

May 07, 2003

*So Herbert Denton is a "shareholder activist"?*

In a May 2, 2003 Reuters article about Wall Street's settlement, Herbert Denton is quoted and identified as a "shareholder activist." Mr. Denton is the Chairman of the Oversight Committee of PolyMedica Corporation. PolyMedica is currently under federal criminal investigation. The FBI has conducted a search of PolyMedica's facilities and the homes of two of its officers. The allegations against PolyMedica include fraud and obstruction of justice.

On April 8, 2002 PolyMedica announced that an SEC inquiry of PolyMedica had been terminated. Mr. Denton was quoted in the release stating: "We cooperated with the SEC throughout their investigation into the company and are pleased that the matter appears to be behind us." In fact the SEC notice to PolyMedica actually stated that "it must in no way be construed as indicating that the party has been exonerated or that no action may ultimately result from the staff's investigation." According to an SEC spokesperson the SEC can suspend its civil investigation when other federal enforcement actions are proceeding. Mr. Denton's statement seems at the least incomplete and at worst grossly misleading. In any case, PolyMedica's questionable statement caused the stock to rise only to fall after the full story emerged.

Mr. Denton was recently engaged to be an independent advisor to the Nominating/Corporate Governance Committee of HealthSouth Corporation. HealthSouth is under investigation for criminal activity.

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