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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

ELLISA PANCOE, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

v.

JBI, INC., f/k/a 310 HOLDINGS, INC.,
JOHN BORDYNUIK, and RONALD
BALDWIN, JR.,

Defendants.

Case No. 3:11-CV-00545-RCJ-WGC

**AMENDED CLASS ACTION
COMPLAINT FOR VIOLATIONS OF
THE FEDERAL SECURITIES LAWS**

JURY TRIAL DEMANDED

Lead Plaintiff Howard L. Howell and Plaintiff Ellisa Pancoe (collectively, “Plaintiffs”), by and through their attorneys, allege the following upon information and belief, except as to those allegations concerning Plaintiffs, which are alleged upon personal knowledge. Plaintiffs’ information and belief is based upon, among other things, their counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by JBI, INC., formerly 310 HOLDINGS, INC. (“JBI” or “310 Holdings” or the “Company”),¹ with the United States Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by JBI; and (c) review of other publicly available information concerning JBI.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of purchasers of JBI’s securities between August 28, 2009 and January 4, 2012, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. In 2005, Defendant John Bordynuik (“Bordynuik”) started a data recovery and restoration company in Canada called “John Bordynuik, Inc.,” after purportedly developing software that would enable him to recover archived institutional data stored on old magnetic media. Eventually, and through a series of transactions, “John Bordynuik, Inc.” would become JBI. At all times during the existence of John Bordynuik, Inc. and its successor entities, Defendant Bordynuik headed the company’s business operations, including third party transactions. During its first years of business, the company had several large institutional clients that had large volumes of archived data no longer accessible due to the aged mediums on which the

¹ On October 5, 2009, the Board of Directors of 310 Holdings filed a Certificate of Amendment to the Articles of Incorporation with the Nevada Secretary of State changing the Company’s name to “JBI, Inc.”

data was stored. In the process of compiling a massive archive of recovered scientific and research data from these institutions, Defendant Bordynuik claimed to have found a catalyst that could be utilized to break down unwashed mixed plastics into liquid hydrocarbons (*i.e.*, oil). Defendant Bordynuik continued his data recovery business and began research and development of technology to develop a commercial processor capable of converting waste plastic into oil with the use of the catalyst.

3. On or about April 24, 2009, Defendant Bordynuik acquired a majority interest in and became the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) of an existing reporting shell company (310 Holdings), a development stage company incorporated in Nevada on April 20, 2006. On July 15, 2009 in a purportedly arms length transaction, 310 Holdings purchased the assets of John Bordynuik, Inc., and 310 Holdings later changed its name to “JBI, Inc.” The Company’s assets in 2009 consisted mainly of the hardware associated with the data recovery business. In multiple public filings dating back to at least late 2009, however, the Company claimed to have developed a commercial process capable of converting plastic waste into oil, known as “Plastic2Oil.”

4. On August 24, 2009, the Company purchased 100% of the issued and outstanding shares of JavaCo, Inc. (“JavaCo”) from Domark International, Inc. (“Domark”), in exchange for \$150,000 in cash and 2,500,000 shares of common stock. On the same date, the Company issued 1,000,000 shares of JBI common stock to Domark in exchange for media credits that were valued at \$9,997,134.

5. On September 30, 2009, the Company purchased 100% of the membership interests of Pak-It, LLC (“Pak-It”) in exchange for \$1,200,000 in cash and 625,000 shares of JBI common stock and the assumption of \$2,665,000 in short and long term debts.

6. On May 21, 2010, the Company disclosed that Defendant Bordynuik had concluded that the Company's previously issued audited financial statements for the year ended December 31, 2009, and the interim financial statements for the period ended September 30, 2009, should no longer be relied upon due to the accounting treatment and related disclosures of two acquisitions that were completed during 2009, and the valuation of media credits acquired by the Company during 2009 through the issuance of common stock.

7. On this news, shares of JBI declined \$0.65 per share, more than 21%, to close on May 21, 2010, at \$2.40 per share, on heavy volume, and further declined an additional \$0.80 per share, more than 33%, to close on May 24, 2010, at \$1.60 per share, on heavy volume. Over the course of these two days of trading, shares of JBI declined a total of \$1.45 per share, or 47.54%.

8. On July 20, 2011, JBI disclosed that on July 14, 2011, the staff of the SEC's Division of Enforcement issued a "Wells Notice" to the Company indicating that the staff intended to recommend that the SEC file a civil lawsuit alleging that the Company violated certain provisions of the federal securities laws. The Company indicated that it believed that the proposed lawsuit was related to the Company's subsequently restated financial statements for the third quarter of 2009 and for the year ended December 31, 2009. Moreover, the Company indicated its belief that the staff of the SEC may also recommend naming one or more current and former officers of the Company as defendants in the proposed lawsuit.

9. On this news, shares of JBI declined \$0.62 per share, nearly 24%, to close on July 21, 2011, at \$2.00 per share, on unusually heavy volume.

10. On January 4, 2012, the SEC filed a complaint against Defendants JBI, Bordynuik, and Ronald Baldwin, Jr. ("Baldwin"), the Company's former CFO. The SEC alleges that Defendants engaged in a scheme to commit securities and accounting fraud by misrepresenting the

Company's financial statements for two reporting periods in 2009. Specifically, the SEC alleges that Defendants misrepresented and overstated the actual value of JBI's media credits by almost 1,000%, and that Defendants used the overvalued financial statements in two private capital raising efforts (Private Investment in Public Equity or "PIPES") that raised more than \$8.4 million from unwitting investors. Additionally, the SEC alleges that Defendants knew that the valuation of the media credits was improper because JBI did not employ an in-house accountant to assist with accounting and financial reporting, and instead hired and relied upon an outside accounting consultant who was not a certified public accountant, did not have a formal degree in accounting, and had only six credit hours at a community college in two introductory accounting courses. According to the SEC, moreover, Bordynuik instructed the consultant to "please get the pro formas as juicy as you can so I can acquire a chemical company for less."

11. On this news, shares of JBI declined \$1.49 per share, or 63.40%, to close on January 4, 2012, at \$0.86 per share, on unusually heavy volume.

12. The SEC also alleges that prior to JBI's filing of its Form 10-Q for the period ended September 30, 2009, Bordynuik traveled from Canada to Florida to consult with the consultant in person about, among other things, the valuation of the media credits, and what needed to be done in preparation for the quarterly filing. During the same trip, Bordynuik was also scheduled to meet with an audit firm, Gately & Associates ("Gately"), who served as JBI's independent auditors. According to the SEC, leading up to and during this trip, Bordynuik became aware of a severe drinking problem by the auditor (a principal of the firm) assigned to JBI at Gately ("the auditor") that incapacitated him for days and/or weeks at a time. One of those who told Bordynuik about the auditor's drinking problem was the consultant, who did so in an effort to encourage Bordynuik to hire a different auditor. Despite knowing of the auditor's drinking

problem and, at times, having difficulty making contact with him, JBI and Bordynuik continued to utilize Gately (and the assigned auditor) as its independent auditor for the September 30, 2009 10-Q filing and through the March 31, 2010 filing of the Form 10-K for the year ended 2009.

