

The background of the newsletter cover is a blue-tinted photograph. On the right side, a white school bus is parked, showing its front and side profile. 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.

Lucosky Brookman Trucking & Transportation Newsletter

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CASE SUMMARIES

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Texas / Northern District

Court grants summary judgment for bus operator and driver, rejecting negligence claims where intoxicated third party caused collision.

Strong v. Paradise, 2025 U.S. Dist. LEXIS 255812 (N.D. Tex. Nov. 18, 2025)

The Court granted summary judgment in favor of Greyhound and its driver, finding no evidence that their conduct proximately caused a collision involving a bus parked on the highway shoulder. Although the driver failed to deploy reflective warning triangles as required by FMCSR § 392.22, the Court held this regulatory violation did not establish causation. The evidence showed the third-party driver was intoxicated and asleep at the wheel when he left the roadway and struck the bus, breaking the causal chain. Because the bus was not obstructing traffic and other vehicles passed safely, the Court concluded defendants merely furnished a condition rather than a substantial factor in the crash. All negligence, gross negligence, and punitive damages claims were dismissed.

Florida / Middle District

Court allows broker's contractual indemnity claim to proceed while dismissing unlawful brokerage allegations.

Landstar Blue, LLC v. Perfect 1, LLC, 2025 U.S. Dist. LEXIS 251006 (M.D. Fla. Dec. 5, 2025)

The Court denied dismissal of Landstar's breach of contract claim against motor carrier Gozal, holding that contractual indemnity obligations between a broker and carrier are not preempted by the Carmack Amendment. Landstar alleged it paid over \$113,000 for cargo damage after Perfect subcontracted the shipment to Gozal, and neither carrier indemnified Landstar as required under their agreements. The Court found the brokerage contracts governed the parties' ongoing relationship—distinct from any bill of lading—and therefore fell outside Carmack's preemptive scope. However, the Court dismissed Landstar's unlawful brokerage claim under MAP-21, concluding the complaint failed to plausibly allege that Perfect acted as a broker rather than a motor carrier.

New York / Supreme Court (New York County)
Court grants summary judgment for railroad, dismissing FELA and statutory claims arising from highway crash.

Small v. Metro-N. Commuter Rail Rd. Co., 2025 N.Y. Misc. LEXIS 8947 (Sup. Ct. N.Y. Cnty. Nov. 6, 2025)

The Court granted summary judgment in favor of Metro-North and the MTA, dismissing all claims brought under FELA and related federal statutes after a Metro-North vacuum truck crashed on an interstate highway. The Court held that the Locomotive Inspection Act, Safety Appliance Act, and related federal regulations apply only to locomotives or on-track equipment and were inapplicable to a highway vehicle. The Court further found no triable issue of negligence under FELA, concluding that objective evidence—including maintenance records, dash-camera footage, and expert analysis—showed the vehicle was mechanically sound and that driver inattention, not fatigue or mechanical defect, caused the collision. Plaintiff's reliance on FMCSA hours-of-service regulations was rejected as inapplicable to railroad operations.



ARTICLE OF THE MONTH

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California Federal Court Deals Further Damage to Federal Pre-emption for Logistics Companies By: Steven Saal, Partner

Shipping and logistics companies often employ truck and freight drivers as independent contractors for business purposes, including to limit liability. But despite these attempts, there is a concerted effort in many states to treat this as a distinction without a difference and guarantee employment-related rights and benefits to drivers who are termed 'independent contractors.' The State of California employs what is colloquially known as the "ABC Test," codified in Section 2775 of the California Labor Code.

The ABC test considers three primary factors: **1) Autonomy** – assessing whether the alleged worker acts independently as opposed to at the direction and control of the employing entity; **2) Business Uniqueness** – that the worker himself is performing work that is outside the normal course of business of the employment entity; and **3) Customary Engagement** – whether the worker is conducting regular and established business in the same field but not with the potential employer. If the 'employer' or hiring entity cannot satisfy all three prongs in its favor, then the individual in question is considered an employee under the law and not an independent contractor.

