

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
SOUTH BEND DIVISION

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In re FEDEX GROUND PACKAGE)	Cause No. 3:05-MD-527-RM
SYSTEM, INC., EMPLOYMENT)	(MDL 1700)
PRACTICES LITIGATION)	
)	
-----)	
THIS DOCUMENT RELATES TO:)	
)	
<i>Katrina Lee, et al. v. FedEx Ground</i>)	
<i>Package System, Inc.,</i>)	
Civil No. 3:05-cv-00533-RLM-CAN (MN))	
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SECOND AMENDED CLASS ACTION COMPLAINT

Plaintiffs, on behalf of themselves and a Class of persons similarly situated, for their Second Amended Complaint against Defendant, state and allege as follows:

PARTIES

1. Plaintiffs are Katrina Lee, Magnus B. Conroy, Gary Miyazaki, Gerald Pelkey, and Sergei Selenskikh. Plaintiffs all previously worked for Defendant corporations and were classified as independent contractors.

2. Defendant FedEx Ground Package System, Inc. (“FEG”), and its division, FedEx Home Delivery (“FHD”) (hereinafter together referred to as “Defendant” or “Defendant”), is a Delaware corporation doing business as two national companies, affiliated with the Federal Express Corporation. At all relevant times, and within six years of the filing of this Complaint, Defendant was engaged in providing small package information, transportation and delivery services in the United States, including in the State of Minnesota.

3. Defendant is qualified to, and does, transact business in the State of Minnesota, including locations in Hennepin County.

4. Defendant employs local package delivery drivers for FEG and FHD, all of whom, at FEG's and FHD's direction and control, perform package delivery to local businesses and residences.

JURISDICTION AND VENUE

5. This is an action alleging illegal deductions from wages in violation of Minn. Stat. § 181.79; failure to keep records in violation of Minn. Stat. 177.30; violation of the Prevention of Consumer Fraud Act, Minn. Stat. §325F.69; fraud; and, rescission.

6. Venue herein is proper pursuant to the order of the Judicial Panel for Multidistrict Litigation transferring this action to this Court.

CLASS ACTION ALLEGATIONS

7. This action is brought on behalf of a Class of persons currently and formerly employed by Defendant as employees within the definition of "employee" in the common and statutory law, but who, similar to the named Plaintiffs, are or were erroneously Classified as "contractors" or "independent contractors." Occupations or jobs in which Class Members worked or work include route delivery drivers for FEG and FHD. The Class includes all such persons employed by Defendant within the six-year statute of limitations. The Class is specifically defined as follows:

All individuals who worked for Defendant FedEx Ground System, Inc. and/or its subsidiary FedEx Home Delivery, Inc. in Minnesota from March 21, 1999 to March 21, 2005 (the Class Period), as package pick-up and delivery drivers, and who were Classified as "independent contractors" and thereby deprived of various protections under Minnesota law.

Plaintiffs believe that the Class as defined above includes over 1,000 members.

8. FEG and FHD employ thousands of drivers to pick up and deliver packages for its customers throughout the United States. As a condition of employment, each FEG and FHD driver is required to sign a lengthy form contract entitled the “Pick-up And Delivery Contractor Operating Agreement” that mischaracterizes each driver as an “independent contractor.” These Operating Agreements conceal the true nature of the relationship between Defendant and its drivers: that of employer and employee.

9. Plaintiffs, and Plaintiff Class Members, were denied the accoutrements of employment, including, but not limited to:

- a. wages;
- b. overtime pay;
- c. holiday pay;
- d. workers’ compensation;
- e. unemployment insurance;
- f. contributions to Defendant’s retirement plan;
- g. participation in Defendant’s Employee Stock Purchase Plan;
- h. income tax withholding; and,
- i. meal, break and rest periods.

10. Plaintiffs, and Plaintiff Class Members, were required to pay Defendant’s operating expenses, all of which should have been paid by Defendant, including, but not limited to:

- a. delivery vehicle purchase;
- b. various insurances, including vehicle insurance and work accident insurance;
- c. delivery vehicle maintenance and repairs;
- d. purchase and maintenance of logos and uniforms;

- e. fuel;
- f. cargo claims; and,
- g. “business support,” including maps, signs, logos, training and scanners.

