BASF Responds to Misleading Charges in Lawsuit

FLORHAM PARK, N.J., July 1 /PRNewswire/ — In legal papers filed yesterday, BASF asked a federal court to strike from the record misleading charges and false innuendo that PEMEX included in a lawsuit it filed earlier this month. BASF also asked the court to disqualify PEMEX's lawyers and remove them from the case.

"BASF is proud of its ethical business practices and commitment to being a responsible corporate citizen in all that it does," said David Stryker, Senior Vice President and General Counsel of BASF Corporation. "BASF will defend this case vigorously and expects PEMEX's misleading allegations to be dismissed in their entirety. We also hope that Jones Day will recognize its professional obligations to us and voluntarily withdraw from the matter."

Background

PEMEX's racketeering lawsuit filed earlier this month charges that BASF purchased natural gas condensate PEMEX claims was stolen from it in Mexico by organized criminals. Specifically, the suit alleges that BASF "directly assisted and encouraged ... theft and violence" and then implies that BASF bought condensate knowing that it was stolen and conspired with the criminals.

In its response papers, BASF asked the court to strike PEMEX's misleading statements and innuendo from the record. As BASF points out, the precise terms of the complaint never assert that BASF actually participated in the theft of PEMEX's condensate. And PEMEX's own lawyers admitted that they "don't have any indication BASF bought with knowledge" stolen condensate. Legal rules prohibit the use of court filings to tarnish another company's reputation by implying facts that are false.

BASF also asked the court to disqualify from the case the law firm that is representing PEMEX. The same firm, Jones Day, has been representing a BASF entity in a lawsuit pending in another federal court in Texas for the past several months.

Ethical rules prohibit law firms from suing a company that the firm is already representing unless the company provides its fully informed consent. Jones Day did not inform BASF it was representing PEMEX or that PEMEX was preparing to file the case.

BASF Corporation, headquartered in Florham Park, New Jersey, is the North American affiliate of BASF SE, Ludwigshafen, Germany. BASF has approximately 16,000 employees in North America, and had sales of $13 billion in 2009. For more information about BASF's North American operations, please visit www.basf.us [1].

SOURCE: BASF Corp.

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