

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 The Orange County Register newspaper delivery persons almost five years ago, a settlement was reached in Court today. The Register has agreed to pay \$36 Million in past damages and an estimated \$6 Million worth of benefits going forward to existing and future carriers. 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. Dan Callahan of the Santa Ana, California law firm 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 20, 2008 and settled during the middle of trial after Callahan presented conclusive evidence that The Register's charter existed in all of its warehouses and established control from testimony elicited on cross-examination from their management team.

The case awaits final Court approval but both sides believe that will be granted. In order to achieve this settlement, The Register's parent, Freedom Communications from 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 their subscribers' move to the Internet for news and the poor economic conditions in the housing and automobile industries.

Final approval is expected within 90 days with Class notice going out in the interim to approximately 5,000 present and former newspaper carriers 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 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 Securities and Providence Equity (**LMK-check these two names**). 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.

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