11. Despite Defendant's control over virtually all material aspects of the employment relationship, and despite the unequivocal command of applicable statutes and case law to the effect that workers such as Plaintiffs are entitled to the protections due employees under Minnesota law, and despite the finding of the Los Angeles Superior Court in Estrada v. FedEx Ground Package Systems, Inc. (Case # BC 210130) that these drivers are employees, Defendant continues to misclassify its drivers as independent contractors. As a result, these drivers are deprived of the rights and protections guaranteed by Minnesota law to employees, and they are deprived of employer-financed workers compensation coverage and unemployment insurance benefits. Furthermore, the terms and conditions of their employment contract require these drivers to purchase, operate and maintain expensive trucks for Defendant's exclusive benefit and to work under other unlawful conditions. Defendant's mischaracterization of its drivers as independent contractors, the concealment and/or non-disclosure of the true nature of the relationship between Defendant and its drivers and the attendant deprivation of substantial rights and benefits of employment are part of an on-going unlawful and fraudulent business practice by Defendant which this court should enjoin.

12. The named Plaintiffs are adequate representatives of the Class because they were treated in the same manner as other Class Members by the Defendant and they have been damaged by this treatment in the same manner as other Class Members by their exclusion from employee compensation programs, plans and agreements and employee benefit plans and rights.

13. There are common questions of law and fact applicable to the entire Class including, but not limited to, the question whether Plaintiffs and Plaintiff Class Members are

entitled to certain types of employee compensation and benefits because they are employees of Defendant as defined by common and statutory law, even though Defendant has misrepresented to Plaintiffs and Plaintiff Class Members their true employment status.

14. This case should be certified as a Class action pursuant to Rule 23 of the Federal Rules of Civil Procedure because the common questions of law and fact concerning Defendant's liability predominate over any individual question over the amount of damages to each person and that:

- a. The members of the Class are so numerous that their individual joinder in a single action is impossible and/or impracticable;
- b. The central questions of law and fact involved in this action are of a common or general interest and those common legal and factual issues predominate over any questions affecting only individual members of the Class. Among the common questions of law and fact are the following:
 - i. Whether Class Members have been misclassified as independent contractors pursuant to Defendant's operating agreements;
 - ii. Whether the Defendant has violated their legal obligations under various provisions of Minnesota law;
 - iii. Whether Defendant unlawfully failed to provide workers compensation insurance benefits and unemployment insurance benefits to the Class Members in violation of Minnesota Law;
 - iv. Whether Defendant intentionally and/or negligently misrepresented to Plaintiffs and the Class they seek to represent their true employment status and thereby induced them to incur substantial expenses in reliance on such representations and;
 - v. Whether injunctive and declaratory relief and an equitable accounting are proper.

15. The claims of the named Plaintiffs are identical to the claims of other members of the Class. The named Plaintiffs share the same interests as other members of the Class in this action because, like other Class Members, they have each been misclassified and suffered financial loss of thousands of dollars due to Defendant's wrongful misclassification. Given the

significance of their losses, they have the incentive, and are committed, to vigorously prosecuting this action. They have retained competent and experienced counsel who specialize in Class action and employment litigation to represent them and the proposed Class;

16. A Class action is the only realistic method available for the fair and efficient adjudication of this controversy. The expense and burden of individual litigation makes it impracticable for members of the Class to seek redress individually for the wrongful conduct alleged herein. Were each individual member required to bring a separate lawsuit, the resulting multiplicity of proceedings would cause undue hardship and expense for the litigants and the Court and create the risk of inconsistent rulings which would be contrary to the interest of justice and equity.

FACTS COMMON TO ALL CAUSES OF ACTION

17. Defendant is a corporation whose business consists of package delivery and pick-up service to customers, using a single integrated nationwide network of transportation, communication and sorting facilities and integrating Class Members into that existing network of operations. Defendant hired Plaintiffs to deliver and pick up packages based on times, locations and for amounts determined solely by Defendant.

18. Defendant employs or employed during the Class period more than 1,000 delivery and pick-up drivers in the State of Minnesota including, either currently or at material times in the past, each of the Plaintiffs.

19. Each pick-up and delivery driver (referred to by Defendant as a (“P&D contractor”) must sign a “Pick-Up and Delivery Contractor Operating Agreement” and Addenda thereto (referred to hereinafter as combined as “OA” or the “Operating Agreement”) as a mandatory condition of employment. The date, time and place of execution of each driver’s Operating Agreement is within the knowledge of Defendant as each Agreement is maintained in

the driver files described above, in the regular course of business. The Operating Agreement between each member of the Plaintiff Class and Defendant is the same in all material respects. The Operating Agreement between Plaintiffs and FEG and between Plaintiffs and FHD contain all of the same identical material terms with only a few, minor and insubstantial differences.

