

**FOR IMMEDIATE RELEASE**

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## **WLF FILES COMPLAINT WITH SEC TO INVESTIGATE TRIAL ATTORNEY'S TACTICS TO DEPRESS VALUE OF BAYER STOCK TO FORCE SETTLEMENT OF LAWSUIT**

The Washington Legal Foundation (WLF) filed a complaint with the Securities and Exchange Commission (SEC) requesting that it conduct a full and thorough investigation of the facts and circumstances regarding the lawfulness of certain communications by plaintiff's attorneys designed to depress the stock price of Bayer AG, a German company that is traded on the New York Stock Exchange, in order to pressure the company to settle the product liability lawsuits against Bayer over its cholesterol drug Baycol.

Information regarding this matter was described in a *Wall Street Journal* article by Monica Langley, *Bayer, Pressed to Settle a Flood of Suits Over Drug, Fights Back* (May 3, 2004) at A1, which was attached to WLF's complaint. During the course of the first of 12,000 product liability lawsuits against Bayer over Baycol, *Haltom v. Bayer Corp.*, No. 02-60165-2 (Corpus Christi, Tex.), noted plaintiff's attorney Mikal Watts was quoted as boasting that, in order to pressure Bayer to settle his questionable lawsuit seeking \$550 million, he was disseminating negative information about Bayer to the media to engender damaging stories, which in turn would drive down the price of Bayer stock. According the *Journal* article, Mr. Watts admitted, "I was feeding a lot of [negative] information to European and U.S. papers . . . . It was part of my strategy to affect the stock price, which I was very successful at."

Although the price of Bayer stock dropped significantly during the litigation, and thus harmed many stockholders, Bayer did not settle the *Haltom* case. Bayer eventually prevailed at trial, despite inflammatory trial tactics used by Mr. Watts, including his client's use of a wheelchair in the courtroom. Questioned by Bayer's counsel, the client's wife admitted that outside the courtroom, her husband did not use a wheelchair.

WLF requested that the SEC determine whether any federal civil or criminal securities laws or regulations may have been violated by the tactics described in the *Wall Street Journal* article, and if so, to take enforcement action against those responsible to the fullest extent of the law. As part of WLF's INVESTOR PROTECTION PROGRAM, WLF has filed several other complaints with the SEC requesting investigation of questionable tactics employed by class action lawyers and short sellers of the stock of the targeted company.

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