13. The SEC further alleges that the consultant expressed concerns to Bordynuik about what was the appropriate value to record the media credits on JBI's balance sheet. The consultant told Bordynuik that she thought Generally Accepted Accounting Principles ("GAAP") required that the media credits be recorded at their cost to JBI of \$1 million, not at their face value of \$9.997 million. During the same period, and also before the filing of the third quarter 10-Q, another consultant affiliated with JBI raised questions about JBI's pro formas containing the \$9.997 million value of the media credits. The business consultant – who was a CPA and a former staff auditor at Deloitte & Touche – was the Assistant Secretary for JBI and a business consultant working on Plastic2Oil initiatives. According to the SEC, the business consultant expressed concerns to Bordynuik that the media credits should be booked at cost prior to the third quarter Form 10-Q filing. The business consultant had specific discussions with Bordynuik about his concerns with JBI booking the media credits at a nearly \$10 million value and told Bordynuik that the \$10 million valuation was odd and inconsistent with his experience as an auditor because he believed that such an asset should be booked at the lesser of cost or market value. The business consultant further explained his concern regarding the \$10 million valuation of the media credits on JBI's balance sheet by pointing out that the company one day prior to the transaction had no assets, yet on the very next day, appeared to have assets of nearly \$10 million. According to the SEC, Bordynuik responded to the business consultant's concerns by stating that the media credits were "audit proof" and he continued to use the consultant for accounting services – including the preparation of pro formas and financial statements – and kept the auditor at Gately as the

Company's independent auditor.

14. Additionally, by mid-September 2009, and prior to the filing of the third quarter Form 10-Q, the SEC alleges that additional information came to Bordynuik that raised questions about the valuation, and even the validity at all, of the media credits. Specifically, Bordynuik learned that misleading statements had been made by Domark's CEO to induce JBI's acquisition of Javaco, including whether Javaco even maintained operations in Mexico as previously claimed. In addition, Bordynuik learned that the CEO of NewsUSA, the parent company of Media4Equity (the original source of the media credits in a purported arms length transaction with Domark), was previously on the Board of Directors of Domark. According to the SEC, on September 21, 2009, the consultant informed Bordynuik of the suspect relationship via Skype message, "BTW, I just discovered that the CEO of NewsUSA is a prior director of Domark." Bordynuik responded, also via Skype, "I saw that. Yuck." Despite this knowledge, however, Bordynuik directed that the media credits on JBI's financial statements contained in its Form 10-Q, filed on November 16, 2009, for the quarter ended September 30, 2009, be listed at the purported face value of \$9.997 million.

15. Additionally, according to the SEC's complaint, shortly after the filing of the Company's Form 10-Q for the third quarter of 2009 on November 16, 2009, additional issues arose regarding JBI's auditor at Gately. Specifically, on November 28, 2009, the auditor was arrested for violation of probation, felony driving while under the influence, and possession of marijuana. The consultant informed Bordynuik of the auditor's incarceration but Bordynuik insisted on continuing to use Gately for JBI's 10-K audit for the fiscal year ending December 31, 2009. Indeed, Bordynuik even agreed to assist the incarcerated auditor by paying for his criminal representation, an alcohol treatment program and offering him a job as an internal auditor for JBI's

operations in Canada. According to the SEC, during a telephone call to the auditor in jail, Bordynuik offered him legal and financial assistance while he was still retained as the principal of JBI's supposedly independent audit firm, Gately. Despite these issues, between the period in which JBI's 10-Q for the third quarter of 2009 was filed and the 10-K for the year end was filed on March 31, 2010, Bordynuik and JBI persisted in using Gately as its independent audit firm. In fact, no one associated with JBI was able to contact the auditor for the Gately firm for a significant period of time beginning in February 2010 until the 10-K filing on March 31, 2010, nor did Bordynuik consult with the auditor from Gately or with his colleague about the media credit valuation in advance of the two reporting periods in question or before the filing of the 10-K. Nonetheless, a colleague of the Gately auditor ultimately cut and pasted the electronic signature of Gately on an audit opinion letter attached to JBI's Form 10-K filing representing that an independent audit had been conducted when one had not. Bordynuik, as CEO, then approved and certified JBI's financial statements contained in its year end Form 10-K filed on March 31, 2010 that included the erroneous and inflated value of the media credits. Bordynuik also falsely asserted, in management representation letters to its outside auditors, that JBI's financial statements were prepared in conformity with GAAP.

16. Additionally, according to the SEC complaint, almost immediately following the filing of JBI's Form 10-K on March 31, 2010, Baldwin, Bordynuik, the business consultant, outside counsel, and newly hired accounting and audit firms consulted about perceived problems associated with the 10-K filing. Baldwin himself acknowledged that by at least this time he became aware that GAAP required the media credits to be booked at cost, rather than the valuation used, and approved by him, for the Form 10-K filing. Despite this understanding, Baldwin made a presentation at JBI's Annual General Meeting attended by JBI shareholders that misrepresented

JBI's financial position and failed to inform shareholders that the media credits were erroneously booked and would have to be written down significantly and potentially in their entirety. In making these misrepresentations, Baldwin failed to inform shareholders that he then believed the media credits to be, at a minimum, overvalued by nearly \$9 million, and at worst, completely worthless and needing to be written off entirely. Bordyniuk was present at JBI's Annual General Meeting and was aware, both before and after, of the representations Baldwin made about the value of the media credits.

17. Thus, throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (1) that the media credits acquired by the Company in connection with the acquisition of JavaCo were substantially overvalued; (2) that the Company was improperly accounting for acquisitions; (3) that, as such, the Company's financial results were not prepared in accordance with GAAP; (4) that the Company lacked adequate internal and financial controls; and (5) that, as a result of the above, the Company's financial statements were materially false and misleading at all relevant times.

18. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiffs and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

19. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

20. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).

21. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section 27 of the Exchange Act (15 U.S.C. §78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the preparation and dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. Additionally, JBI is a Nevada corporation.

22. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

23. Lead Plaintiff Howard L. Howell purchased JBI common stock during the Class Period and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein. Lead Plaintiff Howard L. Howell incorporates by reference herein the certification filed with the Court in connection with his motion to be appointed lead plaintiff that reflects his purchases of JBI common stock during the Class Period.

24. Plaintiff Ellisa Pancoe purchased JBI common stock during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein. Plaintiff Ellisa Pancoe incorporates by reference herein the certification that accompanied the previous complaint that reflects her purchases of JBI common stock during the Class Period.

25. Defendant JBI is a Nevada corporation with its principal executive offices located at 1783 Allanport Road, Thorold, Ontario, L0S 1K0.

26. Defendant Bordynuik was, at all relevant times, CEO, President, and a director of JBI. Additionally, at times relevant hereto, Defendant Bordynuik served as the Company's CFO.

27. Defendant Baldwin was, at all relevant times, CFO of JBI from on or around January 1, 2010, until his resignation from the Company on or around April 6, 2011. Baldwin has been a licensed certified public accountant in Florida since 1996 and an attorney and member of the Florida Bar since 2001. Baldwin's law license, however, has been suspended since October 31, 2009.