20. The Operating Agreement contains various statements purporting to Classify Plaintiffs and Plaintiff Class Members as independent contractors. At the same time, the Operating Agreement retains to the company, *inter alia*, the right to approve or disapprove any vehicle used to provide service, the right to approve or disapprove any driver or helper who provides service, the right to approve or disapprove the purchase or sale of any vehicle, the right to assign pickup and delivery stops to each driver, the right to temporarily or permanently transfer portions of any route to another with or without compensation, the right to determine when a driver has “too few” or “too many” packages to deliver on a given day, the right to inspect vehicles and drivers for compliance with Company-promulgated appearance standards, the right to terminate the contract upon thirty days notice or whenever the company unilaterally determines that any provision of the contract has been “violated” amounting to the right to terminate at will, the right to require the use of communication equipment and the wearing of Company uniforms, the right to take a vehicle out of service, the right to review and evaluate “customer service” and to set and change standards of such service, the right to require drivers to perform service at “times” requested by customers and determined by Defendant, the right to withhold pay for certain specified expenses, the right to require purchase of specified insurance and numerous other purchases by drivers, the right to require completion of specified paperwork, and other rights reserved to Defendant.

21. The Operating Agreement is and at all relevant times has been a contract of adhesion, drafted exclusively by Defendant and/or its legal counsel, with no negotiation with drivers, who are required to sign the Agreement as a condition of employment. Plaintiffs and Plaintiff Class Members are required to sign the form contract as is, without any changes made to the terms contained therein. Each year, drivers are required to sign additional Addenda which are likewise not subject to negotiation and are unilaterally drafted adhesion contract provisions. The Agreement is, and at all material times has been unlawful, unconscionable and fraudulent in form and effect.

22. Defendant also has created and regularly updated a large number of written policies and procedures outside of the Operating Agreement that drivers are never given, but nonetheless are required to follow in their work. Defendant's written policies are contained in the FedEx Ground Manual, Operations Management Handbook, Settlement Manual and numerous other written and extra-contractual policies that are actively concealed from drivers and which Defendant fails to disclose and/or provide to drivers that govern the relationship between Defendant and the drivers. The other written handbooks and manuals and additional extra-contractual sources include, but are not limited, to written rules on "contractor" termination, directives and training provided to terminal managers, written rules on driver appearance (with illustrative poster), written and oral complaint procedures, memorandum and directives to terminal management and other rules concealed from and not provided to the drivers. When drivers do not follow an FEG or FHD rule, whether disclosed or undisclosed, known or unknown, they are subject to various types of punishment, some financial and some disciplinary, up to and including contract termination and/or non-renewal. Defendant documents such so-called violations of such rules on forms referred to as "Business Discussion Notes" and

retain these documents in secret driver files called “DOT” files, along with myriad other documents which are likewise concealed from and not disclosed to the drivers.

23. Defendant maintains compensation and benefit plans, agreements and programs available to persons who are “employees” of Defendant. The benefit plans include: Health Benefit Plan, Life Insurance Plan, Short-term and Long-term Disability Plans, Accidental Death & Dismemberment and Survivor Income Plan, Employee Stock Purchase Plan, Business Travel Accident Plan, and Retirement and 401 (K) Savings Plans. In addition, employees of Defendant receive additional compensation programs, plans, rights, and benefits, including vacation, holidays, sick leave, other types of paid leave, and stock purchase rights.

24. Plaintiffs and Plaintiff Class Members have been excluded from the foregoing compensation plans and programs and benefit plans for all or a portion of their employment at FedEx due to their misclassification as non employees.

25. Plaintiffs and Plaintiff Class Members have incurred expenses for equipment, insurance and other expenses that Defendant requires them to purchase under the contract.

FIRST CAUSE OF ACTION:
ILLEGAL DEDUCTIONS FROM WAGES IN VIOLATION OF
MINN. STAT. SECTION 181.79

26. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the preceding paragraphs.

27. Defendant has unlawfully withheld monies from the compensation earned by Plaintiffs and Plaintiff Class Members for business expenses of Defendant, including but not limited to vehicle expenses, cargo claims and insurance claims in violation of Minnesota Statute Section 181.79. Plaintiffs and Plaintiff Class Members have not expressly and freely given written consent to such deductions, and these deductions are not made in response to a valid

wage assignment or deduction order. Such deductions were not for the Plaintiff and Plaintiffs Class Members employees' benefit.

