consolidated these entities into our financial statements beginning in the fourth quarter 2014. See Note 2 for further information.

On October 27, 2015, the FCC granted the Northstar Licenses to Northstar Wireless and the SNR Licenses to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Consolidated Balance Sheets. The AWS-3 Licenses are subject to certain interim and final build-out requirements. By October 2021, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 40% of the population in each area covered by an individual AWS-3 License (the "AWS-3 Interim Build-Out Requirement"). By October 2027, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual AWS-3 License (the "AWS-3 Final Build-Out Requirement"). If the AWS-3 Interim Build-Out Requirement is not met, the AWS-3 License term and the AWS-3 Final Build-Out Requirement may be accelerated by two years (from October 2027 to October 2025) for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement. If the AWS-3 Final Build-Out Requirement is not met, the authorization for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement may terminate.

In addition, on September 23, 2016, the United States District Court for the District of Columbia unsealed a qui tam complaint that was filed by Vermont National Telephone Company ("Vermont National") against us; our wholly-owned subsidiaries, American AWS-3 Wireless I L.L.C., American II, American III, and DISH Wireless Holding L.L.C.; Charles W. Ergen (our Chairman and Chief Executive Officer) and Cantey M. Ergen (a member of our board of directors); Northstar Wireless; Northstar Spectrum; Northstar Manager; SNR Wireless; SNR HoldCo; SNR Management; and certain other parties. See " *Contingencies – Litigation – Vermont National Telephone Company"* for further information.

We may need to make significant additional loans to the Northstar Entities and to the SNR Entities, or they may need to partner with others, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate the Northstar Licenses and the SNR Licenses, and comply with regulations applicable to the Northstar Licenses and the SNR Licenses. Depending upon the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such loans or partnerships could vary significantly. We may need to raise significant additional capital in the future, which may not be available on acceptable terms or at all, to make further investments in the Northstar Entities and the SNR Entities. There can be no assurance that we will be able to obtain a profitable return on our non-controlling investments in the Northstar Entities and the SNR Entities.

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Guarantees

During the third quarter 2009, EchoStar entered into a satellite transponder service agreement for Nimiq 5 through 2024. We sublease this capacity from EchoStar and also guarantee a certain portion of EchoStar's obligation under its satellite transponder service agreement through 2019. As of December 31, 2016, the remaining obligation of our guarantee was $190 million.

As of December 31, 2016, we have not recorded a liability on the balance sheet for this guarantee.

Purchase Obligations

Our 2017 purchase obligations primarily consist of binding purchase orders for receiver systems and related equipment, broadband equipment, digital broadcast operations, transmission costs, engineering services, and other products and services related to the operation of our Pay-TV services and broadband service. Our purchase obligations also include certain fixed contractual commitments to purchase programming content. Our purchase obligations can fluctuate significantly from period to period due to, among other things, management's timing of payments and inventory purchases, and can materially impact our future operating asset and liability balances, and our future working capital requirements.

Programming Contracts

In the normal course of business, we enter into contracts to purchase programming content in which our payment obligations are generally contingent on the number of Pay-TV subscribers to whom we provide the respective content. These programming commitments are not included in the "Commitments" table above. The terms of our contracts typically range from one to ten years with annual rate increases. Our programming expenses will continue to increase to the extent we are successful in growing our Pay-TV subscriber base. In addition, programming costs continue to increase due to contractual price increases and the renewal of long-term programming contracts on less favorable pricing terms.

Rent Expense

Total rent expense for operating leases was $407 million, $477 million and $469 million in 2016, 2015 and 2014, respectively.

Patents and Intellectual Property

Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that cover or affect products or services that we offer or that we may offer in the future. We may not be aware of all intellectual property rights that our products or services may potentially infringe. Damages in patent infringement cases can be substantial, and in certain circumstances can be trebled. Further, we cannot estimate the extent to which we may be required in the future to obtain licenses with respect to patents held by others and the availability and cost of any such licenses. Various parties have asserted patent and other intellectual property rights with respect to components of our products and services. We cannot be certain that these persons do not own the rights they claim, that our products do not infringe on these rights, and/or that these rights are not valid. Further, we cannot be certain that we would be able to obtain licenses from these persons on commercially reasonable terms or, if we were unable to obtain such licenses, that we would be able to redesign our products to avoid infringement.

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Contingencies

Separation Agreement

On January 1, 2008, we completed the distribution of our technology and set-top box business and certain infrastructure assets (the "Spin-off") into a separate publicly-traded company, EchoStar. In connection with the Spin-off, we entered into a separation agreement with EchoStar that provides, among other things, for the division of certain liabilities, including liabilities resulting from litigation. Under the terms of the separation agreement, EchoStar has assumed certain liabilities that relate to its business, including certain designated liabilities for acts or omissions that occurred prior to the Spin-off. Certain specific provisions govern intellectual property related claims under which, generally, EchoStar will only be liable for its acts or omissions following the Spin-off and we will indemnify EchoStar for any liabilities or damages resulting from intellectual property claims relating to the period prior to the Spin-off, as well as our acts or omissions following the Spin-off.

Litigation

We are involved in a number of legal proceedings (including those described below) concerning matters arising in connection with the conduct of our business activities. Many of these proceedings are at preliminary stages, and many of these proceedings seek an indeterminate amount of damages. We regularly evaluate the status of the legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss or an additional loss may have been incurred and to determine if accruals are appropriate. If accruals are not appropriate, we further evaluate each legal proceeding to assess whether an estimate of the possible loss or range of possible loss can be made.

For certain cases described on the following pages, management is unable to provide a meaningful estimate of the possible loss or range of possible loss because, among other reasons, (i) the proceedings are in various stages; (ii) damages have not been sought; (iii) damages are unsupported and/or exaggerated; (iv) there is uncertainty as to the outcome of pending appeals or motions; (v) there are significant factual issues to be resolved; and/or (vi) there are novel legal issues or unsettled legal theories to be presented or a large number of parties (as with many patent-related cases). For these cases, however, management does not believe, based on currently available information, that the outcomes of these proceedings will have a material adverse effect on our financial condition, though the outcomes could be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

California Institute of Technology

On October 1, 2013, the California Institute of Technology ("Caltech") filed complaints against us and our wholly-owned subsidiaries DISH Network L.L.C. and dishNET Satellite Broadband L.L.C., as well as Hughes Communications, Inc. and Hughes Network Systems, LLC, which are subsidiaries of EchoStar, in the United States District Court for the Central District of California. The complaint alleged infringement of United States Patent Nos. 7,116,710; 7,421,032; 7,916,781 and 8,284,833, each of which is entitled "Serial Concatenation of Interleaved Convolutional Codes forming Turbo-Like Codes." Caltech alleged that encoding data as specified by the DVB-S2 standard infringed each of the asserted patents. In the operative Amended Complaint, served on March 6, 2014, Caltech claimed that our Hopper ® set-top box, as well as the Hughes defendants' satellite broadband products and services, infringed the asserted patents by implementing the DVB-S2 standard. On May 5, 2015, the Court granted summary judgment in our favor as to the Hopper set-top box alleged in the complaint. On February 17, 2015, Caltech filed a new complaint in the United States District Court for the Central District of California, asserting the same patents against the same defendants. Caltech alleged that certain broadband equipment, including without limitation the HT1000 and HT1100 modems, gateway hardware, software and/or firmware that the Hughes defendants provide to, among others, us for our use in connection with the dishNET branded broadband service, infringed these patents. Pursuant to a settlement agreement between the parties, on May 31, 2016, Caltech dismissed with prejudice all of its claims in these actions.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

ClearPlay, Inc.

On March 13, 2014, ClearPlay, Inc. ("ClearPlay") filed a complaint against us, our wholly-owned subsidiary DISH Network L.L.C., EchoStar, and its wholly-owned subsidiary EchoStar Technologies L.L.C., in the United States District Court for the District of Utah. The complaint alleges infringement of United States Patent Nos. 6,898,799 (the "799 patent"), entitled "Multimedia Content Navigation and Playback"; 7,526,784 (the "784 patent"), entitled "Delivery of Navigation Data for Playback of Audio and Video Content"; 7,543,318 (the "318 patent"), entitled "Delivery of Navigation Data for Playback of Audio and Video Content"; 7,577,970 (the "970 patent"), entitled "Multimedia Content Navigation and Playback"; and 8,117,282 (the "282 patent"), entitled "Media Player Configured to Receive Playback Filters From Alternative Storage Mediums." ClearPlay alleges that the AutoHop ™ feature of our Hopper set-top box infringes the asserted patents. On February 11, 2015, the case was stayed pending various third-party challenges before the United States Patent and Trademark Office regarding the validity of certain of the patents asserted in the action. In those third-party challenges, the United States Patent and Trademark Office found that all claims of the 282 patent are unpatentable, and that certain claims of the 784 patent and 318 patent are unpatentable. ClearPlay appealed as to the 784 patent and the 318 patent, and on August 23, 2016, the United States Court of Appeals for the Federal Circuit affirmed the findings of the United States Patent and Trademark Office. On October 31, 2016, the stay was lifted. No trial date has been set.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

CRFD Research, Inc. (a subsidiary of Marathon Patent Group, Inc.)

On January 17, 2014, CRFD Research, Inc. ("CRFD") filed a complaint against us, our wholly-owned subsidiaries DISH DBS Corporation and DISH Network L.L.C., EchoStar, and its wholly-owned subsidiary EchoStar Technologies L.L.C., in the United States District Court for the District of Delaware, alleging infringement of United States Patent No. 7,191,233 (the "233 patent"). The 233 patent is entitled "System for Automated, Mid-Session, User-Directed, Device-to-Device Session Transfer System," and relates to transferring an ongoing software session from one device to another. CRFD alleges that our Hopper and Joey ® set-top boxes infringe the 233 patent. On the same day, CRFD filed similar complaints against AT&T Inc.; Comcast Corp.; DirecTV; Time Warner Cable Inc.; Cox Communications, Inc.; Akamai Technologies, Inc.; Cablevision Systems Corp. and Limelight Networks, Inc. CRFD is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. On January 26, 2015, we and EchoStar filed a petition before the United States Patent and Trademark Office challenging the validity of certain claims of the 233 patent. The United States Patent and Trademark Office has agreed to institute a proceeding on our petition, as well as on two third-party petitions challenging the validity of certain claims of the 233 patent, and it heard oral argument on January 16, 2016. On June 1, 2016, the United States Patent and Trademark Office found that all claims asserted against us and the EchoStar parties were unpatentable. On July 5, 2016, CRFD filed a notice of appeal to the United States Court of Appeals for the Federal Circuit. The litigation in the District Court has been stayed since June 4, 2015 pending resolution of our petition to the United States Patent and Trademark Office.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Customedia Technologies, L.L.C.

On February 10, 2016, Customedia Technologies, L.L.C. ("Customedia") filed a complaint against us and our wholly-owned subsidiary DISH Network L.L.C. in the United States District Court for the Eastern District of Texas. The complaint alleges infringement of four patents: United States Patent No. 8,719,090 (the "090 patent"); United States Patent No. 9,053,494 (the "494 patent"); United States Patent No. 7,840,437 (the "437 patent"); and United States Patent No. 8,955,029 (the "029 patent"). Each patent is entitled "System for Data Management And On-Demand Rental And Purchase Of Digital Data Products." Customedia appears to allege infringement in connection with our addressable advertising services, our DISH Anywhere feature, and our Pay-Per-View and video-on-demand offerings. In December 2016 and January 2017, DISH Network L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of the asserted claims of each of the asserted patents. Customedia is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Do Not Call Litigation

On March 25, 2009, our wholly-owned subsidiary DISH Network L.L.C. was sued in a civil action by the United States Attorney General and several states in the United States District Court for the Central District of Illinois (the "FTC Action"), alleging violations of the Telephone Consumer Protection Act ("TCPA") and the Telemarketing Sales Rule ("TSR"), as well as analogous state statutes and state consumer protection laws. The plaintiffs allege that we, directly and through certain independent third-party retailers and their affiliates, committed certain telemarketing violations. On December 23, 2013, the plaintiffs filed a motion for summary judgment, which indicated for the first time that the state plaintiffs were seeking civil penalties and damages of approximately $270 million and that the federal plaintiff was seeking an unspecified amount of civil penalties (which could substantially exceed the civil penalties and damages being sought by the state plaintiffs). The plaintiffs were also seeking injunctive relief that if granted would, among other things, enjoin DISH Network L.L.C., whether acting directly or indirectly through authorized telemarketers or independent third-party retailers, from placing any outbound telemarketing calls to market or promote its goods or services for five years, and enjoin DISH Network L.L.C. from accepting activations or sales from certain existing independent third-party retailers and from certain new independent third-party retailers, except under certain circumstances. We also filed a motion for summary judgment, seeking dismissal of all claims. On December 12, 2014, the Court issued its opinion with respect to the parties' summary judgment motions. The Court found that DISH Network L.L.C. is entitled to partial summary judgment with respect to one claim in the action. In addition, the Court found that the plaintiffs are entitled to partial summary judgment with respect to ten claims in the action, which includes, among other things, findings by the Court establishing DISH Network L.L.C.'s liability for a substantial amount of the alleged outbound telemarketing calls by DISH Network L.L.C. and certain of its independent third-party retailers that were the subject of the plaintiffs' motion. The Court did not issue any injunctive relief and did not make any determination on civil penalties or damages, ruling instead that the scope of any injunctive relief and the amount of any civil penalties or damages are questions for trial.

In pre-trial disclosures, the federal plaintiff indicated that it intended to seek up to $900 million in alleged civil penalties, and the state plaintiffs indicated that they intended to seek as much as $23.5 billion in alleged civil penalties and damages. The plaintiffs also modified their request for injunctive relief. Their requested injunction, if granted, would enjoin DISH Network L.L.C. from placing outbound telemarketing calls unless and until: (i) DISH Network L.L.C. hires a third-party consulting organization to perform a review of its call center operations; (ii) such third-party consulting organization submits a telemarketing compliance plan to the Court and the federal plaintiff; (iii) the Court holds a hearing on the adequacy of the plan; (iv) if the Court approves the plan, DISH Network L.L.C. implements the plan and verifies to the Court that it has implemented the plan; and (v) the Court issues an order permitting DISH Network L.L.C. to resume placing outbound telemarketing calls. The plaintiffs' modified request for injunctive relief, if granted, would also enjoin DISH Network L.L.C. from accepting customer orders solicited by certain independent third-party retailers unless and until a similar third-party review and Court approval process was followed with respect to the telemarketing activities of its independent third-party retailer base to ensure compliance with the TSR.

The first phase of the bench trial took place January 19, 2016 through February 11, 2016. In closing briefs, the federal plaintiff indicated that it still is seeking $900 million in alleged civil penalties; the California state plaintiff indicated that it is seeking $100 million in alleged civil penalties and damages for its state law claims (in addition to any amounts sought on its federal law claims); the Ohio state plaintiff indicated that it is seeking approximately $10 million in alleged civil penalties and damages for its state law claims (in addition to any amounts sought on its federal law claims); and the Illinois and North Carolina state plaintiffs did not state the specific alleged civil penalties and damages that they are seeking; but the state plaintiffs have taken the general position that any damages award less than $1.0 billion (presumably for both federal and state law claims) would not raise constitutional concerns. Under the Eighth Amendment of the U.S. Constitution, excessive fines may not be imposed.

On October 3, 2016, the plaintiffs further modified their request for injunctive relief and are now seeking, among other things, to enjoin DISH Network L.L.C., whether acting directly or indirectly through authorized telemarketers or independent third-party retailers, from placing any outbound telemarketing calls to market or promote its goods or services for five years, and enjoin DISH Network L.L.C. from accepting activations or sales from some or all existing independent third-party retailers. The second phase of the bench trial, which commenced on October 25, 2016 and concluded on November 2, 2016, covered the plaintiffs' requested injunctive relief, as well as certain evidence related to the state plaintiffs' claims.

We may also from time to time be subject to private civil litigation alleging telemarketing violations. For example, a portion of the alleged telemarketing violations by an independent third-party retailer at issue in the FTC Action are also the subject of a certified class action filed against DISH Network L.L.C. in the United States District Court for the Middle District of North Carolina (the "Krakauer Action"). Following a five-day trial, on January 19, 2017, a jury in that case found that the independent third-party retailer was acting as DISH Network L.L.C.'s agent when it made the 51,119 calls at issue in that case, and that class members are eligible to recover $400 in damages for each call made in violation of the TCPA. The plaintiff is also seeking enhanced damages under the TCPA for alleged willful or knowing violations. The Court will decide whether there were any willful or knowing violations, and the Court has discretion to increase the damages by up to three times for any such violations. The plaintiffs in the FTC Action have asserted that the jury verdict in the Krakauer Action preclusively establishes that the independent third-party retailer at issue in the Krakauer Action was acting as DISH Network L.L.C.'s agent when it made the calls at issue in the FTC Action, and is otherwise persuasive evidence that the other independent third-party retailers at issue in the FTC Action were acting as DISH Network's L.L.C.'s agents when they made their respective calls at issue in the FTC Action, that the alleged civil penalties being sought by the federal and state plaintiffs are reasonable, and that the calls made by DISH Network L.L.C. and independent third-party retailers at issue in the FTC Action were made to landline residential phones. We have opposed those assertions.

We intend to vigorously defend these cases. We cannot predict with any degree of certainty the outcome of these suits or determine the extent of any potential liability or damages.

DISH NETWORK CORPORATION
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Dragon Intellectual Property, LLC

On December 20, 2013, Dragon Intellectual Property, LLC ("Dragon IP") filed complaints against our wholly-owned subsidiary DISH Network L.L.C., as well as Apple Inc.; AT&T, Inc.; Charter Communications, Inc.; Comcast Corp.; Cox Communications, Inc.; DirecTV; Sirius XM Radio Inc.; Time Warner Cable Inc. and Verizon Communications, Inc., in the United States District Court for the District of Delaware, alleging infringement of United States Patent No. 5,930,444 (the "444 patent"), which is entitled "Simultaneous Recording and Playback Apparatus." Dragon IP alleges that various of our DVR receivers infringe the 444 patent. Dragon IP is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. On December 23, 2014, DISH Network L.L.C. filed a petition before the United States Patent and Trademark Office challenging the validity of certain claims of the 444 patent. On April 10, 2015, the Court granted DISH Network L.L.C.'s motion to stay the action in light of DISH Network L.L.C.'s petition and certain other defendants' petitions pending before the United States Patent and Trademark Office challenging the validity of certain claims of the 444 patent. On July 17, 2015, the United States Patent and Trademark Office agreed to institute a proceeding on our petition. Pursuant to a stipulation between the parties, on April 27, 2016, the Court entered an order of non-infringement and judgment in favor of DISH Network L.L.C. On June 15, 2016, the United States Patent and Trademark Office entered an order that the patent claims being asserted against DISH Network L.L.C. with respect to the 444 patent are unpatentable. On August 8, 2016, Dragon filed notices of appeal with respect to the Court's judgment and the United States Patent and Trademark Office's decision.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Grecia

On March 27, 2015, William Grecia ("Grecia") filed a complaint against our wholly-owned subsidiary DISH Network L.L.C. in the United States District Court for the Northern District of Illinois, alleging infringement of United States Patent No. 8,533,860 (the "860 patent"), which is entitled "Personalized Digital Media Access System—PDMAS Part II." Grecia alleges that we violate the 860 patent in connection with our digital rights management. Grecia is the named inventor on the 860 patent. On June 22, 2015, the case was transferred to the United States District Court for the Northern District of California. On November 18, 2015, Grecia filed an amended complaint adding allegations that we infringe U.S. Patent No. 8,402,555 (the "555 patent"), which is entitled "Personalized Digital Media Access System (PDMAS)." Grecia is the named inventor on the 555 patent. Grecia alleges that we violate the 555 patent in connection with our digital rights management. Grecia dismissed his action with prejudice on February 3, 2016.

On February 3, 2016, Grecia filed a new complaint against our wholly-owned subsidiary DISH Network L.L.C. in the United States District Court for the Northern District of California, alleging infringement of United States Patent No. 8,887,308 (the "308 patent"), which is entitled "Digital Cloud Access—PDMAS Part III," on which Grecia is also the named inventor. Grecia alleges that we violate the 308 patent in connection with our DISH Anywhere feature. On July 29, 2016, DISH Network L.L.C. filed a petition before the United States Patent and Trademark Office challenging the validity of certain claims of the 308 patent. On January 19, 2017, the United States Patent and Trademark Office declined to institute a proceeding on our petition. The litigation in the District Court has been stayed since June 13, 2016 pending resolution of DISH Network L.L.C.'s petition to the United States Patent and Trademark Office.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

DISH NETWORK CORPORATION
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The Hopper Litigation

On May 24, 2012, our wholly-owned subsidiary, DISH Network L.L.C., filed a lawsuit in the United States District Court for the Southern District of New York against American Broadcasting Companies, Inc.; CBS Corporation; Fox Entertainment Group, Inc.; Fox Television Holdings, Inc.; Fox Cable Network Services, L.L.C. and NBCUniversal, LLC. In the lawsuit, we sought a declaratory judgment that we are not infringing any defendant's copyright, or breaching any defendant's retransmission consent agreement, by virtue of the PrimeTime Anytime™ and AutoHop features of our Hopper set-top box. A consumer can use the PrimeTime Anytime feature, at his or her option, to record certain primetime programs airing on ABC, CBS, Fox, and/or NBC up to every night, and to store those recordings for up to eight days. A consumer can use the AutoHop feature, at his or her option, to watch certain recordings that the subscriber made with our PrimeTime Anytime feature, commercial-free, if played back at a certain point after the show's original airing.

Later on May 24, 2012, (i) Fox Broadcasting Company; Twentieth Century Fox Film Corp. and Fox Television Holdings, Inc. filed a lawsuit against us and DISH Network L.L.C. in the United States District Court for the Central District of California, alleging that the PrimeTime Anytime feature, the AutoHop feature, as well as Slingbox placeshifting functionality infringe their copyrights and breach their retransmission consent agreements, (ii) NBC Studios LLC; Universal Network Television, LLC; Open 4 Business Productions LLC and NBCUniversal, LLC filed a lawsuit against us and DISH Network L.L.C. in the United States District Court for the Central District of California, alleging that the PrimeTime Anytime feature and the AutoHop feature infringe their copyrights, and (iii) CBS Broadcasting Inc.; CBS Studios Inc. and Survivor Productions LLC filed a lawsuit against us and DISH Network L.L.C. in the United States District Court for the Central District of California, alleging that the PrimeTime Anytime feature and the AutoHop feature infringe their copyrights.

As a result of certain parties' competing venue-related motions brought in both the New York and California actions, and certain networks' filing various counterclaims and amended complaints, the claims have proceeded in the following venues: (1) the copyright and contract claims regarding the ABC and CBS parties in New York; and (2) the copyright and contract claims regarding the Fox and NBC parties in California.

California Actions. The NBC plaintiffs and Fox plaintiffs filed amended complaints in their respective California actions, adding copyright claims against EchoStar and EchoStar Technologies L.L.C., a wholly-owned subsidiary of EchoStar. In addition, the Fox plaintiffs' amended complaint added claims challenging the Hopper Transfers™ feature of our second-generation Hopper set-top box.

On November 7, 2012, the California court denied the Fox plaintiffs' motion for a preliminary injunction to enjoin the Hopper set-top box's PrimeTime Anytime and AutoHop features, and the Fox plaintiffs appealed. On March 27, 2013, at the request of the parties, the Central District of California granted a stay of all proceedings in the action brought by the NBC plaintiffs, pending resolution of the appeal by the Fox plaintiffs. On July 24, 2013, the United States Court of Appeals for the Ninth Circuit affirmed the denial of the Fox plaintiffs' motion for a preliminary injunction as to the PrimeTime Anytime and AutoHop features. On August 7, 2013, the Fox plaintiffs filed a petition for rehearing and rehearing en banc, which was denied on January 24, 2014. The United States Supreme Court granted the Fox plaintiffs an extension until May 23, 2014 to file a petition for writ of certiorari, but they did not file one. As a result, the stay of the NBC plaintiffs' action expired. On August 6, 2014, at the request of the parties, the Central District of California granted a further stay of all proceedings in the action brought by the NBC plaintiffs, pending a final judgment on all claims in the Fox plaintiffs' action. Pursuant to the settlement described below, the Fox action was dismissed on February 11, 2016. On March 4, 2016, at the request of the parties, the Central District of California granted a further stay of all proceedings in the action brought by the NBC plaintiffs until September 9, 2016; provided that either party may file a motion with the Court to lift the stay after May 27, 2016. Pursuant to a settlement between us and the NBC plaintiffs, on June 16, 2016, we and the NBC plaintiffs filed a stipulation to dismiss with prejudice all of our respective claims pending in the California Court. The Court ordered such dismissal on June 20, 2016.

DISH NETWORK CORPORATION
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In addition, on February 21, 2013, the Fox plaintiffs filed a second motion for preliminary injunction against: (i) us seeking to enjoin the Hopper Transfers feature in our second-generation Hopper set-top box, alleging breach of their retransmission consent agreement; and (ii) us and EchoStar Technologies L.L.C. seeking to enjoin the Slingbox placeshifting functionality in our second-generation Hopper set-top box, alleging copyright infringement and breach of their retransmission consent agreement. On September 23, 2013, the California court denied the Fox plaintiffs' motion. The Fox plaintiffs appealed, and on July 14, 2014, the United States Court of Appeals for the Ninth Circuit affirmed the denial of the Fox plaintiffs' motion for a preliminary injunction as to the Hopper Transfers feature and the Slingbox placeshifting functionality in our second-generation Hopper set-top box.

On January 12, 2015, the Court ruled on the Fox plaintiffs' and our respective motions for summary judgment, holding that: (a) the Slingbox placeshifting functionality and the PrimeTime Anytime, AutoHop and Hopper Transfers features do not violate the copyright laws; (b) certain quality assurance copies (which were discontinued in November 2012) do violate the copyright laws; and (c) the Slingbox placeshifting functionality, the Hopper Transfers feature and such quality assurance copies breach our Fox retransmission consent agreement. At the parties' joint request, the Court had stayed the case until January 15, 2016. Pursuant to a settlement between us and the Fox plaintiffs, we, EchoStar Technologies L.L.C. and the Fox plaintiffs filed a stipulation to dismiss with prejudice all of our respective claims pending in the California Court. The Court ordered such dismissal on February 11, 2016.

New York Actions. Both the ABC and CBS parties filed counterclaims in the New York action adding copyright claims against EchoStar Technologies L.L.C., and the CBS parties filed a counterclaim alleging that we fraudulently concealed the AutoHop feature when negotiating the renewal of our CBS retransmission consent agreement. On November 23, 2012, the ABC plaintiffs filed a motion for a preliminary injunction to enjoin the Hopper set-top box's PrimeTime Anytime and AutoHop features. On September 18, 2013, the New York court denied that motion. The ABC plaintiffs appealed, and oral argument on the appeal was heard on February 20, 2014 before the United States Court of Appeals for the Second Circuit. Pursuant to a settlement between us and the ABC parties, in March 2014, the ABC parties withdrew their appeal to the United States Court of Appeals for the Second Circuit; we and the ABC parties filed a stipulation on March 4, 2014 to dismiss without prejudice all of our respective claims pending in the United States District Court for the Southern District of New York; and the ABC parties granted a covenant not to sue. The Court ordered such dismissal on March 6, 2014. Pursuant to a settlement between us and the CBS parties, on December 10, 2014, we and the CBS parties filed a stipulation to dismiss with prejudice all of our respective claims pending in the New York Court. The Court ordered such dismissal on December 10, 2014.

These matters are now concluded.

IPA Technologies Inc.

On December 9, 2016, IPA Technologies Inc. ("IPA") filed suit against us and our wholly-owned subsidiary DISH Network L.L.C. in the United States District Court for the District of Delaware. IPA alleges that our Voice Remote with Hopper 3 infringes United States Patent Number 6,742,021 (the "021 patent"), which is entitled "Navigating Network-based Electronic Information Using Spoken Input with Multimodal Error Feedback"; United States Patent Number 6,523,061 (the "061 patent"), which is entitled "System, Method, and Article of Manufacture for Agent-Based Navigation in a Speech-Based Data Navigation System"; and United States Patent Number 6,757,718 (the "718 patent"), which is entitled "Mobile Navigation of Network-Based Electronic Information Using Spoken Input." IPA is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

DISH NETWORK CORPORATION
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LightSquared/Harbinger Capital Partners LLC (LightSquared Bankruptcy)

As previously disclosed in our public filings, L-Band Acquisition, LLC ("LBAC"), our wholly-owned subsidiary, entered into a Plan Support Agreement (the "PSA") with certain senior secured lenders to LightSquared LP (the "LightSquared LP Lenders") on July 23, 2013, which contemplated the purchase by LBAC of substantially all of the assets of LightSquared LP and certain of its subsidiaries (the "LBAC Bid") that are debtors and debtors in possession in the LightSquared bankruptcy cases pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), which cases are jointly administered under the caption In re LightSquared Inc., et. al., Case No. 12 12080 (SCC).

Pursuant to the PSA, LBAC was entitled to terminate the PSA in certain circumstances, certain of which required three business days written notice, including, without limitation, in the event that certain milestones specified in the PSA were not met. On January 7, 2014, LBAC delivered written notice of termination of the PSA to the LightSquared LP Lenders. As a result, the PSA terminated effective on January 10, 2014, and the LBAC Bid was withdrawn.

On August 6, 2013, Harbinger Capital Partners LLC and other affiliates of Harbinger (collectively, "Harbinger"), a shareholder of LightSquared Inc., filed an adversary proceeding against us, LBAC, EchoStar, Charles W. Ergen (our Chairman and Chief Executive Officer), SP Special Opportunities, LLC ("SPSO") (an entity controlled by Mr. Ergen), and certain other parties, in the Bankruptcy Court. Harbinger alleged, among other things, claims based on fraud, unfair competition, civil conspiracy and tortious interference with prospective economic advantage related to certain purchases of LightSquared secured debt by SPSO. Subsequently, LightSquared intervened to join in certain claims alleged against certain defendants other than us, LBAC and EchoStar.

On October 29, 2013, the Bankruptcy Court dismissed all of the claims in Harbinger's complaint in their entirety, but granted leave for LightSquared to file its own complaint in intervention. On November 15, 2013, LightSquared filed its complaint, which included various claims against us, EchoStar, Mr. Ergen and SPSO. On December 2, 2013, Harbinger filed an amended complaint, asserting various claims against SPSO. On December 12, 2013, the Bankruptcy Court dismissed several of the claims asserted by LightSquared and Harbinger. The surviving claims included, among others, LightSquared's claims against SPSO for declaratory relief, breach of contract and statutory disallowance; LightSquared's tortious interference claim against us, EchoStar and Mr. Ergen; and Harbinger's claim against SPSO for statutory disallowance. These claims proceeded to a non-jury trial on January 9, 2014. In its Post-Trial Findings of Fact and Conclusions of Law entered on June 10, 2014, the Bankruptcy Court rejected all claims against us and EchoStar, and it rejected some but not all claims against the other defendants. On July 7, 2015, the United States District Court for the Southern District of New York denied Harbinger's motion for an interlocutory appeal of certain Bankruptcy Court orders in the adversary proceeding. On March 27, 2015, the Bankruptcy Court entered an order confirming the Modified Second Amended Joint Plan pursuant to Chapter 11 of the Bankruptcy Code and, on December 7, 2015, the Plan became effective.

We intend to vigorously defend any claims against us in this proceeding and cannot predict with any degree of certainty the outcome of this proceeding or determine the extent of any potential liability or damages.

LightSquared Transaction Shareholder Derivative Actions

On August 9, 2013, a purported shareholder of the Company, Jacksonville Police and Fire Pension Fund ("Jacksonville PFPF"), filed a putative shareholder derivative action in the District Court for Clark County, Nevada alleging, among other things, breach of fiduciary duty claims against the members of the Company's Board of Directors as of that date: Charles W. Ergen; Joseph P. Clayton; James DeFranco; Cantey M. Ergen; Steven R. Goodbarn; David K. Moskowitz; Tom A. Ortolf; and Carl E. Vogel (collectively, the "Director Defendants"). In its first amended complaint, Jacksonville PFPF asserted claims that Mr. Ergen breached his fiduciary duty to the Company in connection with certain purchases of LightSquared debt by SPSO, an entity controlled by Mr. Ergen, and that the other Director Defendants aided and abetted that alleged breach of duty. The Jacksonville PFPF claims alleged that (1) the debt purchases created an impermissible conflict of interest and (2) put at risk the LBAC Bid, which as noted above was withdrawn. Jacksonville PFPF further claimed that most members of the Company's Board of Directors are beholden to Mr. Ergen to an extent that prevents them from discharging their duties in connection with the Company's participation in the LightSquared bankruptcy auction process. Jacksonville PFPF is seeking an unspecified amount of damages. Jacksonville PFPF dismissed its claims against Mr. Goodbarn on October 8, 2013.

DISH NETWORK CORPORATION
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Jacksonville PFPF sought a preliminary injunction that would enjoin Mr. Ergen and all of the Director Defendants other than Mr. Goodbarn from influencing the Company's efforts to acquire certain assets of LightSquared in the bankruptcy proceeding. On November 27, 2013, the Court denied that request but granted narrower relief enjoining Mr. Ergen and anyone acting on his behalf from participating in negotiations related to one aspect of the LBAC Bid, which, as noted above, was withdrawn.

Five alleged shareholders filed substantially similar putative derivative complaints in state and federal courts alleging the same or substantially similar claims. On September 18, 2013, DCM Multi-Manager Fund, LLC filed a duplicative putative derivative complaint in the District Court for Clark County, Nevada, which was consolidated with the Jacksonville PFPF action on October 9, 2013. Between September 25, 2013 and October 2, 2013, City of Daytona Beach Police Officers and Firefighters Retirement System, Louisiana Municipal Police Employees' Retirement System and Iron Worker Mid-South Pension Fund filed duplicative putative derivative complaints in the United States District Court for the District of Colorado. Also on October 2, 2013, Iron Workers District Council (Philadelphia and Vicinity) Retirement and Pension Plan filed its complaint in the United States District Court for the District of Nevada.