28. Defendants Bordynuik and Baldwin are collectively referred to hereinafter as the "Individual Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority – and exercised such power and authority – to control the day-to-day operations of the Company and the contents of JBI's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. Each defendant was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each "group-published" information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

**Materially False and Misleading
Statements Issued During the Class Period**

29. The Class Period begins on August 28, 2009. On this day, JBI (then known as 310 Holdings) issued a press release entitled, “310 Holdings, Inc. has Completed the Acquisition of Javaco Inc.” Therein, the Company, in relevant part, stated:

NIAGARA FALLS, Ontario, Aug. 28, 2009 (GLOBE NEWSWIRE) – 310 Holdings Inc. (OTCBB: TRTN) is pleased to announce that the Company has completed the acquisition of Javaco, Inc., an international distributor of communications and cable gear that distributes more than 100 lines of equipment, ranging from fiber-optic transmitters to RF connectors. Javaco, Inc., a member of Inc. 5000, is a profitable, well-managed, growing company with current revenues in excess of \$6 million and a strong presence in Latin America. With offices in Mexico City and Columbus, Ohio, their highly-technical staff strives to provide viable solutions for the ever complex telecommunications industry. Visit <http://javacoinc.com> for further information about Javaco, Inc.

Javaco, Inc. was purchased for \$150,000 USD and 2.5 million shares of restricted common stock.

In addition, for an additional one million shares of restricted common stock, the Company acquired approximately \$10 million in U.S. radio and newspaper prepaid advertising covering 10,000 newspapers and 6000 radio stations. The completed package resulted in a total asset purchase of approximately \$15 million. The Company believes that the media advertising will be beneficial in promoting the expansion of the P2O technology and processors as well as the previously-announced planned acquisition of the chemical company’s products and services.

John Bordynuik, 310 Holdings Inc. President and CEO, stated, “We are extremely positive about the Javaco acquisition since it not only adds to our growing revenue base, but it also gives us a foothold and ability for a more rapid expansion of our P2O processors into Mexico, as well as Central and South America. Furthermore, we will use Javaco’s existing people and business offices to setup and configure our communications infrastructure for our P2O processors.”

30. On October 1, 2009, JBI (then known as 310 Holdings) issued a press release entitled, “310 Holdings Inc. Acquires Chemical Company Pak-It.” Therein, the Company, in relevant part, stated:

NIAGARA FALLS, Ontario, Oct. 1, 2009 (GLOBE NEWSWIRE) – 310 Holdings Inc. (OTCBB: TRTN) is pleased to announce that the Company has completed the acquisition of Pak-It, LLC, a privately owned chemical company. Pak-It shareholders will receive 625,000 of 310 restricted Common Stock pursuant to the Agreement. The income from the combined operations of the entities as well as licensing fees will be used to pay off all Pak-It debt (approximately \$3.6 million) and provide working capital to the Company for other operations. The Company also intends to open a Pak-It manufacturing operation in Canada.

The acquired company currently does business as Pak-It(TM), DCL Solutions (a bulk chemical packaging company), and Vanguard with its administrative and selling office in Clearwater, Florida, and the DCL 60,000-sq.-ft. manufacturing factory located in Philadelphia, PA. Visit www.pakit.com for detailed information on Pak-It.

Pak-It, with 42 products, currently uses its patented Pak-It(TM) water-soluble liquid packets to deliver concentrated glass cleaner, disinfectant, and many essential multi-purpose cleaning products for use on floors, carpets, in kitchens, restrooms, and laundry establishments, etc., shipped in tiny packages of condensed cleaner. This delivery method is “green” since it’s fully biodegradable and saves thousands of dollars in shipping, and does not contribute to landfill waste or pollution. The user simply adds water to the container without measuring, ripping, or cutting the Pak-It(TM). Large national retailers as well as numerous building maintenance contractors are already successfully using these eco-friendly products and have documented significant cost savings from shipping, training, inventory control and space utilization.

John Bordynuik, 310 Holdings Inc. CEO and President, stated, “We are extremely excited about this important acquisition, since the shared facilities of DCL Solutions will provide us with the expertise and ability to produce our proprietary catalyst and accelerate the planned expansion of our P2O technology and processors, in addition to giving us a green product line with huge revenue potential and excellent profit margins. Furthermore, we also gain access to a powerful management team with over 100 years of combined business experience, specializing in international marketing, finance, law, operations, restructurings, and mergers and acquisitions.”

Pak-It will set up a manufacturing site and deliver two machines to Canada in order for 310’s operations staff to produce sufficient “Made in Canada” packet quantities to satisfy anticipated market demand. The Canadian Pak-It operations staff will be housed in the Company’s existing Niagara Falls office location. Management believes that the Canadian marketplace offers huge growth potential for this unique, cost-effective “green” product line and, consequently, will be launching an aggressive marketing and media campaign to introduce and develop Pak-It brand awareness. Furthermore, 310 Holdings Inc. will be introducing the Pak-It products to its existing institutional clientele to add to already growing U.S. operations and

sales.

Pak-It executives joining the 310 team include Pak-It CEO Robert G. Shoemaker; founders Geoffrey C. Weber, Richard M. Haber and Stephen Seneca; VP of Operations and Technical Director Ronald Kurp; and Vice President of Sales & Marketing Frank Wiley.

Commenting on the new 310, Mr. Bordynuik said, “These new appointments in the 310 management team will provide a solid foundation for scaling the entire organization to execute rapid growth in our profit centers, and provide the most innovative technologies to our customers. Our team will be complete with a CFO that we will be appointing in the next few days.”

Over the next few days, 310 will issue further press releases to provide shareholders information about Plastic2Oil, Data Migration, Javaco, and Pak-It updates.

31. On October 8, 2009, JBI issued a press release entitled, “310 Holdings, Inc., Changes Name to JBI, Inc. and Reports Profitable 9 Month Results.” Therein, the Company, in relevant part, stated:

NIAGARA FALLS, Ontario, Oct. 8, 2009 (GLOBE NEWSWIRE) – 310 Holdings, Inc. (the “Company”) (OTCBB: TRTN) has changed its corporate name to JBI, Inc. (“JBI”) and will be announcing a symbol change when available. Additionally, the Company is pleased to announce that JBI’s unaudited nine month consolidated pro-forma revenues (ending Sept. 30, 2009) totaled \$10,156,919 with total assets valued at \$22,486,751. The Company reported net earnings of \$167,398. Full financial details are available on the Company’s Form 8-K filed with the Securities & Exchange Commission on October 7, 2009 at www.sec.gov.

JBI CEO and President, John Bordynuik, said, “Currently, we are working to integrate the Company’s recently acquired wholly owned subsidiary Pak-It, LLC’s ‘Made In Canada’ manufacturing and marketing operations with that of JBI. Also, I am pleased that the Company is profitable in light of the recently incurred, non-recurring costs and fees associated with our recent acquisitions of Javaco and Pak-It, LLC. We are progressing with our Plastic2Oil operations and investing our profits into this business unit.”

The Company is committed to investing its resources in long-term highly sustainable growth and real value through the Company's recently acquired subsidiaries.

