IN THE COURT OF THE CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION, on behalf of itself and all other similarly situated shareholders of Ceridian Corporation, Plaintiff, v. CERIDIAN CORPORATION, KATHRYN V. MARINELLO, NICHOLAS D. CHABRAJA, RONALD T. LEMAY, GEORGE R. LEWIS, L. WHITE MATTHEWS, III, RICHARD SZAFRANSKI, WILLIAM L. TRUBECK, ALAN F. WHITE, THOMAS H. LEE PARTNERS LP, FIDELITY NATIONAL FINANCIAL, INC., FOUNDATION HOLDINGS, INC. AND FOUNDATION MERGER SUB, INC., Defendants.	C.A. No. ____________

VERIFIED CLASS ACTION COMPLAINT

Plaintiff Minneapolis Firefighters' Relief Association ("Minneapolis Firefighters"), by its undersigned counsel, on behalf of itself and all other similarly situated public shareholders (the "Class") of Ceridian Corporation (hereafter, "Ceridian" or the "Company"), brings the following Verified Complaint against Ceridian, the members of its Board of Directors, and Ceridian's proposed merger partners. The allegations of the Verified Complaint are based on the personal knowledge of Plaintiff as to itself and on information and belief (including the investigation of counsel and review of publicly available information) as to all other matters.

NATURE OF THE ACTION

1. This case involves a board of directors who, in the shadow of a heated proxy fight with the Company's largest shareholder, approved a going-private transaction with management-friendly private equity firms, and signed a merger agreement that includes highly unusual (and Plaintiff believes unprecedented) "lockup" provisions. As explained herein, there is little doubt that these directors are acting with the primary purpose and effect of entrenching themselves in office and coercing the shareholder voting process with respect to the election of directors.

2. The Board of Directors of Ceridian (the "Board" or the "Directors") has failed to call an annual meeting for nearly thirteen months since Ceridian's last annual meeting, and it is currently impossible for the Board to call the meeting in time to comply with 8 *Del. C.* §211. The Board's reluctance to face the voters is no surprise, since a 14.5% shareholder has already proposed a competing slate of directors and has obtained the public support of at least another 5% of the outstanding shares. Facing imminent ouster, the Board signed up a $5.3 billion "going private" deal that includes a novel and powerful incumbency protection provision in the merger agreement that tells shareholders that if they want to consider the takeover bid, they cannot exercise their franchise by removing the current directors. The buyers, in turn, evidently hope to exploit this "favor" to the current directors by assuring that no replacement board gives proper consideration to the interests of Ceridian's shareholders during this critical moment in the Company's existence.

3. On May 31, 2007, Ceridian publicly announced that it has agreed to be acquired by Thomas H. Lee Partners, LP ("THL"), and Fidelity National Financial, Inc. ("Fidelity"), and had entered into a definitive merger agreement (the "Merger Agreement") in a deal that values Ceridian shares at approximately $5.3 billion in cash, or $36 per share (the "THL/Fidelity

Buyout"). A Forbes article that day, entitled "Ceridian Opts For Buyout To Escape Activist," stated: "Ceridian has found a pair of white knights to rescue it from a proxy battle. The human resources outsourcing company said private-equity firm Thomas H. Lee Partners and Fidelity National Financial would take it private for $5.3 billion in cash, sidestepping an attempt by the hedge fund Pershing Square Capital Management to replace the company's board with its own slate of directors."

4. Indeed, at the time they considered and accepted the "going private" deal, Ceridian's Board were facing removal at the hands of its shareholders, and Pershing Square, an activist investor, was proposing that Ceridian act to increase shareholder value by spinning off a major subsidiary. Ceridian's directors acted to thwart those challenges.

5. In an unprecedented – and unabashedly transparent – effort to foil that proxy fight, and foil consideration of any alternative to the THL/Fidelity Buyout, the Board adopted provisions in the Merger Agreement that coerce stockholders into re-electing the current Board while tying the hands of the Board from considering alternatives strategies to maximize value.

6. In particular, the Merger Agreement contains a novel "Director Entrenchment Provision" that gives the buyer a walk-away right if a majority of Ceridian's directors are unseated during the pendency of the proposed merger, and hands over $180 million of the Company's existing cash as a punishment to any new Board that may accept an alternative transaction during the next 12 months. The sheer simplicity of the provision masks the many ways that it negates the interests of stockholders.

7. The right and power of stockholders to elect directors is always held sacrosanct and has special salience during the pendency of a proposed merger. Directors must make weighty judgments during this critical time in a corporation's existence, such as (i) whether to

change a Board's recommendation of a proposed merger, (ii) whether an alternative proposal constitutes or is reasonably likely to result in a superior proposal, (iii) whether to terminate the merger agreement, and (iv) how to respond to allegations that approval of the merger agreement was a breach of fiduciary duty. Stockholders have a keen interest in the identity of the persons who will make those judgments, and they have a fundamental right to a free and unfettered election if they wish to give a different set of directors the chance to make those judgments.

8. The Director Entrenchment Provision impermissibly impinges upon that choice. It forces stockholders to take into account the consequence that if the incumbent directors are defeated, the buyer will be given the free option to walk away from the merger, and not pay $36 per share, even if changed economic circumstances make that price look more attractive in the future than it does today.

9. This consequence is expensive even for stockholders who do not want the $36 per share, which as set forth herein, is itself inadequate. Unseating the directors gives the buyer an option to walk away from the merger knowing that if the new directors choose, over the next twelve months, to sell more than 50% of the Company's equity or more than 30% of the Company's assets, the buyer can collect a $180 million termination fee. Effectively, shareholders are saddled with a $180 million penalty for supporting a new slate of directors who will look to approve an alternative transaction.

10. In fact, the presence of the Director Entrenchment Provision in the Merger Agreement casts serious doubt upon whether the Board fulfilled its obligation, under the teachings of *Revlon, Inc. v. MacAndrews & Forbes Holdings, Inc.*, 506 A.2d 173 (Del. 1986), and its progeny, of selling Ceridian to the highest bidder. The Director Entrenchment Provision strongly indicates that at the very moment when the Board's attentions should focus solely on the

immediate maximization of value for Ceridian's public stockholders, the Directors spent their energies worrying about ways to maintain their own seats in office. Mixed up priorities like this lead almost inevitably to breaches of fiduciary duty, and undoubtedly require the close judicial scrutiny set forth in *Blasius Industries, Inc. v. Atlas Corp.*, 564 A.2d 651 (Del. Ch. 1998), and applied in the takeover context in *Chesapeake Corp. v. Shore* 771 A.2d 293 (Del. Ch. 2000).

11. The Board's calculated attempt to frustrate the free exercise of the stockholder franchise is magnified by the Board's extraordinary failure to hold an annual meeting. The last annual meeting was on May 11, 2006. Almost thirteen months have passed, and yet the Company has not filed proxy materials. The Company has thus delayed an annual meeting as long as possible, and is no longer able to call a meeting in compliance with the requirements of 8 *Del. C.* §211.

