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Exhibit 2

October 23, 2002
EUD Case #WVTH000915



Jeff Stage
W4832 #34 Road
Carney, MI 49812

Re: Satellite Signal Theft

Dear Mr. Stage:

As you are aware, this Department represents DIRECTV, Inc. in the prosecution of civil cases relating to the illegal possession and/or use of devices designed to aid in the unauthorized reception of its satellite television programming. As you were previously informed, your purchase and use of satellite signal theft equipment violates federal and state laws. In the earlier letter, it was requested that you contact an Investigator regarding your purchase, possession, and use of this illegal equipment.

Regrettably, we have not heard from you. Consequently, DIRECTV will provide you a final opportunity to resolve this dispute prior to judicial action. If we do not hear from you within ten (10) days from the date of this letter, DIRECTV will seek outside counsel to file a lawsuit based on the draft complaint enclosed with this letter.

DIRECTV remains committed to resolving this matter outside of court and in an amicable manner. However, unless we hear from you within the next ten days, DIRECTV can only conclude that you do not wish to pursue such an alternative.

Sincerely,

DIRECTV, Inc.
End User Development Group
Office Hours: 8:00 a.m. to 6:00 p.m., Pacific Standard Time
310-964-5424

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DRAFT
UNITED STATES DISTRICT COURT
DIVISION

DIRECTV, Inc., a California corporation,
Plaintiff,
v.
STAGE, JEFF
Defendant.

No.

**DRAFT COMPLAINT FOR
COMPENSATORY, STATUTORY
AND OTHER DAMAGES, AND FOR
INJUNCTIVE RELIEF**

Plaintiff DIRECTV, Inc., through its attorneys, alleges as follows:

INTRODUCTION

1. Plaintiff DIRECTV is the nation's leading direct broadcast satellite system, delivering over 225 channels of television and other programming to more than 10 million homes and businesses in the United States. DIRECTV's television programming currently includes major cable networks, studio movies and special events programming, as well as a variety of sports and other special interests programming. DIRECTV, a California company, has invested more than \$1.25 billion to develop its direct broadcast satellite system.

2. DIRECTV encrypts – electronically scrambles – its satellite transmissions to provide security for and prevent unauthorized viewing of its satellite television programming. DIRECTV offers its television programming to residential and business customers on a subscription and pay-per-view basis only. Each customer is required to obtain a DIRECTV Access Card and other system hardware (including a small satellite dish) and create an account with DIRECTV. Upon activation of the Access Card by DIRECTV, the customer can receive and view in a decrypted format (*i.e.*, unscrambled) those channels to which the customer has subscribed or otherwise made arrangement to purchase from DIRECTV.

1 DIRECTV's trade secrets and proprietary information, and interfering with DIRECTV's
2 contractual and prospective business relations.

3 14. Defendant knew or should have known that receiving and/or assisting third
4 persons in receiving DIRECTV's satellite transmissions of television programming without
5 authorization by or payment to DIRECTV was and is illegal and prohibited. Such
6 violations have caused and will continue to cause DIRECTV irreparable harm, and
7 DIRECTV has no adequate remedy at law to redress any such continued violations. Unless
8 restrained by this Court, defendant will continue to violate 47 U.S.C. § 605(a).

9 **SECOND CLAIM**

10 **UNAUTHORIZED INTERCEPTION OF ELECTRONIC COMMUNICATIONS**
11 **IN VIOLATION OF 18 U.S.C. § 2511(1)(a)**

12 15. Plaintiff DIRECTV repeats and realleges the allegations in Paragraphs 1
13 through 14 as if set forth fully herein.

14 16. By using Pirate Access Devices to decrypt and view DIRECTV's satellite
15 transmissions of television programming, defendant intentionally intercepted, endeavored
16 to intercept, or procured other persons to intercept or endeavor to intercept, DIRECTV's
17 satellite transmission of television programming, in violation of 18 U.S.C. §2511(1)(a).

18 17. Defendant's violations have injured and will continue to injure DIRECTV
19 by depriving DIRECTV of subscription and pay-per-view revenues and other valuable
20 consideration, compromising DIRECTV's security and accounting systems, infringing
21 DIRECTV's trade secrets and proprietary information, and interfering with DIRECTV's
22 contractual and prospective business relations.

23 18. Defendant knew or should have known that such interception of
24 DIRECTV's satellite transmissions of television programming was and is illegal and
25 prohibited. Such violations have caused and will continue to cause DIRECTV irreparable
26 harm, and DIRECTV has no adequate remedy at law to redress any such continued

1 violations. Unless restrained by this Court, defendant will continue to violate 18 U.S.C. §
2 2511(1)(a).

