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DELIVERY DRIVERS VICTORIOUS ON ALL COUNTS AGAINST FEDEX GROUND. COURT AWARDS \$5.3 MILLION DOLLAR JUDGMENT FOR THE DRIVERS AND ORDERS FEDEX GROUND TO STOP MISCLASSIFYING DRIVERS AS INDEPENDENT CONTRACTORS.

After over six years of intense litigation, FedEx Ground Delivery Drivers vindicated their rights. On December 19, 2005, an LA Superior Court Judge entered final judgment in Estrada v. FedEx Ground against FedEx Ground awarding drivers \$5.3 million dollars for reimbursement of expenses. FedEx Ground unlawfully required drivers to pay for business expenses including fuel, oil, tires, repairs, routine maintenance, liability insurance, and other expenses.

In addition, the Judge declared all single-route drivers to be employees of FedEx Ground and found FedEx Ground to have engaged in unfair business practices in violation of California law. The Judge ordered FedEx Ground to stop mis-classifying its past, current and future pick-up and delivery drivers as independent contractors and to stop violating laws enacted to protect employees, giving the company until April 5th to comply. The Judge also awarded Plaintiffs \$12.3 million dollars in attorneys fees and costs. A copy of the Court's final judgment order is attached.

Plaintiffs Tony Estrada and Jeffrey Morgan were thrilled. "This is the day we have been waiting for for so long," Estrada said. "At last, FedEx Ground will have to be honest with their drivers and call them what they always have been - - employees."

"The hard-work and dedication of the FedEx Ground drivers to truth and basic fairness has finally paid off with this tremendous victory. The Court's Final Judgment leaves no doubt that FedEx Ground cannot continue to operate its business in flagrant violation of the laws of California," said Lynn Rossman Faris, Plaintiffs' lead counsel in the Estrada case and one of three lead counsel in the 32 consolidated cases filed in 25 states around the country. Since the California court decision, 32 class action cases have been filed and those cases have now been centralized before U.S. District Judge Robert Miller, of the Northern District of Indiana.

Articles regarding the FedEx cases have appeared in Business Week (11/28/05 "The Ground War At FedEx"), the Wall Street Journal (1/7/05, "Drivers Delivery Trouble To FedEx. . ." front page); Forbes (9/19/05, p. 54 "Mutiny On the FedEx Truck"); Los Angeles Times, 7/25/05 "FedEx Unit Faces Labor Lawsuits); Los Angeles Times (12/5/05 "Delivery Companies Pressured"), Sacramento Bee (5/1/05, "A New Division of Labor").
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