12. The Merger Agreement also impermissibly restricts the discretion of the Board of Directors during the pendency of the proposed merger. For example, the Merger Agreement contains the almost ubiquitous "no-shop/no-talk provision" accompanied by a supposed "fiduciary out." But this fiduciary out is impermissibly narrow for at least two independent reasons. First, in order to speak with an interested competing bidder, the Board has to determine that the failure to speak would likely be a breach of fiduciary duty ***and*** the Board has to conclude that the competing bid is or will likely lead to a "Superior Proposal." The imposition of these dual requirements is improper because, once a board determines that its fiduciary duties require it to take action, no further contractual hurdles should impede that action irrespective of whether or not a potential transaction may rise to the level of a "Superior Proposal."

13. Second, the threshold for a "Superior Proposal" is an extraordinarily high two-thirds of the Company's equity or assets. The Board is barred from evaluating or proposing an

entire range of alternative transactions that are not of that scope, even if the Board believes that the alternative will deliver greater value to stockholders. The use of this unusual definition for "Superior Proposal" is especially improper here, because the board has already been presented with a shareholder proposal for the spin-off of the Company's highly profitable Comdata division, which accounts for just over 50% of the company's assets and is responsible for over 50% of its cash flows. In other words, as if the Director Entrenchment Provision were not enough, this Board is intentionally and knowingly using a contractual lockup provision to put their heads in the sand to avoid any further consideration of the shareholder activist's spin-off proposal. No wonder 20% or more of the shareholders are eager to see this Board removed.

14. Additionally, the Board of Directors impermissibly granted the buyer rights to a $180 termination fee (which includes $15 million designated as "expense reimbursement") amounting to about 3.3% of the equity value of the Company in the deal. The circumstances of the transaction do not warrant a deal protection of that magnitude. The Board cannot save themselves from almost-certain loss in an imminent proxy contest by delivering the company to a buyer favored by management.

15. This action, brought by Plaintiff on behalf of a class of similarly situated Ceridian shareholders, seeks to hold the directors of Ceridian accountable for manipulating the election in order to undermine shareholder voting rights and for agreeing to a "going private" deal that fails to maximize shareholder value. Instead of acting in accordance with their fiduciary obligations to the shareholders of Ceridian, the directors of Ceridian, with the active assistance of two private equity firms, worried about saving their own jobs and reputations instead of maximizing shareholder value, in violation of Delaware law.

PARTIES

16. Plaintiff Minneapolis Firefighters' Relief Association ("Minneapolis Firefighters") is a public pension system that operates for the benefit of current and former firefighters and their beneficiaries. Minneapolis Firefighters has been a stockholder of Ceridian at all relevant times and will remain a stockholder through the pendency of this action.

17. Defendant Ceridian Corporation ("Ceridian") is incorporated under the laws of the State of Delaware and has its global headquarters in Minneapolis, Minneapolis. Ceridian consists of two primary operating divisions: HR Solutions, which provides human resource solutions to over 110,000 customers with more than 25 million employees worldwide, and Comdata, a major payment processor and issuer of credit cards, debit cards and stored value cards primarily to the trucking and retail industries. While Comdata has grown rapidly, HR Solutions has reported only tepid growth in recent periods. Comdata's revenues represented 30% of Ceridian's total revenues for 2006, having grown to represent an increasing share of the Company's revenues each year since 2003.

18. Kathryn V. Marinello has been a member of Ceridian's Board of Directors since October 2006, and serves as the Company's President and Chief Executive Officer.

19. Nicholas D. Chabraja is the Chairman of Ceridian's Board of Directors and has been a member of Ceridian's Board of Directors since March 2001 and served as director of Ceridian's predecessor from July 1998 to March 2001.

20. Ronald T. LeMay has been a member of Ceridian's Board of Directors since March 2001 and served as director of Ceridian's predecessor from January 1997 to March 2001.

21. George R. Lewis has been a member of Ceridian's Board of Directors since March 2001 and served as director of Ceridian's predecessor from November 1994 to March 2001.

22. L. White Matthews, III has been a member of Ceridian's Board of Directors since July 2005.

23. Richard Szafranski has been a member of Ceridian's Board of Directors since October 2006.

24. William L. Trubeck has been a member of Ceridian's Board of Directors since July 2006.

25. Alan F. White has been a member of Ceridian's Board of Directors since May 2003.

26. The defendants named above in paragraphs 18 to 26 are referred to herein as the "Ceridian Board" or "Ceridian Directors." Each of the Ceridian Directors was a member of the Board of Directors at all pertinent times and participated in the decisions challenged herein.

27. By reason of their positions, the Ceridian Directors owed fiduciary duties to Ceridian and its shareholders, including the obligations of loyalty, good faith, fair dealing, and due care. They were required to discharge their duties in a manner they reasonably believed to be in the best interests of Ceridian and all its shareholders, and not in furtherance of their own personal interests or to benefit any persons or entities other than the shareholders.

28. Thomas H. Lee Partners LP ("THL"), a Delaware limited partnership, is a private investment firm founded in 1974 that has invested $12 billion in more than 100 businesses. The firm manages now manages about $20 billion.

29. Fidelity National Financial, Inc. ("Fidelity"), a Delaware corporation, is a leading provider of title insurance, specialty insurance and claims management services. Fidelity, which is number 264 on the Fortune 500, issues about 29 percent of all title insurance policies in the U.S.

30. Foundation Holdings, Inc. and Foundation Merger Sub, Inc. (together, "Foundation") are Delaware corporations created by THL and Fidelity to serve as the acquiring corporation pursuant to the Merger Agreement.

31. Defendants THL, Fidelity and Foundation, referred to collectively herein as "THL/Fidelity" or the "Private Equity Buyers," are parties to the Merger Agreement.

FACTUAL ALLEGATIONS

Major Shareholders Push to Spin Off Comdata and Initiate a Proxy Challenge to the Board

32. For months prior to the Company's announcement of the THL/Fidelity Buyout, Ceridian and the Ceridian Directors have been confronted with a serious challenge mounted by a group of shareholders affiliated with Pershing Square Capital Management LP (collectively "Pershing Square"), the Company's single largest shareholder, which owns 14.3% of Ceridian. In January 2007, Pershing Square began urging the Company to pursue a spin-off of the Company's profitable Comdata division, and is now seeking to replace the current Board of Directors.

