

The background of the newsletter cover is a blue-tinted photograph. On the right side, a white school bus is visible, with a 'STOP' sign and the number '6' on its side. On the left side, a long line of white commercial trucks is parked in a row, receding into the distance. The text is overlaid on this background.

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CASE SUMMARIES

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Indiana / Southern District

Court dismisses direct negligence claims against motor carrier after scope of employment admission in fatal pedestrian collision.

Wilson-Love v. Dealer's Choice Truckaway Sys., 2026 U.S. Dist. LEXIS 88429 (S.D. Ind. Apr. 21, 2026)

The Court granted in part defendants' motions for judgment on the pleadings, dismissing direct negligence claims against TruckMovers arising from a fatal pedestrian accident involving its driver. The Court held that, under Indiana law, once an employer admits its driver was acting within the scope of employment, claims for negligent hiring, training, supervision, and entrustment are generally precluded and subsumed by respondeat superior. The Court rejected the plaintiff's arguments that federal regulations or alternative pleading standards preserved those claims. Other claims, including vicarious liability and certain damages theories, remain pending. The decision reinforces limits on expanding direct-liability theories in trucking cases where agency is undisputed.

Utah / Supreme Court

Court reverses dismissal of enhanced-injury claim, holding federal compliance does not foreclose broader negligence duties in underide crash.

Maldonado-Velasquez v. Ron J. Peterson Constr., Inc., 2026 UT 8 (Apr. 16, 2026)

The Utah Supreme Court reversed a partial summary judgment that had dismissed an enhanced-injury claim arising from a fatal underide collision with a construction trailer. The lower court had concluded the defendant owed no duty to modify or upgrade a trailer that complied with federal safety standards and excluded related expert testimony. The Supreme Court rejected that narrow framing, holding that existing statutory and common-law duties to operate equipment safely are not displaced by federal regulations and may support broader negligence theories. Because the district court improperly limited the scope of duty, it also erred in excluding expert testimony on underide risks and injury mitigation. The ruling allows the enhanced-injury theory to proceed.

Pennsylvania / Eastern District

Court finds logistics provider liable as carrier under Carmack Amendment, rejecting broker classification in cargo loss dispute.

Master Textile Mills, Ltd. v. RSA Global Logistics, LLC, 2026 U.S. Dist. LEXIS 91724 (E.D. Pa. Apr. 27, 2026)

Following a bench trial, the Court entered judgment against RSA Global Logistics, holding it liable under the Carmack Amendment for cargo destroyed when a truck fire occurred during interstate transport. The central issue was whether RSA acted as a broker or a carrier/freight forwarder. The Court found RSA assumed responsibility for the shipment under its agency agreement, coordinated transportation through downstream carriers, and held itself out as responsible for delivery, placing it in the role of a carrier despite not physically transporting the goods. The Court also dismissed plaintiff's breach of contract and bad faith claims as preempted by Carmack. RSA was held liable for the remaining \$168,000 loss beyond the downstream carrier's \$100,000 policy limit.



ARTICLE OF THE MONTH

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Staged Accidents and “Serious Injury” Claims

What the FedEx Litigation Signals for Transportation Companies Under New York Law

By: Patrick James, Partner

A recently filed federal action by FedEx has brought renewed attention to automobile insurance fraud and the litigation risks it poses to transportation and trucking companies operating in New York. In a 92 page complaint filed in the Southern District of New York, FedEx alleges that a Brooklyn based personal injury law firm, working with affiliated medical providers and related entities, orchestrated a scheme involving staged or exaggerated motor vehicle accidents designed to inflate injury claims and extract settlements from commercial defendants.

According to the complaint, the alleged enterprise targeted routine, low impact collisions involving FedEx delivery vehicles, including incidents where property damage was minimal, and no police or emergency responders were called. FedEx alleges that accident participants were later referred to a network of doctors and clinics, where they were diagnosed with serious spinal injuries and routed through extensive chiropractic treatment, followed in some cases by injections or surgical procedures. The lawsuit further alleges that medical treatment was financed through law firm connected arrangements and that litigation was used as the primary leverage once the statutory prerequisites for a personal injury action were met.

FedEx brings the action under the federal Racketeer Influenced and Corrupt Organizations Act (RICO), alleging that the coordinated use of staged accidents, medical referrals, billing practices, and lawsuits constituted an enterprise designed to manufacture liability exposure and drive recoveries based on economic pressure rather than the merits of individual claims. While the allegations remain unproven, the case provides a useful illustration of how New York’s no fault and bodily injury framework can transform ordinary fleet accidents into high value litigation.

Under New York's no fault system, codified in Insurance Law Article 51, individuals involved in motor vehicle accidents may obtain medical treatment and lost wage benefits regardless of fault. As the Court of Appeals has recognized, the system emphasizes prompt access to care rather than early adjudication of causation. *Pommells v. Perez*, 4 N.Y.3d 566 (2005). From a defense standpoint, this means medical treatment often begins, and sometimes escalates, before accident mechanics are examined in any meaningful way, even where property damage is minimal and no injury is reported at the scene.

