



**Part II** Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [SEE ATTACHED](#)

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18 Can any resulting loss be recognized? ▶ [SEE ATTACHED](#)

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [SEE ATTACHED](#)

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**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**DISH Network Corporation**  
**EIN: 88-0336997**  
**Date Of Action: November 22, 2019**  
**Attachment To Internal Revenue Service Form 8937**

The information herein is provided pursuant to Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”). The information herein does not constitute tax advice. Holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the receipt of Subscription Rights described below and their tax basis in the Subscription Rights and the securities with respect to which the Subscription Rights were distributed. Holders should also consult the discussion under “Material U.S. Federal Income Tax Considerations” in the prospectus supplement pursuant to which the Subscription Rights were issued.

**Line 10: CUSIP number**

<u>Security</u>	<u>CUSIP</u>
Class A Common Stock	25470M 109
Class B Common Stock	(No CUSIP)
3.375% Convertible Notes due 2026 (the “2026 Notes”)	25470M AB5
2.375% Convertible Notes due 2024 (the “2024 Notes”)	25470M AD1

**Line 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action**

On November 22, 2019 (the “Effective Date”), DISH Network Corporation (the “Company”) issued rights to purchase new Class A Common Stock of the Company (the “Subscription Rights”) to (a) its record holders of Class A Common Stock and Class B Common Stock (collectively, the “Common Stock”) and (b) its record holders of the 2024 Notes and 2026 Notes (collectively, the “Convertible Notes”). Each holder of Common Stock received one Subscription Right for every 18.475 shares of Common Stock held as of November 17, 2019 (the “Record Date”). Each holder of Convertible Notes received one Subscription Right for every 18.475 “Common Stock Equivalents” deemed held as of the Record Date. The Common Stock Equivalent for each Convertible Note was calculated by multiplying (x) the conversion rate (as defined in the applicable indenture relating to the Convertible Notes and set forth below) in effect as of the Record Date and (y) the principal amount (expressed in thousands) of Convertible Notes held on the Record Date.

- The conversion rate for the 3.375% Convertible Notes due 2026 (the “2026 Notes”) in effect on the Record Date was 15.3429 shares per each \$1,000 principal amount of such Notes.
- The conversion rate for the 2.375% Convertible Notes due 2024 (the “2024 Notes”) in effect on the Record Date was 12.1630 shares per each \$1,000 principal amount of such Notes.

The Subscription Rights were tradable beginning on the Effective Date. Each Subscription Right entitled a holder to purchase one share of Class A Common Stock at \$33.52 per share.

The Subscription Rights expired at 5:00 p.m., Eastern Time, on December 9, 2019.

**Line 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis**

Pursuant to Code Section 305, if on the Effective Date, the fair market value of the Subscription Rights was less than 15% of the aggregate fair market value of the Common Stock (including a portion thereof) with respect to which the Subscription Rights were issued, then none of a taxpayer’s basis in the Common Stock should be allocated to the Subscription Rights unless the taxpayer makes an affirmative election to allocate a portion of such basis to the Subscription Rights. If a taxpayer makes this election, its basis in the Common Stock would be allocated pro rata between the Subscription Rights and the corresponding Common Stock based on their relative fair market values on the Effective Date.

In this case, based on the closing prices of the Subscription Rights and the Common Stock on the Effective Date, we have determined that the value of each Subscription Right on the Effective Date was less than 15% of the aggregate value of the Common Stock (including a portion thereof) with respect to which the Subscription Right was distributed. Accordingly, absent an election by a taxpayer, the Subscription Rights should be allocated a zero basis for U.S. federal income tax purposes.

Holders of Common Stock should consult their tax advisors regarding the advisability of making such election.

We have also determined, based on the closing prices of the Subscription Rights on the Effective Date and the Convertible Notes on the day before the Effective Date, that the value of each Subscription Right that was received by a holder of a Convertible Note was less than 15% of the aggregate value of the Convertible Notes (including a portion thereof) with respect to which the Subscription Right was distributed.<sup>1</sup> It is unclear, however, whether the

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<sup>1</sup> The Convertible Notes did not trade on the Effective Date. Accordingly, we believe that the best estimate of the value of the Convertible Notes on the Effective Date is the trading

15% rule described above applies to Subscription Rights received in respect of Convertible Notes. Accordingly, it is unclear if a taxpayer is required to allocate a ratable portion of its basis in the Convertible Notes to the Subscription Rights based on their relative fair market values on the Effective Date.

Holders of Convertible Notes should consult their tax advisors regarding the determination of their basis in the Subscription Rights and Convertible Notes.

**Line 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates**

If a taxpayer elects (or, in the case of Subscription Rights received with respect to the Convertible Notes, is arguably required) to allocate a ratable portion of its basis in the Common Stock or Convertible Note (as the case may be) to the Subscription Rights, then we have determined that:

- Approximately 0.40% of the basis in the Class A Common Stock should be allocated to the Subscription Rights.
- Approximately 0.23% of the basis in the 2026 Notes should be allocated to the Subscription Rights.
- Approximately 0.19% of the basis in the 2024 Notes should be allocated to the Subscription Rights.

There is no trading market for the Class B Common Stock, and therefore the relative market values of the Subscription Rights and the Class B Common Stock cannot be determined with any certainty. If the Class B Common Stock has the same value as the Class A Common Stock, then a holder of Class B Common Stock that elects to allocate basis to its Subscription Rights will allocate such basis in the same manner as described above with respect to holders of Class A Common Stock.

The allocation above is based on the trading value of the Subscription Rights and the Class A Common Stock at closing as of the Effective Date, and the Convertible Notes at closing as of the date before the Effective Date, which we have determined was as follows:

- The Subscription Rights were trading at \$2.67 as of the close of the Effective Date.
- The Class A Common Stock were trading at \$36.30 as of the close of the Effective Date.
- The 2026 Notes were trading at 96.455% of par as of the close of the day before the Effective Date.<sup>2</sup>
- The 2024 Notes were trading at 91.375% of par as of the close of the day before the Effective Date.<sup>3</sup>

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value of the Convertible Notes as of the close of the date immediately prior to the Effective Date.

<sup>2</sup> As noted above, the 2026 Notes did not trade on the Effective Date.

<sup>3</sup> As noted above, the 2024 Notes did not trade on the Effective Date.

**Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based**

Code Sections 305(a) and 307(b).

Treasury Regulations Sections 1.307-1(a) and 1.307-2.

**Line 18: Can any resulting loss be recognized?**

A U.S. taxpayer will generally recognize a loss on the sale or other disposition of the Subscription Rights to the extent such taxpayer's tax basis exceeds the amount realized from the sale or other disposition.

If a taxpayer allows the Subscription Rights to expire, the taxpayer will not recognize any loss upon expiration of the Subscription Rights. In such case, any basis allocated to the Subscription Rights will be reallocated to the Class A Common Stock or Convertible Notes, as applicable.

**Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year**

The reportable tax year is the calendar year ending December 31, 2019.