33. On January 12, 2007, representatives of Pershing Square met with Ceridian management to discuss, among other things, the future of Comdata and the potential spin-off of that division. In a January 18, 2007 letter to the Ceridian Directors, Pershing Square recounted

the substance of that meeting and advised the Board of its views concerning the future of Comdata and the Company. That letter stated:

> As a first step, we believe that Ceridian should spin off Comdata to its shareholders. We believe – and expect the substantial majority of the company's shareholders and the investment community agree – that ***the logic of separating Comdata from Ceridian is so overwhelming that it is a business imperative***.
>
> Comdata's business is materially different from that of the balance of Ceridian's operations, is managed by a distinct management team, and is located in a different geography. Its employees have not been adequately compensated for their achievements because the equity compensation they receive in the form of stock options on Ceridian has been diluted by HRS's long-term underperformance. ***Beyond the strategic imperative, Comdata's growth, margin, and cash flow characteristics deserve a materially higher valuation than the current value the market assigns to Ceridian in its current configuration. As a result, we believe the spin-off of Comdata would generate significant value in the intermediate and long term for all of Ceridian's stakeholders.***
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> * * * * *
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> ***We believe it is self-evident that Comdata's long-term value would be maximized as an independent company.*** In addition, the ability to reward its management with equity incentives that are directly tied to the performance of its business would be an invaluable tool to retain and attract talented individuals, and may obviate some of the personnel risks highlighted earlier.

(Emphasis added.)

34. Pershing Square's January 18 letter also shed light on the Company's motivation for maintaining Comdata as a captive subsidiary: the ability to increase Ceridian's ability to pursue an acquisition strategy. Specifically, the letter stated:

> [W]e left the meeting with the understanding that Ms. Marinello currently intends to retain Comdata as a captive subsidiary and may leverage its cash flow and balance sheet to invest in or acquire diversified businesses, potentially on a global basis. In other words, ***rather than management exclusively focusing on the company's flagging HRS operations and liberating Comdata – an unrelated, high-quality, faster growing business that would benefit greatly from independence – it appears that Ceridian may pursue a conglomerate holding company strategy***.
>
> When we pressed on the subject of the future of Comdata, Ms. Marinello was appropriately careful to state that she had not yet made a final decision in that regard and that such a decision could take upwards of 18 months to explore. She

did indicate, however, that a Comdata spin-off would necessarily reduce Ceridian's market capitalization, and therefore limit the size of the acquisitions that the company could pursue. These comments are troubling to us as we are strongly of the view that size should take a backseat to growth in the per-share value of Ceridian.

The Ceridian Directors Face Imminent Ouster Amidst Public Shareholder Criticism

35. On January 23, 2007, Pershing Square notified Ceridian that, pursuant to Article II, Section 13 of the Company's bylaws, Pershing Square intended to nominate its own slate of directors for election at the Company's next annual meeting.

36. The challenge launched by Pershing Square has been publicly supported by another major Ceridian shareholder, Relational Investors LLC, which, with holdings comprising 4.8% of the Company, is Ceridian's sixth-largest shareholder. In a February 5, 2007 letter to Defendant Matthews, the Chairman of the Board of Directors, Relational Investors stated:

> [W]e want to make sure that the Board knows that ***we unequivocally support each of the points made in Pershing Square's letter***. In particular, we think it was a major error to bring in a Chief Executive Officer who would stifle and frustrate the entrepreneurial and highly successful management team at Comdata instead of focusing on the woefully underperforming HR business. We believe, as we have explained before, that ***Comdata should be liberated from the Ceridian business solution*** and that all focus, including the Board's, should be on restoring operational excellence to the HR business.
>
> (Emphasis added.)

37. Other investors and the market in general have reacted favorably to these proposals. As *The Wall Street Journal* reported on February 6, 2007, "After [Pershing Square] disclosed [its] intentions for the company in January, the company's shares have climbed about 13%. The shares rose higher after the company said it would consider a possible spin-off of a unit, called Comdata, that [Pershing Square] has argued would be more valuable as a stand-alone company." Indeed, Ceridian stock has increased 28.3% since Pershing Square launched its proxy fight.

38. Following the significant stock price increase triggered by the prospect of a replacement Board to guide Ceridian's business, on February 13, 2007, Ceridian issued a press release entitled "Ceridian Board Authorizes Exploration Of Alternatives To Enhance Shareholder Value" which announced that the Company was considering "strategic alternatives" and had retained financial and legal advisors to provide guidance. The release stated:

> Our Board is committed to taking all appropriate and necessary action to enhance value for all Ceridian stockholders. As the Board reviews the broad range of alternatives available, we have a solid management team whose attention remains firmly rooted on driving execution within the business. The Company and the Board are open-minded about strategic alternatives, and we intend to evaluate all the options carefully and thoughtfully.

39. On March 9, 2007, Pershing Square filed an action against Ceridian in this Court pursuant to Section 220 of the Delaware General Corporation Law seeking access to two letters purportedly written by Company executives to the Ceridian Defendants criticizing the management of the Company and the lack of oversight provided by the Board of Directors. That action followed upon a February 28, 2007 letter request by Pershing Square seeking access to those letters, among other corporate documents and records.

40. On May 2, 2007, Pershing Square sent a letter to the Company questioning why, on a May 1, 2007 call with analysts, Defendant Marinello declined to commit to a date for the next Ceridian annual meeting.

41. In order to hold the annual meeting by that date, the Company was required to file proxy materials by no later than June 1, 2007. Based on a review of Ceridian's public filings, no such proxy materials have yet been filed.

42. On May 14, 2007, the Company terminated Gary Krow, the President of Comdata, allegedly for disclosing confidential information to Pershing Square in connection with

Pershing Square's pending proxy fight and litigation. The U.S. Securities and Exchange Commission has reportedly commenced an investigation of the Company's conduct regarding whistleblowers such as Mr. Krow.

43. Mr. Krow was one of the two executive who authored the letters critical of Ceridian management and the Board of Directors that gave rise to Pershing Square's lawsuit. The other executive, Chief Financial Officer Douglas M. Neve, announced his resignation from Ceridian on March 13, 2007.

On May 31, 2007, Ceridian Announces Its Sale to the Private Equity Buyers

44. On May 31, 2007, Ceridian issued a press release entitled "CERIDIAN ENTERS INTO MERGER AGREEMENT WITH THOMAS H. LEE PARTNERS AND FIDELITY NATIONAL FINANCIAL" The press release stated, among other things:

> Ceridian Corporation (NYSE: CEN), Thomas H. Lee Partners, L.P. ("THL Partners") and Fidelity National Financial, Inc. (NYSE: FNF) today announced that they have entered into a definitive merger agreement under which Ceridian will be jointly acquired by THL Partners and FNF in an all cash transaction valued at approximately $5.3 billion.
>
> Under the terms of the agreement, Ceridian shareholders will receive $36.00 per share in cash for each share of common stock they hold. This represents a premium of approximately 17% over Ceridian's closing share price on February 12, 2007, the last trading day prior to the public announcement that Ceridian had commenced the exploration of strategic alternatives, and a premium of approximately 56% over Ceridian's closing share price on October 6, 2006, the last trading day prior to the announcement of Kathryn V. Marinello's appointment as President and Chief Executive Officer of Ceridian.