An interactive conference call date will be announced through a Press Release in the near future. The CEO / President will be available on this call to give the

investment community an update on the Company's progress and answer investor inquiries.

32. On November 16, 2009, JBI filed its Quarterly Report with the SEC on Form 10-Q for the 2009 fiscal third quarter. The Company's Form 10-Q was signed by Defendant Bordynuik and reaffirmed the Company's financial results previously announced on October 8, 2009. The Company's Form 10-Q also contained a Sarbanes-Oxley required certification, signed by Defendant Bordynuik, who certified:

1. I have reviewed this Quarterly Report on Form 10-Q of JBI, Inc.:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;
 - c) Evaluated the effectiveness of the registrant's disclosure controls

and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financing reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

33. On March 31, 2010, JBI filed its Annual Report with the SEC on Form 10-K for the 2009 fiscal year. The Company's Form 10-K was signed by Defendants Bordynuik and Baldwin, and contained the Company's financial results for the 2009 fiscal year. The Company's Form 10-K also contained Sarbanes-Oxley required certifications, signed by Defendants Bordynuik and Baldwin, substantially similar to the certification contained above.

34. The statements above were materially false and/or misleading when made because defendants failed to disclose or indicate the following: (1) that the media credits acquired by the Company in connection with the acquisition of JavaCo were substantially overvalued; (2) that the Company was improperly accounting for acquisitions; (3) that, as such, the Company's financial results were not prepared in accordance with GAAP; (4) that the Company lacked adequate

internal and financial controls; and (5) that, as a result of the above, the Company's financial statements were materially false and misleading at all relevant times.

35. On May 14, 2010, JBI filed a Current Report with the SEC on Form 8-K. Therein, the Company, in relevant part, disclosed that on May 14, 2010, the Company had dismissed Gately as its independent registered public accounting firm, and that the Board of Directors of the Company approved such dismissal.

36. On this news, shares of JBI declined \$0.25 per share, nearly 5.88%, to close on May 17, 2010, at \$4.00 per share, on heavy volume.

37. On May 17, 2010, after the market closed, JBI filed a Notification of Late Filing with the SEC on Form 12b-25 indicating that JBI would be unable to timely file its Quarterly Report on Form 10-Q for the 2010 fiscal first quarter with the SEC.

38. On this news, over the next three days of trading, shares of JBI declined \$0.95 per share, nearly 24%, to close on May 20, 2010, at \$3.05 per share.

39. On May 21, 2010, JBI filed a Current Report with the SEC on Form 8-K. Therein, the Company, in relevant part, stated:

Item 4.02, Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review

On May 19, 2010 John Bordynuik, President and Chief Executive Officer and Director of JBI, Inc., (the "Company"), concluded that the Company's previously issued audited financial statements for the year ended December 31, 2009, filed on Form 10-K with the Securities & Exchange Commission ("SEC") on March 31, 2010 and the interim financial statements for the period ended September 30, 2009, filed on Form 10-Q with the SEC on November 16, 2009, should no longer be relied upon due to questions regarding: 1) the accounting treatment and related disclosures of two acquisitions which were completed during 2009 and 2) the valuation of media credits acquired by the Company during 2009 through the issuance of common stock. The Company's former independent registered public accounting firm Gately and Associates, who was dismissed on May 13, 2010, was informed of the matters disclosed above.

Management is working diligently to correct the errors and file restated financial statements. This restatement will in no way impact the Company's ability to execute its business plan during the 2010 fiscal year. The Company has sufficient cash to complete the P2O factory in Niagara Falls NY and to upgrade the Pak-It facility for retail rollout and to bring the fuel blending site to an operational state.

The Company's newly appointed independent registered public accounting firm of WithumSmith+Brown, PC will review the restated financial statements to be included in the revised Form 10-Q and will audit the financial statements to be included in the revised Form 10-K. Therefore, the above mentioned filings and related financial statements should no longer be relied upon.

40. On this news, shares of JBI declined \$0.65 per share, more than 21%, to close on May 21, 2010, at \$2.40 per share, on heavy volume, and further declined an additional \$0.80 per share, more than 33%, to close on May 24, 2010, at \$1.60 per share, on heavy volume. Over the course of these two days of trading, shares of JBI declined a total of \$1.45 per share, or 47.54%.

41. JBI terminated Defendant Baldwin as CFO effective March 28, 2011. The Company announced Baldwin's termination in a Form 8-K filed on April 14, 2011.

42. On July 20, 2011, JBI filed a Current Report with the SEC on Form 8-K. Therein, the Company, in relevant part, stated:

On July 14, 2011, the staff of the Securities and Exchange Commission's (SEC) Division of Enforcement issued a "Wells Notice" to JBI, Inc., (the "Company") indicating that the staff intended to recommend that the SEC file a civil lawsuit alleging that the Company violated certain provisions of the federal securities laws. Based on communications with the Enforcement staff, the Company believes that the proposed lawsuit relates to the Company's subsequently restated financial statements for the third quarter of 2009, which were included in its Form 10-Q filed on November 16, 2009 and its financial statements for the year ended December 31, 2009, which were included in its 2009 Form 10-K filed on March 31, 2010. The restatement concerned the Company's valuation of media credits, accounting for certain acquisitions, and equity issuances. Based on information obtained from the Enforcement staff, the Company believes that the staff may also recommend naming one or more current and former officers of the Company as defendants in the proposed lawsuit.

Under the SEC's procedures, a Wells Notice indicates that the SEC Enforcement staff has decided to recommend instituting litigation, but the Commission itself has not decided whether or not to approve such a recommendation. The Company has

the opportunity to respond to the SEC staff before a decision is made whether to take any adverse action. The Company produced a large quantity of documents, and cooperated with the Enforcement staff, with regard to the investigation preceding the Wells Notice.

The Company cannot predict the outcome of the dispute with the SEC, including whether a lawsuit will be filed or the terms of any settlement that may be reached. The Company has been given an opportunity to respond to the Wells Notice, and will decide how to proceed based on consultation with its litigation counsel.

To the best of the Company's knowledge, the Enforcement staff's concerns do not currently encompass matters unrelated to the restatement. The Company took a number of proactive steps in connection with the restatement, including hiring additional accounting staff members, retaining a reputable, top-30 accounting firm (WithumSmith+Brown) to provide relevant expertise, and upgrading its accounting software. Previously, on May 21, 2010, the Company disclosed that its financial statements for the indicated time periods should no longer be relied upon.

The Company is deeply concerned about the recent significant trading activity and stock price decrease, which were unaccompanied by any Company disclosures during the 48 hours prior to receiving the Wells Notice. The Company was unaware of the notice until shortly prior to its receipt, and members of management did not trade in the Company's stock during this period.

43. On this news, shares of JBI declined \$0.62 per share, nearly 24%, to close on July 21, 2011, at \$2.00 per share, on unusually heavy volume.

44. In a Form 8-K filed on August 12, 2011, JBI announced that on August 8, 2011, James Fairbairn resigned as a member of the Company's Board of Directors.

45. In a Form NT 10-Q filed on August 16, 2011, JBI announced that the Company was unable to timely file its quarterly report on Form 10-Q for the period ended June 30, 2011. The Company stated that JBI's independent registered public accounting firm required additional time to complete its review of the financial statements for the period ended June 30, 2011.