28. Defendant has withheld said funds unlawfully without providing Plaintiffs and Plaintiff Class Members with advance notice of the amounts, reasons or documentation to justify such deductions, and absent any lawfully sufficient reason for such conduct.

29. As a direct and proximate result of Defendant's conduct, Plaintiffs and Plaintiff Class Members have suffered substantial losses and been deprived of compensation to which they were entitled, including monetary damage in an amount of two times the amounts deducted, pre-judgment interest, costs and reasonable attorney fees.

SECOND CAUSE OF ACTION:
VIOLATION OF MINNESOTA STATUTE § 177.30,
FAILURE TO KEEP RECORDS

30. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the preceding paragraphs.

31. Throughout the relevant time period, Defendant was an employer within the meaning of Minnesota Statute § 177.23, Subd. 6, and subject to the requirements of Minnesota Statute § 177.30 Subd. 1, which provides in pertinent part:

Every employer subject to sections 177.21 to 177.35 must make and keep a record of:

- (1) the name, address, and occupation of each employee;
- (2) the rate of pay, and the amount paid each pay period to each employee;
- (3) the hours worked each day and each workweek by the employee....

32. Plaintiffs and Plaintiff Class Members are entitled to the protections of Minnesota Statute § 177.30, Subd. 1.

33. Upon information and belief, Defendant has violated the above provisions by failing to keep records of Plaintiffs' and the Plaintiff Class Members' rate of pay and hours worked each day and workweek.

34. Defendant is liable to Plaintiffs and Plaintiff Class Members for compensatory and liquidated damages, a civil penalty for each violation, plus costs, disbursements, witness and attorneys' fees, pursuant to Minnesota Statute §177.27.

THIRD CAUSE OF ACTION
VIOLATION OF THE PREVENTION OF CONSUMER FRAUD ACT,
MINN. STAT. § 325F.69

35. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the preceding paragraphs.

36. Defendant, through the actions described above, have violated the Minnesota Prevention of Consumer Fraud and Deceptive Business Practices Act, Minn. Stat. § 325F.69.

37. Defendant's marketing and recruitment materials are offered and presented to members of the general public within the State of Minnesota.

38. In entering into the Operating Agreement, Plaintiffs purchased their routes from Defendant. The consideration for that purchase was Plaintiffs' acquisition of the delivery truck, purchase of the business support package, or an agreement to provide services.

39. Defendant's representations to Plaintiffs and other members of the general public through their advertising, marketing and recruitment process were false and were false statements of intention when made, and therefore constitute misstatements of material fact.

40. Defendant has engaged in unconscionable commercial practices of deception, fraud, false pretense, false promise, misrepresentations and omissions in recruiting and retaining its drivers, the public at large, and the Plaintiffs and Plaintiff Class Members specifically,

regarding the status of the Plaintiffs and Plaintiff Class Members as independent business owners as pled in this Complaint.

41. Specifically, Defendant misled the Plaintiffs to believe that they were going to be “partners” with Defendant, that Plaintiffs would have an independent business, fully marketable and transferable, that Plaintiffs were investing in a business and would have a proprietary interest that would grow, along with their income, that the routes had and would have value, and other representations designed to convince Plaintiffs and members of the general public to acquire a truck and service Defendant’s customers under the terms of a burdensome and nonnegotiable contract.

42. Defendant knowingly concealed, suppressed or omitted the fact that it intended to manage Plaintiffs’ work and income, that Defendant’s management and control destroyed or would destroy any perceived value of the routes, that Defendant had no intention of leaving the means and methods of work to Plaintiffs, that other jurisdictions have found that driver-contractors were actually employees, not business owners, that Defendant intended to treat Plaintiffs as employees, not entrepreneurs, and other material facts regarding the transaction.

43. Defendant’s actions are unfair and deceptive, and constitute deception, fraud, false pretense, false promise, misrepresentation, omission, or knowing concealment, suppression or omission of material facts with the intent that the Plaintiffs, Plaintiff Class Members, and the general public rely upon concealment, suppression, or omission of facts in connection with the sale of routes to Plaintiffs and those like them.

44. Defendant committed affirmative misrepresentations, knowing omissions, and violations of the Minnesota Prevention of Consumer Fraud Act, entitling Plaintiffs and Plaintiff Class Members to the remedies under the Act.