In *Espinosa v. Ceva Freight, LLC*, Case No. 2:23-cv-00659-ODW, 2025 U.S. Dist. LEXIS 254020 (C.D. Cal Dec. 3, 2025), the United States Federal District Court for the Central District of California recently considered this issue as it applies to CEVA Logistics, a global logistics and supply chain company headquartered in France. CEVA Logistics employs over 100,000 workers with current revenue projections in the range of \$15 to \$20 billion per year. Prior to 2016, CEVA contracted with drivers directly, but, in or about late 2016 and early 2017, CEVA essentially outsourced this responsibility to Cargomatic. The drivers in question were required to establish a 'doing business as' entity and license for transportation of commercial property to then contract with Cargomatic, which, in turn, supplied drivers to CEVA.

Despite this hiring apparatus, CEVA still arranged pickups and deliveries, though Cargomatic was then responsible to “arrange, coordinate, and fulfill shipment of CEVA’s customers’ freight to its final destination.” The Court went out of its way to focus on CEVA’s website in that it provided “exceptional end-to-end supply chain solutions . . . , [p]ick-up and delivery services . . . [,] and maintained [over a thousand] trained and uniformed drivers.” See id. at *4. The Court further noted that drivers submit paperwork to CEVA confirming delivery and CEVA fully controlled customer invoicing and payment collection as to the drivers’ deliveries.

CEVA sought to argue that the ABC Test was inapplicable, relying on a California Appellate decision in *Henderson v. Equilon Enterprises, LLC*, 40 Cal. App. 5th 1111, 253 Cal. Rptr. 3d 738 (2019), where that court declined to hold Shell responsible as a joint employer in an action against Shell and operators of Shell-branded gas stations. The *Espinosa* Court reasoned that, not only was this not a joint employer situation, it was controlled by the Ninth Circuit’s findings in *Vazquez v. Jan-Pro Franchising Int’l*, 10 Cal. 5th 944, 948, 273 Cal. Rptr. 3d 741, 478 P.3d 1207 (9th Cir. 2021), which, in confirming the applicability of the test, actually cited a Massachusetts case that addressed an almost identical strategy of terminating the contracts with the drivers and re-establishing the relationship through a third-party entity. CEVA further argued the issue of federal pre-emption, but, unfortunately, no Courts have determined that these labor and employment standards conflict with the FMCSA, and the *Espinosa* Court noted that, in fact, district courts have held that they do not frustrate Congress’s intentions to control interstate commerce. See *Espinosa*, 2025 U.S. Dist. LEXIS 254020 at *22 (citing *W. States Trucking Ass’n v. Schoorl*, 377 F. Supp. 3d 1056, 1072-73 (E.D. Cal. 2019)).

CEVA sought to further argue that the FMCSA entitled it to summary judgment as to Prong B because, if the District Court found that CEVA could *not* satisfy the prong, it would essentially allow California Labor Law to override federal law. The Court summarily rejected these arguments. Though noting that Congress has in the past disapproved of certain regulatory laws in California, it found no evidence or support that Congress had specifically disapproved of the ABC test under Section 2775. See id. at 34. In finding that the work performed by plaintiffs did *not* fall outside the scope of CEVA’s regular business, the Court moved on to a factual assessment of the record as it applied to Prong B.

The reality for logistics companies such as CEVA is that, when confronted with laws like the ABC test, it must obtain relief through federal preemption. Though the *Espinosa* Court conducts a thorough and comprehensive analysis, it is difficult to argue that freight drivers are involved in a unique business venture from the third-party logistics company organizing and setting the exact deliveries those drivers are making. It is unsurprising that the District Court found that the factors it assessed when analyzing Prong B weighed “decisively” in the plaintiffs' favor and ultimately concluded that CEVA is unable to successfully satisfy the ABC test.

Ultimately, the *Espinosa* matter will actually continue to trial because the Court determined an issue of fact remains as to whether CEVA can enjoy a business-to-business exception that would insulate CEVA before the applicability of the ABC test. However, if CEVA is unsuccessful on that issue at the time of trial, the second part of the liability analysis has already been decided in the plaintiffs' favor.

The continued blurring of the lines with issues as to federal pre-emption and reliance on the FMSCA or other pre-emptive issues, such as the recent circuit split as to broker liability, further illustrates that companies involved in interstate commerce as to the transport of property and passengers alike cannot so easily separate themselves from drivers or incidents by merely creating another link in the employment chain. For all intents and purposes, the courts are motivated to hold companies accountable for what these courts interpret as the manner in which the companies portray themselves to the public. The courts are sending a message – you are what you say you are – and we should be mindful of this trend as it continues to develop.

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.



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