46. In a Form NT 10-Q filed on November 14, 2011, JBI announced that the Company was unable to timely file its quarterly report on Form 10-Q for the period ended September 30, 2011. The Company stated that JBI's independent registered public accounting firm required

additional time to complete its review of the financial statements for the period that ended on September 30, 2011.

47. In a Form 8-K dated December 19, 2011, the Company announced that Bordynuik submitted a resignation letter to JBI pursuant to which he resigned as the CFO of the Company effective immediately. On the same day, JBI announced that the Company appointed Matthew Ingham as the Company's CFO.

Disclosures at the End of the Class Period

48. On January 4, 2012, the SEC filed a complaint against JBI, Bordynuik, and Baldwin. Within its complaint, the SEC alleges the following:

Bordynuik and the Formation of JBI

In 2005 Bordynuik started a data recovery and restoration company in Canada called John Bordynuik, Inc. He did so after purportedly developing software that would enable him to recover archived institutional data stored on old magnetic media. In time, and through a series of transactions, John Bordynuik, Inc. would become JBI, Inc. (JBI). At all times during the existence of John Bordynuik, Inc., and its successor entities, Bordynuik headed the company's business operations, including third party transactions. During its first years of business the company had several large institutional clients that had large volumes of archived data no longer accessible due to the aged mediums on which the data was stored. In the process of compiling a massive archive of recovered scientific and research data from these institutions, Bordynuik claimed to have found a catalyst that could be utilized to break down unwashed mixed plastics into liquid hydrocarbons (*i.e.*, oil). Bordynuik continued his data recovery business and began research and development of technology to develop a commercial processor capable of converting waste plastic into oil with the use of the catalyst.

On or about April 24, 2009, Bordynuik acquired a majority interest in and became the CEO and CFO of an existing reporting shell company known as 310 Holdings, Inc. ("310 Holdings"), a development stage company incorporated in Nevada on April 20, 2006. On July 15, 2009 in a purportedly arms length transaction, 310 Holdings purchased the assets of John Bordynuik, Inc. The company's assets in 2009 consisted mainly of the hardware associated with the data recovery business. In multiple public filings dating back to at least late 2009, however, the company claimed to have developed a commercial process capable of converting plastic waste into oil, known as "Plastic2Oil."

On August 24, 2009, 310 Holdings purchased 100% of the outstanding shares of Javaco, Inc. (“Javaco”), a wholly owned subsidiary of Domark International (“Domark”), in exchange for \$150,000 and the issuance of 2,500,000 shares of 310 Holding’s common stock to Domark. Javaco purportedly was in the business of selling used cable television equipment, including amplifiers and converters to Colombia, Venezuela and Mexico. 310 Holdings publicly reported that Javaco was acquired to operate and manage the company’s Plastic2Oil sites in Mexico. Pursuant to a separate agreement, Domark’s CEO also assigned media credits (“the media credits”) purportedly representing \$9,997,134 worth of prepaid print and radio ads to 310 Holdings to be used for marketing and advertising. As consideration for the assignment of the media credits, 310 Holdings issued 1,000,000 shares of common stock valued at \$1,000,000 (\$1.00 per share market price) on August 24, 2009.

Effective October 5, 2009, 310 Holdings changed its name to JBI, Inc. with Bordynuik both the CEO and CFO of the newly-named company. Bordynuik remained CEO and CFO during the third quarter 2009 and through the filing of JBI’s Form 10-Q for the quarter ended September 30, 2009. As such, Bordynuik certified the financial statements included with the Form 10-Q for the period ended September 30, 2009 that was filed on November 16, 2009. As CEO, Bordynuik certified the financial statements included with the Form 10-K for the year ended 2009 filed on March 31, 2010. Both the Form 10-Q and the Form 10-K were filed with the SEC.

Accounting for the Media Credits

In its third quarter financial statements filed in the Form 10-Q on November 16, 2009 (for the third quarter ended September 30, 2009) and its end of year financial statements filed in the Form 10-K on March 31, 2010 (for year ended December 31, 2009), JBI reported the media credits purchased from Domark as an asset of the company at their purported face value of \$9,997,134. This valuation was contrary to applicable Generally Accepted Accounting Principles (“GAAP”). The \$9,997,134 valuation can be traced to a purported arms length transaction between Domark and a company called Media4Equity LLC on August 13, 2008. In fact, the original valuation of the media credits by Domark and Media4Equity was severely flawed. In addition, the pricing and projection of probable future economic benefit used for the valuation was not reliable. Finally, the \$1,000,000 in consideration paid by JBI for the media credits in its August 24, 2009 transaction with Domark was both a reliable basis for valuing the media credits and a correct reflection of the perceived value of the media credits at the time of the transaction. Because JBI used the purported face value of the media credits, rather than the actual cost, the company overstated the total value of its assets by a minimum of \$8,997,134 (the \$9,997,134 value reported less the actual \$1,000,000 paid) as of both September 30, 2009 and December 31, 2009. That the media credits had no value, and certainly not the grossly overstated value contained in JBI’s financial statements, also is reflected in restatements later filed by the company.

In fact, the media credits should not have had any valuation as of the close of the reporting periods on September 30, 2009 and December 31, 2009. The 1,000,000 shares of 310 Holdings common stock (valued at \$1.00 per share; \$1,000,000 total) constituted an equity based payment. The consideration received in exchange for these equity instruments were the media credits. Because of the unreliability of the probable future economic benefit attributable to the media credits, GAAP required that the media credits initially be recorded in JBI's books at the \$1,000,000 consideration paid by 310 Holdings on August 24, 2009 and subsequently remeasured at September 30 and December 31, 2009. Because there was no probable economic benefit to JBI from the media credits as the ads had limited distribution and would be unlikely to increase sales and profits, GAAP required that the media credits should be written off in their entirety as of September 30, 2009. Therefore, the media credits, listed by JBI on its financial statements with a \$9,997,134 valuation, in fact should have been valued initially at the \$1,000,000 purchase price, but then written off entirely. For the reporting periods that ended on September 30, 2009 and December 31, 2009, JBI did neither.

Bordynuik Knew the Valuation of the Media Credits Was Improper

Up to and through the September 30, 2009 filing, JBI did not employ an in house accountant to assist with accounting and financial reporting. Instead, the company hired an outside accounting consultant ("the consultant") to assist with accounting, financial statement preparation, and public filings with the SEC. The consultant hired by JBI was not a certified public accountant ("CPA") nor did she have a formal degree in accounting. In total, the consultant had six credit hours at a community college in two introductory accounting courses. The consultant had begun doing accounting related work for 310 Holdings in the 2002-2003 timeframe. Her relationship with 310 Holdings continued when JBI was merged into it.

