

VIA U.S. REGISTERED MAIL & ELECTRONIC MAIL

March 11, 2024

The Honorable Elizabeth Warren
United States Senate Committee on Finance
Hart Senate Office Building
Washington, D.C. 20510

The Honorable Sheldon Whitehouse
United States Senate Committee on Finance
Hart Senate Office Building
Washington, D.C. 20510

Re: Continued Filing of Materially False Statements of Financials, Including Complete Failure to Reconcile DISH Network Corporation Acquisition within February 29, 2024, Financial Statements Filed with U.S. SEC, at EchoStar Corporation (the “**Company**” or “**EchoStar**”)

Dear Senators Warren and Whitehouse:

The Buxton Helmsley Group, Inc. (“**BHG**” or “**we**”) writes you now, after having previously (publicly) addressed you both on March 17, 2023, when we uncovered and exposed an ongoing, *repeat* billion-dollar accounting and securities fraud scheme occurring at publicly traded Mallinckrodt plc. (formerly, NYSE: MNK). After our exposing of the situation, Mallinckrodt plc. re-filed for bankruptcy, but only after filing another false statement of financials with the U.S. SEC (continuing to overstate their assets by billions of dollars, for the *second* time, just as they did leading up to and throughout their first bankruptcy), just before coming clean to the bankruptcy court as to the massive asset value depreciation expenses being omitted from financial statements.¹ The shocking part: **Despite BHG laying a repeat, multibillion-dollar accounting and securities fraud scheme (at Mallinckrodt) in their lap, the U.S. SEC has filed zero charges over the matters; that is, even after the leadership of Mallinckrodt admitted the losses (alleged by BHG as being concealed) in the bankruptcy court, despite continued omissions from financial statements.**

Now, BHG writes you after our uncovering of *another* apparent accounting and securities fraud scheme occurring at publicly traded EchoStar (NASDAQ: SATS). In this scheme, among other things, the leadership of EchoStar already placed a value on the equity at DISH Network Corporation (“**DISH**”), at

¹ Private and Public Letters from BHG to Mallinckrodt, Exposing Repeated Accounting Fraud Scheme:
<https://www.buxtonhelmsley.com/mnk/>

the time of the Company agreeing to acquire DISH, but is continuing billions of dollars in equity value overstatement implicitly admitted as part of that already-established valuation opinion.

Before we get into this further, we are going to ask the Senate Finance Committee the magic question: If companies like Mallinckrodt plc. can be called out by a whistleblower for a *repeat* multibillion-dollar accounting and securities fraud scheme, the SEC is delivered the case on a silver platter, falsified financial statements continue to be filed, the whistleblower's allegations are vindicated in the bankruptcy court, and nothing happens, why would EchoStar or any other company follow the federal securities laws and accounting standards they are bound to follow? If repeat, multibillion-dollar accounting and securities fraud schemes (that have been vindicated as a reality) do not make the top of the U.S. SEC's priority of prosecution, something is very wrong. **I guess, Mallinckrodt should run the already repeated accounting fraud scheme a third time, and EchoStar should apparently just continue overstating equity by tens of billions of dollars, since nothing will happen? Without intervention of the Senate Finance Committee, I guess Deloitte (Mallinckrodt's auditor) is okay to continue turning a blind eye to repeated accounting and securities fraud schemes, too?**

EchoStar very likely looked into what occurred at Mallinckrodt after BHG's whistleblowing, and now EchoStar is refusing to record losses that they already implicitly admitted to exist, after multiple private and public letters from BHG to the Company/EchoStar;² continuing to overstate the Company's equity value by over \$15 billion (as discussed in our letters, likely much more, given the evidence). Why would EchoStar do any different when Mallinckrodt got away with it? **The leadership of EchoStar has not even denied the validity of BHG's allegations, and after BHG privately approached the Board of Directors at DISH as to the apparent accounting and securities fraud, EchoStar disreputably – rather than restating financials to be the truth – then began stripping the assets from DISH (to remove them from the reach of DISH creditors, as apparent fraudulent conveyances under the circumstances).**

If either of you, Senators, pushed the U.S. SEC to follow through on Mallinckrodt, after our public letter to both of you on March 17, 2023, that did not happen. Without the intervention of you both here, it is apparent to us that we will be able to add EchoStar to the list after Mallinckrodt, when it comes to cases of apparent massive accounting and securities fraud that went entirely unpunished. **BHG also already is seeing other companies where red flags are flying as to accounting impossibilities, which we intend to investigate (and we are confident will result in our exposing of our findings), and it will trouble us deeply if the list of accounting frauds uncovered by us and vindicated, which go without punishment, gets any longer.**

Very simply, BHG – with this letter– is requesting the Senate Finance Committee to take matters into their own hands, since we no longer can apparently count on the U.S. SEC. We continue to see microscopic cases that the U.S. SEC pursues, while we can lay multibillion-dollar accounting and securities fraud schemes in their laps and nothing is done, investors are devastated, and companies continue committing accounting and securities fraud because they know the chances of being held to the fire by regulators is virtually nonexistent.