45. As a result of Defendant's conduct, Plaintiffs entered into the Operating Agreement as described in the foregoing allegations, and made the associated and required investments, including the purchase of a truck and other equipment.

46. As a result of Defendant's control and management, Defendant has destroyed the potential financial value of the routes.

47. Plaintiffs suffered ascertainable losses as a result of Defendant's actions, including but not limited to the loss of value in the routes, lost opportunity to sell the routes, lost profits, additional insurance costs, taxes, and other expenses that should have been paid by Defendant as an employer.

48. A causal nexus exists between Defendant's actions and Plaintiffs' losses. Defendant is liable to Plaintiffs and Plaintiff Class Members for compensatory damages, consequential damages, punitive damages, injunctive and declaratory relief, plus costs, disbursements, and attorney fees, plus pre- and post-judgment interest.

FOURTH CAUSE OF ACTION:
FRAUD

49. Plaintiffs hereby incorporate by reference all preceding paragraphs as if fully set forth herein, and further allege:

50. Plaintiffs and the Class they represent were purportedly hired by Defendant to work as "independent contractors" pursuant to the terms of the OA described above. In fact, Defendant knew or should have known, at all times, that the "independent contractor" classification in the Operating Agreement was improper and that Plaintiffs and all persons similarly situated were "employees" entitled to the benefits and protections of all laws enacted for employees. Plaintiffs are informed, believe and on that basis allege, that through the OA Defendant intentionally misled Plaintiffs and the Class they represent as to their employment

status, or made such representations to Plaintiffs and Plaintiff Class Members recklessly and/or negligently, and deliberately concealed from and/or failed to disclose to the pick-up and delivery drivers the extra contractual sources (including but not limited to the FedEx Ground Manual, Operation Management Handbook and Settlement Manual, other policies and secret driver files described above) that defined the employment relationship between Plaintiffs and Defendant, all for the purpose of realizing unjust profits from Plaintiffs' work and/or to avoid paying for its operating costs and payroll taxes to increase its competitiveness.

51. At all material times, Defendant either knew, or should have known, that the material representation made to Plaintiffs in the OA concerning their employment status, and the concealment and/or non-disclosure of material facts to Plaintiffs concerning their employment status and Plaintiffs' corresponding obligation to assume responsibility for all of their "own" employment-related expenses including but not limited to purchasing or leasing, operating and maintaining expensive trucks were false and fraudulent.

52. At all material times, Defendant intended to and did induce Plaintiffs and the Class they represent to reasonably and justifiably rely to their detriment on the false and fraudulent representations made to them by Defendant in the OA concerning their employment status and obligation to assume responsibility for all of employment related expenses including but not limited to purchasing or leasing, operating and maintaining expensive trucks and suffered damage as a direct and proximate result.

53. By its aforesaid conduct, Defendant is guilty of oppression, fraud and malice in violating Plaintiff rights and protections guaranteed by Minnesota law and other applicable law.

FIFTH CAUSE OF ACTION:
RESCISSION

54. Plaintiffs hereby incorporate by reference all preceding paragraphs as if fully set forth herein, and further allege:

55. Despite the express terms of the Operating Agreement, Plaintiffs' relationship with Defendant satisfies every aspect of the test for employment, and not for independent contractor status.

56. Defendant controls virtually every aspect of the Plaintiffs' work and earnings, as set forth in the general allegations hereof at paragraphs 17 through 25.

57. Despite this control and the actual status of the drivers as employees, Defendant mischaracterizes the Plaintiffs as independent contractors. As a result, these drivers must pay substantial sums of their own money for work-related expenses, including but not limited to the purchase or lease of vehicles meeting company specifications, and all costs of operating, insuring and maintaining those vehicles.

58. The Operating Agreement illegally and unfairly advantages Defendant, by mischaracterizing the status of the Plaintiffs in that Defendant evades employment related obligations, such as social security contributions, workers' compensation coverage, and state disability and unemployment compensation, illegally shifting the expense of workers' compensation coverage and other expenses to Plaintiffs.

59. The Operating Agreement between Defendant and each Plaintiff and member of the Class is void as against public policy and therefore unenforceable, as failing to recognize the employment status of the Plaintiffs and the Class Members, and therefore denying them the legally cognizable benefits of employment.

60. The Operating Agreement between Defendant and each Plaintiff is an unconscionable contract of adhesion, which is unenforceable as contrary to the public interest, policy and law.