45. The press release made clear that the Private Equity Buyers expected the existing management team – which presumably played a central role in the shopping of the Company and in providing essential information to the Ceridian Board – would remain with the newly private Company.

> "We are extremely impressed with Kathy Marinello and the management team of Ceridian. ***We fully support their vision and commitment to all of Ceridian's customers and employees***," said Scott Jaeckel, Managing Director of THL Partners.
>
> (Emphasis added.)

46. Indeed, in a May 31 communication to all Ceridian employees concerning the THL/Fidelity Buyout, Defendant Marinello confirmed that she would continue to serve as President and CEO. A "FAQ" distributed to employees that day stated "While we will change ownership, we expect that management will remain in place. THL Partners and FNF have said they have been extremely impressed with our management team." In other words, while nearly 20% of the Company's shareholders have publicly stated and are pursuing efforts to replace the Board, which would surely lead to significant management changes, the Board and management have found the comforting embrace of two private equity buyers who are willing to protect the positions of management.

The THL/Fidelity Buyout Constitutes A Defensive Response To Pershing Square's Proxy Challenge Rather Than An Attempt To Maximize Shareholder Value

47. The facts and circumstances surrounding the THL/Fidelity Buyout make clear that sale of the Company at this time, and at the offered price, is an attempt to evade the proxy fight the Company is facing. Facing the threat of a shareholder vote and the very real possibility of replacement, Delaware law prohibits the Ceridian Directors from using the corporate sale process to manipulate and frustrate the corporate election machinery. However, once they decided to take steps in furtherance of a change in corporate control from the public shareholders to a controlled corporation or a private corporation, the Ceridian Directors were obliged to act with a single-minded purpose – to seek out and obtain the highest price available to Ceridian's shareholders. Far from doing justice to the shareholders' financial interests, the THL/Fidelity Buyout is designed to avoid the proxy fight the Company is facing.

48. Given the timing of the THL/Fidelity Buyout and the Company's response to shareholder demands that a spin-off of Comdata be pursued, it is clear that the Ceridian Directors failed to explore all alternatives to maximize shareholder value.

49. Indeed, it appears that the timing of the THL/Fidelity Buyout was driven largely by the Pershing Square proxy fight, and that the time pressure placed upon the Company prevented the Ceridian Directors from fully exploring all avenues to maximize shareholder value. As set forth above, Pershing Square identified a slate of candidates it intended to nominate for election to the Board of Directors at the next annual meeting.

50. The Company, however, has failed to schedule such meeting and refrained from disclosing when the meeting would occur when questioned by analysts on the May 1, 2007 conference call. In order to convene the annual meeting within the time period provided under Delaware law (June 11, 2007), the Company was required to file proxy materials ten days earlier – by June 1, 2007.

51. In order to thwart the proxy challenge, the Company chose to announce a "going private" deal with the hope that shareholder focus would shift away from the director election process. Ironically, the day before the practical deadline to notice an annual meeting in compliance with Delaware law, the Company entered into the Merger Agreement, which is structured to frustrate the franchise by having the Company's shareholder either accept the deal before getting a chance to remove the Directors at an annual meeting or, if forced to confront an election before the deal closes, by coercing the shareholders into voting for the incumbents for reasons having nothing to do with the quality of their performance. With that self-imposed time pressure forcing the Company's hand, the Defendants failed to fully explore all avenues to

maximize shareholder value, or even to push the Private Equity Buyers for the best possible offer for the Company.

52. Indeed, the price offered by the THL/Fidelity Buyout reflects a paltry premium over the trading price of the stock. While the Company described the purchase price as a 17% premium over the closing price of Ceridian stock prior to the February 12 announcement that the Company was considering strategic alternatives, this ignores the fact that the stock had surged 28.3% on the basis of Pershing Square's proxy challenge and drive to spin-off Comdata. A more accurate measure is that the acquisition price reflects less than a 6% premium over the closing price immediately prior to the announcement of the offer, and just 11% over the closing price 90 days ago.

The Merger Agreement Is Purposely Structured To Entrench The Ceridian Directors, Disenfranchise the Shareholders, and Disable the Functioning of any Replacement Board

53. The Company has for months deferred the annual shareholders meeting, and now faces a statutory deadline on June 11, 2007 to convene that meeting – and face the election of Pershing Square's slate of directors and potential removal of the current management team. On May 30, 2007, just 48 hours before the deadline to file proxy materials necessary to timely schedule that meeting, the Defendants entered into the Merger Agreement.

54. That Agreement is designed to frustrate the director election process. As noted above, the Agreement contains a Director Entrenchment Provision that Plaintiff believes is completely without precedent and effectively coerces the shareholders against supporting the proxy fight and ousting the Ceridian Directors. By tying their continuation on the board to the THL/Fidelity Buyout, the Ceridian Directors have placed their own interests ahead of shareholders' interests and manipulated the election process.

55. Specifically, the Merger Agreement actually ties the THL/Fidelity Buyout to the Pershing Square proxy challenge by allowing THL and Fidelity to walk away from the deal – even after shareholders may approve it – and potentially requiring the Company to pay a termination fee if the majority of the Ceridian Directors are not re-elected. Specifically, Section 7.1(j) of the Merger Agreement provides:

> Section 7.1 Termination or Abandonment.
>
> Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated and abandoned at any time prior to the Effective Time, ***whether before or after any approval of the matters presented in connection with the Merger by the shareholders of the Company***:
>
> (j) By [THL/Fidelity] if (i) following the date of this Agreement there is an election of the Board of Directors of the Company (at one or more stockholders meetings) resulting in a majority of the Board of Directors of the Company being comprised of persons who were not nominated by the Board of Directors of the Company in office immediately prior to such election, or (ii) any Rights (as defined in the Rights Agreement) shall have been exercised to purchase Series A Junior Participating Preferred Stock of the Company or Company Common Stock.

56. This Director Entrenchment Provision is a transparent attempt to dissuade shareholders from exercising their right to elect the slate of directors nominated by Pershing Square (or any other shareholder nominated board slate, for that matter). Moreover, by allowing THL/Fidelity to walk away from the deal anytime until closing, shareholders know that any replacement board of directors they elect will have its hands tied with respect to managing the Company's affairs between their election and the closing, and will have no leverage with THL/Fidelity to act in the shareholders' best interests during that interim period.

