



MINORITY GROUPS OBJECT TO RACIALLY CHARGED LANGUAGE IN LAWSUIT AGAINST JM EAGLE

DIVERSE COALITION OF CIVIL RIGHTS ORGANIZATIONS DEMANDS THAT PHILLIPS & COHEN WITHDRAW INFLAMMATORY LANGUAGE FROM COMPLAINT AGAINST LARGEST PIPE MAKER

Los Angeles — April 29, 2010 — Several major minority-rights organizations, including the Anti-Defamation League and Mexican American Legal Defense and Education Fund (MALDEF), have joined together to express outrage over the offensive and needless ethnic references contained in a baseless lawsuit filed by Phillips & Cohen against JM Eagle, the world's largest manufacturer of plastic pipe.

Led by the Asian Pacific American Legal Center (APALC), the coalition of community and legal organizations have cosigned a letter demanding that the racially insensitive language about the nationality of JM Eagle's employees and leaders be withdrawn from the complaint immediately.

"The Phillips & Cohen lawsuit is baseless in its facts about JM Eagle, but, worse, it is also rife with non-germane inferences about Asians," said Neal Gordon, vice president/marketing of JM Eagle. "Phillips & Cohen's lawsuit is not only a fabrication, but it also plays the race card in an insulting way. The language should be immediately removed."

JM Eagle categorically denies the lawsuit's accusations about the quality of JM Eagle pipe and will vigorously defend the company's long record of excellence. Phillips & Cohen, in its Second Amended Complaint against JM Eagle, "has injected an ugly racial undertone to the already scurrilous lawsuit that has rightly angered Asian Pacific American groups and other defenders of civil rights," Gordon said.

The coalition takes no position about the merits of the lawsuit's claims, but it objects to the complaint's insensitive language. The coalition, which numbers seven organizations, includes the Anti-Defamation League, the Advancement Project, the Mexican American Legal Defense and Education Fund and the National Association of Latino Elected and Appointed Officials. The full text of the letter as well as a complete list of supporting organizations can be found on APALC's website, www.apalc.org.

Below are examples cited in the APALC letter of racially insensitive language:

- The lawsuit claims that JM Eagle hired "Taiwanese nationals" with "significantly less experience and fewer credentials" than previous employees with no reference to their educational background or work experience. This implies that solely based on their nationality they are less qualified than previous employees.

- The lawsuit goes to great lengths to say that Formosa Plastics Corporation, U.S.A., “is largely controlled by the Wang family of Taiwan.” The ethnicity and nationality of the family that owns Formosa has nothing to do with the lawsuit.
- The lawsuit states that JM Eagle’s Director of Production is from Taiwan. The ethnicity and nationality of JM Eagle’s Director of Production is not relevant.
- The lawsuit includes the following line in the Second Amended Complaint: “Until approximately 2003, Formosa owned and operated a boarding house near its Livingston, New Jersey headquarters to accommodate the large number of Taiwanese employees... who could not otherwise afford to live in the greater New York Metropolitan area.” This information is incorrect, but, more important, immaterial to the suit. It is clearly meant to stir resentment against employees of Asian descent and is intended to incite the biases of those who hate the idea of “a large number of Taiwanese employees” moving into their neighborhoods.

According to the letter: “It appears that the plaintiff in the case and his attorneys believe they stand to gain by repeatedly interjecting Asian ethnicity and nationality to describe various entities and individuals, even though ethnicity and nationality have no relevance whatsoever.”

What’s more, JM Eagle vigorously denies the lawsuit’s allegations about the quality of its pipe. A few points:

- * There is clear evidence that John Hendrix, the fired ex-employee who brought the lawsuit, was also the architect of a kickback scheme to defraud JM Eagle. The company has a sworn affidavit confirming that he offered to inflate a claim in return for money sent directly to his home.
- * A key witness for the plaintiff in the lawsuit denies saying the company took measures that intentionally compromised the quality of its pipe -- an accusation that was falsely contained in the lawsuit. Brian Wang, a former long-time plant manager, said in a sworn declaration that he never acknowledged that he conspired to sacrifice quality by using cheaper ingredients, speeding up production or failing to replace parts on extruders. Wang worked for J-M Manufacturing — now JM Eagle — from 1984 to June 2006, including as a plant manager at three of the company’s 22 plants.
- * After an extensive investigation into the lawsuit’s allegations, the U.S. government declined to intervene in the lawsuit, which was filed by the fired JM Eagle employee. Federal statistics show that 94 percent of these kinds of lawsuits are dismissed when the U.S. government declines to intervene.
- * California, where the lawsuit was filed, and Florida have also declined to intervene. These decisions support the growing perception that the case against JM Eagle is completely unfounded.
- * Results of recent tests by the independent Jana Laboratories confirm the quality and reliability of JM Eagle PVC pressure pipe – both currently and during the period covered by the lawsuit. The lab conducted the tests on pipe from the same batch provided to the federal government for its own inquiry. The company’s pipe has been certified by the industry-standard certification bodies NSF International and UL to meet all long-term strength requirements. In addition, the number of claims against the company’s pipe over the last 10 years was miniscule – at a rate of less than one-tenth of one percent and most of those claims related to installation or other non-manufacturing errors.