61. The Operating Agreement illegally shifts the burden of certain costs that an employer must pay.

62. While acting on the direct instruction of Defendant and discharging their duties for Defendant, Plaintiffs and the Class Members incurred expenses for, *inter alia*, the purchase or lease, maintenance, operating costs and adornment of vehicles; insurance; and uniforms. Plaintiffs and the Class Members incurred these substantial expenses as a direct result of performing their job duties.

63. By misclassifying its employees as “independent contractors,” and further by contractually requiring those employees to pay Defendant’s own expenses, Defendant has been unjustly enriched.

64. As a direct and proximate result of Defendant’s conduct, Defendant has received substantial benefits to which it had no entitlement, at Plaintiffs and the Class Members’ expense, including lost profits, self-employment taxes, premiums for insurance to replace workers compensation and disability benefits, business expenses, compensation of replacement workers, and other expenses.

65. Plaintiffs are entitled to compensation for all of the business expenses they were illegally required by Defendant to bear, for all of the employment taxes, unemployment compensation and workers compensation the Defendant should have but did not pay, and Plaintiffs are entitled to the *quantum meruit* value of their services as employees.

SIXTH CAUSE OF ACTION:
DECLARATORY RELIEF

66. Plaintiffs hereby incorporate by reference all preceding paragraphs as if fully set forth herein, and further allege:

67. An actual controversy has arisen between the Plaintiffs and Plaintiff Class Members, on the one hand, and Defendant, on the other hand, relating to the following matters:

- a. Whether Defendant has unlawfully misclassified Plaintiffs and Plaintiff Class Members as independent contractors, and have thus denied Plaintiffs and Plaintiff Class Members of the common benefits of employee status, such as
 - i. wages;
 - ii. holiday pay;
 - iii. workers' compensation;
 - iv. unemployment insurance;
 - v. contributions to Defendant's retirement plan;
 - vi. income tax withholding;
 - vii. meal, break and rest periods.
- b. Whether Defendant has unlawfully failed to pay benefits and compensation owing in a timely manner to Plaintiffs and Plaintiff Class Members whose employment with Defendant ended, as required by Minnesota law.
- c. What amounts Plaintiffs and Plaintiff Class Members are entitled to receive in compensation and benefits.
- d. What amounts Plaintiffs and Plaintiff Class Members are entitled to receive in interest on unpaid compensation due and owing.
- e. What amounts Plaintiffs and Plaintiff Class Members are entitled to receive from Defendant in statutory penalties and interest.

68. Plaintiffs and Plaintiff Class Members further seek entry of a declaratory judgment in their favor which declares Defendant's practices as heretofore alleged to be

unlawful and which provides for recovery of all sums determined by this Court to be owed by Defendant, and each of them, to the Plaintiffs and Plaintiff Class Members.

SEVENTH CAUSE OF ACTION
REQUEST FOR INJUNCTIVE RELIEF

69. Plaintiffs hereby incorporate by reference all preceding paragraphs as if fully set forth herein, and further allege:

70. Defendant will continue to misclassify Plaintiffs and Plaintiff Class Members as independent contractors and unlawfully deny them the common benefits of employee status;

71. Plaintiffs and Plaintiff Class Members have been injured and damaged, and are threatened with injury and damage, by Defendant's continued misclassification and unlawful refusal to pay all compensation and benefits as heretofore alleged, and Plaintiffs and Plaintiff Class Members have no adequate remedy at law.

72. Defendant has acted, and threatened to act, on grounds generally applicable to the individual members of the Class, thereby making appropriate preliminary and permanent injunctive relief enjoining Defendant and their agents from practicing the unlawful practices heretofore alleged.

WHEREFORE, Plaintiffs request that judgment be entered against Defendant for the following:

1. Declaring that the Defendant's acts described in this Complaint constitute violations of Minn. Stat. §§ 181.79 , 177.30, 325F.69 and Minnesota common law.

2. An award of benefits due them under the programs, agreements and plans described above with an appropriate award of interest;

3. An award of damages for their erroneous exclusion from the programs, agreements and plans described above with an appropriate award of interest;

4. Clarification and enforcement of their rights under these programs, agreements and plans;
5. An award of damages for all out-of-pocket expenses incurred by Plaintiffs and Plaintiff Class Members necessary to perform their jobs for Defendant described above with an appropriate award of interest;
6. Rescinding the Operating Agreement, and awarding restitution compensating for the reasonable value of the benefit provided to Defendant; and,
7. Attorney fees and costs as provided by law;
8. Punitive damages in an amount to be determined at trial; and,
9. Such other further relief as the Court may deem just and equitable.

