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26 Attorneys for Defendants

27 UNITED STATES DISTRICT COURT  
28 FOR THE DISTRICT OF ARIZONA

29 Virginia Van Dusen; John Doe 1; and Joseph  
30 Sheer, individually and on behalf of all other  
31 similarly situated persons,

32 Plaintiffs,

33 v.

34 Swift Transportation Co., Inc.; Interstate  
35 Equipment Leasing, Inc.; Chad Killebrew; and  
36 Jerry Moyes,

37 Defendants.

**CV: 10-899-PHX-JWS**

**DECLARATION OF ELIZABETH  
PARRISH IN OPPOSITION TO  
PLAINTIFFS' MOTION FOR A  
PRELIMINARY INJUNCTION**

1 I, Elizabeth Parrish, declare as follows:

2 1. I am over the age of 18 years. I make this Declaration based on my personal  
3 knowledge and recollection, and, if called, could testify competently to the matters herein.

4 2. I currently am employed by Interstate Equipment Leasing, Inc. ("IEL") as  
5 Director of Accounting. I have worked in this capacity since approximately May 2006. As  
6 Director of Accounting, my duties and responsibilities include, among other things, the  
7 management of lease terminations, buy-outs, and defaults. These responsibilities include  
8 coordination of lease paperwork with lessees, administration of lease buy-outs, and, when  
9 necessary, referral of defaulted accounts to collections. In addition, I manage IEL's records  
10 and files, including those related to truck leases. I am familiar with the provisions of IEL  
11 leases and the laws and regulations governing them.

12 3. IEL is a truck leasing company that leases and sells trucks to commercial truck  
13 drivers who operate the equipment in connection with contracts with trucking companies,  
14 including Swift Transportation ("Swift"). IEL does not itself employ any individuals to haul  
15 loads or to perform any other trucking duties or tasks. The trucking industry is a competitive  
16 business, and there are several other companies that provide truck leasing services similar to  
17 IEL. Similarly, there are many trucking companies that contract with independent drivers to  
18 haul loads using trucks owned or leased by the drivers.

19 4. In order to lawfully operate a truck leased from IEL, a lessee must be  
20 contracted to drive for an entity or individual with operating authority issued by one or more  
21 states and/or the U.S. Department of Transportation, or obtain their own operating authority.  
22 Therefore, having such a contract is a material term of each IEL lease. Specifically, each  
23 IEL lease requires that the lessee contract to drive with an entity approved by IEL, including  
24 Swift.

25 5. IEL deems a lessee to be in "default" on his or her lease when IEL becomes  
26 aware that the lessee has breached a material term of the lease agreement, including failure to  
27 make required lease payments or failure to be contracted with the authorized trucking  
28 company identified in the lease.

1           6.       When IEL is notified by Swift that Swift's contract with an IEL lessee has  
2 been terminated, the lessee is placed in "default" on his IEL lease. When a lessee is placed  
3 in default under these circumstances, IEL immediately sends a letter to the lessee notifying  
4 him of the default and asking the lessee to contact IEL with any question regarding  
5 resolution of the lease obligation.

6           7.       IEL offers a lessee in default on a lease several options for resolving the lease  
7 obligation. A lessee may, for example, secure financing from another source and buy out the  
8 lease, in which case the truck would not be repossessed by IEL. In the alternative, a lessee  
9 may find another qualified individual to assume his lease, in which case all of the original  
10 lessee's lease obligations would be transferred to the substitute lessee. A lessee terminating  
11 a contract with Swift also may have the option to contract with a different trucking company  
12 authorized by IEL to fulfill his lease obligation. In my experience, lessees have taken  
13 advantage of each of these alternatives when leaving an IEL lease before its completion.

14           8.       Prior to August 2009, if a defaulted lessee did not contact IEL or make  
15 arrangements to resolve the lease obligation within 14 days of default, IEL would repossess  
16 the truck and the lease obligation was turned over to a collections agency. IEL contracted  
17 with several collection agencies over time, including AR Systems, which it used from March  
18 2008 until August 2009. Since August 2009, however, it has been IEL's policy not to take  
19 any steps to collect remaining lease amounts from defaulting lessees (unless they  
20 subsequently seek another lease from IEL). IEL will, however, repossess the truck subject to  
21 the default and attempt to re-lease it. IEL has not referred any accounts to collection  
22 agencies since August 2009.

23           9.       When an account was sent to a collection agency, the amount identified as  
24 owed to IEL included all payments remaining on the lease. However, if IEL was able to re-  
25 lease the truck returned by that lessee, the lessee would only be responsible for costs incurred  
26 by IEL in preparing to re-lease the truck, and any lease payments missed prior to default or  
27 due during any period prior to the truck's re-lease. In almost all cases, IEL is able to re-lease  
28 the truck, terminating any obligation of the lessee to make additional lease payments. As a

1 result, the collections agency was authorized by IEL to settle with a defaulting lessee for  
2 only a small fraction, generally less than 10%, of the total amount owing at the time of the  
3 default.

4 10. Most lessees successfully meet their lease obligations without default and  
5 remain in good standing with IEL. Some lessees even pay off their lease or buy-out terms  
6 early.

7 11. IEL records reflect that Joseph Sheer signed a truck lease on August 7, 2006.  
8 IEL placed Mr. Sheer in default on that lease on April 7, 2009, when his contract to drive for  
9 Swift was terminated. Mr. Sheer's account was referred to a collection agency and IEL  
10 repossessed his truck for re-lease. In accordance with its current policy, IEL has not pursued  
11 collection efforts against Mr. Sheer.

