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July 23, 2007

VIA FACSIMILE

Mr. Angel G. Luévano
National Vice President
Far West Region
LULAC
5034 Ranch Hollow Way
Antioch, CA 94531

Re: ADS Logistics

Dear Mr. Luévano:

Thank you for your letter of July 17, 2007. While it is not the practice of ADS Logistics to discuss personnel issues concerning its employees with third parties, given the issues and concerns raised by you, as well as by Mr. Tucker, I feel that it is necessary to respond at least in a general manner.

While I am hopeful that the concerns raised about the treatment of Mr. Cooper and the practices of ADS are made in good faith, unfortunately they are without factual basis, or are made without full knowledge of the facts. The company finds this particularly disappointing given the resume and reputation of Mr. Tucker as a private investigator. For example, and without discussing the medical condition of Mr. Cooper, the allegations concerning his injury and post injury history are incorrect in every aspect. I am certain that Mr. Cooper will set you straight should he so desire.

When Mr. Tucker's June 25 letter to Stephen Fraser was received an immediate investigation was conducted. Mr. Cooper was contacted and after discussion he indicated that he was satisfied with the company's response.

It is distressing that the picture painted by your organization does not bear any resemblance to the reality of ADS as an organization, and more specifically with regard to the allegations concerning Mr. Cooper. ADS is a company that has always taken the utmost care to ensure that its employees are always treated in a respectful, non-discriminatory manner. These principles are regularly stressed with all employees, management and non-management, and there are no exceptions. The principles governing equal employment opportunity and harassment are provided to all employees in the company's employee handbooks. The harassment policy defines harassing behavior not only as sexual harassment, but also harassment based an individual's age, gender, race, religion, national origin, disability or sexual orientation. The policy advises employees how to report claims of harassing behavior, that a complete investigation of all complaints will be conducted, that appropriate action will be taken

when warranted, and that no employee will be retaliated for bringing a good faith complaint of harassment.

The company's commitment to a work force free from discriminatory conduct and harassment does not end there. In June 2006 the company introduced its "Integrity in Action" program. This is a program designed to help ensure that the company maintains a positive and productive work environment and to ensure that its employees always act in a manner that is consistent with the company's Code of Conduct, also provided to all employees. (A copy of the Code of Conduct is attached). In addition to operating as a vehicle to provide employees with resources and materials that focus on identifying improper business practices, the Integrity in Action program encourages employees to report inappropriate, unethical, illegal and unsafe activities, including EEO and Code of Conduct violations, through an anonymous, toll free hotline service operated by an independent company. This hotline is available twenty-four hours a day, seven days a week. Materials relating to the Integrity in Action program are also attached. Finally, the company provides training to its employees on harassment and discrimination which exceed the requirements of California law. Once again, if he chooses, Mr. Cooper can tell you directly about his personal knowledge of and experience with the Integrity in Action program.

Although Mr. Cooper has directly advised ADS that he was satisfied with the company's response to the issues raised in the June 25 letter, it is the company's intention to once again address with Mr. Cooper whatever concerns he chooses to share. It is not necessary or helpful for your organization to threaten or attempt to intimidate ADS by stating that your organization will advise Mr. Cooper to pursue legal action. While ADS does not believe that any basis exists for such action, if Mr. Cooper disagrees then he should pursue whatever legal remedies he deems appropriate.

The one correct item in all of the various communications from you and Mr. Tucker is that inappropriate and offensive graffiti was found on a bathroom wall. That graffiti was discovered by Mr. Cooper nearly two and one-half months ago, and as Mr. Cooper knows, it was removed immediately upon being brought to the attention of management. Although the company was not able to determine who was responsible for the graffiti, as Mr. Cooper also knows, all employees were informed of the matter and were sternly reminded that such actions would not be tolerated.

Given that LULAC seeks to address issues of unfair treatment, ADS finds it disappointing that LULAC does not extend that same sense of fairness to ADS by displaying the offensive graffiti on its Web Site when it knows that the graffiti was immediately removed two and one-half months ago. The Web Site is inaccurate and misleading and its purpose is viewed by ADS as an attempt to present it in an unfavorable and unfair light in the hopes that ADS will be intimidated. ADS is not intimidated. Demand is hereby made to remove the inaccurate and misleading information concerning ADS from the Web Site. The failure of LULAC to take appropriate action will cause ADS to consider its options.

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I am confident that any issues that may exist with Mr. Cooper will be appropriately resolved by Mr. Cooper and ADS.

Sincerely,

MICHAEL BEST & FRIEDRICH LLP

Steven J. Teplinsky

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Enclosures

cc: Mr. Larry Cooper (w/o enclosures)
Mr. Jan Tucker (via fax)
Mr. Stephen Fraser (w/o enclosures)