57. The time period between the signing of a merger agreement and its closing – especially when the deal represents the proverbial "end of the road" for public shareholders who are being cashed out of their investments – is a critical time period for corporate directors to act

consistent with their fiduciary duties. For example, the announcement of a merger agreement (at least one that is not impermissibly laden with lockup provisions and excessive termination fees) may serve as an invitation to alternative bidders, whose entreaties a properly functioning board must be able to consider in accordance with their fiduciary duties. The counterparty's performance of its own obligations under the merger agreement may come into question, and a board must be able to consider the appropriate response on behalf of the shareholders to any potential violation or breach. Of course, a board must always retain freedom to change its recommendation to shareholders, and a new board may well have a different view of the appropriate recommendation, necessitating freedom to change it as appropriate. Finally, especially when a board that negotiates a "change of control" transaction that benefits the directors and incumbent management is replaced by a new board of directors, the new directors may need to review the actions of the prior board and consider whether the merger agreement itself is so tainted by prior breaches of fiduciary duty as to warrant efforts by the Company to void the agreement altogether.

58. Ceridian shareholders are being told by their own fiduciaries that they have to either live with the guidance of the current directors – which a significant percentage of the shareholders believe has been inept to date – or elect a new board that may be unable to perform their fiduciary duties at this critical time because TPG/Fidelity have been given an option to abandon the deal for no reason other than the presence of new directors. In this regard, the Director Entrenchment Provision is akin to the "dead hand" provisions that have been repeatedly invalidated under Delaware law.

59. The Private Equity Buyers are bestowed with extensive protections through the Merger Agreement. Specifically, the Private Equity Buyers have protected themselves with

respect to the operation of Ceridian between its signing of the Merger Agreement and its possible closing. Section 5.1 of the Merger Agreement provides a laundry list of interim operating covenants that extensively restricts the ability of Ceridian – regardless of whether it is run by the current Board and management or by an incumbent slate – to take action inconsistent with the buyer's plans for the Company. The principal benefit of the Director Entrenchment Provision to the Private Equity Buyers is that the current Board and no other set of directors will be in position to control Ceridian's response to any competing bid.

60. Further, the current Board's desire to include the Director Entrenchment Provision in the Merger Agreement casts serious doubt on the integrity of the process leading to the announcement of the THL/Fidelity Buyout. The only way for Ceridian shareholders to get a free and fair chance to vote on the deal itself would be for the Director Entrenchment Provision to be invalidated, for the annual meeting to take place, and for the directors duly elected at that meeting to be provided the chance to perform their duties – including with respect to the consideration of alternatives to the THL/Fidelity Buyout – in advance of any vote on the deal itself.

61. The Director Entrenchment Provision also threatens Ceridian shareholders with an onerous monetary penalty if they replace the current Directors with a slate that would explore major corporate transactions other than the THL/Fidelity Buyout. Section 7.2 provides in relevant part:

> Section 7.2 Termination Fees.
>
> (a) Notwithstanding any provision in this Agreement to the contrary, if
>
> (ii) this Agreement is terminated by Parent or the Company pursuant to Section 7.1(d) ***or by Parent pursuant to Section 7.1(j)*** and concurrently with or within twelve (12) months after such termination, either a Qualifying Transaction shall

have been consummated or the Company shall have entered into a definitive agreement providing for a Qualifying Transaction,

then in any such event the Company shall pay to Parent a fee of $165 million in cash (the "Company Termination Fee"), such payment to be made, in the case of a termination referenced in clauses (i) or (ii) above, upon consummation of the Qualifying Transaction, or in the case of clauses (iii) or (iv) above, concurrently with any such termination by the Company or within two (2) business days after any such termination by Parent; it being understood that in no event shall the Company be required to pay the Company Termination Fee on more than one occasion.

62. Thus, if the Pershing Square proxy challenge is successful and a new slate of directors is elected, the Company is effectively precluded from pursuing strategic alternatives – including the spin-off of Comdata – for up to a year, or else be required to pay a massive termination fee.

63. Section 7.2(e) of the Merger Agreement openly admits that the Termination Fee constitutes a "liquidated damages" provision that must be viewed by reference to applicable contractual limitations on the size and nature of such provisions, as well as being viewed with reference to the Directors' fiduciary obligations under the circumstances.

The No-Shop/No-Talk Provision Includes an Illusory and Improper "Fiduciary Out" Provision

64. Although the THL/Fidelity Buyout appears to have been agreed to despite the fact that other alternatives to a private sale may offer higher value for shareholders, the Lockup provisions embedded in the Merger Agreement significantly curtail, and may well impair, any opportunity for the Company's Directors – whether the incumbents or a replacement board – to adequately explore alternatives or to solicit superior bids from such parties that could maximize shareholder value.

65. The other deal lockup terms of the Merger Agreement deter competing bids and prevent the Ceridian Directors from exercising their fiduciary duties to obtain the best possible

value for Ceridian's shareholders. The defensive provisions erect barriers to competing offers and function to substantially increase the likelihood that the THL/Fidelity Buyout will be consummated without facing real competition, leaving Ceridian's shareholders with a price that does not reflect the maximum price any bidder may be willing to pay. When viewed collectively, these provisions, which are detailed below, further the personal interests of Ceridian's senior management and THL/Fidelity and cannot be justified under the circumstances.

66. No-Shop/No-Talk Provision: The Merger Agreement includes a contractual prohibition against solicitation of alternative bids or of discussions by the Board with any alternative bidder during the time between the deal announcement and the shareholder vote on its merits. There is little dispute that a "no-talk" provision can only be permissible if it includes an appropriate "fiduciary out." The Merger Agreement at issue here includes a "fiduciary out" that is illusory, at best, and affirmatively designed to let the Board keep its head in the sand, at worst. Specifically, the Merger Agreement provides:

> Section 5.3 No Solicitation.
>
> (a) The Company shall and shall cause its Subsidiaries to, and shall use its reasonable best efforts to cause its and their respective Representatives to, (x) ***immediately cease and cause to be terminated any discussions or negotiations with any person conducted heretofore with respect to an Alternative Proposal or potential Alternative Proposal*** and (y) promptly (and in any event within two (2) business days after the date hereof) request the prompt return from all such persons, or the destruction by such persons, of all copies of confidential information previously provided to such persons by the Company, its Subsidiaries or their respective Representatives and shall deny access to any virtual data room containing any such information to any person (other than Parent and its Representatives). ***The Company agrees that neither it nor any Subsidiary of the Company shall***, and that it shall use its reasonable best efforts to cause its and their respective Representatives not to, directly or indirectly, (i) solicit, initiate, cause or knowingly encourage directly or indirectly (including by way of furnishing information) any inquiry with respect to, or the making, submission or announcement of, any Alternative Proposal (as hereinafter defined), (ii) subject to the provisions of Section 5.3(b) set forth below, ***participate in any negotiations regarding an Alternative Proposal with, or furnish any information regarding***

> ***the Company or any Alternative Proposal to, any person that has made or, to the Company's knowledge, is considering making an Alternative Proposal***, or (iii) subject to the provisions of Section 5.3(b) set forth below, engage in discussions regarding an Alternative Proposal with any person that has made or, to the Company's knowledge, is considering making an Alternative Proposal, except to notify such person as to the existence of the provisions of this Section 5.3. Without limiting the foregoing, it is understood that any action taken by Representatives of the Company or any of its Subsidiaries that would be a violation of the restrictions set forth in Section 5.3 if taken by the Company shall be deemed to be a breach of Section 5.3 by the Company.