On October 11, 2013, Iron Worker Mid-South Pension Fund dismissed its claims without prejudice. On October 30, 2013, Louisiana Municipal Police Employees' Retirement System dismissed its claims without prejudice and, on January 2, 2014, filed a new complaint in the District Court for Clark County, Nevada, which, on May 2, 2014, was consolidated with the Jacksonville PFPF action. On December 13, 2013, City of Daytona Beach Police Officers and Firefighters Retirement System voluntarily dismissed its claims without prejudice. On March 28, 2014, Iron Workers District Council (Philadelphia and Vicinity) Retirement and Pension Plan voluntarily dismissed its claims without prejudice.

On July 25, 2014, Jacksonville PFPF filed a second amended complaint, which added claims against George R. Brokaw and Charles M. Lillis, as Director Defendants, and Thomas A. Cullen, R. Stanton Dodge and K. Jason Kiser, as officers of the Company. Jacksonville PFPF asserted five claims in its second amended complaint, each of which alleged breaches of the duty of loyalty. Three of the claims were asserted solely against Mr. Ergen; one claim was made against all of the remaining Director Defendants, other than Mr. Ergen and Mr. Clayton; and the final claim was made against Messrs. Cullen, Dodge and Kiser.

Our Board of Directors established a Special Litigation Committee to review the factual allegations and legal claims in these actions. On October 24, 2014, the Special Litigation Committee filed a report in the District Court for Clark County, Nevada regarding its investigation of the claims and allegations asserted in Jacksonville PFPF's second amended complaint. The Special Litigation Committee filed a motion to dismiss the action based, among other things, on its business judgment that it is in the best interests of the Company not to pursue the claims asserted by Jacksonville PFPF. The Director Defendants and Messrs. Cullen, Dodge and Kiser have also filed various motions to dismiss the action. In an order entered on September 18, 2015, the Court granted the Special Litigation Committee's motion to defer to the Special Litigation Committee's October 24, 2014 report, including its finding that dismissal of the action is in the best interest of the Company. The Court also held that, in light of granting the motion to defer, the pending motions to dismiss filed by the individual defendants were denied without prejudice as moot. On October 12, 2015, Jacksonville PFPF filed a notice of appeal to the Supreme Court of Nevada and the appeal is now fully briefed. We cannot predict with any degree of certainty the outcome of these suits or determine the extent of any potential liability or damages.

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Q *urio Holdings, Inc.*

On September 26, 2014, Qurio Holdings, Inc. ("Qurio") filed a complaint against us and our wholly-owned subsidiary DISH Network L.L.C., in the United States District Court for the Northern District of Illinois, alleging infringement of United States Patent No. 8,102,863 (the "863 patent") entitled "Highspeed WAN To Wireless LAN Gateway" and United States Patent No. 7,787,904 (the "904 patent") entitled "Personal Area Network Having Media Player And Mobile Device Controlling The Same." On the same day, Qurio filed similar complaints against Comcast and DirecTV. On November 13, 2014, Qurio filed a first amended complaint, which added a claim alleging infringement of United States Patent No. 8,879,567 (the "567 patent") entitled "High-Speed WAN To Wireless LAN Gateway." Qurio is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein. On February 9, 2015, the Court granted DISH Network L.L.C.'s motion to transfer the case to the United States District Court for the Northern District of California. In October 2015, DISH Network L.L.C. filed petitions before the United States Patent and Trademark Office challenging the validity of certain claims of the 863, 904 and 567 patents. On November 3, 2015, the case was stayed pending resolution of these proceedings before the United States Patent and Trademark Office. On April 4, 2016, the United States Patent and Trademark Office agreed to institute proceedings on each of our petitions, as well as on a third-party petition challenging the validity of certain claims of the 904 patent. On June 21, 2016, pursuant to Qurio's Request for Adverse Judgment, the United States Patent and Trademark Office issued a cancellation of all claims of the 904 patent that we had challenged. On July 13, 2016, Qurio filed a Request for Adverse Judgment with the United States Patent and Trademark Office to cancel all claims of the 863 patent and 567 patent that we had challenged, leaving at issue in the District Court action only certain claims of the 567 patent that we had not challenged. On July 19, 2016, the United States Patent and Trademark Office issued a cancellation of all claims of the 863 patent and the 567 patent that we had challenged. At Qurio's request, on October 5, 2016, the parties stipulated to a voluntary dismissal of the action with prejudice, which the Court entered on that date. This matter is now concluded.

Shipping & Transit LLC

On August 30, 2016, Shipping & Transit LLC ("Shipping & Transit") filed suit against us and our wholly-owned subsidiary, DISH Network L.L.C., in the United States District Court for the Central District of California, alleging infringement of United States Patent No. 6,317,060 (the "060 patent"), entitled "Base Station System and Method for Monitoring Travel of Mobile Vehicles and Communicating Notification Methods" and United States Patent No. 6,415,207 (the "207 patent"), entitled "System and Method for Automatically Providing Vehicle Status Information." Shipping & Transit alleges that the "My Tech" application, which provides information to customers regarding their service technician appointments, infringes the 060 patent and the 207 patent. Shipping & Transit is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein. On January 4, 2017, Shipping & Transit dismissed the complaint without prejudice. This matter is now concluded.

Technology Development and Licensing L.L.C.

On January 22, 2009, Technology Development and Licensing L.L.C. ("TDL") filed suit against us and EchoStar, in the United States District Court for the Northern District of Illinois, alleging infringement of United States Patent No. Re. 35,952 (the "952 patent"), which relates to certain favorite channel features. TDL is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. The case was stayed in July 2009 pending two reexamination petitions before the United States Patent and Trademark Office, which concluded in August 2015 and resulted in 42 out of the 53 claims of the 952 patent being invalidated. Six of the surviving 11 claims are asserted against us. The case resumed in August 2015. In a separate matter in which TDL is asserting the same patent, the court in that action ruled that four claims of the '952 patent (which are among the six claims asserted against us) are invalid because they claim unpatentable subject matter, and TDL has stipulated that it will not appeal that order. Thus, only two claims of the '952 patent remain asserted against us. A trial date has not been set.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

DISH NETWORK CORPORATION
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TQ Beta LLC

On June 30, 2014, TQ Beta LLC ("TQ Beta") filed a complaint against us; our wholly-owned subsidiaries DISH DBS Corporation and DISH Network L.L.C.; EchoStar; and EchoStar's subsidiaries EchoStar Technologies L.L.C., Hughes Satellite Systems Corporation, and Sling Media Inc., in the United States District Court for the District of Delaware. The Complaint alleges infringement of United States Patent No. 7,203,456 (the "456 patent"), which is entitled "Method and Apparatus for Time and Space Domain Shifting of Broadcast Signals." TQ Beta alleges that our Hopper set-top boxes, ViP 722 and ViP 722k DVR devices, as well as our DISH Anywhere ™ service and DISH Anywhere mobile application, infringe the 456 patent. TQ Beta is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. In August 2015, DISH Network L.L.C. filed petitions before the United States Patent and Trademark Office challenging the validity of certain claims of the 456 patent and in February 2016, the United States Patent and Trademark Office agreed to institute proceedings on our petitions. On February 25, 2016, the case was stayed pending resolution of these proceedings before the United States Patent and Trademark Office, and the Court vacated all pending court dates and deadlines. On January 30, 2017, the United States Patent and Trademark Office issued its final written decisions on our petitions, invalidating all claims of the 456 patent that were asserted in the litigation, which decisions may be appealed by TQ Beta.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

TQ Delta, LLC

On July 17, 2015, TQ Delta, LLC ("TQ Delta") filed a complaint against us and our wholly-owned subsidiaries DISH DBS Corporation and DISH Network L.L.C. in the United States District Court for the District of Delaware. The Complaint alleges infringement of United States Patent No. 6,961,369 (the "369 patent"), which is entitled "System and Method for Scrambling the Phase of the Carriers in a Multicarrier Communications System"; United States Patent No. 8,718,158 (the "158 patent"), which is entitled "System and Method for Scrambling the Phase of the Carriers in a Multicarrier Communications System"; United States Patent No. 9,014,243 (the "243 patent"), which is entitled "System and Method for Scrambling Using a Bit Scrambler and a Phase Scrambler"; United States Patent No. 7,835,430 (the "430 patent"), which is entitled "Multicarrier Modulation Messaging for Frequency Domain Received Idle Channel Noise Information"; United States Patent No. 8,238,412 (the "412 patent"), which is entitled "Multicarrier Modulation Messaging for Power Level per Subchannel Information"; United States Patent No. 8,432,956 (the "956 patent"), which is entitled "Multicarrier Modulation Messaging for Power Level per Subchannel Information"; and United States Patent No. 8,611,404 (the "404 patent"), which is entitled "Multicarrier Transmission System with Low Power Sleep Mode and Rapid-On Capability." On September 9, 2015, TQ Delta filed a first amended complaint that added allegations of infringement of United States Patent No. 9,094,268 (the "268 patent"), which is entitled "Multicarrier Transmission System With Low Power Sleep Mode and Rapid-On Capability." On May 16, 2016, TQ Delta filed a second amended complaint that added EchoStar Corporation and its wholly-owned subsidiary EchoStar Technologies L.L.C. as defendants. TQ Delta alleges that our satellite TV service, Internet service, set-top boxes, gateways, routers, modems, adapters and networks that operate in accordance with one or more Multimedia over Coax Alliance Standards infringe the asserted patents. TQ Delta has filed actions in the same court alleging infringement of the same patents against Comcast Corp., Cox Communications, Inc., DirecTV, Time Warner Cable Inc. and Verizon Communications, Inc. TQ Delta is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. Trial has been set for November 13, 2017. On July 14, 2016, TQ Delta stipulated to dismiss with prejudice all claims related to the 369 patent and the 956 patent. On July 20, 2016, we filed petitions with the United States Patent and Trademark Office challenging the validity of all of the patent claims of the 404 patent and the 268 patent that have been asserted against us. Third parties have filed petitions with the United States Patent and Trademark Office challenging the validity of all of the patent claims that have been asserted against us in the action. On November 4, 2016, the United States Patent and Trademark Office agreed to institute proceedings on the third-party petitions related to the 158 patent, the 243 patent, the 412 patent and the 430 patent. On December 20, 2016, pursuant to a stipulation of the parties, the Court stayed the case until the resolution of all petitions to the United States Patent and

DISH NETWORK CORPORATION
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Trademark Office challenging the validity of all of the patent claims at issue. On January 19, 2017, the United States Patent and Trademark Office granted our motions to join the instituted petitions on the 430 and 158 patents. On February 9, 2017, the United States Patent and Trademark Office agreed to institute proceedings on our petition related to the 404 patent, and on February 13, 2017, the United States Patent and Trademark Office agreed to institute proceedings on our petition related to the 268 patent.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Two-Way Media Ltd.

On February 17, 2016, Two-Way Media Ltd. ("TWM") filed a complaint in the United States District Court for the District of Colorado against us; our subsidiaries DISH DBS Corporation, DISH Network L.L.C., DISH Network Service L.L.C., Sling TV Holding L.L.C., Sling TV L.L.C., and Sling TV Purchasing L.L.C.; and EchoStar Corporation, EchoStar Technologies L.L.C., EchoStar Satellite Services L.L.C. and Sling Media, Inc. The complaint alleges infringement of United States Patent Nos. 5,778,187, 5,983,005, 6,434,622 and 7,266,686, each entitled "Multicasting Method and Apparatus," and United States Patent No. 9,124,607, entitled "Methods and Systems for Playing Media." TWM claims infringement by our Sling TV domestic and international services, Slingboxes and DISH DVRs incorporating Slingbox technology, and the DISH Anywhere application and website. TWM is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein. Pursuant to a settlement between the parties, the case was dismissed with prejudice on December 15, 2016. This matter is now concluded.

Vermont National Telephone Company

On September 23, 2016, the United States District Court for the District of Columbia unsealed a qui tam complaint that was filed by Vermont National against us; our wholly-owned subsidiaries, American AWS-3 Wireless I L.L.C., American II, American III, and DISH Wireless Holding L.L.C.; Charles W. Ergen (our Chairman and Chief Executive Officer) and Cantey M. Ergen (a member of our board of directors); Northstar Wireless; Northstar Spectrum; Northstar Manager; SNR Wireless; SNR HoldCo; SNR Management; and certain other parties. The complaint was unsealed after the United States Department of Justice notified the Court that it had declined to intervene in the action. The complaint is a civil action that was filed under seal on May 13, 2015 by Vermont National, which participated in the AWS-3 Auction through its wholly-owned subsidiary, VTel Wireless. The complaint alleges violations of the federal civil False Claims Act (the "FCA") based on, among other things, allegations that Northstar Wireless and SNR Wireless falsely claimed bidding credits of 25% in the AWS-3 Auction when they were allegedly under the de facto control of DISH Network and, therefore, were not entitled to the bidding credits as designated entities under applicable FCC rules. Vermont National seeks to recover on behalf of the United States government approximately $10 billion, which reflects the $3.3 billion in bidding credits that Northstar Wireless and SNR Wireless claimed in the AWS-3 Auction, trebled under the FCA. Vermont National also seeks civil penalties of not less than $5,500 and not more than $11,000 for each violation of the FCA.

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of this proceeding or determine the extent of any potential liability or damages.

Waste Disposal Inquiry

The California Attorney General and the Alameda County (California) District Attorney are investigating whether certain of our waste disposal policies, procedures and practices are in violation of the California Business and Professions Code and the California Health and Safety Code. We expect that these entities will seek injunctive and monetary relief. The investigation appears to be part of a broader effort to investigate waste handling and disposal processes of a number of industries. While we are unable to predict the outcome of this investigation, we do not believe that the outcome will have a material effect on our results of operations, financial condition or cash flows.

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Other

In addition to the above actions, we are subject to various other legal proceedings and claims that arise in the ordinary course of business, including, among other things, disputes with programmers regarding fees. In our opinion, the amount of ultimate liability with respect to any of these actions is unlikely to materially affect our financial condition, results of operations or liquidity, though the outcomes could be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

15. Segment Reporting

Operating segments are components of an enterprise for which separate financial information is available and regularly evaluated by the chief operating decision maker(s) of an enterprise. Operating income is the primary measure used by our chief operating decision maker to evaluate segment operating performance. We currently operate two primary business segments: (1) Pay-TV and Broadband and (2) Wireless. See Note 1 for further information.

All other and eliminations primarily include intersegment eliminations related to intercompany debt and the related interest income and interest expense, which are eliminated in consolidation.

The total assets, revenue and operating income by segment were as follows:

	As of December 31,	
	2016	2015
	(In thousands)	
Total assets:		
Pay-TV and Broadband	$ 27,157,831	$ 22,392,447
Wireless	17,814,382	16,300,465
Eliminations	(16,880,366)	(15,806,202)
Total assets	$ 28,091,847	$ 22,886,710

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

	Pay-TV and Broadband	Wireless	All Other & Eliminations	Consolidated Total
		(In thousands)		
Year Ended December 31, 2016				
Total revenue	$ 15,094,562	$ —	$ —	$ 15,094,562
Depreciation and amortization	909,286	43,860	—	953,146
Operating income (loss)	2,275,236	(64,127)	—	2,211,109
Interest income	1,006,239	3,745	(978,820)	31,164
Interest expense, net of amounts capitalized	(876,226)	(155,586)	978,820	(52,992)
Other, net	30,734	86,448	—	117,182
Income tax (provision) benefit, net	(905,215)	68,206	—	(837,009)
Income (loss)	1,530,768	(61,314)	—	1,469,454
Year Ended December 31, 2015				
Total revenue	$ 15,068,505	$ 396	$ —	$ 15,068,901
Depreciation and amortization	955,749	44,299	—	1,000,048
Operating income (loss)	2,037,971	(705,575)	—	1,332,396
Interest income	859,605	9,434	(849,516)	19,523
Interest expense, net of amounts capitalized	(844,249)	(499,277)	849,516	(494,010)
Other, net	82,160	195,883	—	278,043
Income tax (provision) benefit, net	(759,148)	392,472	—	(366,676)
Income (loss)	1,376,339	(607,063)	—	769,276
Year Ended December 31, 2014				
Total revenue	$ 14,643,049	$ 410	$ (72)	$ 14,643,387
Depreciation and amortization	1,006,082	71,854	—	1,077,936
Operating income (loss)	1,922,363	(97,912)	—	1,824,451
Interest income	376,422	15,384	(329,965)	61,841
Interest expense, net of amounts capitalized	(821,766)	(119,408)	329,965	(611,209)
Other, net	(9,414)	(59,927)	—	(69,341)
Income tax (provision) benefit, net	(436,753)	159,913	—	(276,840)
Income (loss)	1,030,852	(101,950)	—	928,902

Geographic Information. Revenues are attributed to geographic regions based upon the location where the products are delivered and services are provided. All revenue was derived from the United States.

16. Valuation and Qualifying Accounts

Our valuation and qualifying accounts as of December 31, 2016, 2015 and 2014 were as follows:

Allowance for doubtful accounts	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions	Balance at End of Year
		(In thousands)		
For the years ended:				
December 31, 2016	$ 22,167	$ 153,796	$ (158,008)	$ 17,955
December 31, 2015	$ 23,603	$ 104,926	$ (106,362)	$ 22,167
December 31, 2014	$ 15,981	$ 156,318	$ (148,696)	$ 23,603

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

17. Quarterly Financial Data (Unaudited)

Our quarterly results of operations are summarized as follows:

	For the Three Months Ended			
	March 31	June 30	September 30	December 31 (1)
	(In thousands, except per share data)			
Year ended December 31, 2016:				
Total revenue	$ 3,787,235	$ 3,837,036	$ 3,746,111	$ 3,724,180
Operating income (loss)	560,142	613,825	496,320	540,822
Net income (loss)	394,960	418,306	312,207	343,981
Net income (loss) attributable to DISH Network	389,290	410,464	307,426	342,673
Basic net income (loss) per share attributable to DISH Network	$ 0.84	$ 0.88	$ 0.66	$ 0.74
Diluted net income (loss) per share attributable to DISH Network	$ 0.84	$ 0.88	$ 0.64	$ 0.70
Year ended December 31, 2015:				
Total revenue	$ 3,724,228	$ 3,832,425	$ 3,733,565	$ 3,778,683
Operating income (loss)	483,863	533,987	441,720	(127,174)
Net income (loss)	353,252	332,326	202,610	(118,912)
Net income (loss) attributable to DISH Network	351,485	324,423	196,479	(125,295)
Basic net income (loss) per share attributable to DISH Network	$ 0.76	$ 0.70	$ 0.42	$ (0.27)
Diluted net income (loss) per share attributable to DISH Network	$ 0.76	$ 0.70	$ 0.42	$ (0.27)

(1) The fourth quarter 2015 was negatively impacted by the "FCC auction expense" of $516 million and an impairment charge for the D1 satellite and related ground equipment of $123 million.

18. Related Party Transactions

Related Party Transactions with EchoStar

Following the Spin-off, we and EchoStar have operated as separate publicly-traded companies, and, except for the Satellite and Tracking Stock Transaction and Sling TV Holding described below, neither entity has any ownership interest in the other. However, a substantial majority of the voting power of the shares of both companies is owned beneficially by Charles W. Ergen, our Chairman and Chief Executive Officer, and by certain trusts established by Mr. Ergen for the benefit of his family.

EchoStar is our primary supplier of set-top boxes and digital broadcast operations and a supplier of the vast majority of our transponder capacity. Generally, the amounts we pay EchoStar for products and services are based on pricing equal to EchoStar's cost plus a fixed margin (unless noted differently below), which will vary depending on the nature of the products and services provided.

In connection with and following the Spin-off, we and EchoStar have entered into certain agreements pursuant to which we obtain certain products, services and rights from EchoStar, EchoStar obtains certain products, services and rights from us, and we and EchoStar have indemnified each other against certain liabilities arising from our respective businesses. We also may enter into additional agreements with EchoStar in the future. The following is a summary of the terms of our principal agreements with EchoStar that may have an impact on our financial condition and results of operations.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Recent Developments

On January 31, 2017, we and our indirect wholly-owned subsidiaries DNLLC and DOLLC, entered into a Share Exchange Agreement (the "Share Exchange Agreement") with EchoStar, EchoStar Broadcasting Holding Parent L.L.C., an indirect wholly-owned subsidiary of EchoStar ("EB Holdco"), EchoStar Broadcasting Holding Corporation, a direct, wholly-owned subsidiary of EB Holdco ("EB Splitco"), EchoStar Technologies Holding Corporation, a direct wholly-owned subsidiary of EchoStar ("ET Splitco"), and EchoStar Technologies L.L.C., a direct wholly-owned subsidiary of EchoStar ("ETLLC"). Pursuant to the Share Exchange Agreement, among other things: (i) EchoStar will complete the steps necessary for certain assets and liabilities of the EchoStar technologies and EchoStar broadcasting businesses, consisting primarily of the businesses that design, develop and distribute digital set-top boxes, provide satellite uplinking services and develop and support streaming video technology, as well as certain investments in joint ventures, spectrum licenses, real estate properties and EchoStar's ten percent non-voting interest Sling TV Holding (the "Transferred Businesses"), to be transferred to EB Splitco and ET Splitco; and (ii) EchoStar will transfer to us 100% of the equity of EB Splitco and ET Splitco, and in exchange, we will transfer the EchoStar Tracking Stock to EchoStar and the HSSC Tracking Stock to HSSC ((i) and (ii) collectively, the "Transaction"). The Transaction has been structured in a manner to be a tax-free exchange for each of us and EchoStar.

The Share Exchange Agreement contains customary representations and warranties, covenants and indemnification provisions. The closing of the Transaction is subject to various conditions. The Transaction is expected to be consummated three business days after the satisfaction or waiver of all of the closing conditions to the Transaction (other than conditions that by their nature are to be satisfied at the closing, but subject, among other things, to the satisfaction or waiver of those conditions at such time), but no earlier than February 28, 2017. The Share Exchange Agreement provides for customary termination rights, including the right of either party to terminate the Share Exchange Agreement if the Transaction has not closed by March 31, 2017. In connection with the Share Exchange Agreement, we and EchoStar and certain of their subsidiaries will, at the closing, enter into certain customary agreements covering, among other things, tax matters, employee matters, intellectual property matters and the provision of transitional services. If the Transaction closes, we expect that certain of the agreements with EchoStar described below will terminate, and we will enter into certain new agreements with EchoStar.

The financial results related to the Share Exchange Agreement are not included in our consolidated financial statements for all periods presented as the closing of the Transaction is subject to various conditions and is not expected to close prior to February 28, 2017.

"Trade accounts receivable"

As of December 31, 2016 and 2015, trade accounts receivable from EchoStar was $5 million and $23 million, respectively. These amounts are recorded in "Trade accounts receivable" on our Consolidated Balance Sheets.

"Trade accounts payable"

As of December 31, 2016 and 2015, trade accounts payable to EchoStar was $277 million and $281 million, respectively. These amounts are recorded in "Trade accounts payable" on our Consolidated Balance Sheets.

"Equipment sales and other revenue"

During the years ended December 31, 2016, 2015 and 2014, we received $1 million, $46 million and $62 million, respectively, for equipment sales and other revenue from EchoStar. These amounts are recorded in "Equipment sales and other revenue" on our Consolidated Statements of Operations and Comprehensive Income (Loss). The agreements pertaining to these revenues are discussed below.

DISH NETWORK CORPORATION
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Remanufactured Receiver and Services Agreement. We entered into a remanufactured receiver and services agreement with EchoStar pursuant to which EchoStar has the right, but not the obligation, to purchase remanufactured receivers and accessories from us at cost plus a fixed margin, which varies depending on the nature of the equipment purchased. In November 2016, we and EchoStar extended this agreement until December 31, 2017. EchoStar may terminate the remanufactured receiver and services agreement for any reason upon at least 60 days notice to us. We may also terminate this agreement if certain entities acquire us.

Satellite Capacity Leased to EchoStar. Since the Spin-off, we have entered into certain satellite capacity agreements pursuant to which EchoStar leases certain capacity on certain satellites owned by us. The fees for the services provided under these satellite capacity agreements depend, among other things, upon the orbital location of the applicable satellite, the number of transponders that are leased on the applicable satellite and the length of the lease. The term of each lease is set forth below:

EchoStar XV. In May 2013, we began leasing satellite capacity to EchoStar on EchoStar XV and relocated the satellite for testing at EchoStar's Brazilian authorization at the 45 degree orbital location. Effective March 1, 2014, this lease converted to a month-to-month lease. Both parties have the right to terminate this lease with 30 days notice. This lease terminated in November 2015 and EchoStar relocated this satellite from the 45 degree orbital location back to the 61.5 degree orbital location where it currently serves as an in-orbit spare.

Real Estate Lease Agreements. Since the Spin-off, we have entered into lease agreements pursuant to which we lease certain real estate to EchoStar. The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic areas, and EchoStar is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises. The term of each lease is set forth below:

El Paso Lease Agreement. During 2012, we began leasing certain space at 1285 Joe Battle Blvd., El Paso, Texas to EchoStar for an initial period ending on August 1, 2015, which also provides EchoStar with renewal options for four consecutive three-year terms. During the second quarter 2015, EchoStar exercised its first renewal option for a period ending on August 1, 2018.

"Subscriber-related expenses"

During the years ended December 31, 2016, 2015 and 2014, we incurred $102 million, $98 million and $80 million, respectively, for subscriber-related expenses from EchoStar. These amounts are recorded in "Subscriber-related expenses" on our Consolidated Statements of Operations and Comprehensive Income (Loss). The agreements pertaining to these expenses are discussed below.

Hughes Broadband Distribution Agreement . Effective October 1, 2012, dishNET Satellite Broadband L.L.C. ("dishNET Satellite Broadband"), our indirect wholly-owned subsidiary, and HNS entered into a Distribution Agreement (the "Distribution Agreement") pursuant to which dishNET Satellite Broadband has the right, but not the obligation, to market, sell and distribute the HNS satellite Internet service (the "Service"). dishNET Satellite Broadband pays HNS a monthly per subscriber wholesale service fee for the Service based upon the subscriber's service level, and, beginning January 1, 2014, certain volume subscription thresholds. The Distribution Agreement also provides that dishNET Satellite Broadband has the right, but not the obligation, to purchase certain broadband equipment from HNS to support the sale of the Service. As part of the Satellite and Tracking Stock Transaction, on February 20, 2014, dishNET Satellite Broadband and HNS amended the Distribution Agreement which, among other things, extended the initial term of the Distribution Agreement through March 1, 2024. Thereafter, the Distribution Agreement automatically renews for successive one year terms unless either party gives written notice of its intent not to renew to the other party at least 180 days before the expiration of the then-current term. Upon expiration or termination of the Distribution Agreement, the parties will continue to provide the Service to the then-current dishNET subscribers pursuant to the terms and conditions of the Distribution Agreement.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

For the years ended December 31, 2016, 2015 and 2014, we purchased broadband equipment from HNS of $9 million, $11 million and $24 million, respectively. These amounts are initially included in "Inventory" and are subsequently capitalized as "Property and equipment, net" on our Consolidated Balance Sheets or expensed as "Subscriber acquisition costs" or "Subscriber-related expenses" on our Consolidated Statements of Operations and Comprehensive Income (Loss) when the equipment is deployed. We also purchase certain broadband equipment from EchoStar under the 2012 Receiver Agreement, discussed below.

SlingService Services Agreement. Effective February 23, 2010, we entered into an agreement with EchoStar pursuant to which we receive certain services related to placeshifting, which is used for, among other things, the DISH Anywhere mobile application. The fees for the services provided under this services agreement depend, among other things, upon the cost to develop and operate such services. This agreement had an initial term of five years with automatic renewal for successive one year terms. This agreement will renew on February 23, 2017 for an additional one-year period until February 23, 2018. This agreement may be terminated for any reason upon at least 120 days notice to EchoStar.

DISH Remote Access Services Agreement . Effective February 23, 2010, we entered into an agreement with EchoStar pursuant to which we receive, among other things, certain remote DVR management services. The fees for the services provided under this services agreement depend, among other things, upon the cost to develop and operate such services. This agreement had an initial term of five years with automatic renewal for successive one year terms. This agreement will renew on February 23, 2017 for an additional one-year period until February 23, 2018. This agreement may be terminated for any reason upon at least 120 days notice to EchoStar.

"Satellite and transmission expenses"

During the years ended December 31, 2016, 2015 and 2014, we incurred $689 million, $723 million and $653 million, respectively, for satellite and transmission expenses from EchoStar. These amounts are recorded in "Satellite and transmission expenses" on our Consolidated Statements of Operations and Comprehensive Income (Loss). The agreements pertaining to these expenses are discussed below.

Broadcast Agreement. Effective January 1, 2012, we and EchoStar entered into a broadcast agreement (the "2012 Broadcast Agreement") pursuant to which EchoStar provides broadcast services to us, including teleport services such as transmission and downlinking, channel origination services, and channel management services, for the period from January 1, 2012 to December 31, 2016. In November 2016, we and EchoStar amended the 2012 Broadcast Agreement to extend the term thereof for one additional year until December 31, 2017. The fees for services provided under the 2012 Broadcast Agreement are calculated at either: (a) EchoStar's cost of providing the relevant service plus a fixed dollar fee, which is subject to certain adjustments; or (b) EchoStar's cost of providing the relevant service plus a fixed margin, which will depend on the nature of the services provided. We have the ability to terminate channel origination services and channel management services for any reason and without any liability upon at least 60 days notice to EchoStar. If we terminate the teleport services provided under the 2012 Broadcast Agreement for a reason other than EchoStar's breach, we are generally obligated to reimburse EchoStar for any direct costs EchoStar incurs related to any such termination that it cannot reasonably mitigate.

Broadcast Agreement for Certain Sports-Related Programming. In May 2010, we and EchoStar entered into a broadcast agreement pursuant to which EchoStar provides certain broadcast services to us in connection with our carriage of certain sports-related programming. The term of this agreement is for ten years. If we terminate this agreement for a reason other than EchoStar's breach, we are generally obligated to reimburse EchoStar for any direct costs EchoStar incurs related to any such termination that it cannot reasonably mitigate. The fees for the broadcast services provided under this agreement depend, among other things, upon the cost to develop and provide such services.

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Satellite Capacity Leased from EchoStar. Since the Spin-off, we have entered into certain satellite capacity agreements pursuant to which we lease certain capacity on certain satellites owned or leased by EchoStar. The fees for the services provided under these satellite capacity agreements depend, among other things, upon the orbital location of the applicable satellite, the number of transponders that are leased on the applicable satellite and the length of the lease. See "Pay-TV Satellites" in Note 8 for further information. The term of each lease is set forth below:

- *EchoStar I, VII, X, XI and XIV*. On March 1, 2014, we began leasing all available capacity from EchoStar on the EchoStar I, VII, X, XI and XIV satellites. The term of each satellite capacity agreement generally terminates upon the earlier of: (i) the end-of-life of the satellite; (ii) the date the satellite fails; or (iii) a certain date, which depends upon, among other things, the estimated useful life of the satellite. We generally have the option to renew each satellite capacity agreement on a year-to-year basis through the end of the respective satellite's life. There can be no assurance that any options to renew such agreements will be exercised. The satellite capacity agreement for EchoStar I expired on November 30, 2015.

- *EchoStar VIII*. In May 2013, we began leasing capacity from EchoStar on EchoStar VIII as an in-orbit spare. Effective March 1, 2014, this lease converted to a month-to-month lease. Both parties have the right to terminate this lease with 30 days notice. This lease terminated in November 2015.

- *EchoStar IX*. We lease certain satellite capacity from EchoStar on EchoStar IX. Subject to availability, we generally have the right to continue to lease satellite capacity from EchoStar on EchoStar IX on a month-to-month basis.

- *EchoStar XII*. The lease for EchoStar XII generally terminates upon the earlier of: (i) the end-of-life or replacement of the satellite (unless we determine to renew on a year-to-year basis); (ii) the date the satellite fails; (iii) the date the transponders on which service is being provided fails; or (iv) a certain date, which depends upon, among other things, the estimated useful life of the satellite, whether the replacement satellite fails at launch or in orbit prior to being placed into service and the exercise of certain renewal options. We generally have the option to renew the lease on a year-to-year basis through the end of the satellite's life. There can be no assurance that any options to renew this agreement will be exercised.

- *EchoStar XVI*. In December 2009, we entered into a transponder service agreement with EchoStar to lease all of the capacity on EchoStar XVI, a DBS satellite, after its service commencement date. EchoStar XVI was launched in November 2012 to replace EchoStar XV at the 61.5 degree orbital location and is currently in service. Effective December 21, 2012, we and EchoStar amended the transponder service agreement to, among other things, change the initial term to generally expire upon the earlier of: (i) the end-of-life or replacement of the satellite; (ii) the date the satellite fails; (iii) the date the transponder(s) on which service is being provided under the agreement fails; or (iv) four years following the actual service commencement date. In July 2016, we and EchoStar amended the transponder service agreement to, among other things, extend the initial term by one additional year and to reduce the term of the first renewal option by one year. Prior to expiration of the initial term, we have the option to renew for an additional five-year period. Prior to expiration of the initial term, EchoStar also has the right, upon certain conditions, to renew for an additional five-year period. If either we or EchoStar exercise our respective five-year renewal options, then we have the option to renew for an additional five-year period prior to expiration of the then-current term. There can be no assurance that any options to renew this agreement will be exercised.

Nimiq 5 Agreement . During 2009, EchoStar entered into a fifteen-year satellite service agreement with Telesat Canada ("Telesat") to receive service on all 32 DBS transponders on the Nimiq 5 satellite at the 72.7 degree orbital location (the "Telesat Transponder Agreement"). During 2009, EchoStar also entered into a satellite service agreement (the "DISH Nimiq 5 Agreement") with us, pursuant to which we currently receive service from EchoStar on all 32 of the DBS transponders covered by the Telesat Transponder Agreement. We have also guaranteed certain obligations of EchoStar under the Telesat Transponder Agreement. See discussion under "Guarantees" in Note 14.

