



# NAACP JOINS OTHER CIVIL RIGHTS GROUPS IN DENOUNCING RACIALLY CHARGED LANGUAGE IN JM EAGLE LAWSUIT

## CIVIL RIGHTS LEADER DENOUNCES INSULTING REFERENCES IN COMPLAINT AGAINST PIPE MAKER

**Los Angeles — June 24, 2010** — The National Association for the Advancement of Colored People (NAACP) has joined nine other prominent minority-rights organizations in speaking out against unnecessary and distasteful language in a lawsuit against JM Eagle, the world's largest manufacturer of plastic pipe.

The NAACP is the oldest, largest and best-known civil rights organization in the country. Its endorsement of a letter of protest written initially by the Asian Pacific American Legal Center of Southern California (APALC) gives extra heft to the charge of racial insensitivity in the so-called “whistleblower” lawsuit.

Several key minority-rights organizations, including the Anti-Defamation League and Mexican American Legal Defense and Education Fund, joined APALC together in April to express outrage over the offensive and needless ethnic references contained in a baseless lawsuit filed by the plaintiff's contingency-fee law firm, Phillips & Cohen, against JM Eagle.

In its own letter, dated June 8, the NAACP endorsed the groups' view by denouncing what it called “the racially insensitive statements and ethnic innuendo by the law firm Phillips & Cohen, LLP, in the lawsuit against JM Eagle.”

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,” said Neal Gordon, vice president of marketing for JM Eagle.

The original list of opposing organizations and full text of the letter can be found on APALC's website, [www.apalc.org](http://www.apalc.org). The NAACP letter to JM Eagle can be found at:

[http://www.jmeagle.com/pdfs/NAACP\\_Support\\_Letter.PDF](http://www.jmeagle.com/pdfs/NAACP_Support_Letter.PDF)

A few points in addition:

\* 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.

- \* In a serious blow to the central claim in the lawsuit, one of the plaintiff's key witnesses denied in a sworn statement ever saying that JM Eagle intentionally compromised the quality of its pipe. After reading quotes from the Second Amended Complaint that were falsely attributed to him by Phillips & Cohen, Brian Wang, a long time plant manager, gave a sworn affidavit claiming the falsity of the quotes. Wang denied under oath that JM ever sacrificed pipe quality by using cheaper ingredients, speeding up production or failing to replace parts on extruders. Wang, who is the most senior JM Eagle employee listed in the lawsuit's Second Amended Complaint, 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.
- \* 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.
- \* In addition to its own rigorous in-house testing, JM Eagle is subjected to more than 400 unannounced audits and inspections each year across its 22 plants, conducted by reputable, independent agencies including Underwriters Laboratories, NSF, Factory Mutual (FM), International Association of Plumbing and Mechanical Officials (IAPMO), Canadian Standards Association (CSA) and International Organization for Standardization (ISO).
- \* 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.
- \* Vendors providing various raw materials and equipment have issued letters verifying the quality of the products used by JM Eagle in the manufacturing of its plastic pipes. All plastic pipe manufacturers use the same raw materials to make their products. This is in direct opposition to claims made in the lawsuit, which alleges that inferior supplies were used in order to trim costs.
- \* 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 to be sent directly to his home. Also, after Hendrix was fired, he was caught impersonating a JM Eagle employee in an unauthorized attempt to acquire JM Eagle proprietary test results from a certified lab, offering to pay with his personal credit card.

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## **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, potable water and sewage.*