

# **EXHIBIT E**

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January 2, 2007

**VIA FACSIMILE**

William J. O'Brien, Esq.  
Alschuler Grossman Stein & Kahan LLP  
1620 26th Street, 4th Floor, North Tower  
Santa Monica, CA 90404-4060

Re: *Netflix, Inc. v. Blockbuster, Inc., Case No. C-06-2361 WHA*

Dear Bill:

Happy New Year. I write to follow up on several outstanding discovery issues.

First, with respect to the discovery issues pending before Judge Spero, Netflix needs promptly to receive Blockbuster's proposed language. As you will recall, I provided proposed language to deal with the concerns that Blockbuster had expressed on our call of December 15, and for the past several weeks the ball has been in Blockbuster's court. I understand from your voicemail of a week ago that Blockbuster is still interested in attempting to reach a mutually acceptable compromise on the issue. However, given that the parties are to submit a joint letter to Judge Spero at the end of the week, Netflix does need to have Blockbuster's proposed language to consider promptly so as to preserve the possibility of resolving matters ourselves.

Second, Blockbuster agreed at our meet-and-confer of December 8 that it would provide the information required by paragraph 14 of Judge Alsup's supplemental CMC order. As of today, Netflix has yet to receive that required information. Please provide that information no later than the end of this week.

Third, Netflix continues to await Blockbuster's privilege log. Please furnish Netflix with Blockbuster's privilege log promptly.

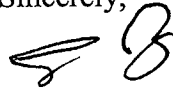
William J. O'Brien, Esq.

January 2, 2007

Page 2

Thank you for your attention to these matters, and please do not hesitate to contact me should you wish to discuss them further.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Paige". The signature is stylized with a large, looped initial "E" and a large, looped initial "P".

Eugene M. Paige