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Under the terms of the DISH Nimiq 5 Agreement, we make certain monthly payments to EchoStar that commenced in September 2009 when the Nimiq 5 satellite was placed into service and continue through the service term. Unless earlier terminated under the terms and conditions of the DISH Nimiq 5 Agreement, the service term will expire ten years following the date the Nimiq 5 satellite was placed into service. Upon expiration of the initial term, we have the option to renew the DISH Nimiq 5 Agreement on a year-to-year basis through the end-of-life of the Nimiq 5 satellite. Upon in-orbit failure or end-of-life of the Nimiq 5 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. There can be no assurance that any options to renew the DISH Nimiq 5 Agreement will be exercised or that we will exercise our option to receive service on a replacement satellite.

QuetzSat-1 Lease Agreement. During 2008, EchoStar entered into a ten-year satellite service agreement with SES Latin America S.A. ("SES"), which provides, among other things, for the provision by SES to EchoStar of service on 32 DBS transponders on the QuetzSat-1 satellite. During 2008, EchoStar also entered into a transponder service agreement ("QuetzSat-1 Transponder Agreement") with us pursuant to which we receive service from EchoStar on 24 DBS transponders. QuetzSat-1 was launched on September 29, 2011 and was placed into service during the fourth quarter 2011 at the 67.1 degree orbital location while we and EchoStar explored alternative uses for the QuetzSat-1 satellite. In the interim, EchoStar provided us with alternate capacity at the 77 degree orbital location. During the first quarter 2013, we and EchoStar entered into an agreement pursuant to which we sublease five DBS transponders back to EchoStar. In January 2013, QuetzSat-1 was moved to the 77 degree orbital location and we commenced commercial operations at that location in February 2013.

Unless earlier terminated under the terms and conditions of the QuetzSat-1 Transponder Agreement, the initial service term will expire in November 2021. Upon expiration of the initial term, we have the option to renew the QuetzSat-1 Transponder Agreement on a year-to-year basis through the end-of-life of the QuetzSat-1 satellite. Upon an in-orbit failure or end-of-life of the QuetzSat-1 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. There can be no assurance that any options to renew the QuetzSat-1 Transponder Agreement will be exercised or that we will exercise our option to receive service on a replacement satellite.

103 Degree Orbital Location/SES-3. In May 2012, EchoStar entered into a spectrum development agreement (the "103 Spectrum Development Agreement") with Ciel Satellite Holdings Inc. ("Ciel") to develop certain spectrum rights at the 103 degree orbital location (the "103 Spectrum Rights"). In June 2013, we and EchoStar entered into a spectrum development agreement (the "DISH 103 Spectrum Development Agreement") pursuant to which we may use and develop the 103 Spectrum Rights. Unless earlier terminated under the terms and conditions of the DISH 103 Spectrum Development Agreement, the term generally will continue for the duration of the 103 Spectrum Rights.

In connection with the 103 Spectrum Development Agreement, in May 2012, EchoStar also entered into a ten-year service agreement with Ciel pursuant to which EchoStar leases certain satellite capacity from Ciel on the SES-3 satellite at the 103 degree orbital location (the "103 Service Agreement"). In June 2013, we and EchoStar entered into an agreement pursuant to which we lease certain satellite capacity from EchoStar on the SES-3 satellite (the "DISH 103 Service Agreement"). Under the terms of the DISH 103 Service Agreement, we make certain monthly payments to EchoStar through the service term. Unless earlier terminated under the terms and conditions of the DISH 103 Service Agreement, the initial service term will expire on the earlier of: (i) the date the SES-3 satellite fails; (ii) the date the transponder(s) on which service was being provided under the agreement fails; or (iii) ten years following the actual service commencement date. Upon in-orbit failure or end of life of the SES-3 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. There can be no assurance that we will exercise our option to receive service on a replacement satellite.

TT&C Agreement. Effective January 1, 2012, we entered into a telemetry, tracking and control ("TT&C") agreement pursuant to which we receive TT&C services from EchoStar for certain satellites for a period ending on December 31, 2016 (the "2012 TT&C Agreement"). In November 2016, we and EchoStar amended the 2012 TT&C Agreement to extend the term thereof for one additional year until December 31, 2017. The fees for services provided under the 2012 TT&C Agreement are calculated at either: (i) a fixed fee; or (ii) cost plus a fixed margin, which will vary depending on the nature of the services provided. We are able to terminate the 2012 TT&C Agreement for any reason upon 60 days notice.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

DBSD North America Agreement. On March 9, 2012, we completed the DBSD Transaction. During the second quarter 2011, EchoStar acquired Hughes. Prior to our acquisition of DBSD North America and EchoStar's acquisition of Hughes, DBSD North America and HNS entered into an agreement pursuant to which HNS provides, among other things, hosting, operations and maintenance services for DBSD North America's satellite gateway and associated ground infrastructure. This agreement generally may be terminated by us at any time for convenience.

TerreStar Agreement . On March 9, 2012, we completed the TerreStar Transaction. Prior to our acquisition of substantially all the assets of TerreStar and EchoStar's acquisition of Hughes, TerreStar and HNS entered into various agreements pursuant to which HNS provides, among other things, hosting, operations and maintenance services for TerreStar's satellite gateway and associated ground infrastructure. These agreements generally may be terminated by us at any time for convenience.

DISHOnline.com Services Agreement. Effective January 1, 2010, we entered into a two-year agreement with EchoStar pursuant to which we receive certain services associated with an online video portal. The fees for the services provided under this services agreement depend, among other things, upon the cost to develop and operate such services. We have the option to renew this agreement for successive one year terms and the agreement may be terminated for any reason upon at least 120 days notice to EchoStar. In November 2015, we exercised our right to renew this agreement for a one-year period ending on December 31, 2016. In December 2016, we and EchoStar amended this agreement to, among other things, extend the term thereof for one additional year until December 31, 2017.

Sling TV Holding. Effective July 1, 2012, we and EchoStar formed Sling TV Holding, which was owned two-thirds by us and one-third by EchoStar and was consolidated into our financial statements beginning July 1, 2012. Sling TV Holding was formed to develop and commercialize certain advanced technologies. At that time, we, EchoStar and Sling TV Holding entered into the following agreements with respect to Sling TV Holding: (i) a contribution agreement pursuant to which we and EchoStar contributed certain assets in exchange for our respective ownership interests in Sling TV Holding; (ii) a limited liability company operating agreement (the "Operating Agreement"), which provides for the governance of Sling TV Holding; and (iii) a commercial agreement (the "Commercial Agreement") pursuant to which, among other things, Sling TV Holding has: (a) certain rights and corresponding obligations with respect to its business; and (b) the right, but not the obligation, to receive certain services from us and EchoStar, respectively. Since this was a formation of an entity under common control and a step-up in basis was not allowed, each party's contributions were recorded at historical book value for accounting purposes.

Effective August 1, 2014, EchoStar and Sling TV Holding entered into the Exchange Agreement pursuant to which, among other things, Sling TV Holding distributed certain assets to EchoStar and EchoStar reduced its interest in Sling TV Holding to a ten percent non-voting interest. We now have a ninety percent equity interest and a 100% voting interest in Sling TV Holding. In addition, we, EchoStar and Sling TV Holding amended and restated the Operating Agreement, primarily to reflect the changes implemented by the Exchange Agreement. Finally, we, EchoStar and Sling TV Holding amended and restated the Commercial Agreement, pursuant to which, among other things, Sling TV Holding: (1) continues to have certain rights and corresponding obligations with respect to its business; (2) continues to have the right, but not the obligation, to receive certain services from us and EchoStar; and (3) has a license from EchoStar to use certain of the assets distributed to EchoStar as part of the Exchange Agreement. Sling TV Holding operates, through its subsidiary Sling TV L.L.C., the Sling TV services.

Since the Exchange Agreement is among entities under common control, we recorded the difference between the historical cost basis of the assets transferred to EchoStar and our historical cost basis in EchoStar's one-third noncontrolling interest in Sling TV Holding as a $6 million, net of deferred taxes, capital distribution in "Additional paid-in capital" on our Consolidated Balance Sheets. In addition, we recorded the initial fair value of EchoStar's ten percent non-voting interest as a $14 million, net of deferred taxes, deemed distribution in "Additional paid-in capital" on our Consolidated Balance Sheets.

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EchoStar's ten percent non-voting interest is redeemable contingent on a certain performance goal being achieved by Sling TV Holding. In addition, subject to certain conditions, the interest is redeemable at fair value within sixty days following the fifth anniversary of the Exchange Agreement. This interest is considered temporary equity and is recorded as "Redeemable noncontrolling interests" in the mezzanine section of our Consolidated Balance Sheets. EchoStar's redeemable noncontrolling interest in Sling TV Holding was initially accounted for at fair value. The performance goal has been determined to be probable of achievement. Accordingly, the value of EchoStar's redeemable noncontrolling interest in Sling TV Holding is adjusted each reporting period for any change in redemption value above the initial fair value (adjusted for the operating results of Sling TV Holding attributable to EchoStar subsequent to August 1, 2014), with the offset recorded in "Additional paid-in capital," net of deferred taxes, on our Consolidated Balance Sheets. Subsequent to the Exchange Agreement, the operating results of Sling TV Holding attributable to EchoStar are recorded as "Redeemable noncontrolling interests" on our Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interests, net of tax" on our Consolidated Statements of Operations and Comprehensive Income (Loss).

"General and administrative expenses"

During the years ended December 31, 2016, 2015 and 2014, we incurred $99 million, $92 million and $108 million, respectively, for general and administrative expenses from EchoStar. These amounts are recorded in "General and administrative expenses" on our Consolidated Statements of Operations and Comprehensive Income (Loss). The agreements pertaining to these expenses are discussed below.

Product Support Agreement. In connection with the Spin-off, we entered into a product support agreement pursuant to which we have the right, but not the obligation, to receive product support from EchoStar (including certain engineering and technical support services) for all set-top boxes and related accessories that EchoStar has previously sold and in the future may sell to us. The fees for the services provided under the product support agreement are calculated at cost plus a fixed margin, which varies depending on the nature of the services provided. The term of the product support agreement is the economic life of such receivers and related accessories, unless terminated earlier. We may terminate the product support agreement for any reason upon at least 60 days notice. In the event of an early termination of this agreement, we are entitled to a refund of any unearned fees paid to EchoStar for the services.

Real Estate Lease Agreements. We have entered into lease agreements pursuant to which we lease certain real estate from EchoStar. The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic area, and EchoStar is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises. The term of each lease is set forth below:

- *Inverness Lease Agreement.* The lease for certain space at 90 Inverness Circle East in Englewood, Colorado was terminated effective August 10, 2016.
- *Meridian Lease Agreement.* The lease for all of 9601 S. Meridian Blvd. in Englewood, Colorado is for a period ending on December 31, 2016. In December 2016, we and EchoStar amended this lease to, among other things, extend the term thereof for one additional year until December 31, 2017.
- *Santa Fe Lease Agreement.* The lease for all of 5701 S. Santa Fe Dr. in Littleton, Colorado is for a period ending on December 31, 2016. In December 2016, we and EchoStar amended this lease to, among other things, extend the term thereof for one additional year until December 31, 2017.
- *EchoStar Data Networks Sublease Agreement* . The sublease for certain space at 211 Perimeter Center in Atlanta, Georgia expired on October 31, 2016.
- *Gilbert Lease Agreement.* Effective August 1, 2014, we began leasing certain space from EchoStar at 801 N. DISH Dr. in Gilbert, Arizona. This lease is for a period ending on July 31, 2017.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

- *Cheyenne Lease Agreement.* The lease for certain space at 530 EchoStar Drive in Cheyenne, Wyoming is for a period ending on December 31, 2031.

Application Development Agreement. During the fourth quarter 2012, we and EchoStar entered into a set-top box application development agreement (the "Application Development Agreement") pursuant to which EchoStar provides us with certain services relating to the development of web-based applications for set-top boxes for a period ending on February 1, 2017. The Application Development Agreement renews automatically for successive one-year periods thereafter, unless terminated earlier by us or EchoStar at any time upon at least 90 days notice. The fees for services provided under the Application Development Agreement are calculated at EchoStar's cost of providing the relevant service plus a fixed margin, which will depend on the nature of the services provided.

XiP Encryption Agreement. During the third quarter 2012, we entered into an encryption agreement with EchoStar for our whole-home HD DVR line of set-top boxes (the "XiP Encryption Agreement") pursuant to which EchoStar provides certain security measures on our whole-home HD DVR line of set-top boxes to encrypt the content delivered to the set-top box via a smart card and secure the content between set-top boxes. In November 2016, we and EchoStar extended the term of the XiP Encryption Agreement for one additional year until December 31, 2017. We and EchoStar each have the right to terminate the XiP Encryption Agreement for any reason upon at least 30 days notice and 180 days notice, respectively. The fees for the services provided under the XiP Encryption Agreement are calculated on a monthly basis based on the number of receivers utilizing such security measures each month.

Sling Trademark License Agreement. On December 31, 2014, Sling TV L.L.C. entered into an agreement with Sling Media, Inc., a subsidiary of EchoStar, pursuant to which we have the right for a fixed fee to use certain trademarks, domain names and other intellectual property related to the "Sling" trademark for a period ending on December 31, 2016. In December 2016, Sling TV L.L.C. and Sling Media, Inc. amended this agreement to, among other things, extend the term thereof on a month-to-month basis. Either party may terminate this agreement at any time upon 21 days prior written notice to the other party.

Professional Services Agreement. Prior to 2010, in connection with the Spin-off, we entered into various agreements with EchoStar including the Transition Services Agreement, Satellite Procurement Agreement and Services Agreement, which all expired on January 1, 2010 and were replaced by a Professional Services Agreement. During 2009, we and EchoStar agreed that EchoStar shall continue to have the right, but not the obligation, to receive the following services from us, among others, certain of which were previously provided under the Transition Services Agreement: information technology, travel and event coordination, internal audit, legal, accounting and tax, benefits administration, program acquisition services and other support services. Mr. Vivek Khemka, our Executive Vice President and Chief Technology Officer, currently also provides services pursuant to the Professional Services Agreement to EchoStar as the President of EchoStar Technologies L.L.C. Additionally, we and EchoStar agreed that we shall continue to have the right, but not the obligation, to engage EchoStar to manage the process of procuring new satellite capacity for us (previously provided under the Satellite Procurement Agreement) and receive logistics, procurement and quality assurance services from EchoStar (previously provided under the Services Agreement) and other support services. The Professional Services Agreement renewed on January 1, 2017 for an additional one-year period until January 1, 2018 and renews automatically for successive one-year periods thereafter, unless terminated earlier by either party upon at least 60 days notice. However, either party may terminate the Professional Services Agreement in part with respect to any particular service it receives for any reason upon at least 30 days notice. Revenue for services provided by us to EchoStar under the Professional Services Agreement is recorded in "Equipment sales and other revenue" on our Consolidated Statements of Operations and Comprehensive Income (Loss).

Other Agreements - EchoStar

Receiver Agreement. EchoStar is currently our primary supplier of set-top box receivers. Effective January 1, 2012, we and EchoStar entered into a receiver agreement (the "2012 Receiver Agreement") pursuant to which we have the right, but not the obligation, to purchase digital set-top boxes, related accessories, and other equipment. In November 2016, we and EchoStar amended the 2012 Receiver Agreement to extend the term thereof for one additional year until December 31, 2017.

The 2012 Receiver Agreement allows us to purchase digital set-top boxes, related accessories and other equipment from EchoStar either: (i) at a cost (decreasing as EchoStar reduces costs and increasing as costs increase) plus a dollar mark-up which will depend upon the cost of the product subject to a collar on EchoStar's mark-up; or (ii) at cost plus a fixed margin, which will depend on the nature of the equipment purchased. Under the 2012 Receiver Agreement, EchoStar's margins will be increased if they are able to reduce the costs of their digital set-top boxes and their margins will be reduced if these costs increase. EchoStar provides us with standard manufacturer warranties for the goods sold under the 2012 Receiver Agreement. Additionally, the 2012 Receiver Agreement includes an indemnification provision, whereby the parties indemnify each other for certain intellectual property matters. We are able to terminate the 2012 Receiver Agreement for any reason upon at least 60 days notice to EchoStar. EchoStar is able to terminate the 2012 Receiver Agreement if certain entities acquire us.

For the years ended December 31, 2016, 2015 and 2014, we purchased set-top boxes and other equipment from EchoStar of $702 million, $753 million and $1.114 billion, respectively. Included in these amounts are purchases of certain broadband equipment from EchoStar under the 2012 Receiver Agreement. These amounts are initially included in "Inventory" and are subsequently capitalized as "Property and equipment, net" on our Consolidated Balance Sheets or expensed as "Subscriber acquisition costs" or "Subscriber-related expenses" on our Consolidated Statements of Operations and Comprehensive Income (Loss) when the equipment is deployed.

Tax Sharing Agreement. In connection with the Spin-off, we entered into a tax sharing agreement with EchoStar which governs our respective rights, responsibilities and obligations after the Spin-off with respect to taxes for the periods ending on or before the Spin-off. Generally, all pre-Spin-off taxes, including any taxes that are incurred as a result of restructuring activities undertaken to implement the Spin-off, are borne by us, and we will indemnify EchoStar for such taxes. However, we are not liable for and will not indemnify EchoStar for any taxes that are incurred as a result of the Spin-off or certain related transactions failing to qualify as tax-free distributions pursuant to any provision of Section 355 or Section 361 of the Internal Revenue Code of 1986, as amended (the "Code") because of: (i) a direct or indirect acquisition of any of EchoStar's stock, stock options or assets; (ii) any action that EchoStar takes or fails to take; or (iii) any action that EchoStar takes that is inconsistent with the information and representations furnished to the Internal Revenue Service ("IRS") in connection with the request for the private letter ruling, or to counsel in connection with any opinion being delivered by counsel with respect to the Spin-off or certain related transactions. In such case, EchoStar is solely liable for, and will indemnify us for, any resulting taxes, as well as any losses, claims and expenses. The tax sharing agreement will only terminate after the later of the full period of all applicable statutes of limitations, including extensions, or once all rights and obligations are fully effectuated or performed.

In light of the tax sharing agreement, among other things, and in connection with our consolidated federal income tax returns for certain tax years prior to and for the year of the Spin-off, during the third quarter 2013, we and EchoStar agreed upon a supplemental allocation of the tax benefits arising from certain tax items resolved in the course of the IRS' examination of these consolidated tax returns. As a result, we agreed to pay EchoStar $83 million of the tax benefit we received or will receive. This resulted in a reduction of our recorded unrecognized tax benefits and this amount was reclassified to a long-term payable to EchoStar within "Long-term deferred revenue, distribution and carriage payments and other long-term liabilities" on our Consolidated Balance Sheets during the third quarter 2013. Any payment to EchoStar, including accrued interest, will be made at such time as EchoStar would have otherwise been able to realize such tax benefit. In addition, during the third quarter 2013, we and EchoStar agreed upon a tax sharing arrangement for filing certain combined state income tax returns and a method of allocating the respective tax liabilities between us and EchoStar for such combined returns, through the taxable period ending on December 31, 2017.

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We and EchoStar file combined income tax returns in certain states. In 2015 and 2014, EchoStar earned and recognized a tax benefit for certain state income tax credits that EchoStar estimates it would be unable to utilize in the future if it had filed separately from us. In addition, EchoStar earned and recognized tax benefits for certain federal income tax credits, a portion of which were allocated to us under IRS rules for affiliated companies. We expect to utilize these tax credits to reduce our federal and state income tax payable in the future. In accordance with accounting rules that apply to transfers of assets between entities under common control, we recorded a capital contribution of less than $1 million and $3 million in "Additional paid-in capital" on our Consolidated Balance Sheets for the years ended December 31, 2016 and 2015, respectively, representing the amount that we estimate is more likely than not to be realized by us as a result of our utilization of these tax credits earned. Any payments made to EchoStar related to the utilization of these credits will be recorded as a reduction to "Additional paid-in capital" on our Consolidated Balance Sheets.

TiVo. On April 29, 2011, we and EchoStar entered into a settlement agreement with TiVo Inc. ("TiVo"). The settlement resolved all pending litigation between us and EchoStar, on the one hand, and TiVo, on the other hand, including litigation relating to alleged patent infringement involving certain DISH digital video recorders, or DVRs.

Under the settlement agreement, all pending litigation was dismissed with prejudice and all injunctions that permanently restrain, enjoin or compel any action by us or EchoStar were dissolved. We and EchoStar are jointly responsible for making payments to TiVo in the aggregate amount of $500 million, including an initial payment of $300 million and the remaining $200 million in six equal annual installments between 2012 and 2017. Pursuant to the terms and conditions of the agreements entered into in connection with the Spin-off of EchoStar from us, we made the initial payment to TiVo in May 2011, except for the contribution from EchoStar totaling approximately $10 million, representing an allocation of liability relating to EchoStar's sales of DVR-enabled receivers to an international customer. Future payments will be allocated between us and EchoStar based on historical sales of certain licensed products, with us being responsible for 95% of each annual payment.

Patent Cross-License Agreements . In December 2011, we and EchoStar entered into separate patent cross-license agreements with the same third party whereby: (i) EchoStar and such third-party licensed their respective patents to each other subject to certain conditions; and (ii) we and such third-party licensed our respective patents to each other subject to certain conditions (each, a "Cross-License Agreement"). Each Cross License Agreement covers patents acquired by the respective party prior to January 1, 2017 and aggregate payments under both Cross-License Agreements total less than $10 million. Each Cross License Agreement also contains an option to extend each Cross-License Agreement to include patents acquired by the respective party prior to January 1, 2022. In December 2016, we and EchoStar independently exercised our respective options to extend each Cross-License Agreement. The aggregate additional payments to such third-party was less than $3 million. Since the aggregate payments under both Cross-License Agreements were based on the combined annual revenues of us and EchoStar, we and EchoStar agreed to allocate our respective payments to such third party based on our respective percentage of combined total revenue.

Amended and Restated T2 Development Agreement. On August 29, 2013, we and EchoStar entered into a development agreement (the "T2 Development Agreement") with respect to the T2 satellite, by which EchoStar reimbursed us for amounts we paid pursuant to an authorization to proceed (the "T2 ATP") with SS/L related to the T2 satellite construction contract. In exchange, we granted EchoStar a right of first refusal and right of first offer to purchase our rights in T2 during the term of the T2 Development Agreement.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

During the fourth quarter 2013, we and EchoStar amended and restated the T2 Development Agreement (the "Amended and Restated T2 Development Agreement"), which superseded and replaced the T2 Development Agreement. Under the Amended and Restated T2 Development Agreement, EchoStar reimbursed us for amounts we paid pursuant to the T2 ATP with SS/L. During the years ended December 31, 2014 and 2013, we received payments from EchoStar of approximately $13 million and $35 million, respectively, under the Amended and Restated T2 Development Agreement to reimburse us for amounts paid to SS/L. In exchange, we granted EchoStar the right and option to purchase our rights in the T2 satellite for the sum of $55 million, exercisable at any time during the term of the Amended and Restated T2 Development Agreement. During the fourth quarter 2014, EchoStar purchased our rights to the T2 satellite for $55 million. In accordance with accounting principles that apply to transfers of assets between companies under common control, we recorded the difference between our historical cost basis of the satellite and the fair value of the satellite transferred to EchoStar as a $9 million, net of deferred taxes, capital contribution in "Additional paid-in capital" on our Consolidated Balance Sheets.

Satellite and Tracking Stock Transaction with EchoStar. On February 20, 2014, we entered into the Satellite and Tracking Stock Transaction with EchoStar pursuant to which, among other things: (i) on March 1, 2014, we transferred to EchoStar and HSSC the Transferred Satellites, including related in-orbit incentive obligations and cash interest payments of approximately $59 million and approximately $11 million in cash in exchange for the Tracking Stock; and (ii) beginning on March 1, 2014, we lease back all available satellite capacity on the Transferred Satellites. The Satellite and Tracking Stock Transaction is further described below:

- *Transaction Agreement.* On February 20, 2014, DOLLC, DNLLC and EchoStar XI Holding L.L.C., all indirect wholly-owned subsidiaries of us, entered into the Transaction Agreement with EchoStar, HSSC and Alpha Company LLC, a wholly-owned subsidiary of EchoStar, pursuant to which, on March 1, 2014, we, among other things, transferred to EchoStar and HSSC the Transferred Satellites in exchange for the Tracking Stock. The Tracking Stock generally tracks the Hughes Retail Group. The shares of the Tracking Stock issued to us represent an aggregate 80% economic interest in the Hughes Retail Group. Since the Satellite and Tracking Stock Transaction is among entities under common control, we recorded the Tracking Stock at EchoStar's and HSSC's historical cost basis for these instruments of $229 million and $87 million, respectively. The difference between the historical cost basis of the Tracking Stock received and the net carrying value of the Transferred Satellites of $356 million (including debt obligations, net of deferred taxes), plus the $11 million in cash, resulted in a $51 million capital transaction recorded in "Additional paid-in capital" on our Consolidated Balance Sheets. Although our investment in the Tracking Stock represents an aggregate 80% economic interest in the Hughes Retail Group, we have no operational control or significant influence over the Hughes Retail Group business, and currently there is no public market for the Tracking Stock. As such, the Tracking Stock is accounted for under the cost method of accounting. The Transaction Agreement includes, among other things, customary mutual provisions for representations, warranties and indemnification.

- *Satellite Capacity Leased from EchoStar.* On February 20, 2014, we entered into satellite capacity agreements with certain subsidiaries of EchoStar pursuant to which, beginning March 1, 2014, we, among other things, lease all available satellite capacity on the Transferred Satellites. The satellite capacity agreement for EchoStar I expired on November 30, 2015. See further information under "Satellite and transmission expenses – Satellite Capacity Leased from EchoStar."

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

- *Investor Rights Agreement.* On February 20, 2014, EchoStar, HSSC, DOLLC and DNLLC (DOLLC and DNLLC, collectively referred to as the "DISH Investors") also entered into the Investor Rights Agreement with respect to the Tracking Stock. The Investor Rights Agreement provides, among other things, certain information and consultation rights for the DISH Investors; certain transfer restrictions on the Tracking Stock and certain rights and obligations to offer and sell under certain circumstances (including a prohibition on transfers of the Tracking Stock for one year, with continuing transfer restrictions (including a right of first offer in favor of EchoStar) thereafter, an obligation to sell the Tracking Stock to EchoStar in connection with a change of control of us and a right to require EchoStar to repurchase the Tracking Stock in connection with a change of control of EchoStar, in each case subject to certain terms and conditions); certain registration rights; certain obligations to provide conversion and exchange rights of the Tracking Stock under certain circumstances; and certain protective covenants afforded to holders of the Tracking Stock. The Investor Rights Agreement generally will terminate as to the DISH Investors at such time as the DISH Investors no longer hold any shares of the HSSC-issued Tracking Stock and any registrable securities under the Investor Rights Agreement.

PMC . During 2008, Personalized Media Communications, Inc. ("PMC") filed suit against us; EchoStar and Motorola Inc., in the United States District Court for the Eastern District of Texas, alleging infringement of United States Patent Nos. 5,109,414; 4,965,825; 5,233,654; 5,335,277 and 5,887,243, which relate to satellite signal processing. On May 7, 2015, we, EchoStar and PMC entered into a settlement and release agreement that provided, among other things, for a license by PMC to us and EchoStar for certain patents and patent applications and the dismissal of all of PMC's claims in the action against us and EchoStar with prejudice. On June 4, 2015, the Court dismissed all of PMC's claims in the action against us and EchoStar with prejudice. In June 2015, we and EchoStar agreed that EchoStar would contribute a one-time payment of $5 million towards the settlement under the agreements entered into in connection with the Spin-off and the 2012 Receiver Agreement.

gTLD Bidding Agreement . In April 2015, we and EchoStar entered into a gTLD Bidding Agreement whereby, among other things: (i) we obtained rights from EchoStar to participate in a generic top level domain ("gTLD") auction, assuming all rights and obligations from EchoStar related to EchoStar's application with ICANN for a particular gTLD; (ii) we agreed to reimburse EchoStar for its ICANN application fee and certain out-of-pocket expenses related to the application and the auction; and (iii) we and EchoStar agreed to split equally the net proceeds obtained by us as the losing bidder in the auction, less such fee reimbursement and out-of-pocket expenses. During the year ended December 31, 2015, we paid EchoStar approximately $1 million related to this agreement.

Rovi License Agreement. On August 19, 2016, we entered into a ten-year patent license agreement (the "Rovi License Agreement") with Rovi Corporation ("Rovi") and, for certain limited purposes, EchoStar. EchoStar is a party to the Rovi License Agreement solely with respect to certain provisions relating to the prior patent license agreement between EchoStar and Rovi. There are no payments between us and EchoStar under the Rovi License Agreement.

Sale of Orange, New Jersey Properties. In October 2016, we and EchoStar sold two parcels of real estate owned separately by us and EchoStar in Orange, New Jersey to a third party pursuant to a purchase and sale agreement. Pursuant to the agreement, we and EchoStar separately received our respective payments from the buyer.

Invidi. In November 2010 and April 2011, EchoStar made investments in Invidi Technologies Corporation ("Invidi") in exchange for shares of Invidi's Series D Preferred Stock. In November 2016, we, DIRECTV, LLC, a wholly-owned indirect subsidiary of AT&T Inc., and Cavendish Square Holding B.V., an affiliate of WPP plc, entered into a series of agreements to acquire Invidi. As a result of the transaction, EchoStar sold its ownership interest in Invidi on the same terms offered to the other shareholders of Invidi. The transaction closed in January 2017.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Other

In November 2009, Mr. Roger Lynch became employed by both us and EchoStar as an Executive Vice President. Mr. Lynch was responsible for the development and implementation of advanced technologies that are of potential utility and importance to both DISH Network and EchoStar. Mr. Lynch's compensation consisted of cash and equity compensation and was borne by both EchoStar and DISH Network. As of January 1, 2015, Mr. Lynch is solely a DISH Network employee as Sling TV's Chief Executive Officer and DISH Network's Executive Vice President, Advanced Technologies.

Related Party Transactions with NagraStar L.L.C.

NagraStar is a joint venture between EchoStar and Nagra USA, Inc. that is our provider of encryption and related security systems intended to assure that only authorized customers have access to our programming. These expenses are recorded in "Subscriber-related expenses" on our Consolidated Statements of Operations and Comprehensive Income (Loss). We record all payables in "Trade accounts payable" or "Other accrued expenses" on our Consolidated Balance Sheets.

The table below summarizes our transactions with NagraStar.

	For the Years Ended December 31,		
	2016	2015	2014
	(In thousands)		
Purchases (including fees):			
Purchases from NagraStar	$ 72,529	$ 89,195	$ 84,636

	As of December 31,	
	2016	2015
	(In thousands)	
Amounts Payable and Commitments:		
Amounts payable to NagraStar	$ 17,055	$ 19,362
Commitments to NagraStar	$ 51	$ 1,532

Third Amendment
To
2012 Receiver Agreement
Between
EchoStar Technologies L.L.C.
and
EchoSphere L.L.C.

This Third Amendment (this " Third Amendment ") to that certain 2012 Receiver Agreement by and between EchoStar Technologies L.L.C. (" ETLLC ") and EchoSphere L.L.C. (" Licensee ") dated January 1, 2012, as amended by: (i) that certain First Amendment dated as of November 7, 2012 (the " First Amendment ") and (ii) that certain Second Amendment dated as of November 4, 2015 (the " Second Amendment ") and together with that certain 2012 Receiver Agreement and the First Amendment, collectively, the " Agreement "), is made as of this 4th day of November, 2016 (the " Third Amendment Effective Date "). Hereinafter, ETLLC and Licensee may be referred to individually as a " Party " or collectively as the " Parties ."

WHEREAS, the term of the Agreement expires December 31, 2016; and

WHEREAS, the Parties now desire to amend the Agreement to extend the term of the Agreement for an additional one (1) year;

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Term . Section 10.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

> This Agreement shall commence on the date first written above and shall continue until December 31, 2017 (the "Term").

2. No Other Amendment . Except as expressly set forth herein, all of the terms and conditions of the Agreement shall remain in full force and effect, without any change whatsoever.

3. Counterparts . This Third Amendment may be executed in two (2) or more counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Facsimile signatures and electronically scanned signatures shall be deemed originals.

4. Capitalized Terms. Capitalized terms used herein, but not otherwise defined, shall have the meaning ascribed to them in the Agreement.

5. Conflict. In the event there is any conflict between the terms and conditions of this Third Amendment and the terms and conditions of the Agreement, the terms and conditions of this Third Amendment will prevail.

6. Entire Agreement. The Agreement, including any Exhibits or Attachments to the Agreement, and this Third Amendment constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, oral or written, between the Parties concerning the subject matter hereof. No modification or amendment of the terms of the Agreement or this Third Amendment shall be effective except by a writing executed by both Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Third Amendment as of the Third Amendment Effective Date.

ECHOSTAR TECHNOLOGIES L.L.C.

By: */s/ David J Rayner*
Name: David J. Rayner
Title: Executive Vice President, Chief Financial Officer and Treasurer

ECHOSPHERE L.L.C.

By: */s/ Steven E. Swain*
Name: Steven E. Swain
Title: Senior Vice President and Chief Financial Officer

First Amendment
To
2012 Broadcast Services Agreement
Between
EchoStar Broadcasting Corporation
and
DISH Network L.L.C.

This First Amendment (this " First Amendment ") to that certain 2012 Broadcast Services Agreement by and between EchoStar Broadcasting Corporation (" EBC ") and DISH Network L.L.C. (" Customer "), dated January 1, 2012 (the " Agreement "), is made as of this 4th day of November, 2016 (the " First Amendment Effective Date "). Hereinafter, EBC and Customer may be referred to individually as a " Party " or collectively as the " Parties ."

WHEREAS, the term of the Agreement expires December 31, 2016; and

WHEREAS, the Parties now desire to amend the Agreement to extend the term of the Agreement for an additional one (1) year;

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Term . Section 10 of the Agreement is hereby deleted in its entirety and replaced with the following:

> This Agreement shall commence on the Effective Date and shall expire on the earlier of: (i) the date all Services have been terminated in accordance with the terms of this Agreement; or (ii) December 31, 2017 (the "Term").

