

Freedom Communications issued the following statement:

Today, The Orange County Register and the home delivery carriers who deliver the newspaper have agreed to a settlement of a class action lawsuit filed on behalf of those carriers. Through such settlement, The Register will pay to the class members not more than \$22 million through a claims-made settlement process. The ultimate amount paid will be based on the number of claims submitted and validated through this process.

No amount has been set for Plaintiffs' attorneys' fees. It is up to the sound discretion of the trial court to determine the reasonable amount of such fees. Although Plaintiffs' counsel is seeking \$12 million in fees, it is by no means certain that the Court will award that amount, and it can award less.

In the settlement, the parties agree that in the future the carriers will continue to be deemed to be independent contractors, not employees. The Register has maintained throughout the lawsuit that the carriers are independent contractors and that status remains unchanged with this settlement. In addition, The Register retains full and complete flexibility to determine how to deliver its newspapers in the future.

Scott Flanders, CEO of The Register's parent company, Freedom Communications, said, "I am pleased that the five-year protracted litigation has been resolved through a settlement that is fair to both sides. With this resolution, we bring certainty and finality to this issue, and we can move forward to address other challenges and to strengthen our business."

The Register also has agreed to make certain modifications to the contract signed by the carriers that support, clarify and enhance the carriers' status as independent contractors. Plaintiffs' counsel has referred to these changes as "benefits going forward to existing and future carriers" and has stated that these changes have an "estimated" value of "\$6,000,000." The Register disagrees strongly with that calculation and has approximated the value at a much lower figure.

The trial commenced on September 22, 2008 and was expected to last until perhaps mid-January, 2009. During the trial, the jury heard evidence about the contract signed by each carrier confirming that the carriers are independent contractors, not employees. Todd Theodora, serving as trial counsel for The Register, stated, "There was abundant trial testimony that the carriers have the freedom and flexibility of the type enjoyed only by independent contractors, not employees." Mr. Theodora added: "The jury heard evidence concerning the carriers' widespread use of substitutes and helpers to perform all or some of the work covered under their contract." There was also much evidence presented concerning the carriers' ability to deliver competitors' products, to perform their route unsupervised and in any order they wanted, to take breaks whenever and wherever they wanted, and to determine their own vacation schedule.

The settlement incorporates the terms included in this statement, despite the premature and inaccurate statement released by Plaintiffs' counsel.