At the time JBI (through its predecessor, 310 Holdings) acquired the media credits Bordynuik discussed with the consultant valuing the media credits at \$10 million despite the fact that JBI obtained them at a cost of \$1 million (i.e., the \$1,000,000 equity payment made via the transfer of 1,000,000 shares of 310 Holdings common stock). At the time knew that the consultant was not a CPA. Bordynuik also knew that she would be responsible for preparing JBI's financial statements. Bordynuik then instructed the consultant via internet instant messaging (a "Skype" message) to "please get the pro formas as juicy as you can so I can acquire a chemical company for less." The reference to a chemical company related to Bordynuik's intent to use JBI and its valuation as a vehicle for acquisitions. The reference to "pro formas" related to financial statements of JBI that would not necessarily conform with GAAP and that the company could use to communicate information about JBI to prospective investors, as opposed to being filed with the SEC. In response to Bordynuik's instructions the consultant produced pro formas to Bordynuik that contained the media credits valued at nearly \$10 million.

Prior to JBI's filing of its Form 10-Q for the period ended September 30, 2009, Bordynuik traveled from Canada to Florida to consult with the consultant in person about, among other things, the valuation of the media credits, and what needed to be done in preparation for the quarterly filing. During the same trip Bordynuik also was scheduled to meet with an audit firm, Gately & Associates ("the Gately firm"), that served as JBI's independent auditors. Leading up to and during this trip Bordynuik became aware of a severe drinking problem by the auditor (a principal of the firm) assigned to JBI at the Gately firm ("the auditor") that incapacitated him for days and/or weeks at a time. One of those who told Bordynuik about the auditor's drinking problem was the consultant, who did so in an effort to encourage Bordynuik to hire a different auditor. Despite knowing of the auditor's drinking problem and, at times, having difficulty making contact with him, JBI and Bordynuik continued to utilize Gately & Associates (and the assigned auditor) as its independent auditor for the September 30, 2009 10-Q filing and through the March 31, 2010 filing of the Form 10-K for the year ended 2009.

During this trip by Bordynuik to Florida, and prior to the filing of the Form 10-Q for the quarter ended September 30, 2009, the consultant expressed concerns to Bordynuik about what appropriate value, according to GAAP, to record the media credits on JBI's balance sheet. The consultant told Bordynuik that she thought GAAP required that the media credits be recorded at their cost to JBI of \$1 million, not at their face value of \$9.997 million. During the same period, and also before the filing of the third quarter 10-Q, another consultant ("the business consultant") affiliated with JBI raised questions about JBI's pro formas containing the \$9.997 million value of the media credits. The business consultant was the Assistant Secretary for JBI and a business consultant working on Plastic2Oil initiatives. He also was a CPA and a former staff auditor at Deloitte & Touche, one of the Big Four accounting firms.

The business consultant expressed concerns to Bordynuik that the media credits should be booked at cost prior to the third quarter Form 10-Q filing. The business consultant had specific discussions with Bordynuik about his concerns with JBI booking the media credits at a nearly \$10 million value. The business consultant told Bordynuik that the \$10 million valuation was odd and inconsistent with his experience as an auditor because he believed that such an asset should be booked at the lesser of cost or market value. The business consultant further explained his concern regarding the \$10 million valuation of the media credits on JBI's balance sheet by pointing out that the company one day prior to the transaction had no assets yet, on the very next day, appeared to have assets of nearly \$10 million. The business consultant raised these concerns with Bordynuik after the media credits were first acquired. Bordynuik responded to the business consultant's concerns by stating that the media credits were "audit proof." The business consultant also cautioned Bordynuik that he needed to be careful about how he valued the media credits and advised that, in his view, to obtain good accounting and auditing advice, Bordynuik should hire a Big 4 accounting firm.

Bordynuik did not follow the advice of the business consultant about either the valuation of the media credits or the hiring of a new accountant and/or auditor. Instead, Bordynuik continued to use the consultant for accounting services, including the preparation of pro formas and financial statements and kept the auditor at the Gately firm as his independent auditor. In fact, notwithstanding the concerns raised both by the consultant and the business consultant, in Skype messaging to the consultant on September 2, 2009, Bordynuik stated to her:

[The business consultant's] group is ultra conservative and are very very good at what they do. They were concerned about our pro forma because they said the [m]edia should have been booked at cost and the big 4 accounting firms would probably penalize us. I advised that the media credits could stand on their own and the auditor said so (this was from [Domark's CEO]). I hope so.... We need a chemc company bad...jezz (sic).

By mid-September 2009, and prior to the filing of the third quarter Form 10-Q, additional information came to Bordynuik that raised questions about the valuation, and even the validity at all, of the media credits. Bordynuik learned that misleading statements had been made by Domark's CEO to induce JBI's acquisition of Javaco, including whether Javaco even maintained operations in Mexico as previously claimed by the CEO. In addition, Bordynuik learned that the CEO of NewsUSA, the parent company of Media4Equity (the original source of the media credits in a purported arms length transaction with Domark), was previously on the Board of Directors of Domark. On September 21, 2009, the consultant informed Bordynuik of the suspect relationship via Skype message, "BTW, I just discovered that the CEO of NewsUSA is a prior director of Domark." Bordynuik responded, also via Skype, "I saw that. Yuck." Despite having renewed doubts about the source of the media credits, the credibility of Domark's CEO, and being warned about the proper GAAP treatment of the media credits by JBI's own consultant and business consultant, Bordynuik directed that the media credits on JBI's financial statements contained in its Form 10-Q, filed on November 16, 2009, for the quarter ended September 30, 2009, be listed at the purported face value of \$9.997 million.

Continuing Problems with JBI's Independent Auditor

Shortly after the filing of the Form 10-Q for the third quarter of 2009 on November 16, 2009, additional issues arose regarding JBI's auditor at the Gately firm. On November 28, 2009, the auditor was arrested for Violation of Probation, Felony DUI and Possession of Marijuana. The auditor remained in jail in Florida until February 18, 2010. The consultant informed Bordynuik of the auditor's incarceration but Bordynuik insisted on continuing to use Gately & Associates for JBI's 10-K audit for the fiscal year ending December 31, 2009. Indeed, Bordynuik even agreed to assist the incarcerated auditor by paying for his criminal representation, an alcohol treatment program and offering him a job as an internal auditor for JBI's operations in Canada. During a telephone call to the auditor in jail,

Bordynuik offered him legal and financial assistance while he was still retained as the principal of JBI's supposedly independent audit firm, Gately & Associates.

Despite these issues, and the dissolving of any notion of "independence" between the auditor and Bordynuik, between the period in which JBI's 10-Q for the third quarter of 2009 was filed and the 10-K for the year end was filed on March 31, 2010, Bordynuik and JBI persisted in using Gately & Associates as its independent audit firm. Bordynuik later claimed that one of the auditor's colleagues at the Gately firm stepped in to assist with the audit responsibilities while the auditor was incarcerated or otherwise was unavailable due to his drinking problem. However, there is no indication that anyone from the Gately firm (or otherwise) undertook any review of the final set of consolidated financial statements included in JBI's Form 10-K filed on March 31, 2010. Nor is there any indication that anyone from the Gately firm (or otherwise) did the type of audit work required of an independent auditor prior to the filing of the 10-K. In fact, no one associated with JBI was able to contact the auditor for the Gately firm for a significant period of time beginning in February 2010 until the 10-K filing on March 31, 2010. Nor did Bordynuik consult with the auditor from the Gately firm, or with his colleague, about the media credit valuation in advance of the two reporting periods in question or before the filing of the 10-K. Nonetheless, a colleague of the Gately auditor ultimately cut and pasted the electronic signature of Gately & Associates on an audit opinion letter attached to JBI's Form 10-K filing representing that an independent audit had been conducted when one had not.