67. Section 5.3(b) of the Merger Agreement does provide a limited "fiduciary out," under which the Ceridian Directors may consider an unsolicited bid or seek information from an unsolicited bidder, but ***only*** after the Ceridian Board has formally determined that the alternative bidder's proposal constitutes a "Superior Proposal" ***and*** that the failure to talk with the bidder would likely be a breach of fiduciary duty. Section 5.3(b) states as follows:

> Notwithstanding the limitations set forth in this Section 5.3, prior to obtaining the Company Shareholder Approval (but in no event after obtaining the Company Shareholder Approval), if (A) the Company receives a bona fide written Alternative Proposal made after the date hereof which the Board of Directors of the Company determines in good faith, by resolution duly adopted (i) constitutes a Superior Proposal or (ii) is reasonably likely to result in a Superior Proposal, ***and*** (B) the Board of Directors of the Company determines in good faith, after consultation with its outside counsel, that the failure to do so would be reasonably likely to be inconsistent with the directors' fiduciary duties under applicable Law, the Company may take the following actions (only after providing Parent concurrent notice of its intention to take such actions and after receiving from the third party an executed agreement containing confidentiality provisions that are no less favorable to the Company than those contained in the Confidentiality Agreement): (x) furnish information to the person (including such person's Representatives) making such Alternative Proposal, and (y) engage in discussions or negotiations with such person (including such person's Representatives) with respect to the Alternative Proposal.

68. This supposed fiduciary out is nothing of the sort, because it creates circumstances in which the Board is unable to perform its fiduciary duties even where the Board has concluded, in good faith, that the failure to talk to a competing bidder would likely result in a

breach of fiduciary duty. This is because the "out" is drafted in the conjunctive, and the failure of an alternative bid to either constitute a "Superior Proposal" or be likely to lead to a "Superior Proposal," for whatever reason, precludes action by the Board irrespective of the directors' good faith belief of what their fiduciary obligations require. Put another way, in order to salvage a "no-talk" provision, the fiduciary out should be triggered on a good faith belief that talking is required, with no further contingencies or contractual hurdles.

69. But the No-Shop/No-Talk Provision is invalid for yet another reason. The Merger Agreement – and the definitions of Alternative Proposal (which the Company cannot pursue or solicit) and Superior Proposal (which is required to talk to a bidder or terminate the Merger Agreement) – were deliberately drafted to effectively preclude any further consideration by the Board of a spin-off or sale of Comdata, irrespective of whether Pershing Square or some other shareholder or bidder proposed such an alternative. Specifically, any transaction involving Comdata would not satisfy the contractual definition of a "Superior Proposal."

70. Specifically, the definition of "Alternative Proposal" in Section 5.2(f) of the Merger Agreement includes any proposal to acquire "of fifteen percent (15%) or more of the fair market value of the assets of the Company and its Subsidiaries." This would include any proposal for shareholders to acquire the Comdata division in a spin-off, as Pershing Square proposed, or any proposal to acquire Comdata alone, which an alternative bidder may propose. However, in order for an alternative proposal to qualify as a "Superior Proposal" under Section 5.32(f) of the Merger Agreement – thereby triggering the fiduciary out necessary for the Board to communicate with the competing bidder – that alternative proposal must contemplate the acquisition of "more than 66 2/3% of the equity securities of the Company or of the fair market value of the assets of the Company and its Subsidiaries on a consolidated basis." Thus, the

Ceridian Directors are precluded from even exploring a spin-off or other disposition of Comdata because such a transaction would be considered an "Alternative Proposal," yet the same transaction involving Comdata (irrespective of the premium offered or value created) could not meet the requirements of a "Superior Proposal."

71. Thus, the Board has gone from forestalling as long as possible an election that may operate as a referendum on the Pershing Square spin-off proposal to entering a contract behind which the Directors can hide in order to avoid any further consideration or discussion of that potentially valuable transaction.

72. $180 Million Termination Fee: The Merger Agreement requires Ceridian to pay to the Private Equity Buyers the sum of $165 million in cash if Ceridian terminates the Merger Agreement, even if the agreement is terminated as a result of the Ceridian Directors' recommendation in favor of a superior offer for Ceridian shares (or determination to simply withdraw their existing recommendation in favor of the THL/Fidelity Buyout). In addition to this termination fee, the Merger Agreement imposes an additional payment of $15 million in expenses, bringing the total payment for termination to $180 million. Payment by Ceridian of the Termination Fee would have severe negative consequences. As Ceridian disclosed in its most recent Form 10-Q, it had about $377 million in cash on its balance sheet as of March 31, 2007, while its net earnings for the first quarter of 2007 were only $40 million. Because this $180 million Termination Fee would wipe out roughly half of Ceridian's remaining cash balance, the Termination Fee deters the Ceridian Directors from freely and effectively exercising their fiduciary judgment in the interests of Ceridian shareholders and also discourages other potential bidders from emerging.

73. In sum, while the Ceridian Directors' sole and essential duty is to take all available steps to obtain the highest price available for Ceridian's shareholders, Defendants have improperly structured the Merger Agreement to create every conceivable hurdle to the successful emergence of a competing alternative that offers more than the Private Equity Buyers have (or are willing in the future to) put on the table.

74. Taken together, these various provisions render it unreasonable to expect that the Ceridian Directors will fulfill, or are even capable of fulfilling, their fiduciary obligations to Ceridian shareholders.

The Private Equity Buyers Are Using Conflicted Interests To Purchase Ceridian on the Cheap

75. The timing of Defendants' acceptance of the THL/Fidelity Buyout proposal threatens to abrogate the proxy contest, and thereby aggrandize Defendants' positions and enables them to capture for themselves (and those who assist them) Ceridian's future potential without a fair process and without paying an adequate or fair price to the Company's public shareholders.

76. The conflicts of interest and other unfairness that infect deals of this type were highlighted in a September 8, 2006, *Wall Street Journal* article entitled "In Some Deals, Executives Get A Double Payday – Managers Profit When Companies Are Sold to Private-Equity Firms, Then Stay on With Big Options." Among other things, that article stated:

> Private-equity firms have notched seven of the 10 largest leveraged buyouts of all time this year. For the top executives of the target companies, such deals could be the difference between being rich and being very rich.
>
> That is because in many cases the executives are both buying and selling the company. Consider a trio of massive deals: The bids for HCA Inc., Kinder Morgan Inc. and Aramark Corp., valued at more than $40 billion combined, all have involved top executives teaming up with private-equity firms to buy their own companies and to continue running them.

