

CALIFORNIA APPEALS COURT FINDS FEDEX GROUND DRIVERS TO BE EMPLOYEES AND DENIES FEDEX'S APPEAL

August 15, 2007 (Los Angeles, CA) – On August 13, the California Court of Appeal upheld the trial court's decision finding FedEx Ground drivers to be employees and not independent contractors, thus denying the appeal of FedEx in the landmark *Estrada vs. FedEx Ground Package System, Inc.* The appeals court also determined that the FedEx Ground drivers were entitled to reimbursement for approximately \$6 million in additional expenses bringing the total damages to about \$11 million for 200 drivers.

In denying the appeal from the December 2005 decision, the Appeals Court found that the California drivers are actually employees, and that “... the work performed by the drivers is wholly integrated into FedEx's operation. The drivers look like FedEx employees, act like FedEx employees, are paid like FedEx employees, and receive many employee benefits.” Citing the trial court's decision, the appellate court noted, “The essence of the trial court's statement of decision is that if it looks like a duck, walks like a duck, swims like a duck, quacks like a duck, it is a duck.” The Court also commented that, “FedEx's control over every exquisite detail of the drivers' performance, including the color of their socks and the style of their hair, supports the trial court's conclusion that the drivers are employees ...”

“The Appeals Court ruling is another significant step in seeking justice for every former, current and future FedEx Ground/Home Delivery driver,” says Lynn Rossman Faris, Esq., the lead trial lawyer in the original lawsuit against FedEx alleging misclassification of the drivers as a way to shift the burden for paying millions in overhead expenses – including fuel, insurance and uniforms -- from the company to the drivers, enabling FedEx Ground to compete illegally. “We intend to prove through the federal class-action suit what we've proven in California: that all FedEx Ground and Home Delivery drivers have been illegally misclassified to the detriment of the drivers, avoiding taxes every other employer pays and giving a massive windfall to the company.”

Plaintiffs Tony Estrada and Jeff Morgan were thrilled: “We always knew that if we stood our ground and told the truth, justice would prevail for all of our fellow drivers.”

Ms. Faris noted, “FedEx has been telling Wall Street that it would win this appeal. FedEx's attempt to spin this decision and other similar holdings sound increasingly empty and desperate. As the court said, if it quacks like a duck, it is a duck, not a contractor as the company has claimed. This is the highest court to date to confirm what we have all known for a very long time.”

Contact: Lynn Faris, Esq., Leonard Carder, LLP - 510-272-0169