

Press Release

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For Immediate Release

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ORANGE COUNTY REGISTER SETTLES

CLASS ACTION CASE FOR \$42 MILLION

In the Class action lawsuit brought by delivery persons for The Orange County Register newspaper almost five years ago, a settlement was reached in Court today. The Register has agreed to pay \$36 Million in past damages and attorneys' fees and an estimated \$6 Million worth of benefits going forward to existing and future carriers.

The carriers are represented by Daniel J. Callahan of Callahan & Blaine, a Santa Ana, California law firm and Timothy Cohelan of Cohelan & Khoury, a San Diego, California law firm.

This settlement is the first of its kind in the United States as many newspapers treat their newspaper delivery personnel as independent contractors rather than employees. The key determining factor is whether the company controls the manner and means employed by the carriers to deliver the newspaper. In The Register's case, The Register gave detailed routes for the carriers to follow, instructions for delivery, and penalties for non-compliance. The Register also trained and supervised the carriers in the performance of their duties. Daniel J. Callahan of Callahan & Blaine stated that *"These are the hallmarks of an employment relationship and The Register engaged in this practice in an apparent attempt to avoid providing benefits otherwise required by California law."*

The trial commenced on September 22, 2008 and settled during the middle of trial after Callahan presented conclusive evidence that The Register exerted dominance and control over every aspect of the delivery system throughout all of its 8 warehouses in Orange County. This was made clear in the testimony Callahan elicited during the cross-examination of The Register's management team.

The case awaits final Court approval but both sides believe that it will be granted. In order to achieve this settlement, The Register's parent, Freedom Communications of Irvine, California, needed to secure the consent of its shareholders and lenders due to the failing or decreasing newspaper subscriptions and advertising revenue caused by subscribers' move to the Internet media and poor economic conditions.

Final approval is expected within 90 days with Class notice going out in the interim to approximately 5,000 present and former newspaper carriers that were engaged from July 7, 2003 through August 22, 2008.

Callahan states that many newspapers are set up this way and are in direct and knowing violation of the California Labor Code and he intends to pursue other newspapers who engage in the same illegal practice.

Freedom Communications that owns The Orange County Register also owns over 100 newspapers and television stations. The Hoiles family in 2004 sold approximately 50% of its ownership in Freedom Communications for approximately \$2 Billion to Blackstone Communications Partners and Providence Equity Partners. The Register also delivers other papers such as the New York Times, the OC Post, Investors' Business Daily, Wall Street Journal and several other local newspapers and tabloids.

For further information, contact Daniel J. Callahan, after hours cell phone (949)584-4434.