2. No Other Amendment . Except as expressly set forth herein, all of the terms and conditions of the Agreement shall remain in full force and effect, without any change whatsoever.

3. Counterparts . This First Amendment may be executed in two (2) or more counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Facsimile signatures and electronically scanned signatures shall be deemed originals.

4. Capitalized Terms. Capitalized terms used herein, but not otherwise defined, shall have the meaning ascribed to them in the Agreement.

5. Conflict. In the event there is any conflict between the terms and conditions of this First Amendment and the terms and conditions of the Agreement, the terms and conditions of this First Amendment will prevail.

6. Entire Agreement. The Agreement, including any Exhibits or Attachments to the Agreement, and this First Amendment constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, oral or written, between the Parties concerning the subject matter hereof. No modification or amendment of the terms of the Agreement or this First Amendment shall be effective except by a writing executed by both Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this First Amendment as of the First Amendment Effective Date.

ECHOSTAR BROADCASTING CORPORATION

By: */s/ David J. Rayner*
Name: David J. Rayner
Title: Executive Vice President, Chief Financial Officer and Treasurer

DISH NETWORK L.L.C.

By: */s/ Steven E. Swain*
Name: Steven E. Swain
Title: Senior Vice President and Chief Financial Officer

DISH NETWORK CORPORATION AND SUBSIDIARIES
LIST OF SUBSIDIARIES
As of December 31, 2016

Subsidiary	State or Country of Incorporation	% of Ownership	Name Doing Business As
DISH Orbital Corporation	Colorado	100 %	DOC
DISH DBS Corporation	Colorado	100 %	DDBS
DISH Network L.L.C.	Colorado	100 %(1)	DNLLC
DISH Operating L.L.C.	Colorado	100 %(1)	SATCO
Echosphere L.L.C.	Colorado	100 %(1)	Echosphere
Dish Network Service L.L.C.	Colorado	100 %(1)	DNSLLC
DISH Wireless Holding L.L.C.	Colorado	100 %	DISH Wireless

(1) This is a subsidiary of DISH DBS Corporation

Consent of Independent Registered Public Accounting Firm

The Board of Directors
DISH Network Corporation:

We consent to the incorporation by reference in the following registration statements of DISH Network Corporation of our report dated February 22, 2017, with respect to the consolidated balance sheets of DISH Network Corporation as of December 31, 2016 and 2015, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit), and cash flows, for each of the years in the three-year period ended December 31, 2016, and the effectiveness of internal control over financial reporting as of December 31, 2016, which report appears in the December 31, 2016 annual report on Form 10-K of DISH Network Corporation.

Form	Registration statement no.	Description
S-8	333-159461	2009 Stock Incentive Plan
S-8	333-146962	2004 Sling Media, Inc. Stock Plan
S-8	333-136603	Amended and Restated 1997 Employee Stock Purchase Plan; Amended and Restated 2001 Nonemployee Director Stock Option Plan
S-8	333-106423	1999 Stock Incentive Plan
S-8	333-66490	2001 Nonemployee Director Stock Option Plan
S-8	333-36791	1997 Employee Stock Purchase Plan
S-8	333-05575	1995 Nonemployee Director Stock Option Plan
S-8	033-80527	1995 Stock Incentive Plan

/s/ KPMG LLP

Denver, Colorado
February 22, 2017

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints R. Stanton Dodge, individually, as the true and lawful attorney-in-fact and agent of the undersigned, with full power of substitution and resubstitution, for and in the name, place and stead of the undersigned, in any and all capacities, to sign the Annual Report on Form 10-K of DISH Network Corporation, a Nevada corporation formed in April 1995, for the year ended December 31, 2016, and any and all amendments thereto and to file the same, with all exhibits thereto and other documents in connection therewith, with the United States Securities and Exchange Commission, and hereby grants to each such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully as to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that such attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Power of Attorney has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ George R. Brokaw George R. Brokaw	Director	February 22, 2017
/s/ James DeFranco James DeFranco	Director	February 22, 2017
/s/ Cantey Ergen Cantey Ergen	Director	February 22, 2017
/s/ Steven R. Goodbarn Steven R. Goodbarn	Director	February 22, 2017
/s/ Charles M. Lillis Charles M. Lillis	Director	February 22, 2017
/s/ Afshin Mohebbi Afshin Mohebbi	Director	February 22, 2017
/s/ David K. Moskowitz David K. Moskowitz	Director	February 22, 2017
/s/ Tom A. Ortolf Tom A. Ortolf	Director	February 22, 2017
/s/ Carl E. Vogel Carl E. Vogel	Director	February 22, 2017

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 302 Certification

I, Charles W. Ergen, certify that:

1. I have reviewed this Annual Report on Form 10-K of DISH Network Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2017

/s/ Charles W. Ergen
Chairman and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 302 Certification

I, Steven E. Swain, certify that:

1. I have reviewed this Annual Report on Form 10-K of DISH Network Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2017

/s/ Steven E. Swain
Senior Vice President and Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 906 Certification

Pursuant to 18 U.S.C. § 1350, the undersigned officer of DISH Network Corporation (the "Company") hereby certifies that to the best of his knowledge the Company's Annual Report on Form 10-K for the year ended December 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 22, 2017

Name: */s/ Charles W. Ergen*

Title: Chairman and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 906 Certification

Pursuant to 18 U.S.C. § 1350, the undersigned officer of DISH Network Corporation (the "Company") hereby certifies that to the best of his knowledge the Company's Annual Report on Form 10-K for the year ended December 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 22, 2017

Name: */s/ Steven E. Swain*

Title: Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

APEN
J. Stephen Peek, Esq. (1758)
Robert J. Cassity, Esq. (9779)
HOLLAND & HART LLP
9555 Hillwood Drive, 2nd Floor
Las Vegas, Nevada 89134
Tel: (702) 669-4600
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C. Barr Flinn (*Admitted pro hac vice*)
Emily V. Burton (*Admitted pro hac vice*)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square, 1000 North King Street
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Fax: (302) 571-1253

Attorneys for Special Litigation Committee of Nominal Defendant DISH Network Corp.

HOLLAND & HART LLP
9555 Hillwood Drive, 2nd Floor
Las Vegas, NV 89134
Phone: (702) 222-2500 ◆ Fax: (702) 669-4650

DISTRICT COURT

CLARK COUNTY, NEVADA

PLUMBERS LOCAL UNION NO. 519 PENSION TRUST FUND and CITY OF STERLING HEIGHTS POLICE AND FIRE RETIREMENT SYSTEM, derivatively on behalf of nominal defendant DISH NETWORK CORP.,

Plaintiffs,

v.

CHARLES W. ERGEN; JAMES DEFRANCO; CANTEY M. ERGEN; STEVEN R. GOODBARN; DAVID MOSKOWITZ; TOM A. ORTOLF; CARL E. VOGEL; GEORGE R. BROKAW; JOSEPH P. CLAYTON; and GARY S. HOWARD,

Defendants,

DISH NETWORK CORP., a Nevada Corp.,

Nominal Defendant

CASE NO.: A-17-763397-B
DEPT. NO.: XI

VOLUME 45 OF APPENDIX TO THE REPORT OF THE SPECIAL LITIGATION COMMITTEE OF DISH NETWORK CORPORATION

Ex.	Date	Description	Page No.
670	Undated	PowerPoint: Dish Network One and Done Service for Customers and Consumers	12425
671	Undated	Letter from R. Goodale to R. Musso	12478
672	Undated	Letter from Goodale to Musso	12480
673	Undated	Quality Assurance document	12483
674	Undated	OE Partner QA Action Plans	12510
675	Undated	Facts Blast	12519
676	Undated	Dish Order Entry Tool	12522
677	Undated	EchoStar Satellite, L.L.C. Response to Supplemental Civil Investigative Subpoena Duces Tecum Pursuant to Title 9 Vermont Statues Annotated § 2460	12538
678	Undated	Vendor is not found. What Next?	12606

DATED this 28th day of November 2018.

By /s/ Robert J. Cassity
J. Stephen Peek, Esq. (1758)
Robert J. Cassity, Esq. (9779)
HOLLAND & HART LLP
9555 Hillwood Drive, 2nd Floor
Las Vegas, Nevada 89134

C. Barr Flinn (*Admitted pro hac vice*)
Emily V. Burton (*Admitted pro hac vice*)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square, 1000 North King Street
Wilmington, DE 19801

Attorneys for the Special Litigation Committee of Nominal Defendant DISH Network Corp.

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9555 Hillwood Drive, 2nd Floor
Las Vegas, NV 89134
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CERTIFICATE OF SERVICE

I hereby certify that on the 28th day of November 2018, a true and correct copy of the foregoing **VOLUME 45 OF APPENDIX TO THE REPORT OF THE SPECIAL LITIGATION COMMITTEE OF DISH NETWORK CORPORATION** was served by the following method(s):

❒ Electronic: by submitting electronically for filing and/or service with the Eighth Judicial District Court's e-filing system and served on counsel electronically in accordance with the E-service list to the following email addresses:

David C. O'Mara, Esq.
THE O'MARA LAW FIRM, PC.
311 East Liberty Street
Reno, NV 89501

Travis E. Downs, III, Esq.
Benny C. Goodman III, Esq.
Erik W. Luedeke, Esq.
Timothy Z. Lacomb, Esq.
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Howard S. Susskind, Esq.
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Coral Gables, FL 33134

Attorneys for Plaintiff Plumbers Local Union No. 519 Pension Trust Fund

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Maya Krugman, Esq.
Yevgeniy Zilberman, Esq.
SULLIVAN & CROMWELL LLP
125 Broad Street
New York, NY 10004

Attorneys for Defendants

By: /s/ Valerie Larsen
An Employee of Holland & Hart, LLP

EXHIBIT 670

EXHIBIT 670

Confidential-US v. Dish

SLLC – Confidential and Proprietary Information

CSC Do Not Call Requests

One and Done Service
for
Customers and Consumers

DEFENDANT'S
EXHIBIT
DTX-14

Dish-0000126

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ESLLC – Confidential and Proprietary Information

Have you ever gotten a phone call like this?

"Hi there, I'm calling from Acme Windows to get you signed up for some new windows right away."

Dish-00000127

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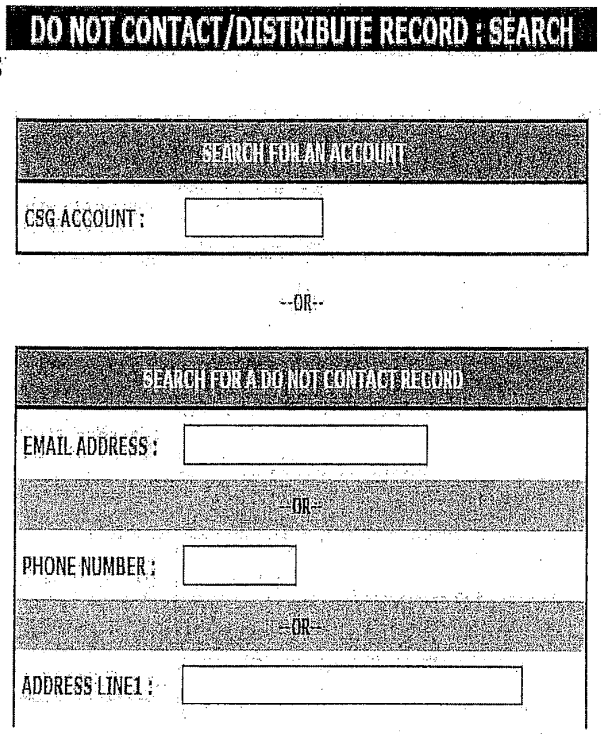
Do Not Call Lists

Do Not Call Lists were created as a result of cus
telemarketers.

Violating Do Not Call Lists can result in:

- Fines.
- Action by the Attorney General.
- Consumers lawsuits.



Dish-0000128

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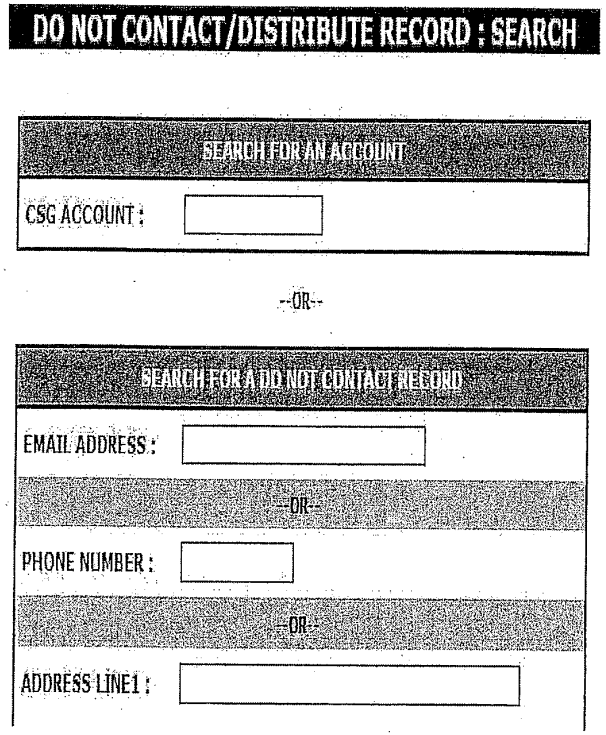
Do Not Call Lists

EchoStar has developed an *Internal Do Not Contact List* to ensure current customers and potential consumers do not receive unwanted phone calls.



Dish-0000129

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We need your help!

Consumers may call you to stop solicitation calls!

You can help these customers by adding them to the *Internal Do Not Contact List.*

By handling these requests you ensure that every current customer and potential consumer receives One and Done service.

Dish-0000130

Confidential-US v. Dish

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We need your help!

At the same time keep in mind, our retailers frequently use telemarketing to contact consumers about our products.

While these consumers were called by retailers, they may contact us directly with their concerns.

Dish-0000131

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We need your help!

Since retailers operate independently of DISH Network, customers on our internal Do Not Call list may still receive calls.

The most important thing is that you do all you can to help the customer.

We'll discuss how you can help these customers later in this training.

Dish-0000132

Confidential-US v. Dish

SLLC – Confidential and Proprietary Information

We need your help!

Since so many consumers are contacted, you will likely handle these calls.

Handling these calls quickly and professionally can even encourage potential customers to sign up.

Dish-0000133

Confidential-US v. Dish

SLLC – Confidential and Proprietary Information

We need your help!

By handling these calls correctly you can:

- Prevent costly fines and even litigation.
- Improve customer relations.
- And help DISH Network achieve:

15 Million!

Dish-0000134

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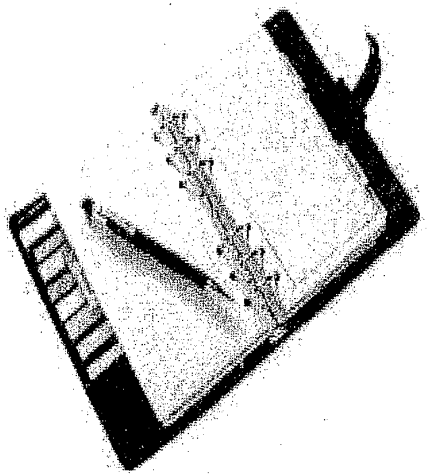
ESLLC – Confidential and Proprietary Information

Agenda



By the end of this course, you will be able to assist customers in stopping solicitation calls from DISH Network by:

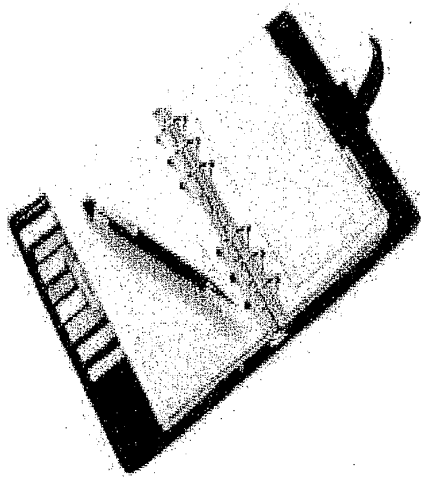
- Locating DISH Network's Do Not Call policy.
- Adding customers to DISH Network's Do Not Contact List
- Identifying what types of calls a customer may receive, even when on the National Do Not Call List.
- Review
- Assessment

Dish-00000135

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Agenda



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- Assessment

Dish-0000136

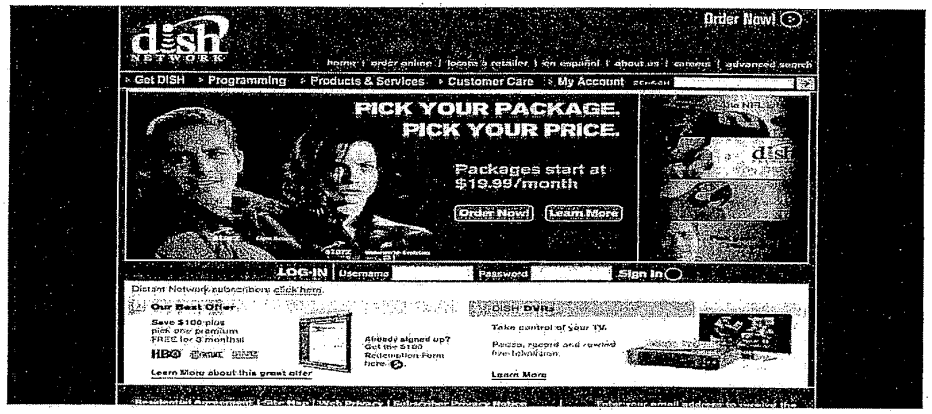
Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Where is Our Do Not Call Policy?

If a customer requests a copy of DISH Network's Do Not Call Policy, please direct them to:

www.DishNetwork.com/DoNotCallPolicy



Dish-00000137

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ESLLC – Confidential and Proprietary Information

Where is Our Do Not Call Policy?

This link will have all information related to our Do Not Call Policy for the customer to review.

A copy of this policy can be mailed out at the customer's request.

This will be covered later in this course.

Dish-0000138

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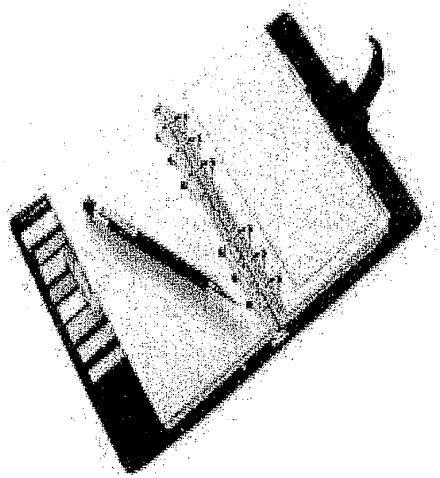
ESLLC – Confidential and Proprietary Information

Agenda



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- Assessment

Dish-00000139

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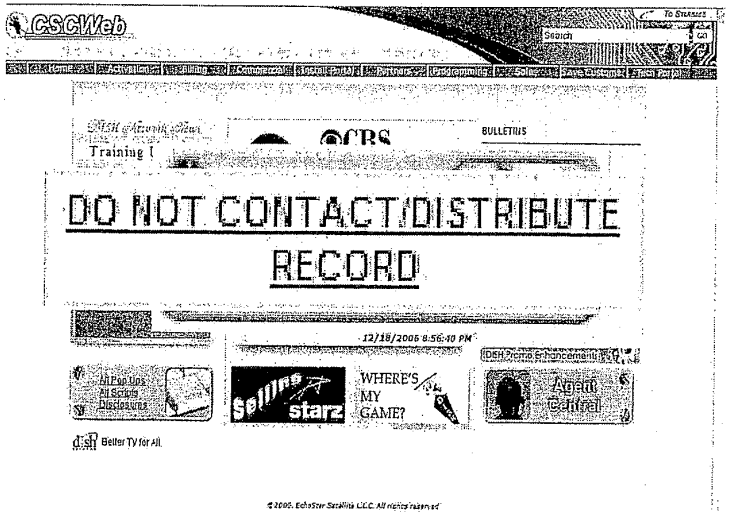
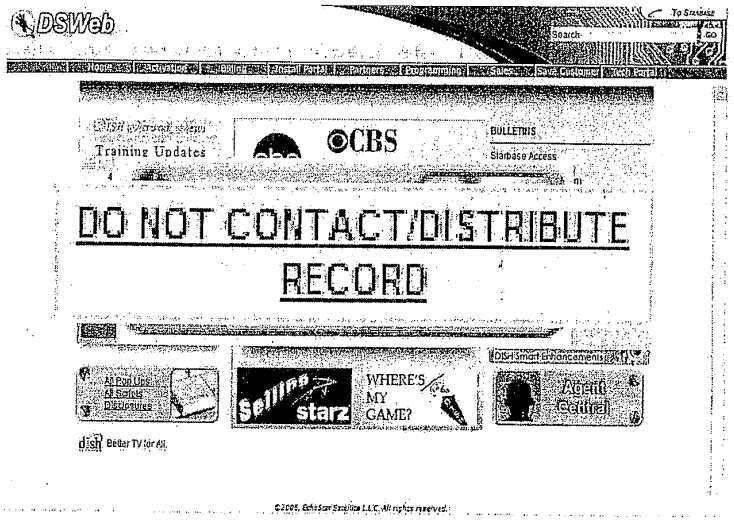
ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

To add customers to DISH Network's Do Not Contact List go to:

CSC/DSWeb : Home : All Pop Ups : Do Not Contact/Distribute Record





Dish-0000140

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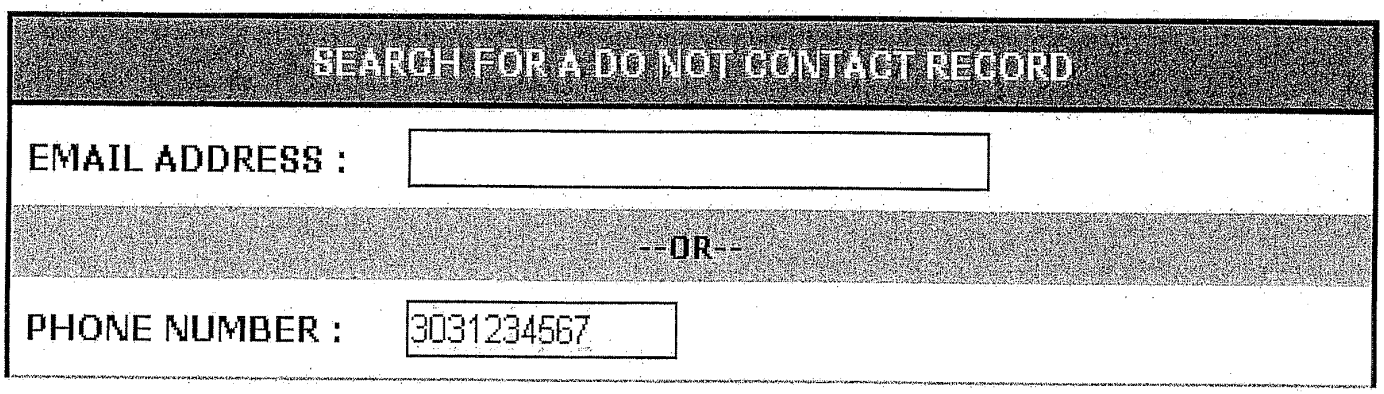
ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

Enter the caller's phone in the phone number field.



Dish-00000141

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Adding Customers to DISH Network's Do Not Contact List

Next, click Submit.

This will search the phone number to verify whether or not the caller is already on our Do Not Contact List.

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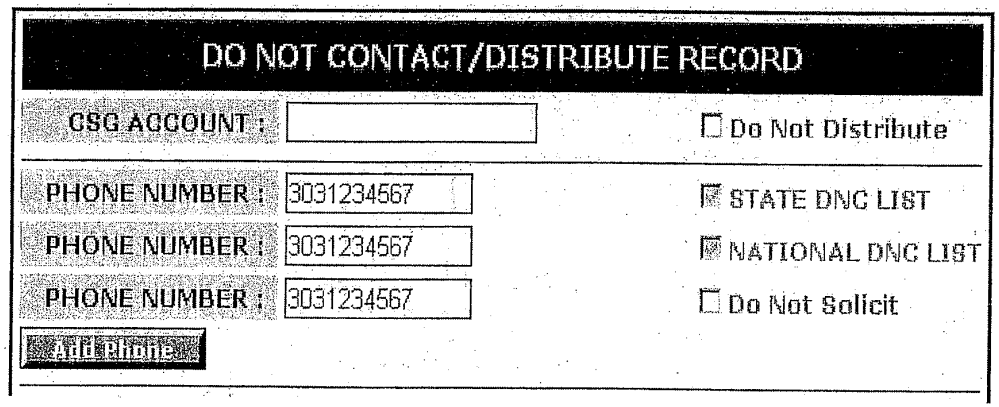
Adding Customers to DISH Network's Do Not Contact List

The search results will indicate if the caller is on:

- DISH Network's Do Not Contact List
- National Do Not Call List
- State Do Not Call List



Dish-0000143

Confidential-US v. Dish

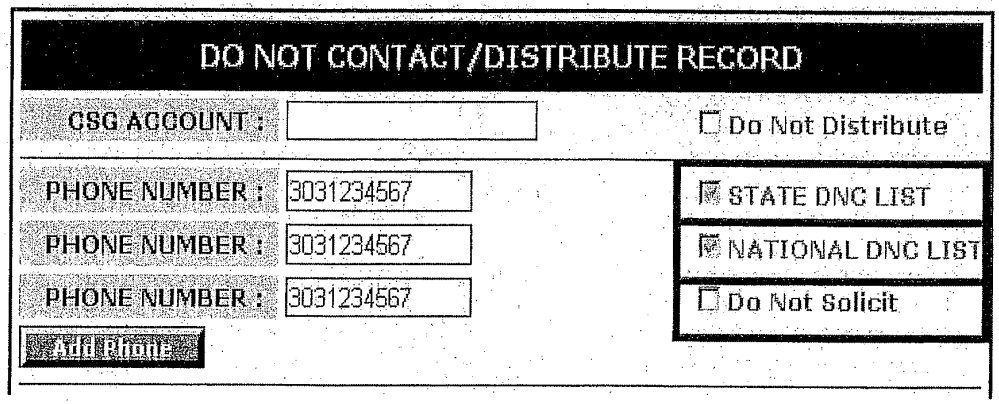
ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

In this example, the caller is on the:

- State Do Not Call List
- National Do Not Call List

As you can see there is no check in the Do Not Solicit box.



Dish-00000144

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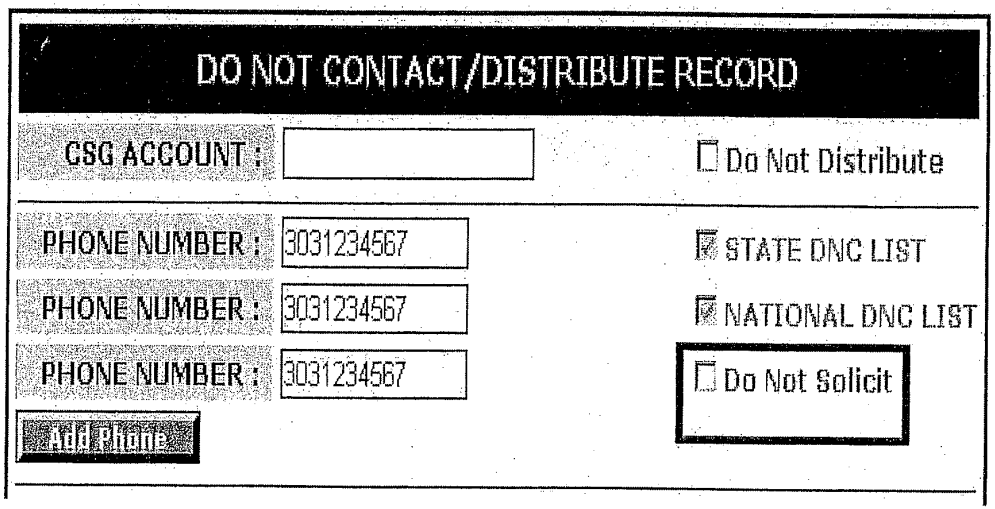
Adding Customers to DISH Network's Do Not Contact List

This customer is NOT on DISH Network's Do Not Contact List.



Dish-00000145

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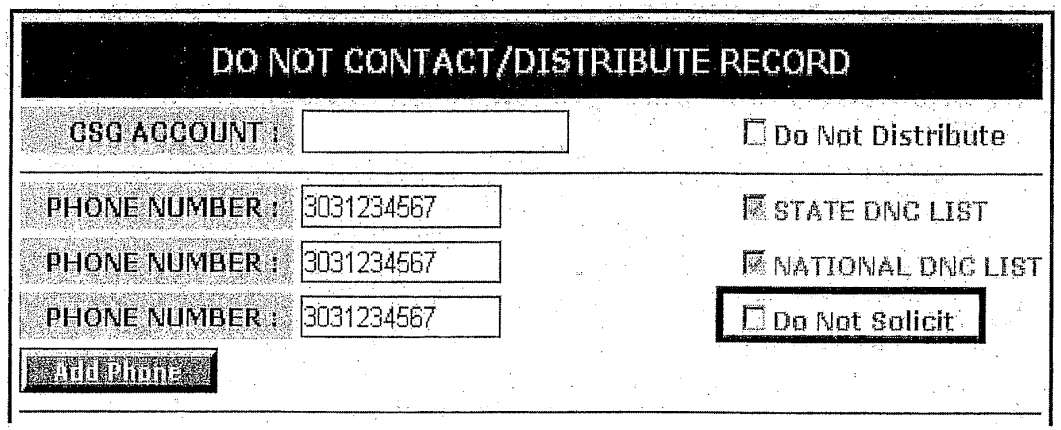
ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

To add the callers number to our Do Not Contact List:

Click once in the checkbox next to Do Not Solicit.

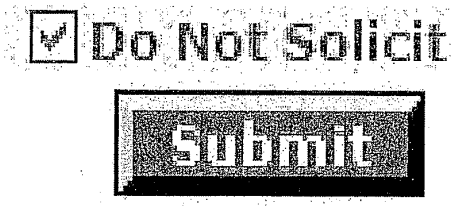


Dish-0000146

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List



Then click Submit.

If successful, you will receive the following message:

You have successfully submitted the request.

Dish-00000147

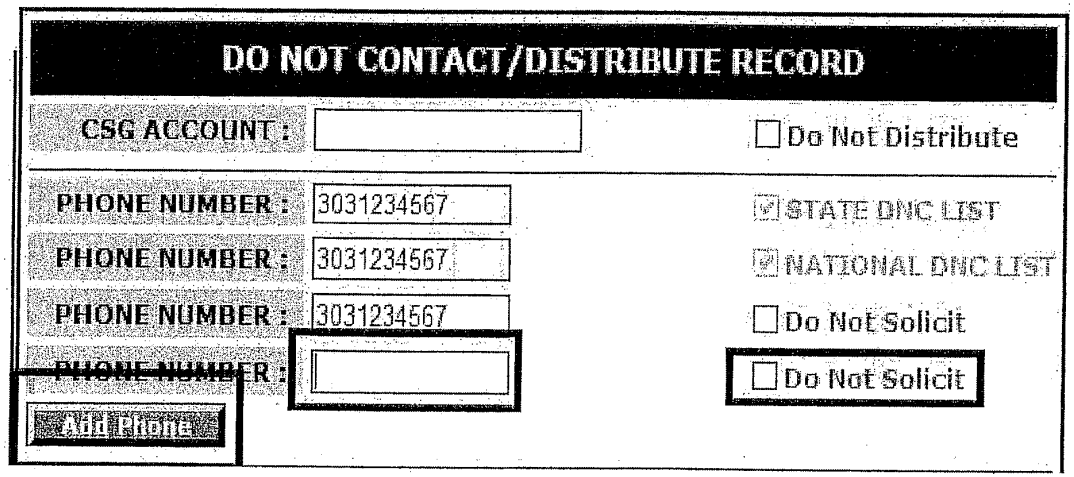
Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

Callers can register multiple phone numbers with DISH Network.

Click the "Add Phone" button.



Dish-00000148

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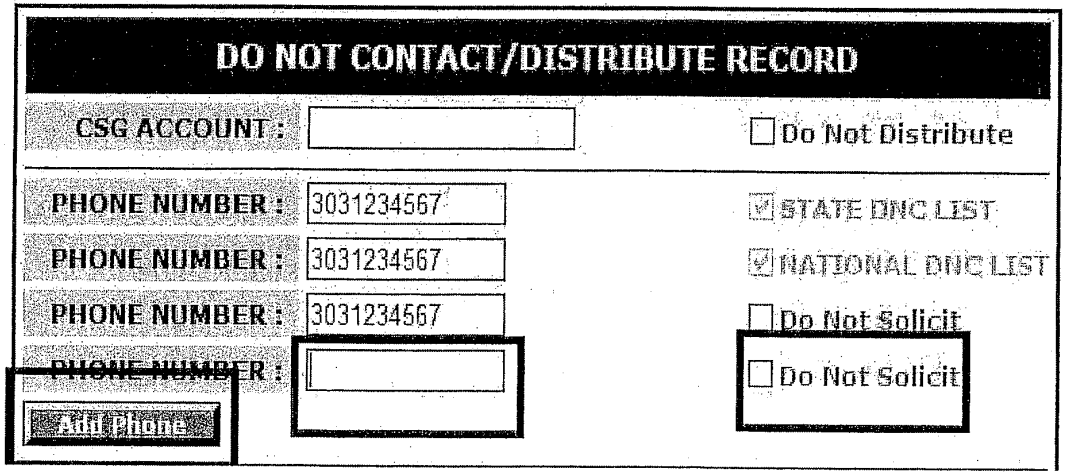
Adding Customers to DISH Network's Do Not Contact List

- As you can see this populates:
  - An additional Phone Number field.
  - An additional Do Not Solicit checkbox.