Dated: June 2, 2006

Respectfully submitted,

LOCKRIDGE GRINDAL NAUEN P.L.L.P.

s/Susan E. Ellingstad

Susan E. Ellingstad
100 Washington Avenue South
Suite 2200
Minneapolis, MN 55401
Tel: (612) 339-6900
Fax: (612) 339-0981

Lynn Rossman Faris
LEONARD CARDER, LLP
1330 Broadway, Suite 1450
Oakland, CA 94612
Tel: (510) 272-0169
Fax: (510) 272-0174

Robert I. Harwood
WECHSLER HARWOOD LLP
488 Madison Avenue, 8th Floor
New York, NY 10022
Tel: (212) 935-7400
Fax: (212) 753-3630

PLAINTIFFS' CO-LEAD COUNSEL

J. Gordon Rudd
Anne T. Regan
ZIMMERMAN REED
651 Nicollet Mall
Suite 501
Minneapolis, MN 55401
Tel: (612) 341-0400
Fax: (612) 341-0844

Clayton D. Halunen
Joni M. Thome
HALUNEN & ASSOCIATES
220 South Sixth Street
Suite 2000
Minneapolis, MN 55402
Tel: (612) 605-4098
Fax: (612) 605-4099

ATTORNEYS FOR PLAINTIFFS

CERTIFICATE OF SERVICE

I, Susan E. Ellingstad, hereby certify that on June 2, 2006, I electronically filed the foregoing document with the Clerk of Court using the CM/ECF system which sent notification of such filings to the following:

George A Barton	gbarton@birch.net
Evelyn L Becker	ebecker@omm.com
Darcie R. Brault	dbrault@dibandfagan.com
Thomas J Brunner Jr	Tom.Brunner@bakerd.com ; Alicia.cummins@bakerd.com ; Melissa.bozzuto@bakerd.com ; michelle.george@bakerd.com
Jerald R Cureton	jcureton@curetoncaplan.com
Edward J Efke	efkeman@fedex.com
Barry S. Fagan	bfagan@dibandfagan.com
Lynn R Faris	lfaris@leonardcarder.com ; lbadar@leonardcarder.com ; hshah@leonardcarder.com ; kzgerger@leonardcarder.com
Robert K. Firsten	rfirsten@firstenlaw.com
Wood R Foster Jr	woodfoster@sbgdf.com ; heidifurlong@sbgdf.com
Alison G Fox	Alison.Fox@bakerd.com ; heather.morley@bakerd.com ; Melissa.bozzuto@bakerd.com ; michelle.george@bakerd.com
Philip Stephen Fuoco	pfuoco@msn.com
Martin S Garfinkel	garfinkel@sbg-law.com ; rwhite@sbg-law.com ; bloch@sbg-law.com
R. Christopher Gilreath	chrisgil@sidgilreath.com
Clayton D Halunen	Halunen@youhaverights.info
John C Hamilton	jch@hamiltonfirm.com ; hamiltonfirm@sbcglobal.net

Robert I Harwood rharwood@whesq.com

Dmitri Iglitzin iglitzin@workerlaw.com

Tom A Jerman tjerman@omm.com

Steve D. Larson slarson@ssbls.com; dcerdas@ssbls.com

Jordan M Lewis jordanlewis@sbgdf.com

Shannon Liss-Riordan sliss@prle.com; blarmier@prle.com; syoung@prle.com

Gary F Lynch glynch@carsonlynch.com

Daniel O Myers dmyers@rpwb.com; wking@rpwb.com;
sgiddens@rpwb.com; mbrown@rpwb.com

Richard T Phillips flip@smithphillips.com; tresahharden@smithphillips.com

D. Lucetta Pope Lucetta.Pope@bakerd.com; Alicia.cummins@bakerd.com;
Melissa.bozzuto@bakerd.com;
michelle.george@bakerd.com

Charles Victor Pyle III victor.pyle@ogletreedeakins.com;
Meredith.smith@ogletreedeakins.com;
ted.speth@ogletreedeakins.com;
Linda.lyday@ogletreedeakins.com