> As increasing numbers of executives heed the siren call of private-equity firms, the dynamic pitting shareholders against management is bound to intensify. (Private-equity firms buy companies or divisions using vast amounts of debt and later sell them or bring them public.)
>
> In such cases, management, with all its detailed knowledge of the company, goes from being a seller striving for a high price to being a buyer looking for an attractive price. ***Usually the sale of a public company involves an auction or a competitive-bidding process. But when management joins the private-equity buyers, there often isn't such an open procedure, and the process is especially fraught with potential conflicts of interest.***
>
> "Every private-equity firm markets itself to its potential investors on the basis of its access to deals, preferably exclusive access to deals" without competitive bidding, says Douglas Cifu, a merger-and-acquisition lawyer with Paul, Weiss, Rifkind, Wharton & Garrison LLP. "But when you are a public company, you have a fiduciary obligation to maximize the value of the company."
>
> "The strength of the private-equity firms is their high-powered compensation," says Josh Lerner, a professor at Harvard Business School. "Can it lead to the temptation of being bought out so management can get the pot of gold?"

77. The THL/Fidelity Buyout is designed and intended to eliminate members of the Class as stockholders of the Company from continued equity participation in the Company for cash consideration, which the Ceridian Directors know or should know is not the highest value available for Ceridian shareholders.

78. The Ceridian Directors suffer from a host of conflicting interests that impede their ability to independently determine that the THL/Fidelity Buyout presents the best opportunity to maximize shareholder value. Critically, the sale of the Company to the Private Equity Buyers may effectively moot Pershing Square's proxy challenge. This will prevent the election of a new slate of independent directors who would be clearly disinclined to maintain current management and would likely show no preference for the THL and Fidelity with respect to the consideration of any alternative proposals for Ceridian as a whole, for Comdata, or some other alternative.

79. In addition, the THL/Fidelity Buyout secures the positions of current management, including Defendant Marinello's position as President and CEO.

80. Defendants are engaging in self-dealing and not acting in good faith toward plaintiff and the other members of the Class. By reason of the foregoing, Defendants have breached and are breaching their fiduciary duties to the members of the Class.

CLASS ACTION ALLEGATIONS

81. Plaintiff brings this action pursuant to Rule 23 of the Rules of the Court of Chancery, individually and on behalf of all other holders of Ceridian common stock (except defendants herein and any persons, firm, trust, corporation or other entity related to or affiliated with them and their successors in interest) who are or will be threatened with injury arising from defendants' wrongful actions, as more fully described herein (the "Class").

82. This action is properly maintainable as a class action.

83. The Class is so numerous that joinder of all members is impracticable. The number of shares of common stock of Ceridian outstanding as of April 30, 2007 was 143,397,176. As of February 1, 2007, the Company reported that there were 10,941 holders of record of Ceridian stock. These include investors spread across the country.

84. There are questions of law and fact which are common to the Class and which predominate over questions affecting any individual class member. The common questions include, *inter alia*, the following:

a. Whether the Directors have acted and are acting with the primary purpose of frustrating the shareholder voting process and in a manner intended to entrench themselves in office.

b. Whether the Defendants have engaged and are continuing to engage in a plan and scheme to benefit themselves at the expense of the members of the Class;

c. Whether the Ceridian Directors have fulfilled, and are capable of fulfilling, their fiduciary duties to Plaintiff and the other members of the Class, including their duties of loyalty, due care, and candor, which include, in this instance, the duty to maximize share value;

d. Whether the Ceridian Directors are engaging in self-dealing in connection with the THL/Fidelity Buyout;

e. Whether the Ceridian Directors are unjustly enriching themselves and other insiders or affiliates of Ceridian;

f. Whether the THL/Fidelity Buyout is entirely fair to the members of the Class;

g. Whether the Defendants have disclosed all material facts in connection with the challenged transaction; and

h. Whether Plaintiff and the other members of the Class would be irreparably damaged if the Defendants are not enjoined from effectuating the conduct described herein;

85. Plaintiff anticipates that there will be no difficulty in the management of this litigation as a class action.

86. The Ceridian Directors have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole. To the extent Defendants take further steps to effectuate the THL/Fidelity Buyout, preliminary and final injunctive relief on behalf of the Class as a whole will be entirely appropriate.

87. Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class and Plaintiff has the same interests as the other members of the Class. Accordingly, Plaintiff is an adequate representative of the Class and will fairly and adequately protect the interests of the Class.

88. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for Defendants, or adjudications with respect to individual members of the Class which would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

FIDUCIARY DUTIES OF THE CERIDIAN DIRECTORS

89. When the officers and/or directors of a publicly traded corporation undertake a transaction that will result in either: (i) a change in corporate control; or (ii) a break up of the corporation's assets; or (iii) sale of the corporation, the directors have an affirmative fiduciary obligation to obtain the highest value reasonably available for the corporation's shareholders, and if such transaction will result in a change of corporate control, the shareholders are entitled to receive a significant premium.

90. Because the THL/Fidelity Buyout (as further detailed below) will result in the end of Ceridian's existence as a widely held public corporation and Ceridian's current public shareholders will be forced to give up their stakes in the Company going forward, the Ceridian Directors are obligated to explore all alternatives to maximize the value paid to Ceridian's shareholders. To satisfy this obligation, the Ceridian Directors have a fiduciary duty to:

a. fully inform themselves of Ceridian's market value before taking, or agreeing to refrain from taking, action;

b. to act solely in the interests of the Company's equity owners and not to pursue transactions that favor themselves or Ceridian's senior management at the expense of the shareholders;

c. to maximize shareholder value by seeking the highest consideration available to Ceridian's shareholders;

d. to obtain the best financial and other terms when the Company's independent existence will be materially altered by the transaction;

e. to decline any contractual provisions that will discourage or inhibit alternative offers to purchase control of the corporation or its assets or that will otherwise limit the Ceridian Directors' freedom to solicit or respond to any alternative proposal that may provide greater shareholder value than the offer favored by the Company's management; and

f. in all other respects to act in accordance with the fundamental duties of loyalty, care and good faith.

91. Because of their respective positions with the Company, the Ceridian Directors also are required to:

a. act independently to ensure that the best interests of the corporation and its shareholders take precedence over any interest possessed by a director, officer, or controlling shareholder.

b. ensure that if there are conflicts of interest between the Defendants' interest and their fiduciary obligations of loyalty, that they are resolved in the best interest of the Ceridian's public shareholders.

c. provide the shareholders of Ceridian with their honest and fully informed judgment and recommendation with respect to any transaction brought to a shareholder vote, including the THL/Fidelity Buyout or any alternative opportunity.

