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**CALIFORNIA AWARDS UNEMPLOYMENT COMPENSATION TO FORMER  
FedEx GROUND/HOME DELIVERY DRIVER IN MAJOR RULING  
Carrier “abused its power” and treated contractor as an employee**

**SACRAMENTO, CA** (July 13, 2006) In a major ruling, the California Unemployment Insurance Appeals Board says former FedEx Ground/Home Delivery route driver Jerry Ferguson is eligible for unemployment compensation even though he was not directly employed by the company nor was he a subcontractor. “Jerry A. Ferguson was clearly an employee of FedEx,” according to the Appeals Board.

The Board ruled that Ferguson, of Pasadena, California, had been misclassified by the company as a subcontractor and that the record revealed that he was an independent contractor in name only. In his opinion, Administrative Law Judge Edwin A. Graf says the company failed to deliver on its promises that Ferguson would have autonomy and, instead, exercised near absolute control over him and his business, including his subcontracted delivery route driver. He was also required to obey strict guidelines regarding his appearance and that of his truck, and he was not free to regulate his work schedule. The operating rules were so restrictive that one time Ferguson was forbidden from attending a family reunion on his day off because the company said he was needed to deliver a shipment of just-released Harry Potter books.

“In attempting to foist the status of an independent contractor on the claimant (Ferguson), FedEx has deprived him of important rights as an employee,” Graf stated.

“This is only the second time the State of California has ruled that a FedEx Ground driver with more than one route is eligible for unemployment benefits typically denied to independent contractors,” explains Lynn Rossman Faris, Esq., Ferguson’s attorney. “This is another example of how FedEx Ground has shifted the huge expense burden from the corporation to the backs of hard working men and women like Jerry Ferguson.”

Faris, based in Oakland, California, is among the lead attorneys in a national class action lawsuit brought against FedEx Ground, a subsidiary of FedEx Corporation (NYSE:FDX), by current and former drivers who were misclassified as independent contractors. Since December 2005, FedEx Ground has been assessed nearly \$100 million by courts and/or government agencies regarding its employment practices relative to the drivers.

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