Bordynuik, as CEO, then approved and certified JBI's financial statements contained in its year end Form 10-K filed on March 31, 2010 that included the erroneous and inflated value of the media credits. Bordynuik also falsely asserted, in management representation letters to its outside auditors, that JBI's financial statements were prepared in conformity with GAAP. In addition, Gately & Associates issued an unqualified opinion on JBI's December 31, 2009 financial statements which, in effect, represented that the financial statements were free of material misstatements and were represented fairly in accordance with GAAP.

Baldwin's Knowledge of the Improper Accounting for the Media Credits

On January 1, 2010, JBI appointed Baldwin as its CFO. Baldwin was a CPA with an office in Florida. Leading up to the filing of JBI's Form 10-K on March 31, 2010 for the year ended 2009, Baldwin reviewed, was aware of and expressed concerns about the valuation of the media credits on JBI's balance sheet. Prior to the filing of the Form 10-K Baldwin discussed the valuation of the media credits with JBI's business consultant. Those discussions focused on the discrepancy in valuation between what JBI paid for the media credits and what it listed for the value on its financials, including the Form 10-K. In those discussions the business consultant communicated his view that the media credits should have been booked at cost and his concern that the media credits were overvalued on JBI's books at \$9.997 million. Baldwin expressed similar concerns to the business consultant.

Baldwin also communicated with the business consultant by email about the valuation of the media credits. On March 29, 2010, in the context of discussing gains associated with acquisitions, Baldwin wrote down in an email to the business consultant: "let's write down the media credits if [JBI's consultant] is going to recognize a gain [on acquisitions]. Better to get them off the balance sheet while we can." The business consultant responded shortly thereafter: "I would agree that we should write down the media credits, although we probably need some basis to do it."

Baldwin knew before the 10-K was filed in March 2010 that the media credits were purchased in the third quarter of 2009 with one million shares of JBI stock that were valued at \$1.00 per share at the time of purchase. Baldwin also knew that the media credits were the single largest asset on JBI's balance sheet yet took no steps to review any documents associated with them nor did he consult anyone other than Bordynuik, someone he knew had no accounting background, about whether the media credits were real and useable. Prior to the filing of the Form 10-K in March 2010 Baldwin failed to research GAAP or otherwise take steps to educate himself about valuation issues relating to the media credits. In advance of certifying the financial statements included with the 10-K filing Baldwin did not consult with any outside accountant, auditor or others about the appropriateness of reporting the media credits on the balance sheet at \$9.997 million. Despite being aware of the issues regarding the valuation of the media credits, and of the significance of the value of the media credits for JBI's balance sheets and other financials, Baldwin failed to conduct any reasonable due diligence on the appropriate accounting for the media credits when he certified the financial statements contained in JBI's Form 10-K for the year ended 2009.

JBI's Private Investment in Public Equity (PIPE) Offerings

During the relevant period, JBI engaged in two significant private capital raising efforts to raise the capital necessary to begin commercial operation and production of P2O. Beginning in the fall of 2009 through May 2010, JBI raised approximately \$8.4 million in capital through two Private Investment in Public Equity ("PIPE") offerings. In addition to using private placement memoranda to market these offerings to investors, Bordynuik and others on behalf of JBI utilized presentation materials that represented the company's financial position that included the media credits at a value of \$9.997 million. The inclusion of the media credits on these sales materials and in the company's public filings served to present a misleadingly strong financial picture of the company's assets to potential PIPE investors. Both Bordynuik and Baldwin knew or should have known that financials and presentation materials for JBI that listed the media credits at a value of \$9.997 million was a false statement of the value of the media credits, and a valuation inconsistent with GAAP.

Baldwin Made Willful Misrepresentations about JBI's Financial Position at JBI's Annual General Meeting on April 24, 2010

Almost immediately following the filing of JBI's Form 10-K on March 31, 2010, Baldwin, Bordynuik, the business consultant, outside counsel, and newly hired accounting and audit firms consulted about perceived problems associated with the 10-K filing. Baldwin himself acknowledged that by at least this time he became aware that GAAP required the media credits to be booked at cost, rather than the valuation used, and approved by him, for the Form 10-K filing. By this time Baldwin also reviewed information relating to press articles and other media obtained by JBI that were charged against the media credits and knew that the media credits had little to no real value. As a result, Baldwin knew, prior to JBI's Annual General Meeting ("AGM") on April 24, 2010, that listing the media credits at \$9.997 million was, at the very least, a substantial overvaluation and would have to be restated.

Despite this understanding Baldwin made a presentation at JBI's Annual General Meeting, attended by JBI shareholders, that misrepresented JBI's financial position. Baldwin failed to inform the shareholders that the media credits were erroneously booked and would have to be written down significantly and potentially in their entirety. Instead, Baldwin made misrepresentations about the media credits being a current asset at a nearly \$10 million valuation that would not be on the balance sheet at the same time the next year because they would need to be expensed. In making these misrepresentations Baldwin failed to inform the shareholders that he then believed the media credits to be, at a minimum, overvalued by nearly \$9 million, and at worst, completely worthless and needing to be written off entirely. Baldwin also failed to inform the shareholders that he believed the company most likely would need to restate its financial statements as a result of the overvaluation of the media credits.

Bordynuik was present at JBI's Annual General Meeting and was aware, both before and after, of the representations Baldwin made about the value of the media credits. At the time Bordynuik also was aware that the media credits were significantly overvalued in JBI's financials and that the company likely would have to restate as a result. At the time of JBI's Annual General Meeting, Baldwin and Bordynuik both were aware that JBI was still soliciting investors for one of the PIPES that ultimately raised approximately \$8.4 million during the period of overstatements.

49. On this news, shares of JBI declined \$1.49 per share, or 63.40%, to close on January 4, 2012, at \$0.86 per share, on unusually heavy volume.

50. On May 15, 2012, JBI announced that Bordynuik would serve as the Company's Chief Technology Officer and that Kevin Rauber would serve as the Company's CEO and

President. Additionally, the Company announced that it had commenced instituting changes to its corporate governance practices, including objective qualifications with respect to the election of qualified members to the Company's board. JBI also announced that in consideration of these new election requirements, Dr. Robin Bagai would be stepping down from his position as Board Member and Chair of the Nominating Committee.

51. In a Form 8-K filed on June 25, 2012, JBI announced that Tony Bogolin would serve as the Company's new Chief Operating Officer effective June 25, 2012.

**JBI'S VIOLATION OF GAAP RULES
IN ITS FINANCIAL STATEMENTS
FILED WITH THE SEC**

52. These financial statements and the statements about the Company's financial results were false and misleading, as such financial information was not prepared in conformity with GAAP, nor was the financial information a fair presentation of the Company's operations due to the Company's improper accounting for, and disclosure about its acquisitions, in violation of GAAP rules.