3 **THIRD CLAIM**

4 **POSSESSION OF PIRATE ACCESS DEVICES**

5 **IN VIOLATION OF 18 U.S.C. 2512(1)(b)**

6 19. Plaintiff DIRECTV repeats and realleges the allegations in Paragraphs 1
7 through 18 as if set forth fully herein.

8 20. Defendant has used Pirate Access Devices to decrypt and view DIRECTV's
9 satellite transmissions of television programming, with intent to avoid payment of the
10 lawful charges therefore, by trick, artifice, deception, use of a device or decoder, and other
11 fraudulent means, without authority from DIRECTV, in violation of 18 U.S.C. § 2512(1)
12 (b).

13 21. Defendant has possessed Pirate Access Devices, with intent to avoid
14 payment to DIRECTV of the lawful charges for its programming, that are designed in
15 whole or in part to receive subscription television services offered for sale by DIRECTV,
16 without authority of DIRECTV, in violation of 18 U.S.C. § 2512(1)(b).

17 22. Defendant's violations have injured and will continue to injure DIRECTV
18 by depriving DIRECTV of subscription and pay-per-view revenues and other valuable
19 consideration, compromising DIRECTV's security and accounting systems, infringing
20 DIRECTV's trade secrets and proprietary information, and interfering with DIRECTV's
21 contractual and prospective business relations.

22 23. Defendant knew or should have known that possessing Pirate Access
23 Devices was and is illegal and prohibited. Such violations have caused and will continue to
24 cause DIRECTV irreparable harm, and DIRECTV has no adequate remedy at law to redress
25 any such continued violations. Unless restrained by this Court, defendant will continue to
26 violate 18 U.S.C. § 2512(1)(b).

1 **FOURTH CLAIM**

2 **CONVERSION**

3 24. Plaintiff DIRECTV repeats and realleges the allegations in Paragraphs 1
4 through 23 as if set forth fully herein.

5 25. By importing, possessing and using Pirate Access Devices, defendant has
6 unlawfully converted to their own use and benefit property belonging to DIRECTV.

7 26. Such conversion was done intentionally and wrongfully by defendant to
8 deprive DIRECTV of its proprietary interests and for defendant's direct benefit and
9 advantage.

10 27. As a direct and proximate result of defendant's unlawful acts, DIRECTV has
11 suffered and continues to suffer damages, including lost subscription and pay-per-view
12 revenues and other valuable consideration.

13 **PRAYER FOR RELIEF**

14 WHEREFORE, Plaintiff DIRECTV requests that this Court grant the following
15 relief:

16 (1) Find the defendant's conduct in importing, possessing and using Pirate
17 Access Devices violates 47 U.S.C. § 605(a) and (e)(4), 18 U.S.C. §§ 2511(1)(a) and
18 2512(1)(b), and California common law, and further find that defendant's violations were
19 willful, malicious or for a tortious or illegal purpose;

20 (2) In accordance with 47 U.S.C. § 605(e)(3)(B)(i), and 18 U.S.C. § 2520(b)(1),
21 enjoin and restrain defendants, and persons controlled directly and indirectly by defendants,
22 from importing, possessing, or using Pirate Access Devices, and further order defendants to
23 surrender all Pirate Access Devices;

24 (3) In the event of a default, an award of statutory damages of \$10,000 for each
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1 Pirate Access Device imported into the United States in violation of 47 U.S.C. § 605(e)(4),
2 and a further award of DIRECTV's reasonable attorneys' fees and costs in the amount of
3 \$_____;

4 (4) In the event of trial, an award of either (a) statutory damages in accordance
5 with 47 U.S.C. § 605(e)(3)(C)(i)(II), and 18 U.S.C. § 2520(c)(2), or (b) compensatory and
6 punitive damages in accordance with 605(e)(3)(C)(i)(I), 18 U.S.C. § 2520(c)(2), and
7 California common law; and DIRECTV's reasonable attorneys' fees and costs in
8 accordance with 47 U.S.C. § 605(e)(3)(B)(iii), and 18 U.S.C. § 2520(b)(3);

9 (5) For such additional relief as the Court deems just and equitable.

10 Dated: October 23, 2002.

11 Representing Legal Counsel

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13 By: _____
14 Attorney
(BA No. _____)
15 Attorneys for Plaintiff DIRECTV, Inc.
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