Dish-00000149

Confidential-US v. Dish

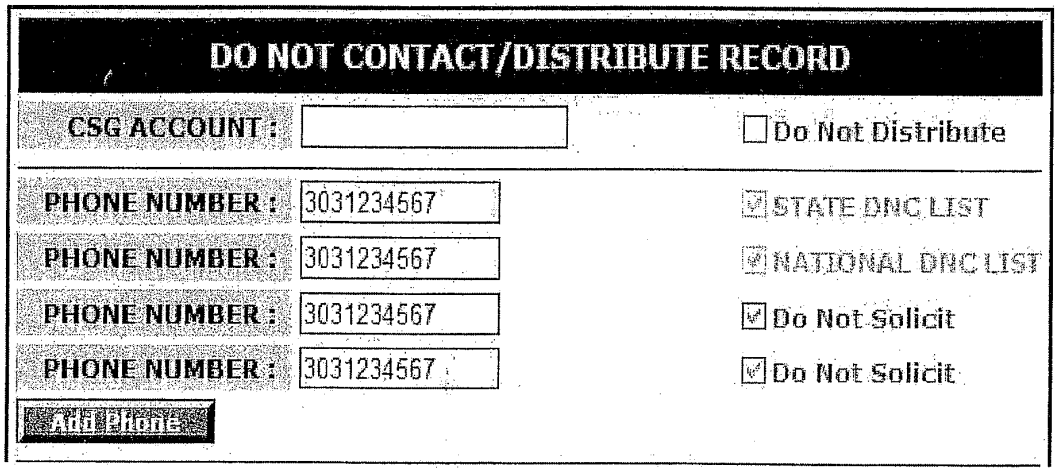
ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

Enter the phone number

Click once in the Do Not Solicit checkbox.

Click Submit



Dish-0000150

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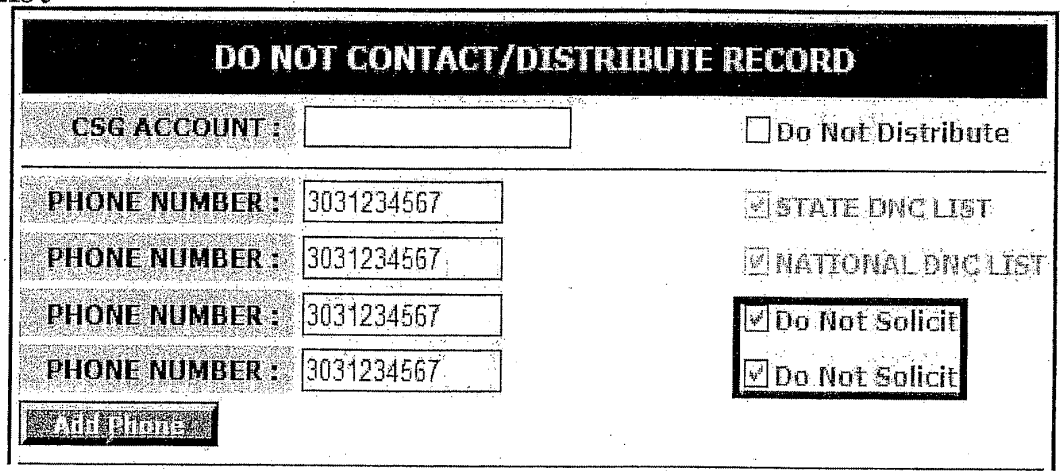
ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

You must check the corresponding Do Not Solicit checkbox for new phone number you enter.

This will ensure each phone number is recorded in the internal Do Not Contact List



Dish-00000151

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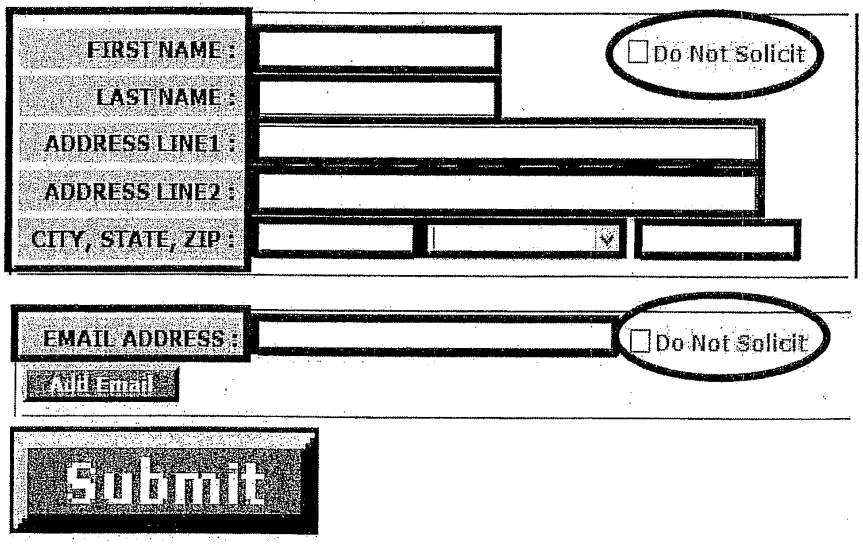
ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

There is also an area of the form for e-mail and home address in the event the customer does not wish to receive e-mails or direct mail pieces.

Follow the steps as before for email and home addresses:

1. Fill in the appropriate information.
2. Check the Do No Solicit box.
3. Click Submit.



Dish-0000152

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

If a customer requests a copy of our Do Not Call Policy:

Check the box as below after entering the relevant customer information:

SEND DO NOT CALL POLICY LITERATURE : ☐

Click Submit.

Dish-0000153

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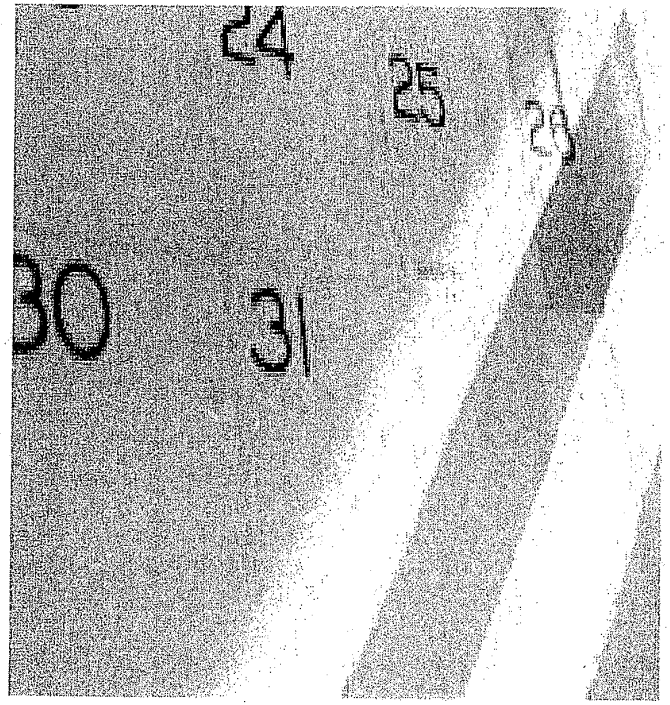
ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

This process may take up to 31 days to take effect.

Once added, they shouldn't receive any more solicitation calls and, or emails from DISH Network.



Dish-00000154

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ESLLC – Confidential and Proprietary Information

Adding Customers to DISH Network's Do Not Contact List

Remember, this Do Not Contact List applies to DISH Network ONLY.

If the customer is being called by an independent retailer, they should:

- Ask for that retailer's individual Do Not Call Policy.
- Request to be added to the retailer's Do Not Call list where necessary.

Dish-00000155

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ESLLC – Confidential and Proprietary Information

Learning Interaction

Adding a customer to DISH Network's internal Do Not Call List will remove them lists called by independent retailers.

True

False

Dish-0000156

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ESLLC – Confidential and Proprietary Information

Learning Interaction 1

DISH Network can only register one phone number on a do not call list.

True

False

Dish-00000157

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Learning Interaction 2

How long will it take once the form has been submitted for a caller to be added to the Do Not Contact List.

Up to 10 days

Up to 14 days

Up to 30 days

Up to 31 days

Dish-0000158

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JLC – Confidential and Proprietary Information

Learning Interaction 3

Which of the following boxes should be checked to mail a customer a copy of our Do Not Call Policy?

Do Not Solicit Literature

Send Do Not Solicit Literature

Do Not Call Policy Literature

Send Do Not Call Policy Literature

Dish-00000159

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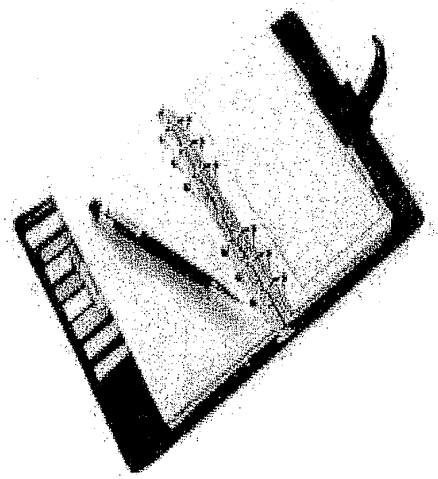
ESLLC – Confidential and Proprietary Information

Agenda



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- Assessment

Dish-00000160

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Why might a customer on the National No Call Registry still be contacted?

The FCC allows a company to solicit customers:

- With which they have an existing business relationship.
- Who have had a business relationship within the last 18 months.

Dish-00000161

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Why might a customer on the National No Call Registry still be contacted?

This includes customers on the National Do-Not-Call registry

And

Every DISH Network customer with an active account or who has had an active account in the las 18 months.

Dish-0000162

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Why might a customer on the National No Call Registry still be contacted?

An existing business relationship also includes sales leads, such as customers:

- calling for information.
- filling out an information card for a retailer.

Sales leads are only considered business relationship for 3 months from the creation of the lead.

Dish-00000163

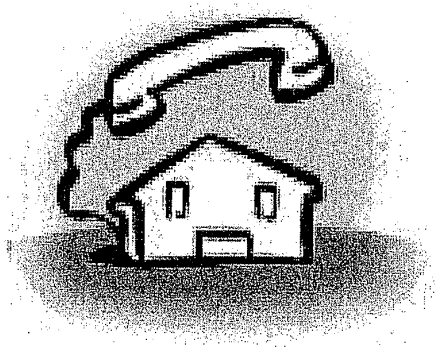
Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Why might a customer on the National No Call Registry still be contacted?

If the customer asks not to be solicited again, we will place them on our *Internal Do Not Contact List*, and they will no longer be solicited.

Keep in mind customers may still be contacted by independent retailers selling DISH Network.



NATIONAL
DO NOT CALL
REGISTRY

Dish-0000164

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

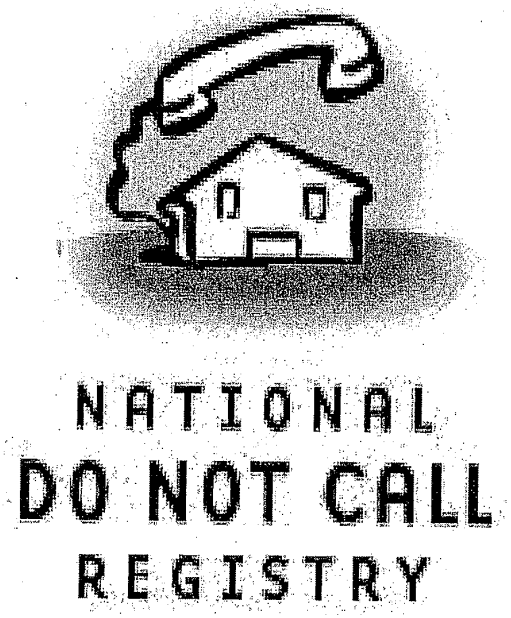
Why might a customer on the National No Call Registry still be contacted?

However, even if a customer is on:

- Our Internal Do Not Contact List
- the National Do-Not-Call registry

... they will still be contacted for non-solicitation purposes such as:

- Past due notices
- Collections calls
- Urgent account notifications



Dish-0000165

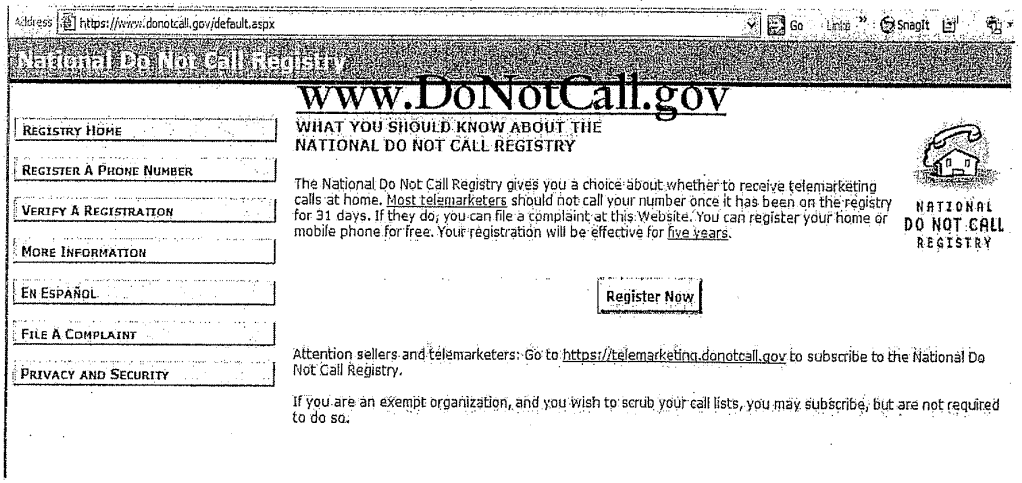
Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

What about National and State Do Not Call lists?

If the customer's call is regarding a Do Not Call request, recommend they sign up for the National and State Do Not Call lists.

They can register online for the **National Do Not Call** registry at:



Dish-0000166

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

What about National and State Do Not Call lists?

Not all states have Do Not Call or DNC registries, but a list of the ones that do can be accessed on the CSC Web under:

Sales : Procedures : Do Not Call Procedures

This link includes procedures you have learned about in this training as well as a list of states with DNC registries.

Dish-0000167

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

What if a Customer Needs Additional Assistance?

If you are not able to resolve the customer's concern, use the **DNC Investigation Team** option in

- SoftPhone.
- CTI Toolbar.

In the event of an escalation, you should not attempt to offer additional resolutions.

Transfer the call to the DNC Investigation Team immediately.

Dish-0000168

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

What if a Customer Needs Additional Assistance?

Keep in mind that this is a small specialized team.

Only send Do Not Call issues to the DNC Investigation Team.

This will ensure that the team is available to handle these issues.

Dish-00000169

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Learning Interaction 4

If the customer is not satisfied with being added to our internal Do Not Contact list and becomes escalated what should you do?

Transfer the call to your Coach.

Transfer the call to your Manager.

Transfer the call to ERT.

Transfer the call to DNC Investigation Team.

Dish-00000170

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Learning Interaction 5

If the customer is calling to be added to the Do Not Contact List, what should you also encourage them to do?

Request a copy of the Do Not Call Policy.
Register for DISH Network's internal Do Not Contact List.
Register for the National Do Not Call List.

Dish-00000171

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Learning Interaction 6

For which of the following reasons might a customer be contacted even if they are on our internal Do Not Contact List and the National Do Not Call List?

Urgent account notifications.

Collection Calls.

Past Due Notices.

All of the above.

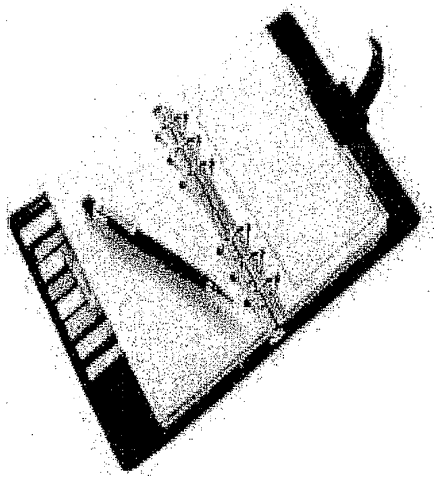
None of the above.

Dish-00000172

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Agenda



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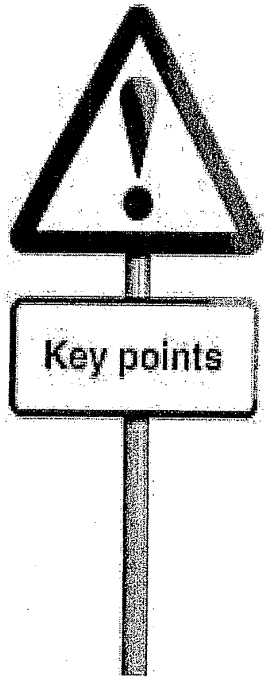
Dish-00000173

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Review of Key Points



DISH Network's Do Not Call Policy is available at:
www.DishNetwork.com/DoNotCallPolicy

Add customers to DISH Network's Do Not Contact List at:
CSC/DSWeb : Home : All Pop Ups : Do Not Contact/Distribute Record

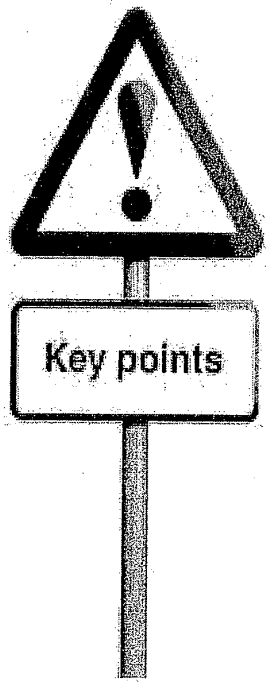
Additions to the Do Not Contact List may take up to 31 days.

Dish-00000174

Confidential-US v. Dish

ESLLC – Confidential and Proprietary Information

Review of Key Points



Customers on Do Not Contact lists may still be contacted for non-solicitation purposes such as:

- Past due notices.
- Collections calls.
- Urgent account notifications.

The FCC allows a company to solicit customers:

- With which they have an existing business relationship.
- Who have had a business relationship within the last 18 months.

Dish-00000175

TX 102-012997

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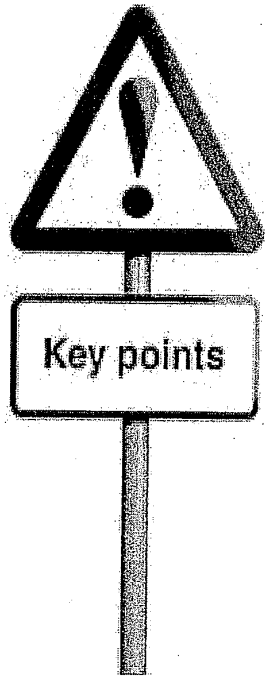
Review of Key Points



All procedures related to the Do Not Call list are available at:

CSC/DSWeb : Sales : Procedures : Do Not Call Procedures.

By handling these calls correctly you can:

- Contribute to company subscriber goals.
- Prevent costly fines and even litigation.
- Improve customer relations.

Dish-00000176

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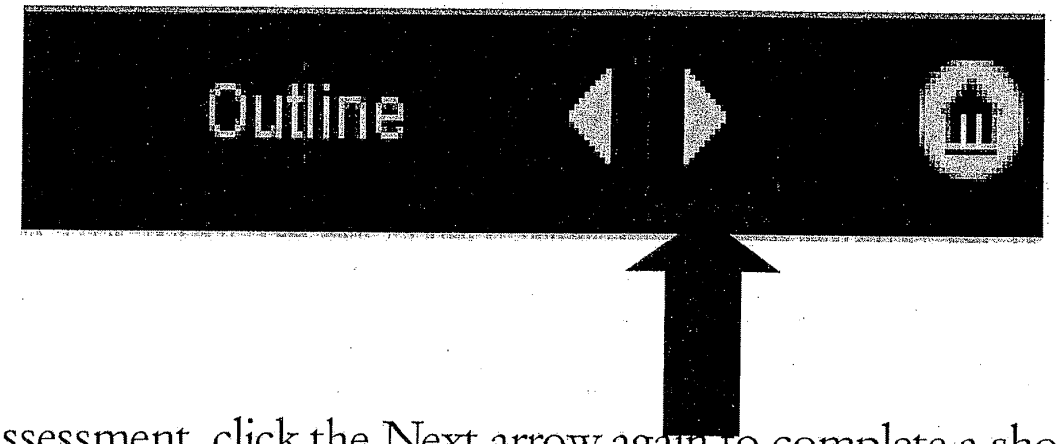
ELM Assessment and Survey

Click the Next arrow in the bar above to move on to the assessment.



After the assessment, click the Next arrow again to complete a short survey about this training.

Dish-00000177

EXHIBIT 671

EXHIBIT 671

TO: Echostar
Re: Notice of Complaint "Do Not Call" Violation John Foard

From: JSR Enterprises SAN Registration 220801-506304-06 Expiration 8/31/07

This letter is in response to the alleged DNC violation by John Foard.

We were contacted by a customer service specialist of dish network in regard to a call received by unsolicited phone John Foard.

The customer service specialist stated that she had spoken to Mr. Foard, and had worked out the complaint internally, providing we would not contact Him ever again. JSR stated that it would comply with the request, and that we would remove his number form our database. In our investigation, we found that His phone number was not contained within our database. However we manually imputed the phone number anyway.

After the first contact in the AM, we went on about our business until 6pm Pacific Time. At that time, we were contacted again by the same Dish Network specialist stating that JSR has again contacted Mr. Foard.

I was contacted at home by our floor sales manager and told about the recurring the incident.

I decided to contact Mr. Foard to find out exactly who contacted him. In our conversation, he was stating that a woman had contacted him. I stated that we DO NOT have a woman on our sales floor, and that maybe someone else had contacted him. He was implying that I was being disingenuous, and just trying to protect our company. After this statement, Mr. Foard asked what my company name was, and I told him JSR enterprises, he stated that that I told him it was JFR and was a lying to him and then terminated the phone call "hung up".

With our continuing research into this matter, we have found a telemarketing company named J&R satellite in Fullerton CA., who is a Direct TV and Hughesnet provider. We have concluded that this is the company who contacted Mr. Foard and that JSR was not responsible for the call.

Furthermore Dish network is not responsible for any marketing made by JSR Enterprises, and is not liable for any claims of marketing made by JSR

Thank You
God Bless
Richard Goodale
Senior Vice President

DEFENDANT'S EXHIBIT
DTX-753

EXHIBIT 672

EXHIBIT 672

To Echostar Satellite LLC

Retailer Services-Reji Musso

From JSR Satellite Enterprises DNC Registry 320276-46680

Subscription Account Number "SAN" 220801-506304-06 Expiration Date 8/31/2007

Dear Reji

The following response is to the alleged violation as reported by Melissa Wallace.

In the first instance, phone numbers **801-619-0208 & 801-619-4826** are NOT registered on the federal DNC. Proof can be supplied if needed

In order for a federal or state violation to occur, it must contain the element of willful disregard to the rule of law.

Response to damages of the complainants fax received by JSR.

FAILURE TO REGISTER WITH THE STATE OF UTAH

"The Utah No-Call database consists of the Utah telephone numbers contained in the Federal Do-Not-Call registry. In other words, if you have registered your telephone number with the Federal Do-Not-Call registry, that telephone number is automatically registered with the Utah No-Call database. The fact that JSR Enterprises is registered with the Federal Do Not Call registery, there is no need to be registered with the state

USE OF A PRERECORDED MESSAGE

Excerpt from FTC Under the safe harbor, a telemarketer may play a prerecorded message when a consumer answers, but only in a maximum of three percent of calls answered by consumers in person (rather than an answering machine).

FAILURE TO IDENTIFY CALLING PARTY

In the complainants own statement on page 1 of 3

" we were connected to a representative that answered the phone as JSR"... We asked the rep for a phone number and address and gave us po box 12, Irvine ca 92705...

As you can see, the claim is without merit and null.

FAILURE TO HONOR 8/15/02 DNC WITH DISHNETWORK

Inasmuch as JSR Enterprises own and operates it's own satellite service business, outside of the control of Dishnetwork, no claim exists against dishnetwork or echostar LLC respectively.

TREBLE DAMAGES FOR ALL FEDERAL VIOLATIONS Excerpts from DNC regarding actual damages

"You have recourse against entities or persons who continue to call you after you have requested to be placed on a "do not call" list. [emphasis added]

In as much as the complainant was only contacted once by JSR Enterprises, then removed internally on the first instance, the claim of triple damages is null prima facia.

In summation, JSR Enterprises hereby acquiesce to disagree of all claims made by Melissa Wallace in regard to violations of the DNC statute.

DEFENDANT'S EXHIBIT
DTX-737

If any other correspondence is needed between the parties, please send any and all requests to:

JSR Enterprises

C/O Legal Department

1740 E Garry Ave Suite 101

Santa Ana, CA. 92705

EXHIBIT 673

EXHIBIT 673

Quality Assurance

FSD
Field Sales Development

U.S., et al. v. Dish Network L.L.C.
Plaintiff's Exhibit
PX0486

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PX0486-002

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ECHOSTAR-FTC-000079
DISH11-020384

TX 102-013007

OBJECTIVE:

To ensure our customers world class service and an exceptional buying experience through FSD supported sales channels.

GOAL:

To operate a consistent Quality Assurance Methodology for live call monitoring and provide the FSD Organization a uniform skill set for future applications.

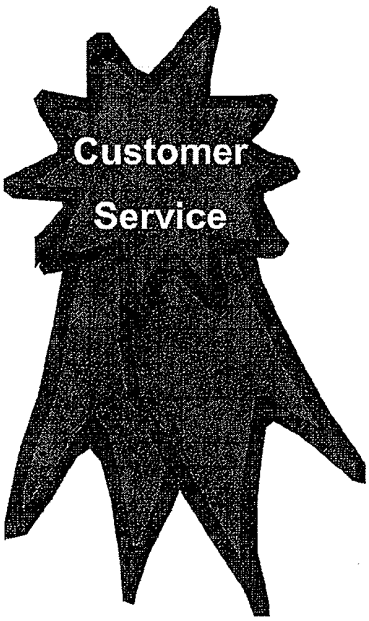
SALES CHANNELS:

OE RETAILERS

- Assist OE Retailers in maintaining compliance with the E-Talk Advisor scoring system.
- Decrease churn by continuing to provide the best customer service with the best value in the television industry.
- Minimize the number of calls fielded by the CSC ensuring all disclosures.

ALLIANCE PARTNERS

- Utilize Quality Assurance Methodology to evaluate calls while conducting roamer visits.



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PX0486-003

JA013746
012486
ECHOSTAR-ETC-000080
DISH11-020385

TX 102-013008

HISTORY

EchoStar has experienced an increase in retailer related telemarketing and disclosure complaints. In order to respond efficiently and appropriately, we have created compliance teams in the CSC and Retail Services for the purpose of identifying the retailers that are not in compliance with EchoStar policies. Our responsibility is to create awareness with the goal of decreasing the allegations and providing a positive customer experience.

In order to protect the consumers and to alleviate complaints to government agencies (BBB, AG, FTC and FCC), EchoStar has renewed our dedication to first minimize and, hopefully, eliminate these types of complaints. While it is a lofty goal, it is necessitated for several reasons.

- If a customer purchases with complete and full knowledge of all information relative to equipment, programming costs and services available, the likelihood of losing them decreases.
- DirecTV was fined a significant amount of money for not adhering to the laws and our focus and preventative measures, like this latest initiative for call monitoring, is meant to help us avoid a similar punitive action for us.
- Reviewing partner scripts, processes and procedures helps the consumer/customer hear consistent and accurate information from all sales entities.

We have engaged in several approaches to insuring a quality and world class customer service experience with respect to sales calls. (As a side note, we have an entire QA team that evaluates sales and customer service calls for all of our internal call centers). Phone system capabilities can preclude use of some of the options, but our goal is to have every partner involved in as many of the options as possible.

- Live/On-Site – can be done with an EchoStar representative in the location(s).
- Live/Remote – can be done if we have the ability to monitor the switch
- Recorded/Remote – the partner can provide us a predetermined # of calls that our QA resources can review
- Recorded/On-Site – in conjunction with your visit, you can assist the in-house QA team in reviewing previously recorded calls; these are also helpful as needed in customer service research.

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PX0486-004

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012487
ECHOSTAR-FTC-000081
DISH11-020386

TX 102-013009

HISTORY

There is an advantage for the OE Retailer besides a more solid sale which will positively affect churn rates. Should there be a complaint from any source, a recorded call can either support or refute the allegation. This is protection for their business as well as ours.

Your objective is to be a liaison with the partner and the Quality Assurance Team. Through your observations and the evaluated results we will be able to recognize areas of opportunity. We will want you to participate in the follow-up QA calls with the partner and the CSC QA Team.

It is important to understand that you are a resource, not a legal expert. If questions arise regarding the laws, you should refer them to their own legal counsel. They can go to the federal and state web sites to gather information, but our job does not include providing this information.

In addition, should you discover that they are improperly representing themselves as DISH Network (without the qualifier "authorized retailer of") you may discuss this with the call center manager and pass the information along. Also, if anything comes up that makes you uneasy, please share that information with your local manager.

THE LAWS

The TCPA is the Telephone Consumer Protection Act, which was passed into law in 1991. The TCPA was a merging of two bills in Congress and it deals with several distinct issues:

- Parameters for use of automated dialing equipment and prerecorded messages.
- Requirement for telemarketing calls using "live" callers
- Facsimile (fax) transmissions.

In 2003, the FCC amended its rules under the TCPA to implement the national Do-Not-Call Registry. In addition to adhering to the TCPA, various state laws regulate telemarketers in addition to the federal laws. All retailers that engages in telemarketing or utilities any entity that performs telephone solicitations should become familiar with and adhere to all applicable laws , including maintaining documentation to prove such adherence.

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PX0486-005

JA013748
012488
ECHOSTAR-ETC-000082
DISH11-020387

TX 102-013010

HISTORY

INDUSTRY NEWS **THURSDAY, FEBRUARY 15, 2007**

EchoStar to JSR: Do Not Call (Multichannel News)

DBS Provider Axes Independent Retailer for Telemarketing Violations
As part of an effort to take action against "do-not-call" violators, EchoStar Communications and its Dish Network terminated their relationship with independent EchoStar retailer JSR Enterprises of Santa Ana, Calif., officials said Wednesday.

EchoStar ended its relationship with the retailer as a result of the direct-broadcast satellite company's internal investigation of consumer complaints alleging violations of telemarketing laws and St. Louis Circuit Court Judge Lisa Van Amburg's recent issuance of a temporary restraining order prohibiting JSR from making telephone solicitations to Missouri consumers.

The order was issued at the request of Missouri Attorney General Jay Nixon against JSR and other companies that aren't EchoStar retailers. According to the Missouri Attorney General's press release, JSR requested a copy of Missouri's No Call database but was cited in multiple complaints after receiving the list.

The JSR termination follows the recent terminations of EchoStar retailers Atlas Assets of Irvine, Calif., and United Satellite of Aliso Viejo, Calif., as a result of similar investigations of consumer telemarketing complaints. EchoStar alerted state attorney generals of the results of its investigation.

EchoStar said it fully supports the Federal Trade Commission's National Do Not Call Registry and all telemarketing laws and regulations, and that its policies prohibit unlawful telemarketing calls to existing and potential Dish customers and require retailers to be fully knowledgeable of applicable law as a condition to any telemarketing activities.

EchoStar will continue to investigate the practices of retailers and marketing lead generators that violate telemarketing laws and will take appropriate actions as necessary.

"EchoStar takes violations of telemarketing laws very seriously," senior vice president of retail services and sales Erik Carlson said in a prepared statement. "EchoStar will continue to expend significant resources and work with law-enforcement agencies in pursuit of improper solicitations by parties who hide behind EchoStar's Dish Network trade name."

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PX0486-006

JA013749
012489
ECHOSTAR16-000083
DISH11-020388

TX 102-013011

THE OE BUSINESS

The FSD organization supports several different channels of distribution. Although each is unique, we all work together to achieve our mission: To place our satellite dish in every home, school and business throughout the world. We have many different types of retailers selling DISH Network. Some retailers specialize only in satellite where others may sell security systems, cell phones or home appliances.

OE Tool Retailers typically are large companies that are highly successful in marketing and selling DISH Network. Most OE Tool Retailers have large call centers that are similar to the DISH Network call centers. OE Stands for "Order Entry" because of the way they enter a sale directly into the DISH Network system. The order entry tool is the essential application that allows these special partners to place customer orders for DISH Network equipment and services. It is web based, making it user friendly and performance ready.

The OE Retailer program began in 2004 with the first Retailers producing <1% of DISH activations. In 2004, the top 5 OE Retailers increased that number to 7%. As of February 2007, the top 5 OE Retailers produce 30% of DISH Activations yearly. There are currently over 60 OE Retailers nationwide and 1,000+ agents taking calls.

