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June 28, 2005

Judge Judith C. Chirlin
Superior Court of California
County of Los Angeles
Stanley Mosk Courthouse
111 North Hill Street
Los Angeles, California 90012

Re: DirecTV, Inc. v. Cable Connection, Inc., et al.
Case No. BS 095987 (Judge Chirlin)

Dear Judge Chirlin:

I write on behalf of respondents Cable Connection, Inc., TV Options, Inc., Swartzel Electric, and Orbital Satellite, Inc., to bring to the Court's attention the recent decision of the California Supreme Court, Discover Bank v. Superior Court, S113725 (Cal. June 27, 2005).

In Discover Bank, a credit cardholder sued Discover Bank alleging improper billing practices. Discover Bank moved to compel arbitration pursuant to an arbitration clause in the agreement governing plaintiff's credit card account. The arbitration clause contained a provision that expressly prohibited cardholders from participating in class action arbitrations. In the case at bar, the arbitration clause is silent as to whether claimants can proceed via class action arbitration.

Your Honor may recall that at the end of oral argument, I suggested that if the not-as-yet issued opinion in Discover Bank came down in favor of the cardholder, it would be anomalous for DirecTV to be able to avoid class action arbitration by failing to mention such a waiver in its arbitration agreement when parties, like Discover Bank, cannot do so expressly. Your Honor responded, quite fairly, by noting that the Court could not tailor its ruling on the present application to an opinion that the Supreme Court had not yet issued.

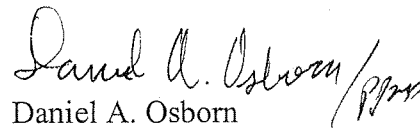
Two days ago, the Supreme Court ruled that class waivers (agreements to not participate in class actions) are unenforceable. This means then, that “class arbitration may be authorized, even when a contract of adhesion forbids it” Discover Bank at 29. If this is the case, then class arbitration must be permissible when a contract is silent on the issue. Indeed, as recognized by the Supreme Court, this has been the law in California for more than two decades. (“*Keating* judicially authorized classwide arbitration in a case in which the arbitration agreement at issue was silent on the matter” and “*Keating*’s endorsement of classwide arbitration has been echoed by subsequent Court of Appeal decisions.” (Citing *Sanders v. Kinko’s, Inc.*, 99 Cal.App.4th 1106 (2002).) Discover Bank at 9.)

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A copy of the Supreme Court's decision in Discover Bank has been enclosed for the Court's convenience.

Respectfully,


Daniel A. Osborn

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