



NEWS BULLETIN

JM EAGLE™

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DELAWARE WITHDRAWAL SHOWS WEAKNESS OF LAWSUIT AGAINST JM EAGLE

THE STATE OF DELAWARE HAS FILED A NOTICE OF WITHDRAWAL OF INTERVENTION IN THE QUI TAM LAWSUIT TARGETING JM EAGLE. DELAWARE JOINS FOUR OTHER STATES, AS WELL AS THE U.S. GOVERNMENT, IN DECIDING TO BOW OUT OF THE CASE.

The state of Delaware has withdrawn from the qui tam lawsuit against JM Eagle, the world's largest manufacturer of plastic pipe. The state's decision was welcomed by the Los Angeles-based manufacturer as yet another step toward what it believes will be an ultimate dismissal of the faulty case against the company.

Phillips & Cohen, the contingency-fee law firm that brought the case against JM Eagle, has attempted to spin this good news for the company into something negative. However, the state's decision to withdraw speaks for itself.

"The idea that an intervening state withdrawing its intervention is a positive development for a relator is preposterous," said Bryan Daly of Sheppard Mullin Richter & Hampton, counsel to JM Eagle and a former federal prosecutor. "It is very rare for a state to go to the trouble of intervening and then withdraw that intervention. It is a clear sign that the state

no longer believes in the lawsuit and the comments it made in its withdrawal application were nothing other than an ill disguised attempt to minimize the damage this withdrawal has on relator's case."

Phillips & Cohen and Delaware's filing with the court assert that the state withdrew solely because of financial considerations. In fact, the state could have found legal counsel that would have pursued the case on its behalf for little or no cost. Instead, by withdrawing, the state reduced any potential financial recovery it would get if the case were to succeed - and gave up any common law claims it could have brought against JM Eagle - facts that say volumes about its faith in the lawsuit.

Delaware joins the states of California, Florida, Indiana and Massachusetts, as well as the U.S. government, in deciding not to intervene in the case.