Anne T Regan atr@zimmreed.com; kmh@zimmreed.com

Robert G Rikard rrikard@attorneysc.com

J Gordon Rudd jgr@zimmreed.com

Robert M Schwartz rschwartz@omm.com

R Jay Taylor Jr. jtaylor@scopelitis.com; lnewton@scopelitis.com

Joni M Thome Thome@youhaverights.info

Matthew T Tobin matt@jhmmj.com

Michael J Watton jdrewicz@Wattongroup.com

I also certify that on June 2, 2006, I mailed by United States Postal Service the foregoing document to the following non CM/ECF participants:

John H. Beisner
O'MELVENY & MYERS, LLP
1625 Eye Street, N.W.
Washington, D.C. 20006-4001

Joree Brownlow
LAW OFFICE OF JOREE G BROWNLOW
1444 Gillham Drive
Suite 200
Bartlett, TN 38134

R Bruce Carlson
CARLSON LYNCH LTD
231 Melville Lane
PO Box 367
Sewickley, PA 15143

Jack D Hilmes
Kevin J Driscoll
FINLEY ALT SMITH SCHARNBERT
CRAIG HILMES & GAFFNEY PC
699 Walnut Street
1900 Hub Tower
Des Moines, IA 50309

Eric E Hobbs
Eric H Rumbaugh
MICHAEL BEST & FRIEDRICH LLP
100 E Wisconsin Ave
Suite 3300
Milwaukee, WI 53202-4108

Donald B Lewis
5 Cynwyd Road
Bala Cynwyd, PA 19004

Robert E McDaniel
THE MCDANIEL LAW OFFICES
4 Bicentennial Square
Concord, NH 03301
(New address: 755 North Main Street
Laconia, NH 03246)

Carla D Macaluso
JACKSON LEWIS LLP
220 Headquarters Plaza
7th Floor East Tower
Morristown, NJ 07960

Paula R Markowitz
MARKOWITZ & RICHMAN
1100 North American Building
121 S Broad St
Philadelphia, PA 19107

Kenneth E Milam
WATKINS & EAGER
PO Box 650
Jackson, MS 39205-0650

James R Mulroy II
William T Fiala
LEWIS FISHER HENDERSON
CLAXTON & MULROY
6410 Poplar Ave
Suite 300
Memphis, TN 38119

Joseph A. Osefchen
LAW FIRM OF PHILIP STEPHEN FUOCO
24 Wilkins Place
Haddonfield, NJ 08033

Alan M Purdie
GORE KILPATRICK PURDIE
METZ & ADCOCK
PO Drawer 2900
402 Legacy Park
Ridgeland, MS 39157

Richard R Roberts
FEDERAL EXPRESS CORPORATION
3620 Hacks Cross Road
Building B - Third Floor
Memphis, TN 38125-8800

Michael R Reck
BELIN LAMSON MCCORMICK
ZUMBACH FLYNN
666 Walnut Street
Suite 2000
Des Moines, IA 50309-3989

Cheryl M Stanton
OGLETREE DEAKINS NASH
SMOAK & STEWART PC
10 Madison Avenue
Suite 402
Morristown, NJ 07960

Richard Tanenbaum
1131 McDonald Avenue
Brooklyn, NY 11230

Peter N Wasylyk
LAW OFFICES OF PETER N. WASYLYK
1307 Chalkstone Avenue
Providence, RI 02908

Aaron Roblan
Karen P Kruse
JACKSON LEWIS LLP
One Union Square
600 University Street, Suite 2900
Seattle, WA 98101

Beth A Ross
LEONARD CARDER LLP
1330 Broadway, Suite 1450
Oakland, CA 94612

Dan S Smith
DAN SOLOMON SMITH LLC
339 Main Street Suite 2D
Orange, NJ 07050

Patricia A Sullivan
EDWARDS ANGELL PALMER
& DODGE LLP
2800 Financial Plaza
Providence, RI 02903

Donald R Taylor
TAYLOR & DUNHAM
327 Congress Ave
Suite 600
Austin, TX 78701

Charles W Whetstone Jr.
Cheryl F Perkins
WHETSTONE MYERS PERKINS
AND YOUNG LLC
PO Box 8086
Columbia, SC 29202

Dated: June 2, 2006

Respectfully submitted,

LOCKRIDGE GRINDAL NAUEN P.L.L.P.

s/Susan E. Ellingstad

Susan E. Ellingstad
100 Washington Avenue South
Suite 2200
Minneapolis, MN 55401
Tel: (612) 339-6900
Fax: (612) 339-0981