

I, William Sheldon, declare as follows:

1. I am the President of Sheldon Site Utilities. I have personal knowledge of the facts set forth herein and, if called upon, could and would testify competently thereto.
2. In 2005, in connection with the Presidio View Apartment project in San Diego, Sheldon Site Utilities purchased from Ferguson Waterworks pvc pipe manufactured by JM Manufacturing. After installing a substantial amount of pipe, during the testing process, I identified leaks in some of the pipe.
3. The costs associated with repairing the leaks totaled approximately \$30,000. I made a claim to JM Manufacturing for this amount. In May 2005, John Hendrix, from the JM Manufacturing Product Assurance department, wrote me a letter denying that JM had any liability for the damages.
4. After this point, I continued to pursue the claim with Ferguson Waterworks. In October 2005, I received a telephone call from Mr. Hendrix. Mr. Hendrix told me that he could help me obtain a recovery on my claim if I inflated my claim from approximately \$30,000 to between \$95,000 and \$103,000. He told me if I did this, he would be able to get me a settlement amount of \$75,000 to \$76,000 within two weeks. When I asked him if there was a catch, Mr. Hendrix said that there was not, but further responded with words to the effect that "the only way I can stick it to JM is to help out guys like you." I told Mr. Hendrix I would get back to him.
5. During a later call with Mr. Hendrix to confirm my understanding of what he was offering, I again asked Mr. Hendrix why he was doing this. Mr. Hendrix responded with

words to the effect that “after getting your money and cashing the check, I will send you my address so you can compensate me for my efforts on your behalf.”

6. During a subsequent call, I told Mr. Hendrix that I was not going falsify my claim or pay him a kickback and that I just wanted to get my \$30,000 back.

I declare under penalty of perjury under the laws of the California that the foregoing is true and correct. Executed this 15th day of February, 2010 at Poway, California.



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William Sheldon