OE Retailers utilize a number of marketing methods including:

Outbound Telemarketing

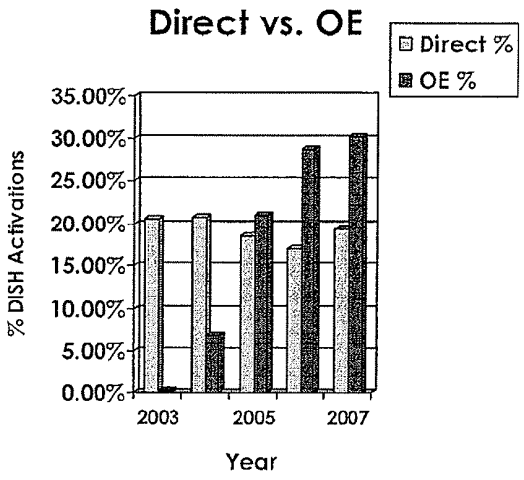
Print

- Direct Mail
- Shared Mail (Advo)
- Newspaper (Valassis)

Internet

- Websites
- Pay-Per-Click (Search Engines)
- Email Campaigns

Affiliate Programs



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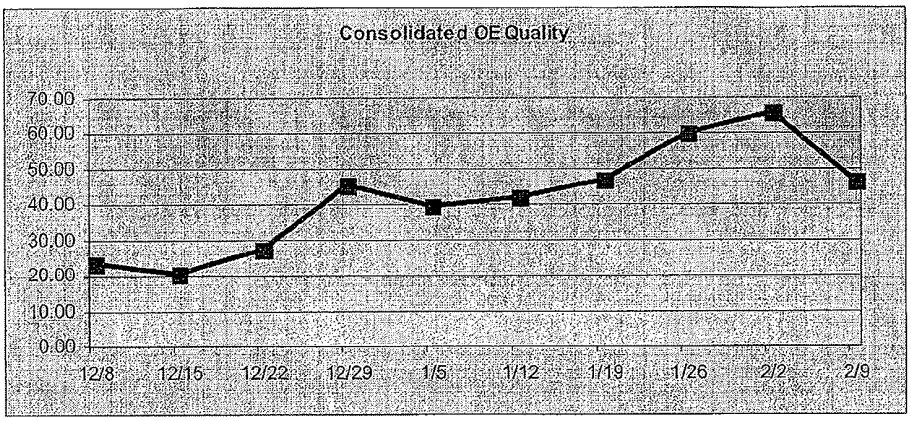
TODAY

- OE Retailers generate over one million gross subscribers per year.
- OE Retailers upload pre-recorded calls through our ftp site. Currently only 7 Retailers participate in this type of monitoring.
- CSC QA Team is evaluating 20-30 calls daily.

12/8-2/9 Average evaluation score out of 98 evaluations is 67.88%. This is derived from 7 Retailers' calls with a possible score of 100%.



Professional open	58.24
Former customer	58.00
Basic information	96.94
Asked current situations questions	65.57
Locals	93.96
Asked equipment need questions	43.51
Effective acknowledgement statements	100.00
Offered right package based on needs	97.69
Offered appropriate equipment solution	98.83
Free premium was offered with features and benefits with every DHA pitch	51.64
Disclosed all components of offer	98.04
Followed qualification guidelines	29.96
Gave all applicable disclosures (auto fail)	64.11
Followed all non-legal disclosures	20.51
Completed transaction completely and accurately	68.08
Appropriate level of customer service and responsiveness	95.80
Professional close	87.51

Lowest Rankings

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012491
ECHOSTAR-HTC-000085
DISH11-020390

TX 102-013013

TOMORROW

- FSDRs will monitor live calls on a bi-weekly basis.
- FSD Organization will partner with OE Retailers to maintain a minimum of 85% compliance to the E-Talk Advisor scoring system.
- Support retailer and company goals to ensure customers world class service and an exceptional buying experience.
- Decrease churn by continuing to provide the best customer service with the best value in the television industry.
- A letter to all OE Retailers was sent explaining our efforts and live call monitoring expectations as a supplemental Quality Assurance measure.

ECHOSTAR SATELLITE L.L.C.

Retail Services
9601 S. Meridian Boulevard
Englewood, CO 80112

February xx, 2007

Re: Call Monitoring

Dear_____:

Thank you to everyone who has participated in our call monitoring initiatives. In our joint effort to provide a world class customer experience, we are expanding this program to include all of our partners.

Our objective has been to utilize various methods for gathering quality assurance information relative to sales and customer service delivery.

- Live/On-Site – can be done with an Echostar representative in your location(s).
- Live/Remote – can be done if we have the ability to monitor your switch
- Recorded/Remote – you can provide us a predetermined # of calls that our QA resources can review
- Recorded/On-Site – in conjunction with our visit, we can assist your QA teams in reviewing previously recorded calls; these are also helpful as needed in customer service research.

It is our intention to use any or all of these methods to engage with you to provide feedback on opportunities for quality improvement to meet expectations for sharing accurate and complete information on disclosures and to ultimately reduce churn.

Beginning February 15, 2007 and through the month of March, you will be contacted by the local Field Sales Development Representative (FSDR) to arrange a time for the initial on-site monitoring visit. Subsequent visits will occur bi-weekly.

Echostar expects your support and cooperation with the implementation and facilitation of these new initiatives.

Quality Assurance | FSD

dish NETWORK

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EXPECTATIONS

The objective is to be a liaison with the partner and the Quality Assurance Team. It is important for us to act as a Quality Assurance resource and not as an advisor to their business. Do not engage in any legal advice, sales script feedback or any part of their business processes.

Partnership part · ner · ship

A relationship between individuals or groups that is characterized by mutual cooperation and responsibility, as for the achievement of a specified goal.

Privacy

All information gathered for the purposes of call monitoring should be held in strict confidentiality and shared with no one outside the respective partner.

FSD Mission

To be a catalyst for growth with our sales channel partners by delivering superior customer service, training, and sales support. Our success is based upon the success of our partners.

FSD Values

We will value *Excellence*, *Consistency*, *Versatility*, and *Dynamism* in all we do.

REPORTING

Janus

Query by Store ID: OE*

Category: Field Sales Development

Type: Secret Shop

Description: QA

Comments: QA Conducted: # of calls monitored

Advisor

- For each call monitored, a hard copy must be completed
- Each hard copy must be uploaded into Advisor
- The following section details how to utilize Advisor
- All uploading with take place in home office and not onsite of the retailer's premises

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012493
ECHOSTAR-FTC-000087
DISH11-020392

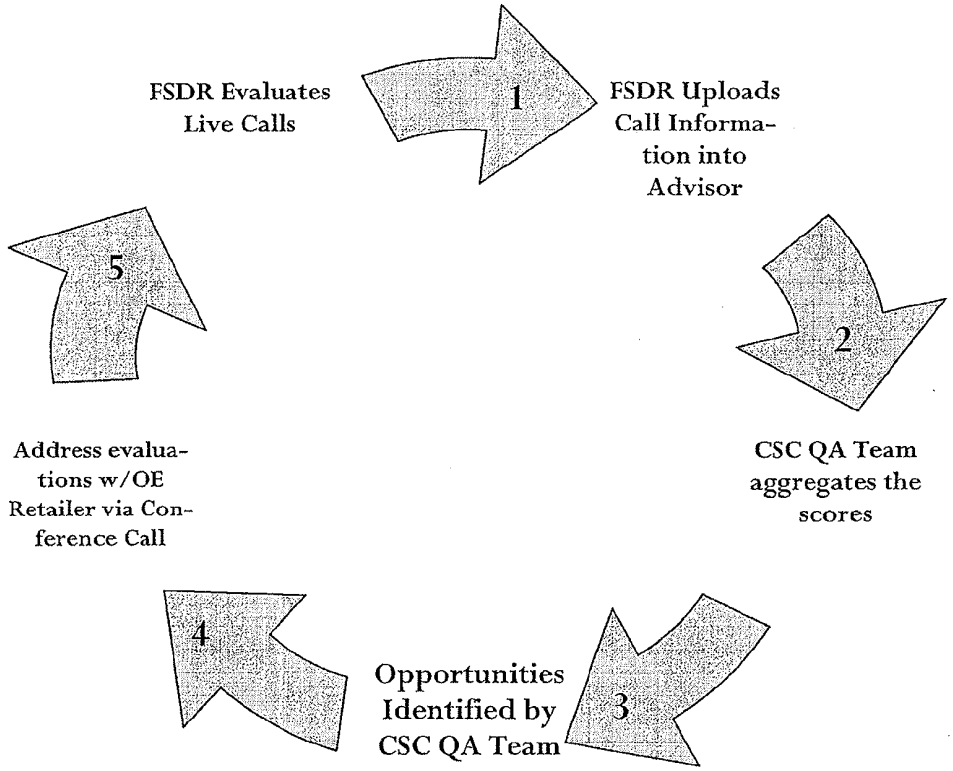
TX 102-013015

NEXT STEP

The Quality Assurance team consists of over 100 employees. Of those, 5 agents will be evaluating calls from our OE Retailers. After the calls are evaluated, areas of opportunity are identified. Conference calls are then scheduled with the OE Retailer, members of the Quality Assurance team, Retail Services and the FSDR.

The team is based in the Riverfront call center in CO. This center's responsibilities include:

- Evaluation of all in-house calls
- Vendor sites
- Specialty call types (Executive office and Commercial)
- Customer service calls
- Partner calls
- All Spanish calls



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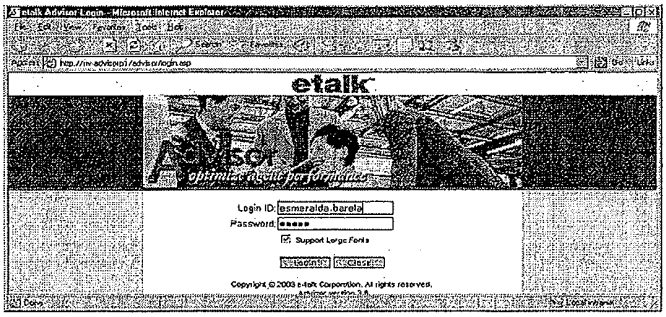
ECHOSTAR-FTC-000088
DISH11-020393

TX 102-013016

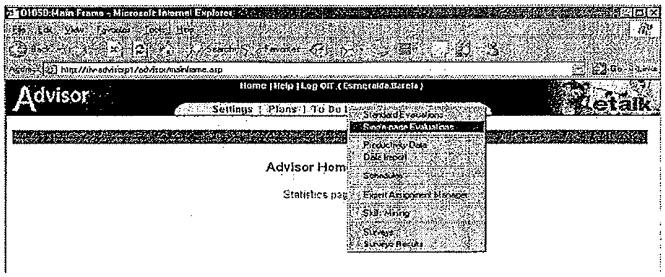
ADVISOR

LOGGING IN

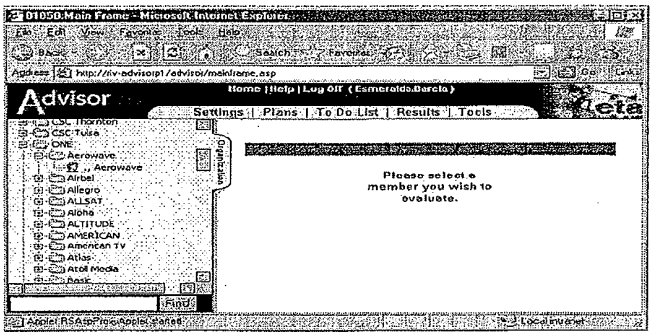
- Type in your Login ID (first.last name)
- Type in your designated password
- Select login



- This will bring you to the Home Page
- Go to To Do List and select Single Page Evaluations



- Locate and expand the folder that says ONE
- Locate the retailer that you will be evaluating
- Select the folder and click on the person



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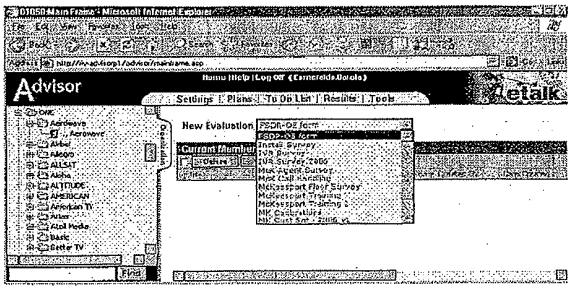
ECHOSTAR_FTC-000089
DISH11-020394

TX 102-013017

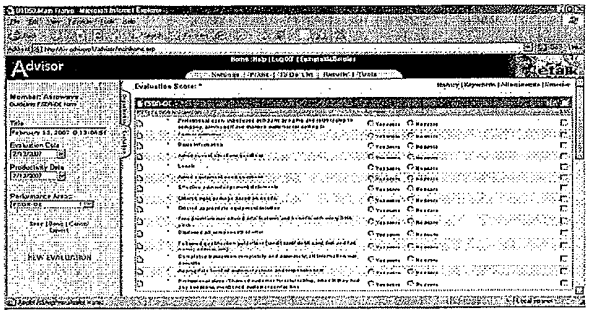
ADVISOR

EVALUATION

- Click on the drop down next to New Evaluation
- Select the evaluation labeled "FSDR-OE form"

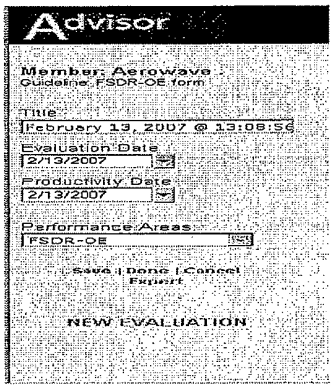


- To the right is the FSDR-OE form
- Below is each section in detail



Title and Date

- The form will automatically auto-populate the current date. All sections must match the date the call was evaluated. If you are not entering data the same day, back date to the correct date. Each section can be manually changed by clicking on that section.



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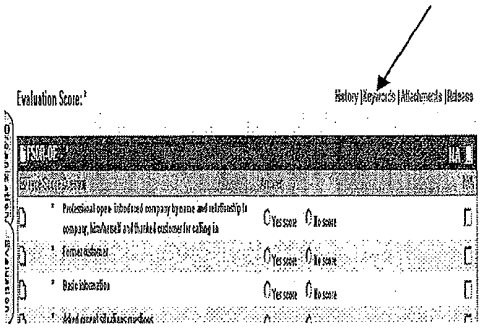
ECHOSTAR-000090
DISH11-020395

TX 102-013018

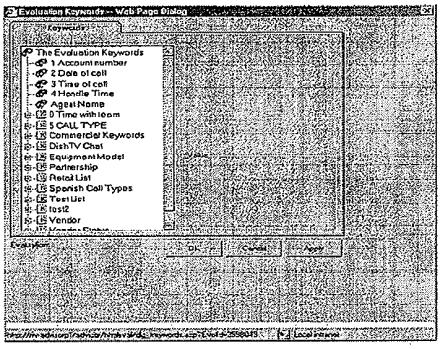
ADVISOR

KEYWORDS

- On the upper right hand side of the form you will see 4 small words: History, Keywords, Attachments, Release
- You will only utilize Keywords

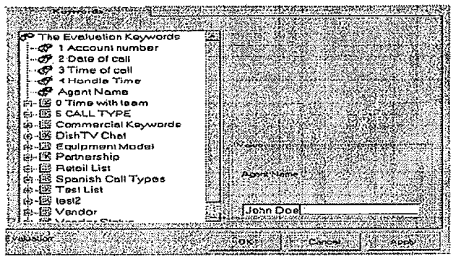


- When Keywords is selected a new box will appear
- There are only 5 sections that need to be completed: Account number, Date of call, Time of call, Handle time, and Agent name



Entering Keywords

- Right click on the desired item
- A green check will appear
- A space will appear to the right to enter the data
- Once complete with all areas, select OK



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PX0486-014

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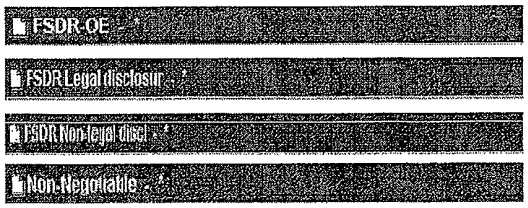
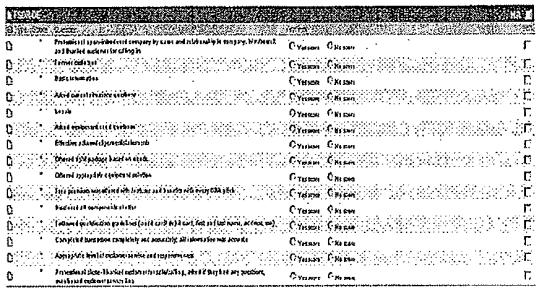
ADVISOR

- The form is broken out in 4 sections
- The first section will cover all questions from the hard copy form that do not have to do with disclosures



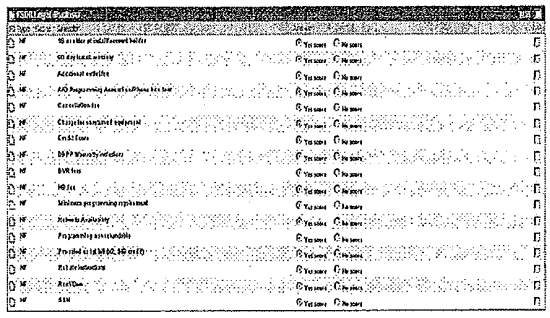
FSDR OE Section

- Select Yes, No or N/A for all questions listed
- If one or more questions are left blank the form will not show as complete
- Refer to scoring guidelines if necessary to make sure call is evaluated accurately



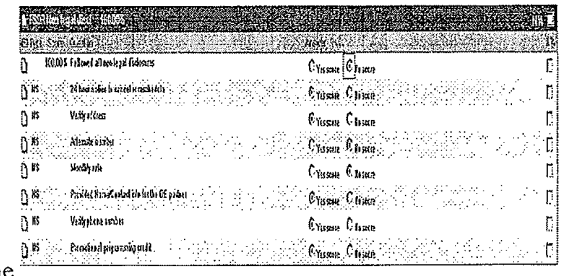
FSDR Legal Disclosures | Pass/Fail

- Select Yes, No or N/A for all questions listed
- Remember! In this section if any one question is answered No, it will result in an overall score of 0%.
- If a question is N/A it is important that you mark it as such and not as No
- N/A scores will populate points



FSDR Non-Legal Disclosures

- The first question listed pertains to all Non-legal disclosures
- If one question is missed, No should be selected
- All questions below the first will not affect the score but will effect the reporting process so all questions must be answered



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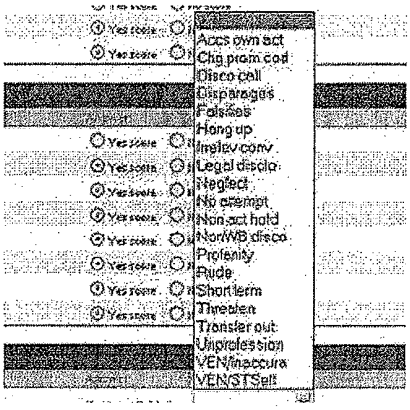
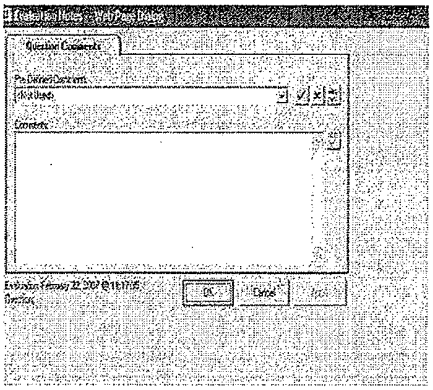
ADVISOR



Non Negotiable

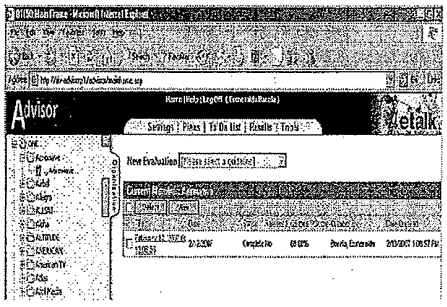
- Enter the Non Negotiable type from the drop down box
- Select only if applies (not each item will apply to OE)
- See Page 16 for guidelines

Non-negotiable behaviors are never acceptable or appropriate in a sales environment. If these behaviors are observed, the call will result in an overall score of zero.



Non Negotiable-NS

- Click on the paper icon
- Enter any promotional offer specific to the OE Retailer and additional to the DISH Network offer
- Enter any valuable comments specific to the OE Retailer



- Once completed, select Save and Done
- You have now successfully completed an evaluation
- Note: Status should always say 'Complete'
- If an evaluation is showing 'In Progress,' there is a question that has not been answered
- The Score should match that on your hard copy
- If you have entered in an evaluation for the wrong retailer or wrong form, you can delete by checking the blank box next to the title of the evaluation and selecting Delete.

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SCORING DEFINITIONS

Each section can earn a Yes, No or N/A. Sales and non-sales calls can be evaluated. If a sale is not made, much of the form may be N/A dependent as to how far the call goes.

1. Professional Open

Introduced by name and relationship to company, him/herself and thanks the customer for calling. There is not one scripted opening that retailers must use. As long as the representative on the phone identifies themselves as well as the company they are working for and not representing themselves as being DISH Network directly.

☞ **Examples**

"Thank you for calling "Company Name". My name is "Representative Name". Whom do I have the pleasure of speaking to today?"

"Thank you for calling "Company Name", my name is "Representative name". Are you calling to set up an order today?"

2. Former Customer

With these questions we are attempting to identify existing customers or customers that may qualify for the Former promotion as it is slightly different than our new customer promotions.

☞ **Examples:**

"Are you a current DISH Network customer?"

"Have you ever had DISH Network services in the past?"

3. Basic Information

Complete First and Last name, middle initial, Jr. /Sr. and any special characters. Telephone number starting with area code. Physical address where the system will be installed. **Note:** This is a 3 part question. In order to earn all points, all of the above information must be gathered. If one piece of information is missed it should result in a "NO" answer.

☞ **Example:**

"Who am I speaking with? May I please have the address where the system will be installed? Also your home phone number starting with area code please?"

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SCORING DEFINITIONS

4. Ask current situation question

In order to build value in DISH Network services as well as find the right package for the potential customer, we ask questions that gain insight in their current situation. **Note:** The below are just examples of what to look for. Any one question that produces information about the current situation will earn points. At times representatives will not have to ask the question; a potential customer may mention the information on their own by stating something like, "I'm paying way too much for cable and I'm shopping around now." At this point it is not necessary for the agent to ask additional questions and will earn credit on this question out of default.

☞ **Examples:**

"Who is your current provider?"

"What do you dislike about your provider/situation?"

"How much do you pay per month?"

5. Locals

If Locals are available: Would you like to have your Local channels? If Yes: Locals cost an additional $5 per month. If No: You can add Locals at anytime for an additional $5 per month. Note: Any customer that qualifies for Local channels must be offered those channels.

☞ **Example:**

"You qualify for your Local Network channels out of _____. Would you like to add these on for an additional $5.00 per month?"

"We offer Local networks for $5.00 per month out of _____. Would you be interested in receiving those channels?"

6. Equipment Needs Questions

The representative must find out how many TV's are being set up, if the potential customer wants an HD receiver, and if they want a DVR. **Note:** This is a three part question. If any one piece is left out it should result in a "NO" answer.

☞ **Examples:**

"How many TV's would you like to have set up today? Great, are any of those TV's High Definition? Do you want any of those receivers to be a DVR?"

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SCORING DEFINITIONS

7. **Effective acknowledgement statements:**

   This section is evaluating the representative's responses to the customers needs.

☞ **Examples:**

Customer states they need a HD receiver. Agent needs to respond by making a statement letting the customer know that we offer HD.

Customer states they need 4 rooms hooked up. Agent advises that we do offer up to a four room installation.

8. **Deliver the right package based on needs:**

   Based on the information gathered throughout the call up to this point did the representative offer the correct package?

☞ **Examples:**

"You stated that you enjoy watching Lifetime and the Animal Planet. We have a great package that fits your needs, Dish Family for $19.99 a month."

"Since the kids watch most of the TV in your home and they must have Disney and Nickelodeon, then the Top 100 would be a great choice for only $29.99 a month."

☞ **Examples of offering <u>incorrect packages:</u>**

Customer states I pay $50 for cable and its way too expensive. Agent offers Top 250 for $52.99 a month.

9. **Offered appropriate equipment solution:**

   Based on the information gathered from asking equipment needs question, did the representative offer the appropriate equipment set up? **Note:** This would also be marked off if the customer states that they do have HD TV's and the representative never attempts to pitch HD equipment. Same applies for the DVR.

☞ **Examples:**

"You wanted Dish Family on 4 TV's; all standard your monthly rate will be $24.99." (The agent added in the additional outlet fee.)

Examples of offering <u>incorrect equipment solutions</u>:

"Ok so you wanted to go with our DVR and a 2 TV set up with the Dish Family that will be $19.99 a month." (DVR fee not included in that price.)

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SCORING DEFINITIONS

10. Free Premium was offered with features and benefits with every DHA Pitch

3 months free of a premium promotion must be offered with every DHA that is sold. **Note:** Representatives are not restricted to offering all four movie premiums they can offer one or multiple. They need to at least offer one benefit or feature to one of the packages.

☞ **Example:**

"Currently we are offering 3 months free of any one of our Movie premium packages; HBO, Cinemax, Starz, or Showtime. Since you mentioned you were in to Action movies, Cinemax might be your best bet as they have Action Max."

11. Disclosed all components of offer

This includes information like; Free installation, free equipment upgrades, $10 off for 10 months.

12. Followed qualification guidelines

Credit card/debit card, first and last name, address, SSN. **Note:** From this question we are looking to confirm that the person on the phone is the same person who owns the social security number and credit card number. For example, we cannot use their spouses' information or sign up in their spouses' name.

☞ **Example**

"We will be running a credit check with your social security number. Can I please have your credit card number and will you please read me the name as it appears on the card."

13. Gave all Applicable disclosures

If one is missed, it will result in an over all 0% score auto-fail. On the following page are the disclosures necessary. **Note:** All applicable disclosures must be given to the customer whose SS# and CC# is given. At times some questions will be N/A – such as HD/DVR fees when they are not sold on the call. Additionally, this exact scripting does not need to be used as long as the points are covered thoroughly. Terms and conditions need not be given in any particular order or at any certain point of the call. They can be given throughout the call or all at once.

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SCORING DEFINITIONS

Applicable disclosures

1) **DVR Fees** - There is a $5.98 fee per month for each DVR receiver.
2) **A/O Programming Access Fee/Phone line fees** - A $5.00 per month charge to your account for each dual-tuner receiver, but this fee will be waived on a monthly basis for each receiver that is continuously connected to your same land-based phone line.
3) **Programming Non-Refundable** - All payments for programming are non-refundable.
4) **Charge for unreturned equipment** - If your service is cancelled or terminated, the equipment provided to you must be returned within 30 days of such cancellation or termination or an equipment charge will be assessed, which at a minimum is $100 per receiver. If we do not receive the equipment within the 30-day period, your credit card used to credit qualify the account will be charged the full price for the equipment.
5) **Rebate Instructions** - All you need to do to receive your $100/$200 back is: go to www.dishnetwork.com/100back to get a rebate form. Send the form with a copy of your first bill within 60 days of activating to the address on the form. Allow 8-10 weeks after rebate form is received for your first credit to appear on your account.
6) **Credit Score** - Your Social Security Number will be used to obtain a credit check, which is necessary to qualify for this promotion.
7) **Minimum Programming requirement** - You must maintain minimum programming of Dish FAMILY to continue with this promotion.
8) **HD Fee** - $6.00 per month will be charged if you have a high definition receiver and do not subscribe our DishHD programming package.
9) **Additional Outlet fee** - The 1st receiver's rental fee is included in your basic programming package. There is an additional $5 per month for SD per receiver beyond the 1st.
10) **Pro-rated or 1st bill (x2, $49 credit)** - Your first bill will be for two months of services totaling $_____. You will see a $_____ (activation fee) promotional charge, IF DHA 18 customer and a $49.99 credit on your first bill.
11) **18 or older at install/account holder** – DHA; the account holder will need to be present for the entire installation. FFA; Someone 18yrs or older will need to be present for the entire installation.

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SCORING DEFINITIONS

Applicable Disclosures (cont.)

12) **DHPP Warranty inclusions** - With this promotion you will be given the DHPP warranty for free (regularly $5.99 a month) which includes a free movers program, 24 hour tech support and replacement of remotes and receivers should they become needed, as well as a 90 day installation warranty should anything go wrong with the equipment, after the 90 days you could be subject to a $29.99 trip charge fee.

13) **Networks Availability** - Where available, your local channels can be included in your programming package as part of your Digital Home Advantage programming package at an additional $5.00 per month.

14) **SSN** - Social Security Numbers are used to obtain credit scores and will not be released to third parties except for verification and collection purposes or if required by governmental authorities.

15) **90 day Install** - 90 day installation warranty

16) **Rent/Own** - Do you Rent or own your home? IF RENT: Written permission required from landlord to install the system.

14. Followed all Non-Legal Disclosures

Representatives must cover all seven points to earn the full 12 points. If one or more of the seven points are missed then it will earn 0 pts for this question/section.

1) **Monthly Rate** - Your monthly rate will be $_____.

2) **24 hours notice to cancel or reschedule** - If you need to cancel or reschedule your installation please provide DISH Network with 24 hours notice.

3) **Verify address** - Physical Address. To confirm your address is _____.

4) **Verify phone number** - Home Phone Number; I have your phone number down as, _____.

5) **Alternate Phone number** (Different than the Primary) Do you have an alternate number where the installer may reach you?

6) **Promotional programming credits** - If you have signed up for HBO, Showtime, Cinemax or Starz, you will receive an adjustment for the value of one movie service for three months (3 months free). After the 3-month promotional period, the then-current programming price will apply.

7) **Provided name/contact info for OE Partner** – Partners name and phone number

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SCORING DEFINITIONS

15. Completed transaction completely and accurately

All information was accurate. **Note:** Any misinformation about pricing, programming, equipment or any other inaccuracies about DISH Network services/products will result in the full 15pt deduction.

16. Appropriate level of customer service and responsiveness

In this section we score the customer service of the representative. Looking at things such as tone of voice, appropriate and timely responses, allowing for the potential customer to complete sentences, and extended hold times.

17. Professional Close

Thanked customer for sale/calling, asked if they had any questions, mentioned customer service line. **Note:** Representatives need only give 1-800-333-3474 if a DISH Network sale is completed. Representatives are required to give a polite professional closing on all calls, regardless of if the sale is made.

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TX 102-013028

Name: Date:

Type Score Question	ANSWER		Not Applicable
sional open- introduced company by name and relationship to company, him/herself and d customer for calling in	☐ YES	☐ NO	☐ N/A
r customer	☐ YES	☐ NO	☐ N/A
nformation(complete name, telephone # and address)	☐ YES	☐ NO	☐ N/A
current situations questions	☐ YES	☐ NO	☐ N/A
	☐ YES	☐ NO	☐ N/A
equipment need questions(# of receivers, HD and DVR)	☐ YES	☐ NO	☐ N/A
ve acknowledgement statements	☐ YES	☐ NO	☐ N/A
d right package based on needs.	☐ YES	☐ NO	☐ N/A
d appropriate equipment solution	☐ YES	☐ NO	☐ N/A
remium was offered with features and benefits with every DHA pitch	☐ YES	☐ NO	☐ N/A
sed all components of offer	☐ YES	☐ NO	☐ N/A
ed qualification guidelines (credit card/ debit card, first and last name, address, ssn)	☐ YES	☐ NO	☐ N/A
leted transaction completely and accurately; all information was accurate	☐ YES	☐ NO	☐ N/A
priate level of customer service and responsiveness	☐ YES	☐ NO	☐ N/A
sional close -Thanked customer for sale/calling, asked if they had any questions, oned customer service line	☐ YES	☐ NO	☐ N/A
- Legal Disclosure			
older at install/account holder	☐ YES	☐ NO	☐ N/A
/ install warranty	☐ YES	☐ NO	☐ N/A
onal outlet fee	☐ YES	☐ NO	☐ N/A
rogramming Access Fee/Phone line fees	☐ YES	☐ NO	☐ N/A
llation fee	☐ YES	☐ NO	☐ N/A
e for unreturned equipment	☐ YES	☐ NO	☐ N/A
Score	☐ YES	☐ NO	☐ N/A
Warranty Inclusions	☐ YES	☐ NO	☐ N/A
ees	☐ YES	☐ NO	☐ N/A
e	☐ YES	☐ NO	☐ N/A
um programming requirement	☐ YES	☐ NO	☐ N/A
rks Availability	☐ YES	☐ NO	☐ N/A
amming non-refundable	☐ YES	☐ NO	☐ N/A
ited or 1st bill (x2, $49 credit)	☐ YES	☐ NO	☐ N/A
e instructions	☐ YES	☐ NO	☐ N/A
Own	☐ YES	☐ NO	☐ N/A
	☐ YES	☐ NO	☐ N/A
- Non-Legal Disclosures	☐ YES	☐ NO	☐ N/A
ved all non-legal disclosures	☐ YES	☐ NO	☐ N/A
ur notice to cancel or reschedule	☐ YES	☐ NO	☐ N/A
address	☐ YES	☐ NO	☐ N/A
iate number	☐ YES	☐ NO	☐ N/A
ly rate	☐ YES	☐ NO	☐ N/A
ded Name/Contact info for the OE partner	☐ YES	☐ NO	☐ N/A
phone number	☐ YES	☐ NO	☐ N/A
otional programming credit	☐ YES	☐ NO	☐ N/A
- Non-Negotiable	THREATEN	HANG UP	NEGLECT PROFANITY RUDE UNPROFESSIONAL

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FAQ'S

What if the retailer does not have the phone capability to listen to both the customer and agent?

It is important to be able to hear both the customer and the agent. If the phone system will not allow you to listen to both, speak with the retailer to determine a solution. Evaluating prerecorded calls while on site is an option.

What if the OE Retailer resists your live call monitoring efforts?

Notify your Local Manager and he/she will escalate through the appropriate channels. Also the OE Retailer can be referred to Mike Mills (303.723.2865) or Reji Musso (303.723.3262).

What if the OE Retailer would like to see evaluations of all calls monitored?

It is important to create trust between the FSD Organization and the retailer. Therefore, the retailer should have hard copies of the evaluations if requested.

Why can't we upload calls into Advisor on site to save time?

Privacy is the biggest concern our retailers have with live call monitoring. It is absolutely not acceptable to share any information regarding the retailers business outside of their establishment. Some FSDRs will have multiple retailers to evaluate and Advisor will illustrate each of the retailer's data. This is the reason uploading needs to be done off site.

If the retailer has more than one call center should I conduct call monitoring at all call centers?

We would like to evaluate calls from all centers if possible. Please direct this concern to your local manager to determine if workload is feasible.

All OE Retailers are not listed in ETalk Advisor?

You will only have visibility to retailers you are directly monitoring. This practice is due to privacy concerns by the retailers.

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ECHOSTAR-ETC-000102
DISH11-020407

TX 102-013030

FAQ'S

If the call does not result in a sale, should it be evaluated?