Exposure increases once a claimant seeks to recover non economic damages. To do so, the plaintiff must satisfy the "serious injury" threshold set forth in Insurance Law § 5102(d). Although the statute was intended to "weed out frivolous claims," *Toure v. Avis Rent A Car Sys., Inc.*, 98 N.Y.2d 345, 350 (2002), practitioners know that threshold litigation often turns on medical proof developed well after the accident. The categories most frequently relied upon, significant limitation, permanent consequential limitation, and the 90/180 day rule, are driven less by collision dynamics than by treatment history.

New York courts permit plaintiffs to rely on objective medical evidence, including quantified range of motion findings and diagnostic imaging, to raise triable issues of fact even in low impact cases. *Perl v. Meher*, 18 N.Y.3d 208 (2011). Where competing medical opinions exist, courts are often reluctant to resolve cases early, forcing defendants into prolonged medical causation disputes. *Lamb v. Rajinder*, 129 A.D.3d 715 (2d Dept 2015). From a defense perspective, this is often where cases turn, regardless of how the accident actually occurred. For transportation companies whose vehicles operate continuously in dense traffic environments, this dynamic can result in settlement pressure untethered from the severity of the collision itself.

Transportation defendants regularly see minor accidents reframed over time through extended chiropractic care, pain management treatment, injections, or surgery. By the time litigation is underway, the focus frequently shifts away from fault and toward alleged permanency, with accident mechanics fading into the background, sometimes entirely. This reality makes fleet operators particularly vulnerable to claim strategies that rely on medical escalation rather than objective evidence of trauma.

What distinguishes the FedEx litigation is its attempt to address these issues at an enterprise level. Rather than defending individual claims in isolation, FedEx alleges that repetitive treatment patterns and referral relationships were used across multiple cases to manufacture injury claims and drive settlements. The assertion of civil RICO claims reflects growing frustration among large commercial defendants with confronting the same litigation patterns repeatedly and resolving claims solely to avoid the economics of defense.

From a practical standpoint, the implications for transportation companies are case specific. New York law continues to permit early challenges to serious injury claims where defendants can demonstrate a lack of causation, material gaps in treatment, or pre existing or intervening conditions. See *Pommells*, 4 N.Y.3d at 574–75. Developing those defenses requires early action. Prompt collection of photographs, vehicle data, driver statements, and prior accident information often determines whether a defendant can meaningfully challenge injury claims before they gain litigation momentum.

Strategically, transportation defendants should assume that medical proof, not accident mechanics, will drive the trajectory of most New York automobile cases. That reality makes targeted early discovery, appropriate medical authorizations, and focused summary judgment motion practice under CPLR § 3212 critical tools in individual matters. For companies operating fleets in New York, understanding how serious injury claims are actually litigated, and tailoring investigation, discovery, and motion practice in each case accordingly, remains critical to controlling exposure.

ABOUT US

Lucosky Brookman's Transportation Practice Group, a specialized division within our Insurance Defense and Coverage Practice Area, represents clients and their carriers in complex tort and coverage litigation across the transportation industry. Our team of experienced attorneys handles cases in state and federal courts throughout New York, New Jersey, Kansas, Pennsylvania, and Texas.

Our practice combines deep industry knowledge with litigation expertise to provide exceptional legal representation to transportation companies facing increasingly complex regulatory requirements and litigation challenges. We understand that transportation businesses operate in a unique legal landscape where federal regulations, state laws, and local ordinances create a multifaceted compliance environment, and we tailor our approach accordingly.

We provide comprehensive legal representation to a diverse range of transportation clients, including interstate trucking fleets, railroads, school bus companies, waste hauling companies, taxicab operators, shuttle and bus services, rental vehicle fleets, and ambulance providers. Our attorneys have extensive experience addressing personal injury claims, cargo disputes, environmental issues, hazardous materials incidents, indemnification matters, and insurance coverage challenges. We also maintain strategic partnerships with preeminent local, regional, and national agencies, allowing us to stay ahead of regulatory developments, collaborate on proactive risk mitigation strategies, and deliver a truly integrated defense in complex transportation matters.

Meet The Team



Harold Moroknek
*Partner & Chair of
Trucking & Transportation
Practice Group*
hmoroknek@lucbro.com



Scott Taffet
Partner
staffet@lucbro.com



Steven Saal
Partner
ssaal@lucbro.com



Patrick James
Partner
pjames@lucbro.com



Brian Webb
Partner
bwebb@lucbro.com

Meet The Team



Agustin Blanco
Senior Associate
ablanco@lucbro.com



Thomas McGovern
Associate
tmcgovern@lucbro.com



Mia Conroy
Associate
mconroy@lucbro.com



Olivia Jones
Associate
ojones@lucbro.com



PJ Benasillo
Associate
pbenasillo@lucbro.com

CONNECT WITH US



914-392-9006



info@lucbro.com



www.lucbro.com



2 Depot Plaza, Bedford Hills, NY 10507



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