

Pre-Paid Garners Support of the United States Chamber of Commerce and the National Black Chamber of Commerce in Action Against Frivolous Lawsuits

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ADA, Okla., Nov. 29 /PRNewswire-FirstCall/ -- Pre-Paid Legal Services, Inc. [PPD](#) announces that the National Chamber Litigation Center, the public policy legal arm of the United States Chamber of Commerce, and the National Black Chamber of Commerce have joined Pre-Paid in seeking attorney's fees and expenses from plaintiffs' counsel following an earlier court victory in Mississippi.

On November 12, 2004, in the Circuit Court of Wilkinson County, Mississippi, Pre-Paid filed a Motion for Attorney's Fees and Expenses pursuant to the Mississippi Litigation Accountability Act of 1988 and Rule 11 of the Mississippi Rules of Civil Procedure. Pre-Paid argues that no effort was made by plaintiffs' counsel to determine the validity of their clients' action, claim or defense before the lawsuit was asserted against Pre-Paid. In the brief filed with the court, Pre-Paid asserts that plaintiffs' counsel did not provide responses to discovery requests for more than two years after filing suit; that the responses actually provided were unverified and/or inaccurate and contrary to the plaintiffs' own testimony; that the majority of plaintiffs were either dismissed or moved to other cases prior to trial; and when the remaining two plaintiffs went to trial, the jury found that none of the claims had been proven and awarded no damages.

The National Chamber Litigation Center filed a request to file an Amicus Curiae brief in support of Pre-Paid's motion. According to the Chamber's brief, in the earlier lawsuit filed against Pre-Paid plaintiffs', counsel utterly failed to make any reasonable inquiry about the basic facts before filing the Complaint. The U.S. Chamber is the world's largest business federation representing more than three million businesses and organizations of every size, sector and region.

The National Black Chamber of Commerce (NBCC) is a nonprofit, nonpartisan, nonsectarian organization dedicated to the economic empowerment of African American communities. The NBCC has 190 affiliated chapters throughout the United States and represents 95,000 African American owned businesses. In a motion filed last week in the Circuit Court of Wilkinson County seeking leave to file an Amicus Curiae brief, the NBCC states frivolous lawsuits have a direct impact on the continued availability of affordable legal services in the African American community and "thereby affect substantial, legitimate, independent interests of the NBCC."

"We are pleased to see the support of the U.S. Chamber and the National Black Chamber of Commerce on this critical issue for Pre-Paid, businesses and the African American community," stated Pre-Paid Chairman and CEO Harland C. Stonecipher. "We believe it is time that plaintiffs' attorneys be held accountable for the damaging financial and business impact that frivolous lawsuits can have on a business, and a community."

About Pre-Paid Legal Services, Inc.

Pre-Paid Legal Services, Inc. develops, underwrites and markets legal service plans across North America. The plans provide for legal service benefits, including unlimited attorney consultation, letter writing, document preparation and review, will preparation, traffic violation defense, automobile-related criminal charges defense and a general trial defense. More information can be located at the Company's homepage on the worldwide web at <http://www.prepaidlegal.com/>.

Forward-Looking Statements:

Statements in this press release, other than purely historical information, regarding the Company's future plans and objectives and expected operating results, and statements of the assumptions underlying such statements, constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. The forward-looking statements contained herein are based on certain assumptions that may not be correct. They are subject to risks and uncertainties incident to the Company's business that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties are described in the reports and statements filed by the Company with the Securities and Exchange Commission, including (among others) those listed in the Company's Form 10-K and Form 10-Q, and include the risks that the Company's membership persistency or renewal rates may decline, that the Company may not be able to continue to grow its memberships and earnings, that the Company is dependent on the continued active participation of its principal executive officer, that pending or future litigation may have a material adverse effect on the Company if resolved unfavorably to the Company, that the Company could be adversely affected by regulatory developments, that competition could adversely affect the Company, that the Company is substantially dependent on its marketing force, that the Company's stock price may be affected by short sellers and that the Company has been unable to increase significantly its employee group membership sales. Please refer to pages 39 and 40 of the Company's 2003 Form 10-K and pages 8 through 10 of the Company's September 30, 2004 Form 10-Q for a more complete description of these risks. The Company undertakes no duty to update any of the forward-looking statements in this release.