Yes. All calls should be uploaded into Advisor. Note: Do not answer No to the unanswered questions. Select N/A so the proper point allocation will populate.

What if I forget my Advisor login/password?
Contact Operations Support 303-723-2222

What if we launch a new OE Retailer in my market?

Request the OE Retailer to be added to ETalk Advisor through Esmeralda.Barela@echostar.com or Andrea.Javersack@echostar.com.

Why would I have Quality Assurance Training if I do not have any OE Retailers in my market?

It is important for the FSD Organization to be uniformed and armed with the same tools. The Quality Assurance Methodology and skill set will help you evaluate any call monitoring experience. During Alliance Partner roamer visits we will be able to quickly identify areas of opportunity and have a keen ear for all disclosures. A solid understanding of Quality Assurance also prepares the organization for any future applications.

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ECHOSTAR-ETG-000103
DISH11-020408

TX 102-013031

EXHIBIT 674

EXHIBIT 674

OE Partner QA Action Plans

Defender
National Account Manager: Clay Suter

My primary contact at Defender, Director of Sales - Kevin Whipple, has taken most of my feedback merely as advisement and has chosen to address areas of improvement with the QA during their weekly sales meetings with his call center directors. He feels the more he adds to the scripting takes away from the authenticity of the sales process. Defender is very particular in how we are involved in their call centers. They refused to allow FSD to continue call monitoring in the call centers until I was able to persuade them to allow our FSDR's in the centers each week under strict orders to only communicate what they see with the call center managers/directors. We have had communication breakdowns between FSD and the call center agents/management in the past that led to the hesitance to allow FSD in their call centers. I believe that the FSD presence in the call centers has helped to keep controls in place. However, because Defender does not allow for FSD/me to communicate directly with the agents while in the centers, it is difficult for FSD/me to address items from the QA that are missed during the sales process while listening to a call. Today, we provide the feedback from the call center visits to the Call Center Director and Director of Sales and it is unknown if those items are addressed effectively to get positive results.

Several reasons can be given for a slip in scoring:

1. The account has updated their recorded T/C's to add the 4 words – "after the tech arrives" – but hasn't been getting credit for that disclosure – scoring zero's still.
2. The account feels that some of the all inclusive questions like # 9 and #12 negatively impact their score even though the agent may accurately get 4 or the 5 items in one question, but because one of the items were not accurately addressed, they get penalized 100% with that question.
3. The account feels scores have slipped because some questions like # 5 are subjective and differing opinions from our QA agents impact the scoring.
4. The account is at odds with me on the RSN disclosure and they feel it risks sales to mention that even if a customer didn't specifically mention sports channels. I have addressed the importance of this disclosure, but there are differing opinions.
5. I did not follow up enough with the account to ensure that they updated their scripting and disclosures after the 1/29 communication that Compliance sent out to the account regarding the additional scoring topics that were to take effect in late February. I have sent out the newest updates to the QA that came out this week and will make sure to follow up.
6. I was hesitant to take ownership of the scripting and disclosures contents because I do not consider myself an expert in the QA process and thought that the QA group through the Compliance team was to approve script and disclosure changes. There were delays in Compliance getting back to the account which resulted in scoring not improving in a quicker time frame. I should have been more forthright in addressing the scripting and disclosures contents myself.
7. As more items have been added to the QA requirements, it has become increasingly more difficult for all of the agents to implement them in their sales process – even though there is a script – they don't always follow the script – plus Defender has chosen not to add all items to the script, relying more on the agent to remember what is addressed in sales meetings as focus point. Defender scripting is not as detailed as other sales partners who have more thorough scripting including rebuttals. As mentioned before, they feel that more scripting causes the sale to lose its authenticity.
8. Frequent turnover across 4 call centers (KY opened early February) makes it more difficult to get agents properly trained to hit the floor to sell and to cover all of the QA items – which Defender has not put in the scripting to ensure that the agents hit all of the items. NAM continues to urge their Director of Sales to put more items in the script to serve as prompts for the agent to cover those items, however the account still chooses not to include everything in the script.

U.S., et al. v. Dish Network L.L.C.
Plaintiff's Exhibit
PX1048
PENGAD 800-631-6989

The actions taken in the last 45 days to remedy the QA scoring deficiencies are as follows

1. In mid February, NAM persuaded Defender management to continue allowing for FSD to be in Defender Call Centers on a weekly basis for call monitoring and training purposes, but Defender requested that FSD follow up only goes to the call center directors and not the agent.
2. NAM, FSD RSM, and FSDM met with Defender internal QA and Training team on 2/25 to set expectations for FSD call center support
3. NAM spent two consecutive days in Cincinnati, OH Call Center on 3/9 and Newport, KY Call Center on 3/10 with FSDR to monitor calls and to identify additional areas of improvement and report back to Director of Sales, Director of Training, and Director of QA.
4. NAM met with Defender Director of Sales, Kevin Whipple, on 3/23 to discuss the following QA items the account continually scores poorly
    a. Question #2 – Choosing to address in sales meeting – not adding to script as suggested - new sales calculator releasing next week will help fix this score
    b. Question #4 – Scripting has been updated to clarify this question
    c. Question #5 – account feels this is subjective
    d. Question #8 – account believes this disclosure will risk losing sales and is willing to take hit on the score
    e. Question #9 - account will train agents to read back info to confirm email information
    f. Question # 12 – account will train agents to read back info to confirm email information
    g. Question #15 – Recorded Disclosures have been updated to address this
    h. Question # 17 – new sales calculator releasing next week will help fix this score
    i. Question # 25 - new sales calculator releasing next week will help fix this score
5. NAM spent 4/1 in Newport, KY call center monitoring calls and addressing areas of improvement based on most recent QA scoring below.
6. NAM had conference call 4/1 with Director of Sales, Kevin Whipple, to further discuss script changes and QA scoring areas that are in need of improvement. Kevin is meeting with all four of the Call Center Directors 4/1 to determine why their scoring continues not meet expectations. They will look at scripting changes and sales process changes.
7. NAM has been on last three QA calls with account and Serena in Compliance to further drive home the importance of implementing the recommended updates to scripting (QA call previously conflicted with NAM team call)
8. Defender is implementing a new calculator (goes live next week) to provide an accurate quote for the customer that will force the agent to ask the customer how many TV's, how many HDTV's, how many DVR's, etc., that should improve scores on question #2, and #17
9. Defender's internal QA group has gotten more active in monitoring the QA scoring. They are on the weekly call with Serena and send the areas of opportunity to the Director of Sales and suggest scripts changes/additions, but the Director of Sales doesn't necessarily implement those suggestions.

Evaluation Week (Calls taken week prior to evaluation: 03/13/10 - 03/19/10)	2/5	2/12	2/19	2/26	3/5
Did the agent ask, reconfirm, and correctly input TV by TV which TV's will receive HD and DVR services?	54	42	62	54	50
Did the agent disclose specific locals that are available in HD (if the customer order HD programming)?			0		0
Did the agent disclose that regional sports networks (RSN) are not available, if the customer purchased AT 120 package or lower?			0	0	0
Subtotal Right Size	89	92	56	72	67
Did the agent collect, confirm, and correctly input the customer's name, address, two contact numbers, and authorized users?			83	66	50
Did the agent accurately input a "bill to" address, if the billing address is different than the physical service address?			100		60
Did the agent collect, confirm, and correctly input the customer's email address?	20	25	46	36	57
Did the agent rebuttal the customer using the rebuttal outlined in the call flow, if the email address was not provided on the first attempt?	64	65		100	
Subtotal Account Setup & Security	86	73	66	53	54
Did the agent disclose that the majority of installations take 2-4 hours after the technician arrives?	100	100	100	0	0
Did the agent confirm the number of TV's receiving DISH service and the total number of receivers to be installed in the home?	95	100	30	68	48
Subtotal Install			83	68	62
Did the agent disclose the OCA disclosures?			100	100	57
All of the information that the agent provided to the customer was correct.	100	100	96	100	100
Did the agent disclose the total amount of the 1st bill, describing applicable fees - DVR, receiver fees (excluding taxes)?	58	55	54	0	4
Subtotal Expectations: All Promotions	91	94	91	84	80
Did the agent disclose that a temporary hold of $25 will be placed on the debit/credit card used to qualify?	96	100	66	92	83

Timeline for additional attempts to improve scoring

New sales calculator that Defender has created goes live next week. This will prompt agents to ask customers more questions to identify how many TV's, HDTV's, DVR, etc. Improvements may not be seen in scoring for 3 weeks.

Director of Sales had a meeting on 4/1 with all four Call Center Directors to identify how to best implement the areas of opportunity to improve the QA scoring. They discussed script changes and updates. The sales trainers also have submitted recommended script revisions to the Director of Training. It is not known how those recommendations will be considered for implementation, but there are more discussions taking place now internally (more than in the past) to address the QA scoring issues.

Because most of the previous actions have not improved QA scoring in a more timely manner, first, this week and next, I will address all of the items that must be put in the sales script and which items can be put in the recorded terms – once this is sent out by Gregg with the QA team. This has yet to be received. Improvements may not be seen in scoring for 3 weeks at the earliest.

I will also suggest that the account rewrite their entire sales script, with my assistance, to include a more thorough detail of the sales process including rebuttals and all mandatory details of the QA – using our internal sales script as a guideline.

If all else fails, I will suggest that we not disclose the June 1 offers to Defender in the timeline they require until they agree to update their scripting to comply with the QA.

The account says that they understand the importance of the QA and agree with why we are implementing it, but I still feel that the account believes that there are no ramifications for unacceptable scoring.

GoDish
National Account Manager: Will Walker

REASONS GODISH SCORES HAVE SLIPPED

- Refuse to change due to GoDish company policy. **(time limit on sales calls and disclosures read)**
- Low CRI **(Didn't see value in adding words to disclosures. Would increase length of call and lose customers)**
- High volume
- No actual "sales" script in place. **(According to GoDish they hire sales professionals and will not limit their ability with a sales script)**
- Only a 600 word disclosure read at the end of every sale. **(scored 99-100 on these disclosures)**
- Poor internal communication
- Denied access to Dish employees. **(Extremely critical of FSD and did not see value once GoDish was required to upload 200 calls for QA)**
- No more QA conference calls with Reji's team. **(Compliance felt it was a waste of time because GoDish (Dale Dickey) wouldn't accept constructive criticism)**

ACTIONS TAKEN TO REMEDY

- GoDish has changed company policy regarding length of sales call
- Word count on disclosures increased from 600 to over 1400 **(added failed QA points to disclosure document)**
- Better internal communication **(will be cooperative with Reji's team during QA calls)**
- Granted full access to Dish employees and welcome FSD to monitor all LIVE calls. **(I monitored calls all week, they set me up with a desk and computer. I can now walk over and meet with the sales professional and offer feedback after monitoring call)**
- Mandatory QA training with all GoDish sales agents. **(I did this training back in January with no support from GoDish management. They cut my presentation down from 20 QA concerns to 6.** I now have the full support of GoDish management.
- GoDish is willing to change and cooperate fully with Corporate objectives.

REASONS ORBIT SCORES HAVE SLIPPED

- Being advised by friends at GoDish
- No actual sales script in place
- Refused up update disclosures

ACTIONS TAKEN TO REMEDY

- I wrote an actual call flow sales script that must be followed.
- Updated disclosures. **(If disclosures are not being read as I have written I will disable logins)**
- 1 sales person to deal with, and he works from home. He is now required to meet me in Orbits sales office once a week so I can monitor calls.

TIMEFRAME

- Changes made 3/30/10 will see 90 QA score and above starting 4/19/10.

American Satellite
National Account Manager: Terrence Rukas

Why scores slipped?
• Allowed reps to get away from the scripting, old script did not include some QA changes
• New hires on the phones before fully trained
• Commission change due to CRI (were reassessing business and lost focus)
• I was assured scores would bounce back next scoring period due to increased training

Actions taken to remedy?
• We have re-written the script and highlighted areas of emphasis, strong re-enforcement on the value of disclosure and following flow
• New hires are shadowing veteran reps to reinforce the need to follow sales flow
• Have examined business metrics and highlighted areas of monetary gain with increase in monthly metrics
• I will be in the call center more often monitoring calls to ensure an increase in scoring

Timeframe until correction?
• Implemented new script the week of March 15th
• We should begin to see improvement in two weeks

EBN
National Account Manager: Terrence Rukas

Why scores slipped?
• All parts of the call were either not uploaded or scored incorrectly due to what was communicated
• Verbiage on question 15 was communicated but not according to the scorecard requirements- received 0's for multiple weeks

Actions taken to remedy?
• We are ensuring all parts of the call are uploaded as EBN has a two-part sales call: sales and verification. We are also double-checking phone calls with the Compliance group and have addressed some scoring inconsistencies
• Verbiage on question 15 has been corrected to follow what QA is requesting

Timeframe until correction?
• Implemented changes two weeks ago
• We should begin to see improvement in two weeks

DishNow
National Account Manager: Terrence Rukas

Why scores slipped?
• Scores have slipped due to incorrect verbiage required by the QA scorecard
• Reps missing disclosures

Actions taken to remedy?
• Have addressed with DishNow QA team and have a meeting set with them, Tuesday, April 6th, to emphasize importance of QA items
• They have addressed with their internal QA team and implemented recorded disclosures this week to reinforce the importance of communicating them during every call

Timeframe until correction?
• We should begin to see improvement in two weeks

Altitude Marketing
National Account Manager: Richard Brilli

Summary:

Altitude Marketing, LLC has been facing challenges in the QA process since the week ending 2/12/2010. Calls that were reviewed prior to 2/12 were provided by Altitude Marketing's overflow call center Client Services. This was based on technical difficulties from the new phone system at Altitudes owned and operated call center. Calls provided after 2/12 are a combination of Altitude Marketing's internal call center and their vendor Client Services.

Differences in methodology, Client Services from the start has been using formal call center scripting and automated disclosures, which have provided consistent scoring for Altitude. Altitude's internal call center uses a more informal approach, employing a call flow with talking points, and only recently have they started using automated disclosures at the end of each DHA-24 call. I believe that the lack of structure in their scripting is part of the issue, as they are giving their agents too much latitude during the call. It is easy for their agents to loose sight of the call and difficult to recover with a proper script.

Altitude's Management has been slow to react to scripting changes and I am concerned that Principal Karl Schmelz has not given his full buy-in to this program. Final versions of their DHA-24 scripting have just been implemented 3/29 along with automated disclosures after weeks of discussing their low scores. Additionally, the on the weekly QA calls, Serena Snyder and Reji Musso have commented on a lack of participation by Altitude's Managers.

Current Action Items:

- Altitude Marketing has implemented a new call flow for DHA-24. This was rolled out to agents on March 29, 2010.
- Automated disclosures have been implemented on March 29, 2010 for all DHA-24 calls. DHA Too and Flex disclosures are being covered by the agent.
- I am working with the Reji, Serena, and the National QA team on real-time call calibration to gauge the effectiveness of Altitude's new scripting and automated disclosures. First real-time calibration was initiated on **3/31/10** and resulted in an **89**. **The results are attached on the final page**. I am in the process of scheduling on a second real-time calibration for the week of **4/5/10**.
- Agents that are consistently failing QA are being removed from the phones for additional coaching.
- Financial penalties are being imposed on agents that fail QA ($100) per week.
- Communicated the 4/7 scripting changes on 4/2 and scheduled travel for the week of 4/5 for additional coaching with Altitude Marketing's managers and agents.
- Coordinated with Field Sales Development to attend training sessions for the week of 4/5.

The implementation of Altitude's new call flow and automated disclosures on 3/29, combined with real-time calibrations to gauge and expedite scripting changes should improve their scores to the 88-91 range over the next 2-3 weeks. Additionally, I am focusing on the scripting changes for 4/7 to avoid any impact in their scoring.

Sales Quality Evaluation Form			
Agent	unknown	Evaluation Date	3/31/2010
Coach		Call Date	3/30/2010
Manager	Altitude	Call Time	
Center		Handle Time	
QDTS		Account Number	8255909046526106 / 501-477-2203

#		
	Right Size	
1	Did the agent ask for the total number of TVs to have DISH Network service on, reconfirm the count, and input an equipment configuration that meets the customer need?	Yes
2	Did the agent ask, reconfirm, and correctly input TV by TV which TVs will receive HD and DVR services?	Yes
3	Did the agent proactively suggest future equipment upgrades to minimize upfront costs to close the sale?	No
4	Did the agent ask the customer the specific channels they want to watch or currently watch?	Yes
5	Did the agent provide the appropriate programming package that includes must have channels (based on the customers specific channal needs)?	Yes
6	Did the agent disclose local channels that are not available in the customer's market (for example, no ABC, NBC, etc)?	N/A
7	Did the agent disclose specific locals that are available in HD (if the customer order HD programming)?	N/A
8	Did the agent disclose that regional sports networks (RSN) are not available, if the customer purchased AT 120 package or lower?	N/A
	Account Setup & Security	
9	Did the agent collect, confirm, and correctly input the customer's name, address, two contact numbers, and authorized users?	Yes
10	Did the agent accurately input a "bill to" address, if the billing address is different then the physical service address?	N/A
11	Did the agent collect, confirm, and correctly input the account PIN?	N/A
12	Did the agent collect, confirm, and correctly input the customer's email address?	Yes
13	Did the agent rebuttal the customer using the rebuttal outlined in the call flow, if the email address was not provided on the first attempt?	N/A
	Install	
14	Did the agent disclose that the technician can arrive at anytime during the ARRIVAL window (8-12) or (12-5)?	Yes
15	Did the agent disclose that the majority of installations take 2-4 hours after the technician arrives?	Yes
16	Did the agent disclose if the customer rents that Dish requires landlord permission?	N/A
17	Did the agent confirm the number of TVs receiving DISH service and the total number of receivers to be installed in the home?	Yes
	Expectations: All promotions	
18	Did the agent obtain customer consent to run a credit check against their SSN?	Yes
19	Did the agent disclose the monthly bill amount after promotional credits have ended?	Yes
20	Did the agent inform the customer that they can check their balance, make payments, and find information on dishnetwork.com?	Yes
21	Did the agent disclose the CCA disclosures?	Yes
22	Did the agent intentionally modify the customer's information to close the sale as a new customer?	No
23	Did the agent use the Club DISH and/or offer code provided by the customer to discount the promotional offer?	N/A
24	All of the information that the agent provided to the customer was correct.	No
25	Did the agent disclose the total amount of the 1st bill, describing applicable fees - DVR, receiver fees (excluding taxes)?	Yes
	Expectations: DHA 24 specific	
26	Did the agent use the account holders SSN and debit/ credit card to qualify the account?	No
27	Did the agent disclose that a temporary hold of $25 will be placed on the debit/credit card used to qualify?	Yes
28	Did the agent disclose minimum programming requirements to receive/keep introductory promotional credits?	Yes
29	Did the agent disclose that if you do not cancel HBO/SHO at the end of 3-months, you will be billed the normal rate of $22 per month?	Yes
30	Did the agent disclose that if you do not cancel Service Plan at the end of 6-months, you will be billed the normal rate of $6 per month?	Yes
31	Did the agent explain that the customer is committing to Dish service for 24 months?	Yes
32	Did the agent disclose that a prorated cancellation fee of $17.50 will be charged for each month remaining on the commitment if disconnecting within commit period?	Yes
33	Did the agent explain that 1st bill covers two months and customer will not receive another bill for 45 days?	Yes
34	Did the agent disclose that $100-$400 per receiver will be charged on debit/credit card used to qualify for unreturned equipment upon disconnect?	Yes
	Expectations: DHA specific	
35	Did the agent use the account holders SSN and debit/ credit card to qualify the account?	
36	Did the agent disclose that a temporary hold of $25 will be placed on the debit/credit card used to qualify?	
37	Did the agent disclose that Dish is charging the customer's account/card to collect up-front fees at the time of sale?	
38	Did the agent explain that 1st bill covers two months and customer will not receive another bill for 45 days?	
39	Did the agent disclose that $100-$400 per receiver will be charged on debit/credit card used to qualify for unreturned equipment upon disconnect?	
	Expectations: DHA TCD specific	
40	Did the agent use the account holders SSN to qualify the account?	
41	If pay in advance, did the agent disclose that payment must be received in advance of the due date on all your future bills otherwise service will be disconnected, and additional fees may be incurred to restart the service?	
42	If pay in advance, did the agent disclose that payment may need to be collected with any programming changes?	
43	Did the agent disclose minimum programming requirements to receive/keep introductory promotional credits?	
44	Did the agent disclose that if you do not cancel HBO/SHO at the end of 3-months, you will be billed the normal rate of $22 per month?	
45	Did the agent disclose that if you do not cancel Service Plan at the end of 6-months, you will be billed the normal rate of $6 per month?	

Tier One
National Account Manger: Chris Taber

I recently started managing Tier One. During an initial conversation with Cyrus he was very proud of his QA and training group. During our first meeting which was offsite we discussed the QA scores of his sales reps and that they were unacceptable. After that meeting he spoke with his training group, and he reassured me that the scores were going to increase. Unfortunately, that was not the case and their scores remained below average. I visited Tier One's office on Wednesday of this week. During the meeting I reiterated to them the importance of increasing their QA scores very quickly. I sat with their training team and we went through the QA form and their sales script line by line to make sure each QA item is mentioned in their script. Tier One implemented the revised script Thursday morning. The training team will be spending the majority of their work day listening to calls and walking their sales floor to ensure the sales calls have a steady flow and that all QA requirements are meet. Tier One will also be uploading some calls for us to monitor together to ensure we are listening for the same things. If they identify a rep that is not meeting the scripting expectations the rep will be pulled off the phone and will have to go through a retraining of the scripting and QA requirements. After the retraining is completed the rep is put back on the phones and is monitored by one of the training staff to ensure they are following the script. If the rep continues to miss items on the QA form the rep will be written up and then terminated. Tier One is also implementing an incentive for their reps that do well on their QA scores.

Listed below are my action items to ensure their scores increase quickly:

- Daily conference call with trainers to discuss the following:
  - Possible scripting changes to better their call flow
  - Feedback on calls that we have monitored
  - Features and benefits handouts to help reps during calls
- Creating a best practices document from reps that have seen an increase in sales with the new script

Brandvein
National Account Manager: Chris Taber

Brandvein's QA scores began dropping 2/19 and bottomed out the week of 3/12 at 78. This decline in the score has been attributed to changes in the promo, QA form, and the amount of new sales agents they employ. They received an 82 this week on their QA scores and they are focused on getting their scores back up to the 90's where they were before Feb 1st. Listed below are the actions they have taken to ensure their QA goals are obtained:

- Hired a QA Manager that is responsible for scripting and monitoring calls and providing feedback to sales reps.
- Revised scripting to ensure they are hitting all points in the QA form
- Changed the pre-recorded disclosure to ensure they are covering as many points as they can
- Focusing on hitting all points in a QA line item. Many times the rep will forget to mention one of the many things listed in a line item.
- Weekly group and one on one QA meetings with reps to discuss successes and opportunities for improvement.

EXHIBIT 675

EXHIBIT 675

dish NETWORK
Better TV for all.

FACTS BLAST

IMPORTANT REMINDER TO INDEPENDENT RETAILERS WHO ENGAGE IN TELEPHONE MARKETING AND SALES OF DISH NETWORK™ PRODUCTS AND SERVICES

Your EchoStar Retailer Agreement prohibits Retailers from violating any applicable laws, including federal and state marketing and telemarketing laws

EchoStar takes consumer satisfaction very seriously. We do not tolerate or condone marketing activities that fail to comply with the Retailer Agreement or applicable state and federal laws. If a Retailer is engaged in any form of telemarketing sales of DISH Network AT A MINIMUM, it must:

- Comply with all applicable state and federal **"Do Not Call"** laws, including, but not limited to, the **Telemarketing Sales Rule**, the **Telephone Consumer Protection Act,** and any and all state laws governing telemarketing for the state to which calls are placed. Such compliance includes, but is not limited to:

  1. **Subscribe to the federal and applicable state Do Not Call lists.** Retailers should be able to provide the dates of subscription, proof of required updates, and be able to demonstrate their compliance with federal and state laws;

  2. **Maintain an internal Do Not Call list.** If a consumer requests that you cease calling them, you are required to place their number on your internal Do Not Call list and no longer contact that number, **regardless of whether that consumer previously gave their consent for you to contact them.** This statement applies even is a phone number is not on the federal or state Do Not Call list;

  3. **Maintain current Do Not Call documentation:**

     a. **Do Not Call Policy.** You must maintain your own written "Do Not Call Policy" which should be made available in accordance with the law to those consumers who request it;

     b. **Do Not Call Procedures.** You must be able to provide documentation describing your process for compliance with Do Not Call laws, **including written employee training documents**;

  4. **Retain call records**. You should be able to produce documentation for each and every outbound call placed by you or on your behalf by a third party (see below for restrictions):

     a. **Lead and existing business relationship records**. You should be able to prove the reason for calling a number listed on a Do Not Call list with proof of lead generation, existing business relationships, etc. and the applicable dates that support the calls were placed in compliance;

  5. **Comply with all state and federal legal requirements governing pre-recorded messaging. These laws may vary by state.** EchoStar strongly discourages the use of pre-recorded messages or solicitations. In the event that state or federal laws permit you to engage in pre-recorded messaging you should ensure that you strictly comply with such laws. As you should be aware, some states prohibit pre-recorded calls entirely and you must comply with the laws of the state(s) to which your calls are placed;

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Plaintiff's Exhibit
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For More Information:

- The **Federal Communications Commission** publishes information about the rules and regulations related to telephone and facsimile advertisements: http://www.fcc.gov and the **Federal Trade Commission** publishes information about rules and regulations related to telemarketing at http://www.ftc.gov .
- Retailers should also be aware that **many state governments** may also regulate marketing, telemarketing, and advertising activities. Retailer should make themselves aware of applicable laws and comply with them.

Your EchoStar Retailer Agreement prohibits hiring or using third-parties to perform any activity under your agreement without EchoStar's express written consent in advance. This includes hiring third parties, such as a marketing or telemarketing company, to perform any activity on your behalf.

- Retailers are prohibited by their Retailer AQgreement from hiring or using third-parties, independent contractors, agents, sub-agents, companies, or any other person or entity— including telemarketers —to solicit, take, or transmit any orders for DISH Network products or services, **unless such third party is APPROVED IN ADVANCE IN WRITING BY ECHOSTAR.**

- It is a also a violation of the **Trademark License Agreement** in your Retailer Agreement **to transfer, sublicense, or otherwise grant any third-party any right to use an EchoStar trademark, service mark, or trade name, including the DISH Network** name.

- To request that a vendor be approved or to request your ability to use an approved vendor, please send an email to Retail Services at vendorinquiries@echostar.com

NO RETAILER IS PERMITTED TO REPRESENT ITSELF AS DISH NETWORK.

The Retailer Agreement clearly provides that your relationship with EchoStar is that of an independent contractor. Your outbound and inbound call agents MUST identify the company that they work for. AGENTS MAY NOT SAY THAT THEY WORK FOR DISH NETWORK.

Failure to comply with the obligations in your EchoStar Retailer Agreement, applicable state and federal laws, and the cautionary statements in this document could lead to disciplinary action against you by EchoStar, up to and including termination.

Thank You for Supporting DISH Network.

EXHIBIT 676

EXHIBIT 676

DISH ORDER ENTRY TOOL

INTRODUCTION

The order entry tool is the essential application you will be using to place customer orders for DISH Network equipment and services. It is web based, making it user friendly and performance ready.

OBJECTIVES

Upon completion of this module, you will be able to:

- Understand the flow and requirements of the order entry tool.
- Apply your DISH knowledge to the necessary fields in the order entry tool.
- Place successful orders in the order entry tool for your customers.

TABLE OF CONTENTS

- Page 2 – Accessing the OE Tool
- Page 3 – Entering the customer's Information
- Page 4 – Billing Address Information
- Page 5 – Selecting a promotion
- Page 6 – Social Security Number and Credit Card Validation
- Page 7 – Primary Receiver/Additional Receiver/s Selection
- Page 8 – Select Basic Programming Packages
- Page 9 – Select Local and Network Channels, 2nd Dish Install
- Page 10 – Select Additional Programming
- Page 11 – Select Installation Date
- Page 12 – Additional Install Dates
- Page 13 – Credit Card Payment, Sign up for Credit Card Auto Pay (CCA)
- Page 14 – Promotion Terms and Conditions
- Page 15 – View Confirm Selections Page
- Page 16 – Order Summary Page

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Plaintiff's Exhibit
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PLACING AN ORDER IN THE ORDER ENTRY TOOL

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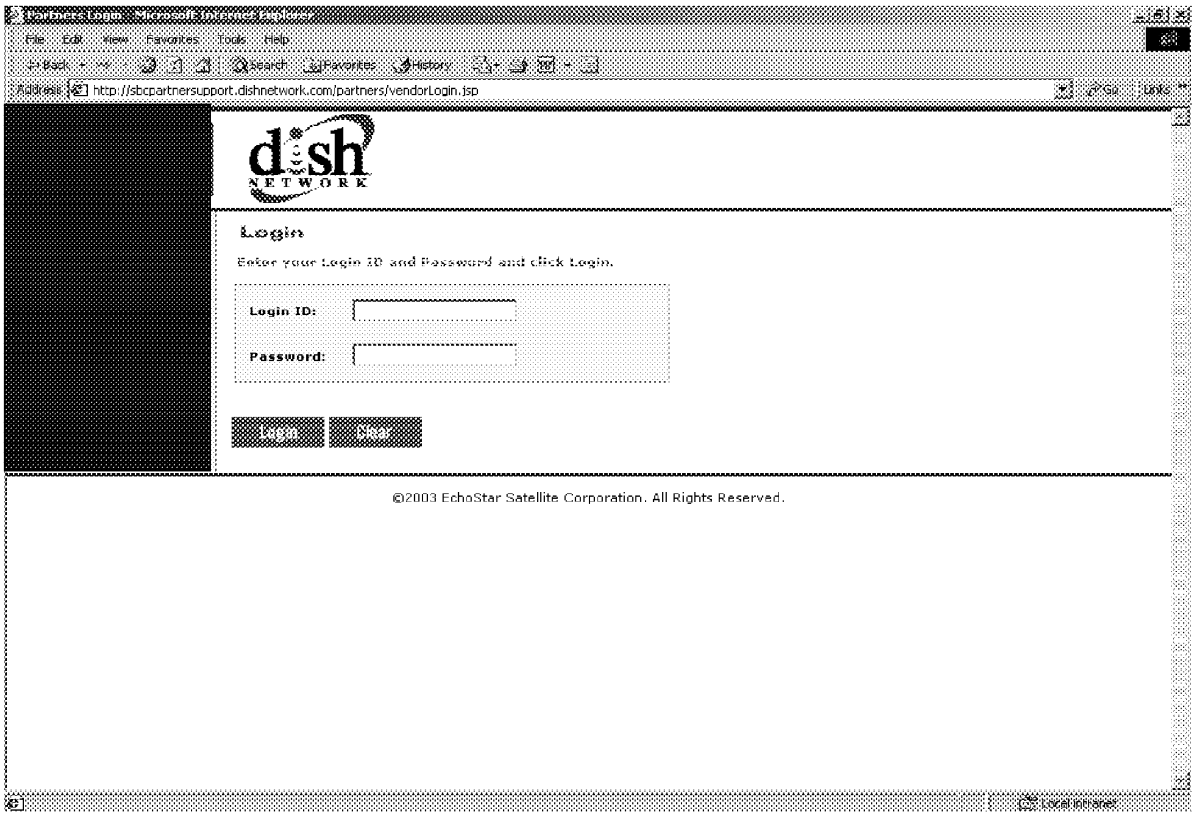
STEP 1 - Access the tool from your web browser or by clicking the DISH Network logo on your screen

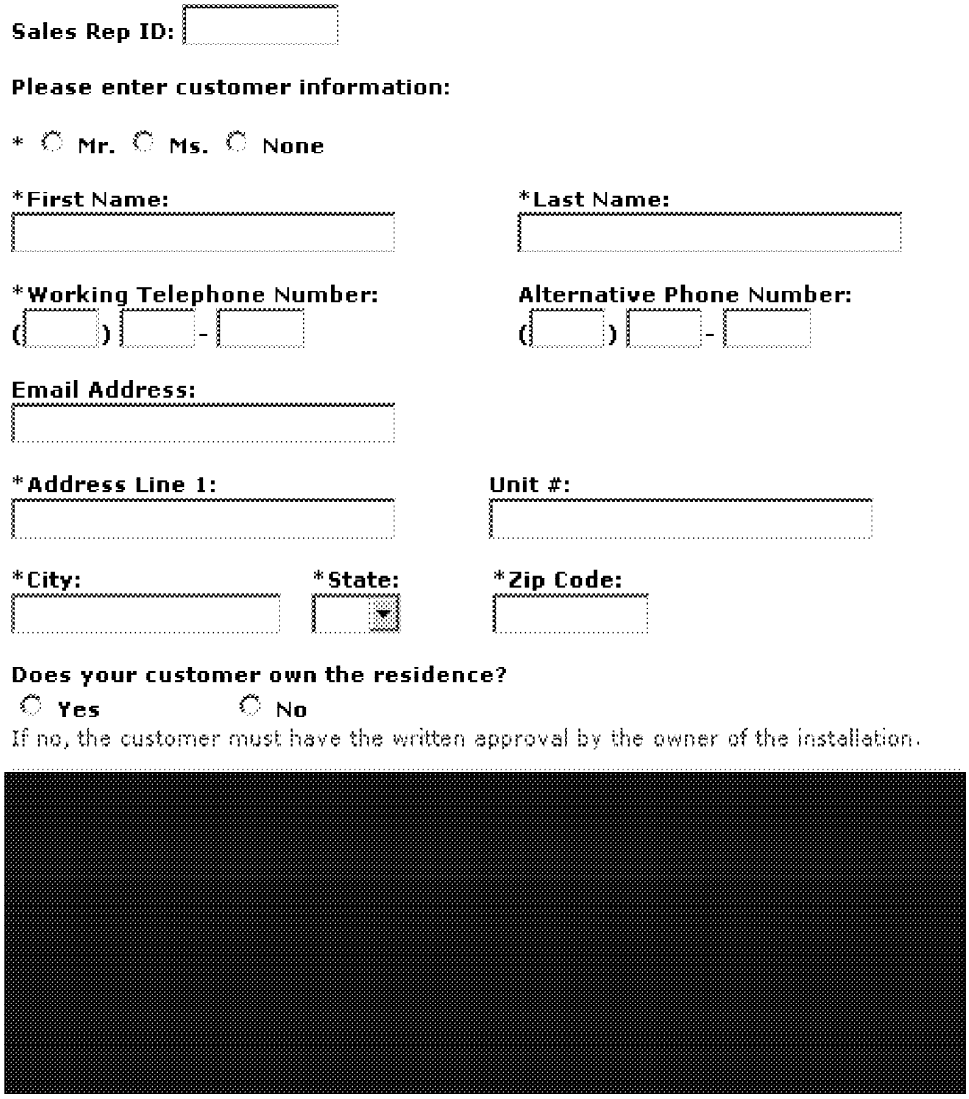
Entering in Log in ID and **Password**



Click **Login**

STEP 2 - Enter in Customer information

Enter the personal information of your customer. This will be the **service** address for the customer where the DISH equipment will be installed. Explain to participants the distinction between physical addresses (service addresses) and billing addresses. *Define* if your customer owns their residence or does not.