12 12. IEL records reflect that Virginia Van Dusen and her husband signed a truck  
13 lease on March 3, 2009. On January 21, 2010, Ms. Van Dusen and her husband executed a  
14 lease amendment removing him from the lease and leaving Ms. Van Dusen fully responsible  
15 for the lease obligations. IEL placed Ms. Van Dusen in default on her lease on February 15,  
16 2010, after she voluntarily surrendered her truck. Ms. Van Dusen's account was not referred  
17 to a collection agency, and the company has not otherwise pursued collection against Ms.  
18 Van Dusen.

19 13. IEL records reflect that Jose Motolinia signed a truck lease on January 28,  
20 2009. Mr. Motolinia's contract with Swift was terminated on January 4, 2010, at which  
21 point he owed only \$2,580 under his IEL lease. IEL repossessed Mr. Motolinia's truck for  
22 re-lease. IEL has not taken steps to collect that remaining balance.

23 14. IEL records reflect that Brian Sykes signed a truck lease on December 30,  
24 2009, and was placed in default less than three months later on March 17, 2010. IEL  
25 repossessed Mr. Sykes' truck for re-lease. Mr. Sykes' account was not referred to a  
26 collection agency. The company has not pursued collection against Mr. Sykes and does not  
27 intend to do so.

28 15. IEL records reflect that Jeffrey Hoffman assumed an existing truck lease from

1 a prior lessee on March 7, 2007. At the time he assumed the lease, Mr. Hoffman signed an  
2 acknowledgement that the lease was behind in payments of approximately \$1500, which he  
3 would make up. He was also required to put down a deposit on the truck, of which he paid  
4 20% in cash, financing the remaining 80% through IEL. Mr. Hoffman defaulted on his lease  
5 on September 26, 2007, and his account was sent to an outside agency for collections. His  
6 truck was repossessed for re-lease. IEL's records reflect, however, that the collections  
7 agency was not able to locate Mr. Hoffman or contact him regarding the outstanding  
8 obligation. In accordance with its current policy, IEL is not pursuing collection efforts  
9 against Mr. Hoffman and does not intend to do so.

10 16. IEL records reflect that Jason Palmer and Lori Palmer jointly signed a truck  
11 lease on January 17, 2008, and were placed in default on that lease on June 6, 2008. The  
12 Palmers' truck was repossessed for re-lease, and their account was referred by IEL to AR  
13 Systems for collection. The Palmers requested and received an accounting of expenses  
14 totaling \$5,117 that IEL required them to pay to settle the account. The Palmers made  
15 payments totaling approximately \$1400 towards that settlement, but have made no additional  
16 payments since April 30, 2009. In accordance with its current policy, IEL is not pursuing  
17 collection efforts against the Palmers and does not intend to do so.

18 17. IEL records reflect that Derrick Grogan signed a truck lease on August 14,  
19 2007. Mr. Grogan was placed in default on his lease on October 7, 2008. IEL repossessed  
20 Mr. Grogan's truck for re-lease and referred his account to AR Systems for collection. In  
21 accordance with its current policy, IEL is not pursuing collection efforts against Mr. Grogan  
22 and does not intend to do so.

23 18. IEL records reflect that Marcus Fairley signed a truck lease on January 26,  
24 2004, which he successfully completed by purchasing the truck on February 9, 2007. IEL  
25 provided the financing when he purchased the truck, and he completed payments on August  
26 6, 2009, at which point he owned his truck outright. Mr. Fairley never has been in default on  
27 any lease or repayment obligation to IEL, and no collection action ever has been taken  
28 against him.

1 19. IEL records reflect that Robert Carpenter signed a truck lease on August 2,  
2 2007, with a substantial down payment that significantly reduced his recurring payments.  
3 Mr. Carpenter was placed in default on his lease on January 26, 2009. Mr. Carpenter's truck  
4 was repossessed for re-lease. His account was referred by IEL to AR Systems for collection.  
5 IEL removed his account from collections, however, upon reaching a settlement agreement  
6 directly with Mr. Carpenter..

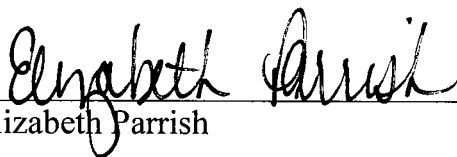
7 20. At no time since 2005 has IEL engaged in any collection activities on its own  
8 behalf, other than repossessing and re-leasing trucks subject to default, and it does not  
9 initiate calls or other contact with lessees in an attempt to collect any amounts due. From  
10 2005 to August 2009, IEL sent its collections to independently owned and operated  
11 collection agencies.

12 21. Since 2005, IEL has not reported lease defaults to credit reporting agencies,  
13 although it is my understanding that collection agencies, including AR Systems, may have  
14 done so.

15 22. It is not IEL's practice, nor is it permissible under the terms of the IEL lease,  
16 for IEL to modify the terms of an existing lease without the lessee's agreement.

17 23. IEL can not cancel, place restrictions on, or otherwise impact any driver's  
18 commercial drivers' license ("CDL").

19 24. I declare under penalty of perjury that the foregoing is true and correct.  
20 Executed in Phoenix, Arizona, this 8<sup>th</sup> day of July, 2010.

21  
22   
23 Elizabeth Parrish

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