92. For the reasons alleged below, the Ceridian Directors have breached, and will continue to breach, their fiduciary duties owed to the public shareholders of Ceridian, including by approving the THL/Fidelity Buyout. In addition, the Merger Agreement contains numerous provisions that serve to inhibit a fair bidding process intended to obtain for the shareholders the maximum price available for their shares.

CLAIMS FOR RELIEF

COUNT I

(Breach of Fiduciary Duty Against the Ceridian Directors)

93. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

94. The Ceridian directors owe the Class the utmost fiduciary duties of due care, good faith, and loyalty. Because at the time of the negotiation of the THL/Fidelity Buyout, Ceridian was "up for sale" and because the THL/Fidelity Buyout represents a "change-in-control" transaction, the Ceridian Directors are required to focus on one primary objective – to secure the transaction offering the best value reasonably available for the Ceridian shareholders – and they are required to exercise their fiduciary duties to further that end. They are required to employ all measures necessary to fully inform themselves about competing offers and other alternatives for the Company and to choose the offer that best maximizes shareholder value.

95. The Ceridian Directors have failed to fulfill their fiduciary duties in the sale of control of Ceridian. They have failed to fully inform themselves about potential competing proposals or to fully explore the possibility of a Comdata spin-off.

96. The Ceridian Directors also breached their fiduciary duty by favoring their own interests over those of the Ceridian shareholders. They caused the Company to enter into the Merger Agreement in order to perpetuate their own personal interests at the direct expense of Ceridian's shareholders. The Ceridian Directors are engaging in self dealing, are not acting in good faith toward Plaintiff and the other members of the Class, and knowingly or recklessly have breached and are continuing to breach their fiduciary duties to the members of the Class.

97. The Ceridian Directors also agreed to the inclusion of, among other things, a $180 million termination fee that is tied directly to their own re-election, a No-Shop/No-Talk Clause, and other barriers to the success of unsolicited competing offers for the Company. They did so in order to secure the benefits the THL/Fidelity Buyout provides to them personally.

98. As a result of the Ceridian Directors' breaches of fiduciary duty in erecting these defensive measures, the Class will be harmed by being denied the opportunity to weigh and

consider potentially more valuable alternative bids. The defensive measures erected by the Ceridian Directors in the Merger Agreement, however, impose excessive and disproportionate impediments to potential superior alternatives.

99. If the THL/Fidelity Buyout is allowed to proceed without the Ceridian Directors first conducting a full and thorough market check or other form of (or reasonable substitution for) an auction process, and without fully exploring the possibility of a Comdata spin-off, Ceridian shareholders will be denied forever the opportunity to sell their shares to the highest bidder.

100. Plaintiff and the Class have no adequate remedy at law.

COUNT II

(Aiding and Abetting Breaches of Fiduciary Duties Against THL, Fidelity and Foundation)

101. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

102. The Private Equity Buyers aided and abetted the Ceridian Directors' breaches of fiduciary duty. The Private Equity Buyers actively and knowingly induced the Ceridian Directors to breach their fiduciary duties to Ceridian by plying them with the promises of lucrative employment with the privatized entity.

103. The Private Equity Buyers colluded in or aided and abetted the Individual Defendants' breaches of fiduciary duties, and were active and knowing participants in the Individual Defendants' breaches of fiduciary duties owed to plaintiff and the members of the Class, as evidenced by their complicity in entering a Merger Agreement replete with provisions that impermissibly impede the shareholder franchise and otherwise violate Delaware law.

104. The Private Equity Buyers participated in the breach of the fiduciary duties by the Ceridian Directors for the purpose of advancing their own interests. The Private Equity Buyers will obtain both direct and indirect benefits from colluding in or aiding and abetting the Individual Defendants' breaches. The Private Equity Buyers will benefit, *inter alia*, from the acquisition of the Company at a grossly inadequate and unfair price if the Proposed Buyout is consummated.

105. Plaintiff and the members of the Class will be irreparably injured as a direct and proximate result of the aforementioned acts.

106. Plaintiff and the Class have no adequate remedy at law.

COUNT III

(Declaration Under 10 Del. C. § 6501 Against All Defendants)

107. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

108. There exists a dispute over the validity of the Director Entrenchment Provision, the No-Shop No-Talk Provision, and the Termination Fee. The Merger Agreement provides that if any provision or provisions are found to be invalid, the remainder of the Merger Agreement shall remain in full force and effect.

109. This controversy is real and pressing, and a declaration of the validity of the challenged provisions of the Merger Agreement will clarify the legal relations between the parties.

RELIEF REQUESTED

WHEREFORE, Plaintiff demands judgment as follows:

(a) Declaring this Action properly maintainable as a class action;

(b) A declaration that the Director Entrenchment Provision, the No-Shop No-Talk Provision and the Termination Fee are void and unenforceable;

(b) Preliminarily and permanently enjoining Ceridian and any of the Ceridian Directors and any and all other employees, agents, or representatives of the Company and persons acting in concert with any one or more of any of the foregoing, during the pendency of this action, from taking any action to consummate the THL/Fidelity Buyout until such time as an election of directors of Ceridian can be held free of the coercive aspects of the Merger Agreement and until the Ceridian Directors have fully complied with their duties to fully and fairly consider all offers for the Company and to maximize shareholder value;

(c) If the THL/Fidelity Buyout is not enjoined as set forth above, awarding the Class compensatory damages, together with pre- and post-judgment interest;

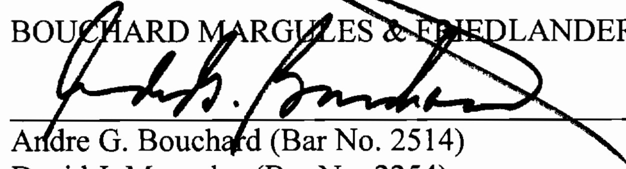
(d) A declaration that the Ceridian Directors have breached their fiduciary duties to the Class;

(e) A declaration that the Private Equity Buyers have aided and abetted the breaches of fiduciary duty by the individual defendants;

(f) Awarding Plaintiff the costs and disbursements of this action, including attorneys', accountants', and experts' fees; and

(g) Awarding such other and further relief as is just and equitable.

BOUCHARD MARGULES & FRIEDLANDER, P.A.



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DATED: June 4, 2007

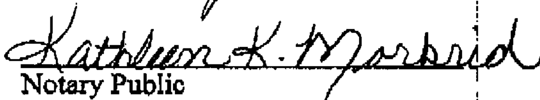
VERIFICATION

STATE OF MINNESOTA }
} ss.
COUNTY OF HENNEPIN }

I, Walter Schirmer, Executive Secretary of the Minneapolis Firefighters' Relief Association, being duly sworn, depose and say that I am authorized to make this verification on behalf of the Minneapolis Firefighters' Relief Association, having read the foregoing verified complaint and that the statements contained therein are true to the best of my knowledge, information and belief.

Walter Schirmer

Sworn to and subscribed before me
this 4 day of June 2007



Notary Public