

## **MEDIA ADVISORY**

Oct. 8, 2003

### **End User Pays DIRECTV \$20,000 to Settle Signal Theft Claims**

#### ***Evidence Contradicts Defendant's Claim that Illegal Devices Were Used in a Legitimate Project***

**WHAT:** On the eve of trial in federal court in Ohio, a defendant in a DIRECTV "end-user" signal theft case agreed to pay DIRECTV \$20,000 as part of a settlement agreement.

In addition to the cash payment, the defendant is bound by a permanent injunction preventing his engaging in activities associated with signal piracy in the future and signed a "consent to judgment" in the amount of \$225,000 to be entered against him if he violates the terms of the settlement agreement or the injunction.

**WHEN:** The settlement precluded the need for a trial in the case that was to begin Monday.

**WHO:** As part of the agreement, DIRECTV agreed not to publicly name the defendant in announcing the settlement.

From the time that DIRECTV identified the defendant as a purchaser of signal theft devices – and even during his deposition under oath – the defendant had steadfastly denied any involvement in satellite theft, saying he purchased the devices in question to use in a legitimate smart card project.

As part of its investigation, DIRECTV learned that the defendant had purchased more devices than was alleged in the complaint, that he had paid for a membership in a pirate Web site and that he had posted several messages in a pirate discussion forum. DIRECTV was able to retrieve the postings in the discussion forum by reviewing the content and records of the hundreds of pirate Web sites that DIRECTV has sued and shut down over the past several years.

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DIRECTV's investigation also uncovered that the defendant possessed a specific pirate software called "Extreme HU" and had exchanged e-mails discussing the use of the software with one of the individuals he was assisting in modifying DIRECTV access cards.

"The result in this case should serve as a warning to individuals who believe they can concoct a defense claiming that they had a legitimate reason for purchasing illegal access devices," said Rob Hall, senior vice president, Business Affairs and General Counsel, DIRECTV, Inc. "DIRECTV was able to uncover substantial evidence refuting this defendant's bogus claims and will not shy away from devoting the necessary resources to protecting its services."

The defendant's lawyer agreed to post a message on various Web sites devoted to discussions of DIRECTV's anti-piracy strategy describing his client's conduct and acknowledging that DIRECTV brought to bear considerable financial and investigative resources to uncover the facts that in the end proved his client had provided assistance to one or more persons to obtain unauthorized access to DIRECTV programming.

DIRECTV was prepared to prove at trial that the defendant had purchased from two Canadian web sites illegal devices and components that could be assembled into illegal devices. He was identified through business records obtained from Fulfillment Plus, a Santa Ana, Calif., business that was distributing pirate devices sold over the Internet.

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