

Hendricks & Lewis Client JACO Prevails In Lawsuit Before the Trial Court and on Appeal

SAN FRANCISCO - January 8, 2009 -- JACO Environmental, Inc. of Everett, Washington (“JACO”) has prevailed in a lawsuit brought by a competitor, Appliance Recycling Centers of America/California (“ARCA”). The Complaint, filed in the U.S. District Court in Santa Ana, California in November of 2004, alleged that JACO unlawfully patented and unlawfully claimed development of JACO’s refrigerator and freezer recycling process, and that ARCA had been competitively harmed by JACO’s statements and patent.

JACO, represented by Hendricks & Lewis, PLLC, of Seattle, Washington, and Ropers Majeski Kohn & Bentley of Los Angeles, California, vigorously contested ARCA’s allegations and, on January 7, 2009, The Honorable Chief Judge Alicemarie H. Stotler issued an order of summary judgment and a judgment of dismissal that provided in part: “It is Ordered and Adjudged: that plaintiffs (ARCA) shall take nothing from defendants (JACO), that judgment for defendants is granted and that defendants (JACO) shall recover their costs of suit.”

“We are very pleased with the Court’s decision and happy to put this behind us,” said JACO President Terry Jacobsen. “We will now be able to focus more fully on managing our expanding business and making major contributions to the reduction of greenhouse gases.”

Recycling household appliances, including refrigerators and freezers, is a major part of JACO’s business. Working in partnership with major utility companies, JACO collects used freezers and refrigerators from consumers’ residences; separates and recycles the metal, glass and plastic parts in the appliances; and removes and disposes of PCBs and other hazardous chemicals in a safe and environmentally-responsible manner, all of which is coupled with a commercially-successful process for high-temperature incineration of polyurethane foam insulation contaminated with ozone-depleting chlorofluorocarbons (CFC-11).

JACO’s refrigerator recycling process recycles 95 percent of each refrigerator or freezer. Since 2001, JACO has recycled more than 500,000 units, preventing approximately 1.5 million tons of carbon dioxide and carbon dioxide equivalent from entering the atmosphere.

Older refrigerators and freezers pose a significant environmental threat on several levels. Kept running, these units require three to four times as much power as newer, more energy-efficient models. And if people get rid of old fridges improperly, these kitchen friends can become environmental enemies.

During the metal shredding process, foam insulation inside refrigerator shells and refrigerants in the cooling system can release ozone-depleting/global warming chemicals into the atmosphere. These substances accelerate climate change if improperly handled at the end of their useful life. “Out of the many ways

people can help protect the environment, recycling refrigerators ranks near the top in terms of individual potential to make a lasting, positive difference. It works for the planet, it works for a person's wallet and it works for conserving our precious resources," said Michael Dunham, director of energy and environmental programs for JACO.

SAN FRANCISCO, May 12, 2010 - The U.S. Ninth Circuit Court of Appeals has again sided with JACO Environmental by rejecting an appeal of a summary judgment granted against Appliance Recycling Centers of America, Inc. ("ARCA") by a federal court in California in a long-running lawsuit filed by ARCA in November 2004.

In the lawsuit, ARCA unsuccessfully claimed that JACO made false and misleading statements about JACO's refrigerator and freezer recycling services—specifically its system for safely handling contaminated polyurethane foam from those units—to the California Public Utilities Commission and utilities in several states. But the Ninth Circuit rejected ARCA's claims, upholding the lower court's decision to dismiss those claims on summary judgment and concluding that none of the statements challenged by ARCA satisfied the necessary elements of a false-advertising claim.

After reviewing the Ninth Circuit opinion, JACO President Terry Jacobsen expressed great satisfaction that the matter was again resolved against ARCA and in favor of JACO, which has consistently expected and achieved success in this litigation. "I am delighted that this distraction is behind us," he said, "so that we can concentrate fully on cost-effective and environmentally-responsible appliance recycling, in which JACO is a recognized leader."

JACO has more than 150 utility contracts in 26 states and the company operates 21 facilities throughout the United States. JACO was twice awarded the *Stratospheric Ozone Protection Award* from the U.S. Environmental Protection Agency in 2004 and a *Best of the Best Award* in 2007 by the EPA on the 20th anniversary of the Montreal Protocol. For more information, please contact O. Yale Lewis, Jr. of Hendricks & Lewis PLLC in Seattle, Washington at (206) 624-1933 or at oyl@hllaw.com.