EchoStar is an even more important case for the Senate Finance Committee to ensure is followed through on by the U.S. SEC, given the sheer arrogance of its leadership. Charlie Ergen, the billionaire founder of

² Private and Public Letters from BHG to EchoStar: <https://www.buxtonhelmsley.com/sats/>

DISH and EchoStar (which he has now combined into one enterprise, through EchoStar's acquisition of DISH), and who has remained Chairman of both companies, has been quoted as saying:

“We're always in trouble. We always get out of it.”³

The Senate Finance Committee has the power to ensure that Mr. Ergen understands that, while he may have always gotten out of trouble before, he will not when it comes to billions of dollars in apparent accounting and securities fraud occurring at publicly traded companies in the United States.

We will point out that we have thoroughly pushed EchoStar Chief Financial Officer Veronika Takacs, in addition to KPMG (EchoStar's auditor), to resign or else concede they are complicit in the apparent accounting and securities fraud occurring at the Company. Ms. Takacs just signed off on another round of entirely contradictory statements of financials, leaving it abundantly clear she is just going along with the program, and is an apparently active participant. KPMG also just signed off on EchoStar's financials, leaving no room for them to claim plausible deniability in the matters. Their audit client implicitly admitted over \$15 billion in reasonable losses at DISH (which were never disclosed in pre-acquisition financial statements) and failed to record nearly all of them, in stark violation of GAAP and federal securities laws.

In short, BHG would be utmost interested in speaking with the Senate Finance Committee, with EchoStar leadership present, their auditor (KPMG), along with the U.S. SEC. Whether at the same time or another time, we also believe the leadership of Mallinckrodt need to face the music with the Senate Finance Committee, in addition to Deloitte (their auditor, which despicably turned a blind eye to their repeated accounting fraud scheme) and the U.S. SEC. Apparently, EchoStar is unwilling to correct course voluntarily, and – as we said before – even if the Senate Finance Committee had privately pushed the U.S. SEC to act on Mallinckrodt, it did not happen (even after Mallinckrodt vindicated BHG's allegations of accounting and securities fraud in the bankruptcy court). Such a lack of regulatory follow-through (when cases are laid on a silver platter and vindicated nearly immediately thereafter) firmly sets the stage that, apparently, the accounting standards and securities laws of the United States do not need to be followed, and we are beyond troubled by that.

For the private and public letters related to our whistleblowing at EchoStar/DISH, they may be found at: <https://www.buxtonhelmsley.com/sats/>.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'AEP', with a stylized flourish extending from the end.

Alexander E. Parker
Senior Managing Director
The Buxton Helmsley Group, Inc.

³ *Hollywood Reporter* – “Dish Network’s Charlie Ergen Is the Most Hated Man in Hollywood”: <https://www.hollywoodreporter.com/business/business-news/dish-networks-charlie-ergen-is-432288/>

EchoStar Corporation, *et al.*

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Cc (by e-mail and post): U.S. Senate Committee on Finance – All Members
Hart Senate Office Building
Washington, D.C. 20510

c/o Mr. Dean Manson
Chief Legal Officer
EchoStar Corporation
100 Inverness Terrace East
Englewood, CO 80112
Attn: Board of Directors – All Members

Ms. Veronika Takacs
Vice President, Chief Accounting Officer, and Controller
EchoStar Corporation
100 Inverness Terrace East
Englewood, CO 80112
veronika.takacs@echostar.com

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
Attn: The Honorable Gary Gensler, Chairman
Ms. Hester M. Peirce, Commissioner
Mr. Mark T. Uyeda, Commissioner
Mr. Jaime Lizárraga, Commissioner
Ms. Caroline A. Crenshaw, Commissioner

ENF-CPU (U.S. Securities and Exchange Commission)
14420 Albemarle Point Place, Suite 102
Chantilly, VA 20151-1750
Attn: Office of the Whistleblower

Mr. Benjamin Reed
Counsel, Division of Enforcement and Investigations
Public Company Accounting Oversight Board (PCAOB)
1251 Avenue of the Americas
New York, N.Y. 10020

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