53. GAAP are those principles recognized by the accounting profession as the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. Regulation S-X (17 C.F.R. § 210.4 01(a) (1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate. Regulation S-X requires that interim financial statements must also comply with GAAP, with the exception that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements. 17 C.F.R. § 210.10-01(a).

54. The fact that JBI restated its financial statements, and informed investors that these

financial statements should not be relied upon is an admission that they were false and misleading when originally issued (APB No.20, 7-13; SFAS No. 154, 25).

55. Given these accounting irregularities, the Company announced financial results that were in violation of GAAP and the following principles:

(a) The principle that “interim financial reporting should be based upon the same accounting principles and practices used to prepare annual financial statements” was violated (APB No. 28, 10);

(b) The principle that “financial reporting should provide information that is useful to present to potential investors and creditors and other users in making rational investment, credit, and similar decisions” was violated (FASB Statement of Concepts No. 1, 34);

(c) The principle that “financial reporting should provide information about the economic resources of an enterprise, the claims to those resources, and effects of transactions, events, and circumstances that change resources and claims to those resources” was violated (FASB Statement of Concepts No. 1, 40);

(d) The principle that “financial reporting should provide information about an enterprise's financial performance during a period” was violated (FASB Statement of Concepts No. 1, 42);

(e) The principle that “financial reporting should provide information about how management of an enterprise has discharged its stewardship responsibility to owners (stockholders) for the use of enterprise resources entrusted to it” was violated (FASB Statement of Concepts No. 1, 50);

(f) The principle that “financial reporting should be reliable in that it represents what it purports to represent” was violated (FASB Statement of Concepts No. 2, 58-59);

(g) The principle that “completeness, meaning that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions” was violated (FASB Statement of Concepts No. 2, 79); and

(h) The principle that “conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered” was violated (FASB Statement of Concepts No. 2, 95).

56. The adverse information concealed by Defendants during the Class Period and detailed above was in violation of Item 303 of Regulation S-K under the federal securities law (17 C.F.R. §229.303).

CLASS ACTION ALLEGATIONS

57. Plaintiffs bring this action as a class action pursuant to Federal Rules of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all those who purchased JBI’s securities during the Class Period and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

58. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, JBI’s securities were actively traded on the OTC Bulletin Board (“OTCBB”) and the OTCQX U.S. Premier marketplace (“OTCQX”). While the exact number of Class members is unknown to Plaintiffs at this time and can only be ascertained through appropriate discovery, Plaintiffs believe that there are hundreds or thousands of members in the proposed Class. Millions of JBI shares were traded publicly during the Class Period on the OTCBB and the OTCQX. As of March 31, 2010, JBI had 50,102,200 shares of common stock

outstanding. Record owners and other members of the Class may be identified from records maintained by JBI or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

59. Plaintiffs' claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

60. Plaintiffs will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

61. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) Whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) Whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of JBI; and

(c) To what extent the members of the Class have sustained damages and the proper measure of damages.

62. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a

class action.

UNDISCLOSED ADVERSE FACTS

63. The market for JBI's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failure to disclose, JBI's securities traded at artificially inflated prices during the Class Period. Plaintiffs and other members of the Class purchased or otherwise acquired JBI's securities relying upon the integrity of the market price of the Company's securities and market information relating to JBI, and have been damaged thereby.

64. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of JBI's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. Said statements and omissions were materially false and/or misleading in that they failed to disclose material adverse information and/or misrepresented the truth about JBI's business, operations, and prospects as alleged herein.

65. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiffs and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about JBI's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiffs and other members of the

Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

66. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiffs and the Class.

67. During the Class Period, Plaintiffs and the Class purchased JBI's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

68. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding JBI, his/her control over, and/or receipt and/or modification of JBI's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning JBI, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-ON-THE-MARKET DOCTRINE)

69. The market for JBI's securities was open, well-developed and efficient at all

relevant times. As a result of the materially false and/or misleading statements and/or failure to disclose, JBI's securities traded at artificially inflated prices during the Class Period. Plaintiffs and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of JBI's securities and market information relating to JBI, and have been damaged thereby.

70. During the Class Period, the artificial inflation of JBI's stock was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiffs and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about JBI's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of JBI and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company stock. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiffs and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

71. At all relevant times, the market for JBI's securities was an efficient market. As a result, the market for JBI's securities promptly digested current information regarding JBI from all publicly available sources and reflected such information in JBI's stock price. Under these circumstances, all purchasers of JBI's securities during the Class Period suffered similar injury through their purchase of JBI's securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

72. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pled in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of JBI who knew that the statement was false when made.

FIRST CLAIM
Violation of Section 10(b) of
The Exchange Act and Rule 10b-5
Promulgated Thereunder Against All Defendants

73. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

74. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiffs and other Class members, as alleged herein; and (ii) cause Plaintiffs and other members of the Class to purchase JBI’s securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them,

took the actions set forth herein.

75. Defendants: (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for JBI's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

76. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about JBI's financial well-being and prospects, as specified herein.

77. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of JBI's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about JBI and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

78. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives

and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

79. The defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing JBI's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

80. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of JBI's

securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiffs and the other members of the Class acquired JBI's securities during the Class Period at artificially high prices and were damaged thereby.

81. At the time of said misrepresentations and/or omissions, Plaintiffs and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiffs and the other members of the Class and the marketplace known the truth regarding the problems that JBI was experiencing, which were not disclosed by Defendants, Plaintiffs and other members of the Class would not have purchased or otherwise acquired their JBI securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

82. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

83. As a direct and proximate result of Defendants' wrongful conduct, Plaintiffs and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM
Violation of Section 20(a) of
The Exchange Act Against the Individual Defendants

84. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

85. The Individual Defendants acted as controlling persons of JBI within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiffs contend are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiffs to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

86. In particular, each of these Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

87. As set forth above, JBI and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and/or omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiffs and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiffs and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiffs and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiffs hereby demand a trial by jury.

DATED: July 10, 2012

GLANCY BINKOW & GOLDBERG LLP

By: *s/ Michael Goldberg*

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**PROOF OF SERVICE BY ELECTRONIC POSTING
AND BY MAIL ON ALL KNOWN NON-REGISTERED PARTIES**

I, the undersigned, say:

I am a citizen of the United States and am employed in the office of a member of the Bar of a United States District Court. I am over the age of 18 and not a party to the within action. My business address is 1925 Century Park East, Suite 2100, Los Angeles, California 90067.

On July 10, 2012, I caused to be served the following document:

**AMENDED CLASS ACTION COMPLAINT FOR VIOLATIONS
OF THE FEDERAL SECURITIES LAWS**

By posting this document to the ECF Website of the United States District Court for the District of Nevada, for receipt electronically by the parties listed on the attached Court's Service List and by U.S. Mail on any known non-ECF registered parties.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on July 10, 2012, at Los Angeles, California.

s/ Michael Goldberg
Michael Goldberg

Mailing Information for a Case 3:11-cv-00545-RCJ -WGC

Electronic Mail Notice List

The following are those who are currently on the list to receive e-mail notices for this case.

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Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

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