

March 31, 2007

Dear Gulf War Veteran Clients:

As discussed in the previous status report letters, the huge problem in pursuing the companies that supplied Saddam with the means to produce his chemical weapons is that once we obtained the proof of who was involved, almost all of them are outside the United States and we cannot get personal jurisdiction over them in our courts here in the U.S. As itemized in the previous letters, we now know which companies were involved, and we know what it is that they did because we have the Iraqi records that were given to the U.N. inspectors about this. We sued the foreign companies that were significantly involved that have subsidiaries in the U.S. The courts have, unfortunately, held that having a subsidiary in the U.S. is not enough to obtain personal jurisdiction in our courts over the foreign parent company. The parent companies that we sued, that supplied Saddam, do not have branch offices or factories in the U.S. We thus cannot bring them to trial in our country, and we have found no European, Singaporean or Egyptian law firm (where the companies are located) that has been willing to take these cases on a contingent fee basis. From both the Texas and New York lawsuits, we are thus left with established personal jurisdiction over two groups of defendants, Alcolac and its related companies, and Kellogg (not the company that makes breakfast cereals), and its related companies. The first test case against these two groups of companies will hopefully be heard before the end of this year, though we do not have a firm trial date yet. The tentative trial date for next month is obsolete.

Alcolac supplied mustard gas precursor to Saddam, and appears in the Iraqi records to the U.N. The middle man in the transaction, a Dutchman, Frans van Anraat, was sentenced to 15 years in prison by the Dutch authorities, the December before last. The Dutch authorities relied, in part, on information that we provided to them from your lawsuit about Alcolac and Mr. Anraat.

Kellogg built an ammonia factory at Baiji, Iraq, but it is not mentioned in the Iraqi records to the U.N. about the chemical warfare program. There are a number of documents that I was able to find over the course of two weeks in the basement of the Kellogg facility in London, where the records were kept relating to this facility in Iraq, which merit their involvement in the case however. These records show that this ammonia factory was substantially built underground, camouflage painted, made bomb-resistant, surrounded by tight security, and getting the personal attention of Saddam Hussein. Ammonia, when mixed with bleach, makes a chemical that can be used in the manufacture of nerve gas and mustard gas. Baiji is not far from al-Muthanna, which was the largest and primary chemical warfare production site in Iraq.

An unexpected problem has unfortunately arisen in the case recently, however, that you need to know about and that the Court and defendants now know about. There is an Iraqi chemical scientist, who was a leader of the Iraqi chemical warfare research and production program, Dr. Al-Saeed, who has agreed to testify in your case. He has a Ph.D from the U.K., and is fluent in English. He was the head of the chemical warfare research program at al-Muthanna, and he was the point of contact between the Iraqis and the U.N. weapons inspectors. He could testify and clarify the facts concerning the defendants. We hired a leading immigration law firm to obtain the visa for Dr. Al-Saeed to come to the U.S. to testify as an expert witness in your case. The immigration firm was getting close to finishing getting the visa, when they got word from Dr. Al-Saeed's family that he had left to go to work for his (non-military) Ministry of Science job with the current Iraqi government and he disappeared. He never made it to his job. His family searched the morgues and hospitals and could not find him. Recently, his family has informed us that they now understand that he is not dead, but has been kidnapped by a political group in Iraq. We have also notified our government about this. We will inform you if Dr. Al-Saeed is freed and is able to come testify in the case.

I will post another update as any significant developments occur that can be made public.

Thank you again for your service to our country overseas.

Very truly yours,

PITTS & ASSOCIATES &
MALONEY, MARTIN & MITCHELL, L.L.P.

Gary B. Pitts