- * JM Eagle has spent more than \$350 million in the last 15 years to deploy the most modern manufacturing practices and equipment available to ensure that its products set the standard for superior quality in the plastic-pipe industry. The company recently announced a capital-improvement project budgeted at \$20 million to further improve its manufacturing facilities this year alone.
- * JM Eagle recently announced an unprecedented 50-year warranty against manufacturing defects for its pipe products. This warranty—unmatched by any other pipe manufacturer—is a significant first step toward rebuilding the nation’s crumbling infrastructure and proof the company stands 100 percent behind its pipe.

For further details about the warranty and the qui tam case, please visit www.jmeagle.com/qualityassurance.

ABOUT JM EAGLE

WITH 23 MANUFACTURING PLANTS THROUGHOUT NORTH AMERICA, JM EAGLE MANUFACTURES THE WIDEST ARRAY OF HIGH-GRADE, HIGH-PERFORMANCE POLYVINYL CHLORIDE AND HIGH-DENSITY POLYETHYLENE PIPE ACROSS A VARIETY OF INDUSTRIES AND APPLICATIONS INCLUDING UTILITY, SOLVENT WELD, ELECTRICAL CONDUIT, NATURAL GAS, IRRIGATION AND WATER/SEWAGE. MORE INFORMATION CAN BE FOUND AT WWW.JMEAGLE.COM.

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April 15, 2010

To our friends and neighbors:

The Asian Pacific American Legal Center of Southern California ("APALC") is the nation's largest legal and civil rights organization serving the Asian and Pacific Islander (API) communities. Because we advocate against race-based discrimination, we are concerned that a number of racially insensitive statements have been made in a publicly filed legal document initiating a lawsuit against JM Eagle (hereinafter referred to as Second Amended Complaint or "SAC").^[1] APALC, along with the undersigned community leaders, denounce this use of race.

JM Eagle is the world's leading manufacturer of PVC and plastic pipes. According to the SAC, one of JM Eagle's former employees alleges that JM Eagle sold nonconforming plastic pipes to various governmental entities. We understand that JM Eagle vigorously denies such claims. APALC and the undersigned take no position with respect to the merits of the litigation.

Regretfully, however, it appears that the plaintiff in the case and his attorneys believe they stand to gain by repeatedly interjecting Asian ethnicity and nationality to describe various entities and individuals, even though ethnicity and nationality have no relevance whatsoever.

For example, the SAC alleges that JM Eagle hired "Taiwanese nationals" with "significantly less experience and fewer credentials" to replace the previous managers at certain JM Eagle plants. (SAC, ¶ 27-28). The ethnicity and nationality of the new managers have absolutely no relevance to the issue of experience or credentials. As if in implicit acknowledgement of this, no ethnicity or nationality identifiers are used to describe the former managers.

Similarly, the SAC alleges the allegation that Formosa Plastics Corporation, U.S.A. ("Formosa") – another defendant in the case – "is largely controlled by the Wang family of Taiwan." (SAC, ¶ 18). Again, the ethnicity and nationality of the family that owns Formosa Plastics Corporation, U.S.A., or where they happen to live or come from, has nothing to do with the merits of the complaint. As in the case above, the ethnicity and nationality of the owners of other companies mentioned in the SAC are never specified.

The SAC also states that JM Eagle's Director of Production is from Taiwan (SAC, ¶ 27), although in this case as well, the ethnicity and nationality of the Director of Production is simply irrelevant to the allegations in the complaint.

Perhaps most egregiously, the SAC includes the following line: "Until approximately 2003, Formosa Plastics Corporation, U.S.A. owned and operated a boarding house near its Livingston, New Jersey headquarters to accommodate the large number of Taiwanese employees . . . who could not otherwise afford to live in the greater New York Metropolitan area." (SAC, ¶ 28). This allegation is immaterial to the lawsuit, has no bearing whatsoever on the causes of action alleged, and seems designed only to stir anti-immigrant resentment towards a particular ethnic group.

We are greatly disappointed by these apparent attempts to use the ethnicity and nationality of JM Eagle's owners and employees as a weapon not only against JM Eagle, but against the greater Asian American community. The plaintiffs of this lawsuit are represented by the law firm, Phillips & Cohen LLP. Given the irrelevance of ethnicity and nationality to this case, we are concerned that such information has been included solely to stir racial intolerance and to play into the notion of the "otherness" of Asian Americans. We hope that you will join us in denouncing this completely inappropriate use of racial and ethnic innuendo in a federal lawsuit.

Very truly yours,

Stewart Kwoh
President & Executive Director
Asian Pacific American Legal Center

Supporting Community Leaders and Organizations:

John Chen
Chairman
Committee of 100

Craig Ishii
Regional Director, Pacific Southwest District
Japanese American Citizens League

Stewart Kwoh
President and Executive Director
Asian Pacific American Legal Center

Munson Kwok
Immediate Past National President
Chinese American Citizens Alliance

Don Nakanishi
Professor Emeritus and Former Director of UCLA Asian American Studies Center

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National Association of Latino Elected and Appointed Officials

[1] *U.S. ex rel. Hendrix v. J-M Manufacturing Company, Inc. d/b/a JM Eagle*, USDC C.D.Cal. Case No. ED CV06-0055-GW.