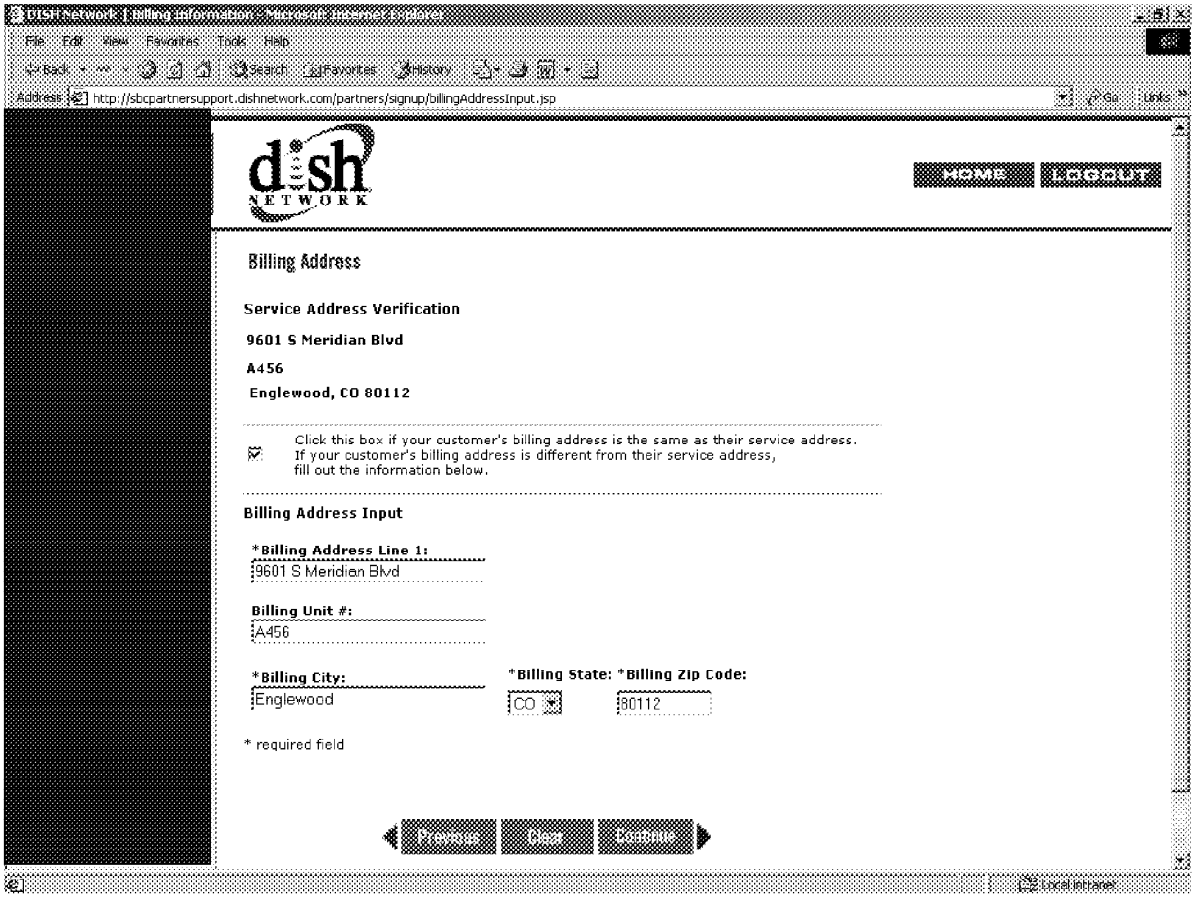


* required field

Click **Continue.**

STEP 3 - Billing Address Information

In the Billing Address screen, provide the customer's billing address, or check the box if the address is the same as previous screen.



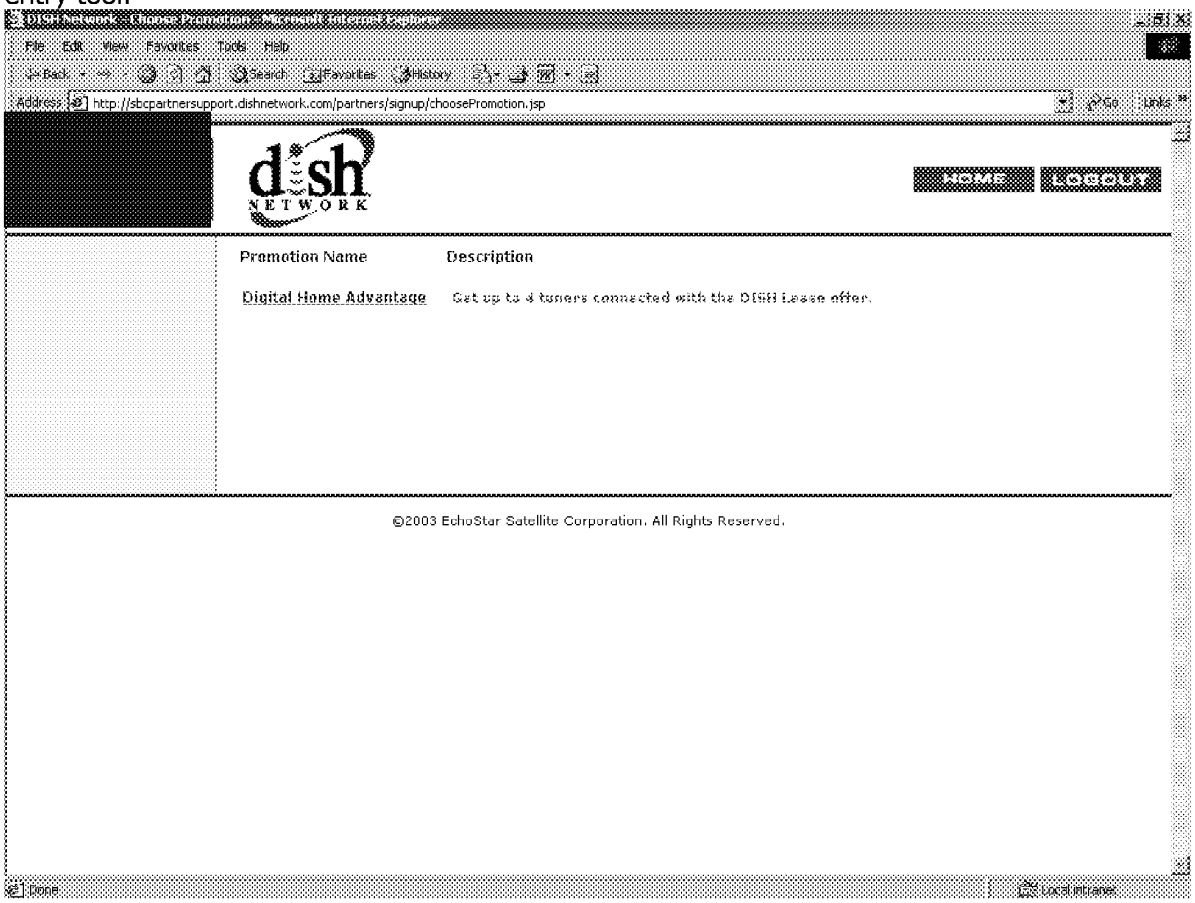
Click **Continue.**

STEP 4 - Selecting a Promotion

Please select from one of the following two promotions and click **Sign Up Now**:

1. Free Dish (FD) – requires credit card qualification and credit scoring
2. Digital Home Advantage (DHA) - requires credit card qualification and credit scoring

Please Note: A network qualification will be run in the background after *clicking* **Continue,** and as a result, the address entered might be slightly modified by the order entry tool.

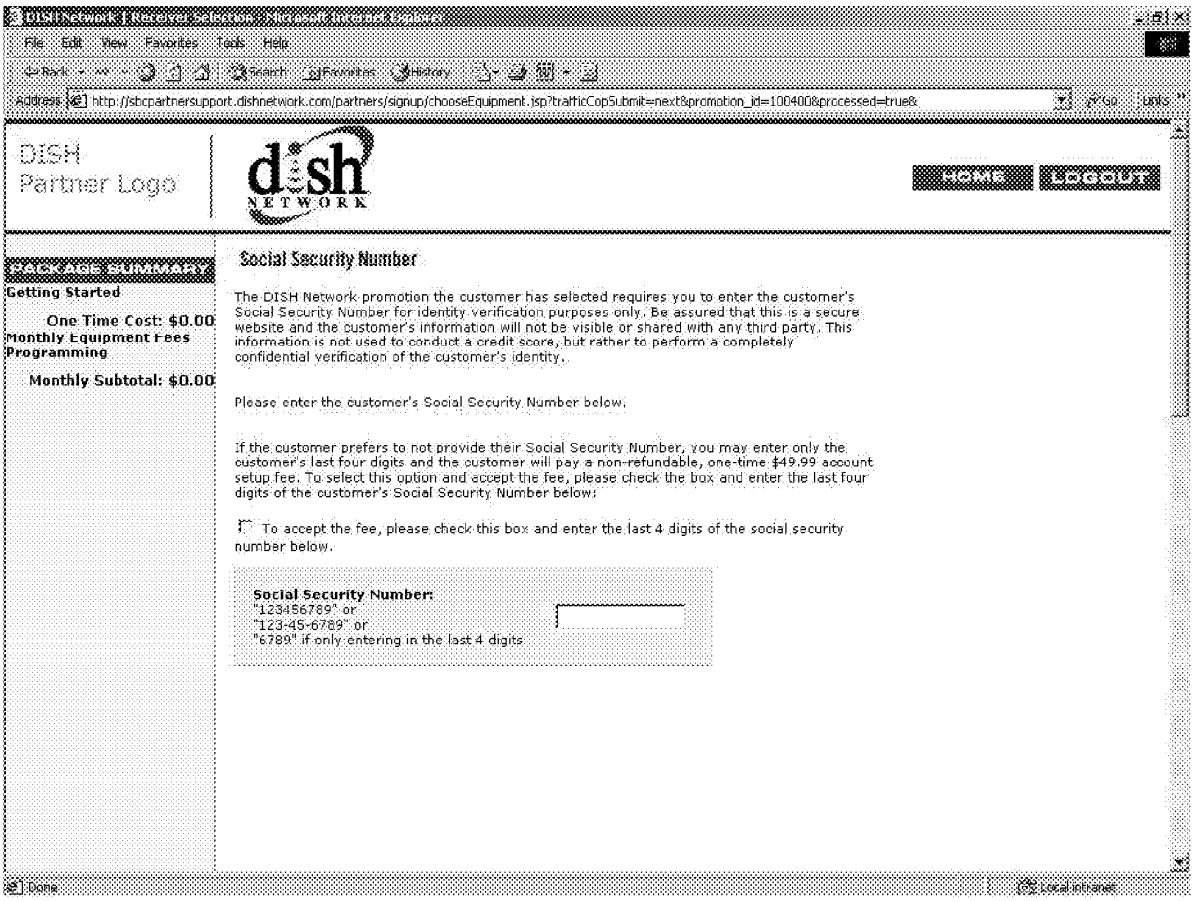


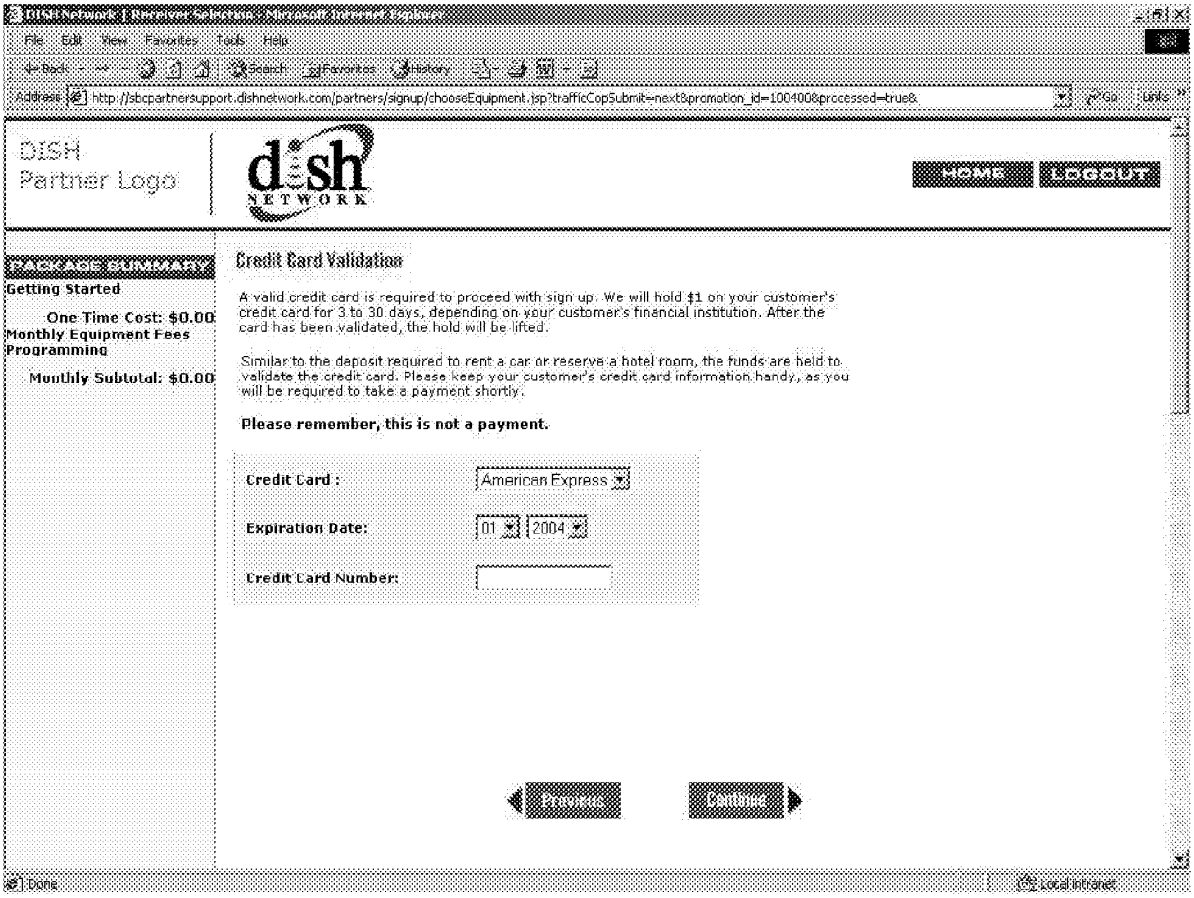
Click **Continue.**

STEP 5 - Social Security Number (SSN) and Credit Card (CC) Validation page

For both the DHA and Free DISH promotion, you will need to fill out SSN and credit card verification information.

Both of these promotions require a credit check.



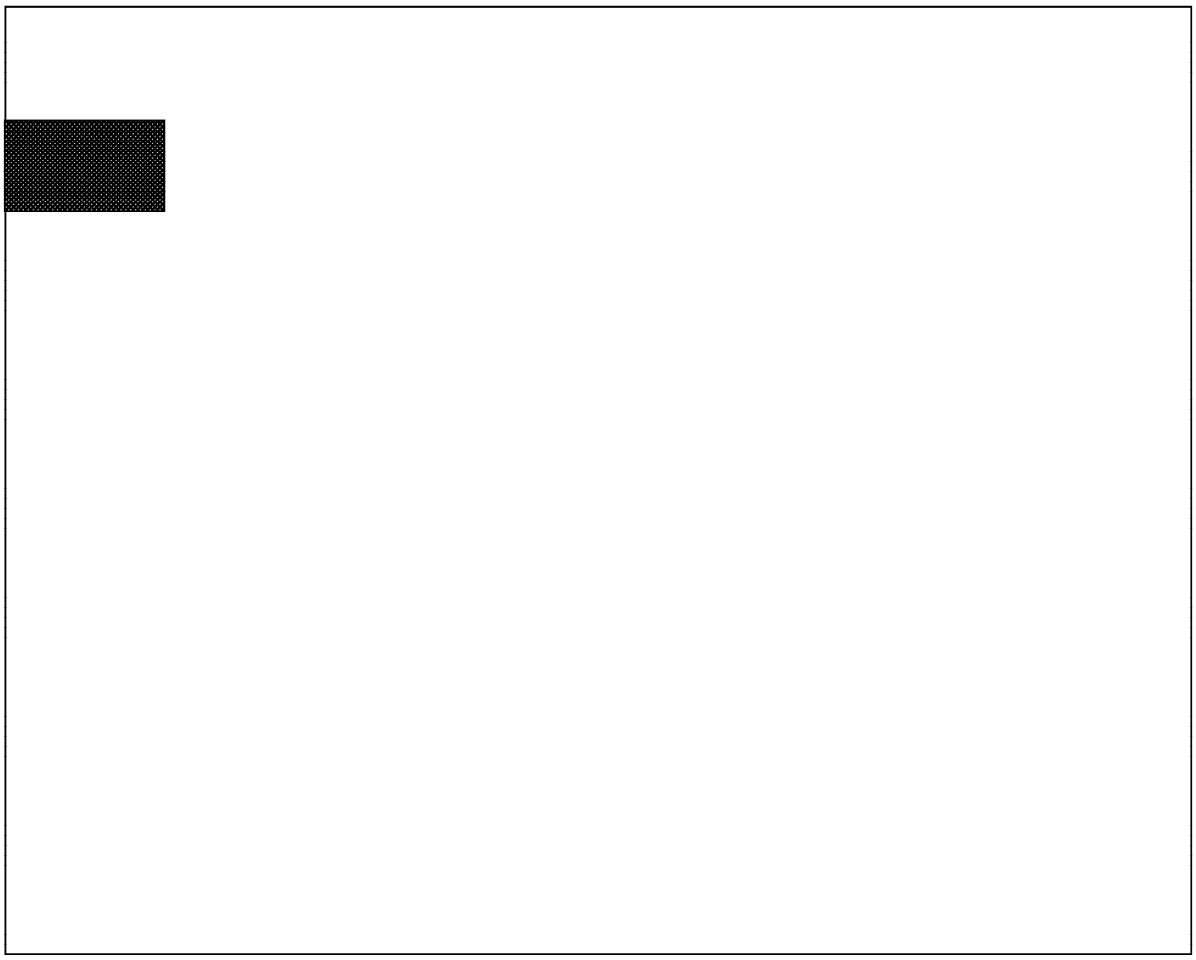


Click **Continue.**

STEP 6 - Primary Receiver/Additional Receiver/s Selection

Select a primary receiver and additional receiver/s

Please note: On the left hand side where a "one time cost" is referenced, this field will display the $49.99 the customer will pay upfront.

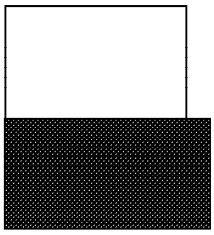


Click **Continue.**

STEP 7 - Select Basic Programming Packages
Select one of the Basic Programming Packages or Value Paks

If a comparison of packages is needed, *clicking* on the Compare button will provide you with a comparison chart.

Please note: On the left hand side where a "one time cost" is referenced, this field will display the $49.99 the customer will need to pay upfront.

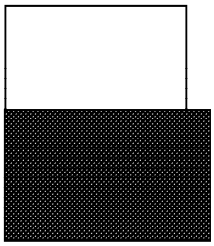


Click **Continue.**

STEP 8 - Select Local and Network Channels

The Networks screen will allow you to add locals to the customer's account, and inform you of which networks and locals the customer's address has qualified.

Please note: On the left hand side where a "one time cost" is referenced, this field will display the $49.99 the customer will need to pay upfront.



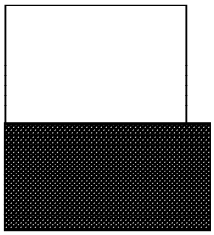
Click **Continue.**

STEP 9 - Additional Programming

Checking the appropriate boxes in the additional programming section will allow you to add premium channels and the a la carte channels.

This is a roadmap DISH Network CSR at the time of activation. The programming will not be added to the account until the time of installation.

Please note: On the left hand side where a "one time cost" is referenced, this field will display the $49.99 the customer will need to pay upfront.

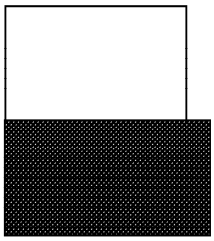


Click **Continue.**

STEP 10A – Select Installation Date

1. Select date you would like to have equipment installed and click Continue.
2. If additional dates are needed select Choose Other Dates.

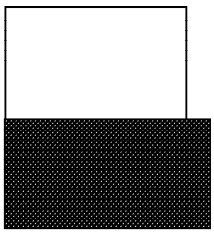
Please note: On the left hand side where a "one time cost" is referenced, this field will display the $49.99 the customer will need to pay upfront.



Click **Continue or** *Click* **Choose other Dates.**

STEP 10B – Additional Installation Dates

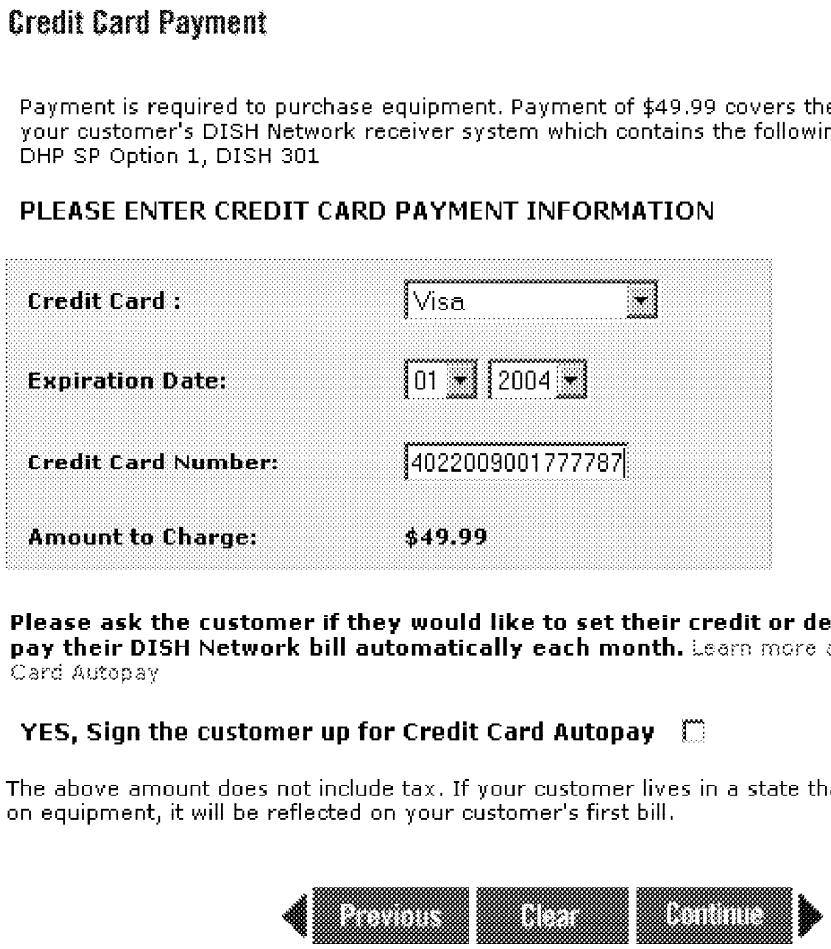
Please note: On the left hand side where a "one time cost" is referenced, this field will display the $49.99 the customer will need to pay upfront.



Click **Continue**

STEP 11 - Credit Card Payment, Sign up for Credit Card Autopay (CCA)

CC for CC Payment = Visa, expire 08/03, No. = 4022009001777787



Click **Continue.**

STEP 12 - Promotions Terms and Conditions

Promotion Terms & Conditions

Offer Terms

PLEASE READ

The Digital Home Plan or DishDVR Plan are for new, first-time DISH Network residential customers in the continental United States (only 1 per household), available from 8/24/03 through 9/30/03. All prices, packages and programming subject to change without notice. Local and state sales taxes may apply. Receiver and In-Home Service Plan fee subject to change. Where applicable, receiver rental fees and programming are taxed separately. This offer requires a Social Security Number, valid major credit card and minimum programming purchase of America's Top 50 or DISH Latino (currently $29.99 or $26.99 per month, with a one receiver system, respectively) for 12 consecutive months. Participation is subject to credit approval. Social Security Numbers are used to obtain credit scores and will not be released to third parties except for verification and collection purposes.

Activation Fee Includes:
You must pay a $49.99 Activation Fee that includes installation and activation of up to four receivers and such fee is completely nonrefundable once the system is activated. You will receive a $49.99 credit on your first bill.

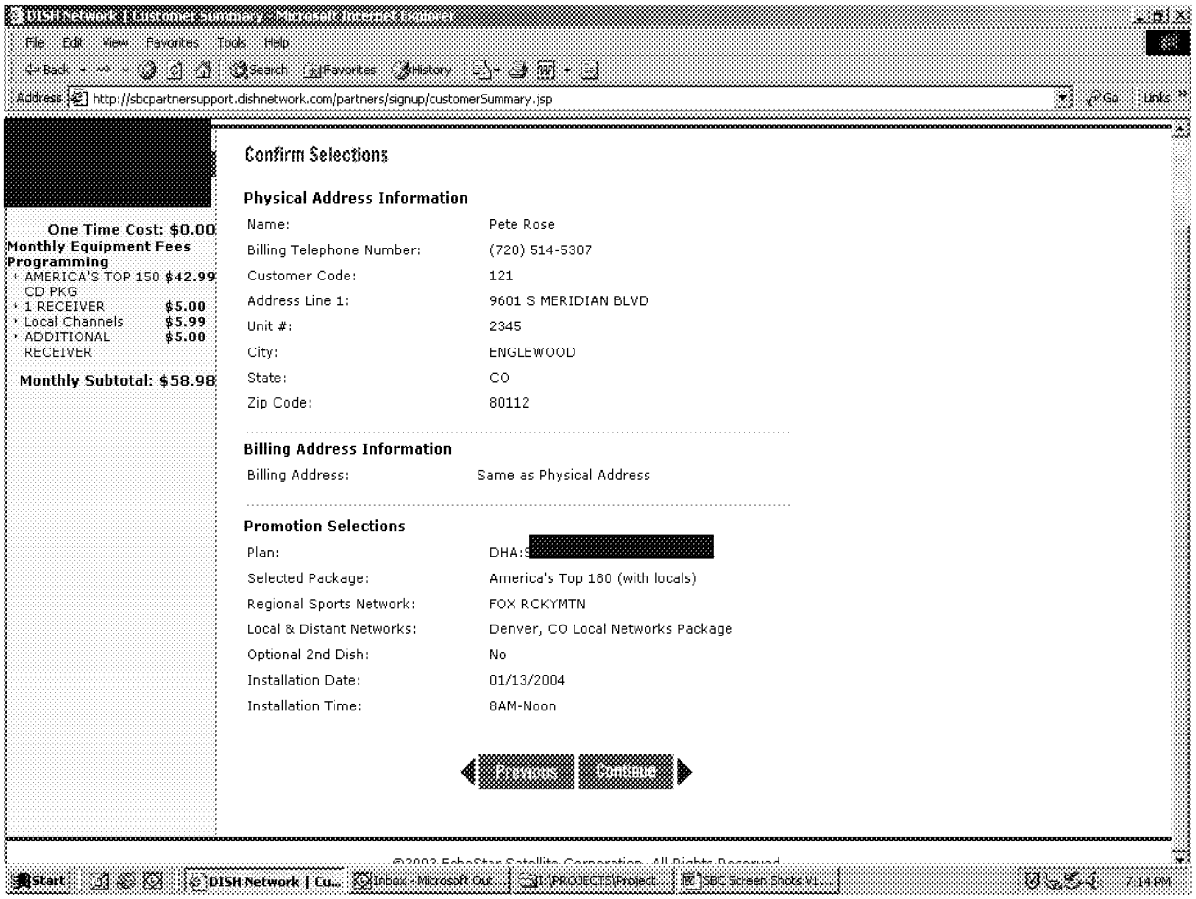
Digital Home Plan (DishDVR Plan) includes:
The Digital Home Plan includes 1 Model Dish301 satellite TV system, your choice of America's Top 150, America's Top 100, America's Top 50, DISH Latino Max, DISH Latino Dos or DISH Latino programming, Standard Professional Installation and In-Home Service Plan; the DishDVR Plan includes 1 Model DishDVR satellite TV system. There is a one-time Equipment Upgrade Fee of $50.00 for the DishDVR Plan.

Value Pak Programming credits
Between 8/24/03 and 9/30/03, if you activate and subscribe to America's Top 100 Value Pak, America's Top 150 Value Pak, DISH Latino Dos Value Pak, DISH Latino Max Value Pak or America's "Everything" Pak ("Minimum Value Pak Programming"), you will receive a $49.99 programming credit for the 2nd, 3rd and 4th month of service. **You will forfeit any remaining credits in the case of a downgrade from the Minimum Value Pak Programming or service disconnection before the 4th month of service**. After the initial three months from date of activation of the Value Pak, your selected programming package will continue to be billed at then current price unless you downgrade to a minimum of America's Top 50 or DISH Latino programming.

Click **Continue.**

STEP 13 - View Confirm Selections Page

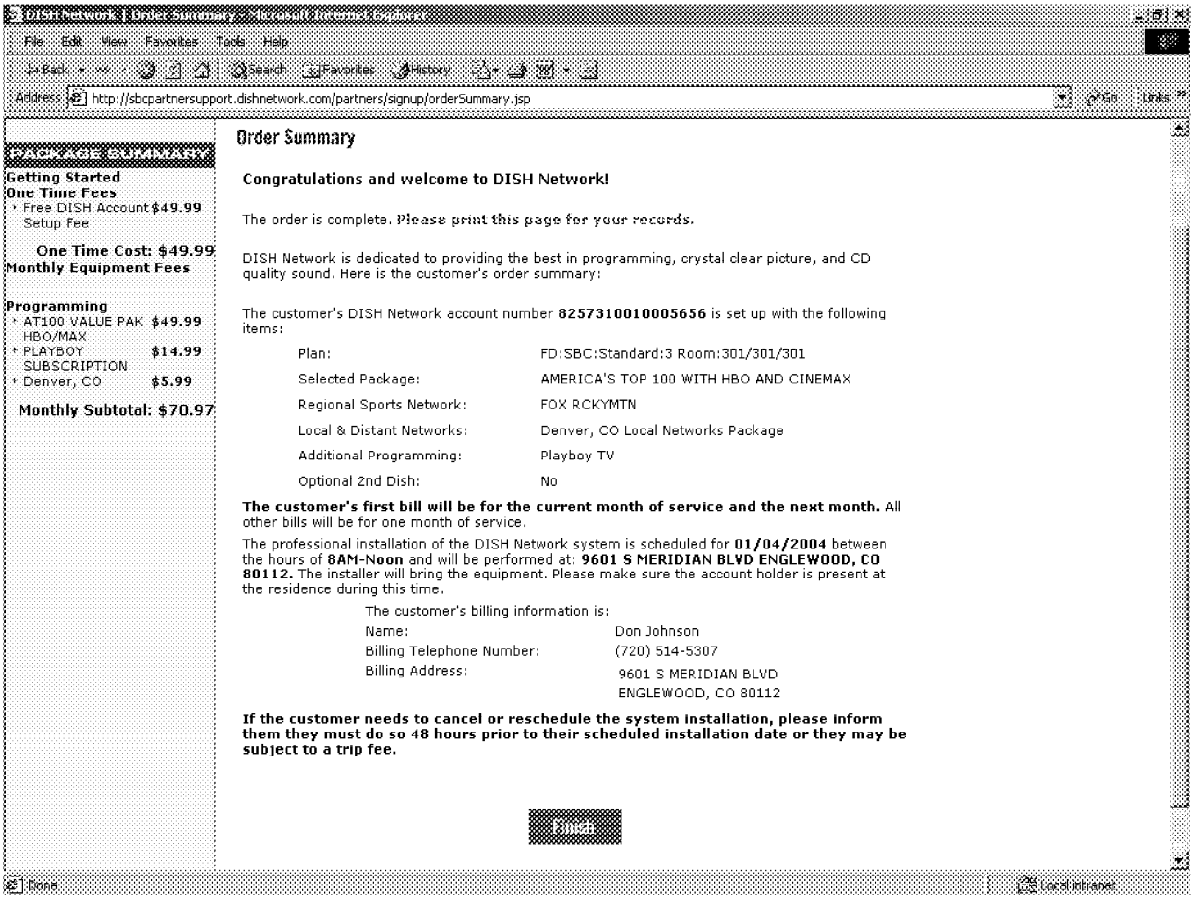
Please note: On the left hand side where a "one time cost" is referenced, this field will display the $49.99 the customer will need to pay upfront.



Click **Continue.**

STEP 15 - Order Summary Page

This page can be printed out for the customer and/or save for your records.



Click **Finish**