

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

 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.

No.

CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS

JURY TRIAL DEMANDED

Plaintiff [REDACTED], by and through her attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff's information and belief is based upon, among other things, her 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 July 20, 2011, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. JBI purports to be a domestic alternative oil and gas company. On April 20, 2006, JBI (then known as 310 Holdings) was incorporated in the State of Nevada. Defendant John Bordynuik ("Bordynuik") purchased 63% of the issued and outstanding shares of 310 Holdings on April 24, 2009. Subsequently, Defendant Bordynuik was appointed President and Chief Executive Officer ("CEO") of the Company. Thereafter, JBI represented that it was transitioning to become a global technology leader whose purpose was to mine data from Defendant Bordynuik's large information archive, find under-productive entities to inject its superior proprietary technologies into, and benefit from increased productivity and profitability, beginning with Plastic2Oil. According to

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

the Company, Plastic2Oil is a combination of proprietary technologies and processes developed by JBI which convert waste plastics into fuel.

3. 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.

4. 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.

5. 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.

6. 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%.

7. 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 its belief that the proposed lawsuit 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 may also recommend naming one or more current and former officers of the Company as defendants in the proposed lawsuit.

8. 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.

9. 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 Generally Accepted Accounting Principles ("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.

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

JURISDICTION AND VENUE

11. 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).

12. 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).

13. 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 District. Additionally, JBI is a Nevada corporation.

14. 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

15. Plaintiff [REDACTED] as set forth in the accompanying certification, incorporated by reference herein, 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.

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

17. Defendant Bordynuik was, at all relevant times, CEO, President, and a director of JBI.

18. Defendant Ronald Baldwin, Jr. ("Baldwin"), was, at all relevant times, Chief

Financial Officer ("CFO") of JBI from on or around January 4, 2010, until his resignation from the Company on or around April 6, 2011.

19. 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 to control 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

Background

20. JBI purports to be a domestic alternative oil and gas company. On April 20, 2006, JBI (then known as 310 Holdings) was incorporated in the State of Nevada. Defendant Bordynuik purchased 63% of the issued and outstanding shares of 310 Holdings on April 24, 2009. Subsequently, Defendant Bordynuik was appointed President and CEO of the Company. Thereafter, JBI represented that it was transitioning to become a global technology leader whose purpose was

to mine data from Defendant Bordynuik's large information archive, find under-productive entities to inject its superior proprietary technologies into, and benefit from increased productivity and profitability, beginning with Plastic2Oil. According to the Company, Plastic2Oil is a combination of proprietary technologies and processes developed by JBI which convert waste plastics into fuel.

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

21. 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 (GLOBENEWSWIRE) -- 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."

22. 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.

23. 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.

24. 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 have:
 - 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.

25. 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 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 in ¶24, *supra*.

26. The statements contained in ¶¶21-25, 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.

27. 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 & Associates, LLC ("Gately") as the Company's independent registered public accounting firm, and that the Board of Directors of the Company approved such dismissal on May 14, 2010.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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%.

Disclosures at the End of the Class Period

33. 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.

34. 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.

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

35. 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.

36. 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).

37. 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).

38. 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).

39. 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

40. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all those who purchased JBI's securities between August 28, 2009 and July 20, 2011, inclusive (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.

41. 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 Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes 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.

42. Plaintiff's 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.

43. Plaintiff 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.

44. 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.

45. 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

46. 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 failures to disclose, JBI's securities traded at artificially inflated prices during the Class Period. Plaintiff 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.

47. 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.

48. 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 Plaintiff 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 Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

49. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the

economic loss suffered by Plaintiff and the Class.

50. During the Class Period, Plaintiff 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's losses.

SCIENTER ALLEGATIONS

51. 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)

52. 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 failures to disclose, JBI's securities traded at artificially inflated prices during the Class Period. Plaintiff 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.

53. 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 Plaintiff 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 Plaintiff 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.

54. At all relevant times, the market for JBI's securities was an efficient market for the following reasons, among others:

(a) JBI stock met the requirements for listing, and was listed and actively traded on the OTCBB and the OTCQX, a highly efficient and automated market;

(b) As a regulated issuer, JBI filed periodic public reports with the SEC and/or the OTCBB and the OTCQX;

(c) JBI regularly communicated with public investors *via* established market communication mechanisms, including through regular dissemination of press releases on the

national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) JBI was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

55. As a result of the foregoing, 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

56. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded 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

57. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

58. 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 Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff 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.

59. 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.

60. 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.

61. 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.

62. 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.

63. 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.

64. 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, Plaintiff and the other members of the Class acquired JBI's securities during the Class Period at artificially high prices and were damaged thereby.

65. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff 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, Plaintiff 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.

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

67. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff 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

68. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

69. 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 Plaintiff contends 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 Plaintiff 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.

70. 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.

71. 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, Plaintiff 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, Plaintiff prays 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 Plaintiff 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 Plaintiff 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

Plaintiff hereby demands a trial by jury.

DATED: July 28, 2011