

# Lucosky Brookman Trucking & Transportation Newsletter

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# CASE SUMMARIES

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## Wisconsin / Eastern District

**Court rejects FAAAA preemption defense in broker negligence action following Supreme Court's Montgomery decision.**

**Barkholtz v. Ivory**, 2026 U.S. Dist. LEXIS 109001 (E.D. Wis. May 18, 2026)

The Court denied in part a transportation broker's motion to dismiss claims arising from a fatal tractor-trailer collision, holding that state-law negligence claims against brokers are not preempted by the FAAAA. Plaintiffs alleged the broker negligently selected the motor carrier involved in the crash. Relying on the Supreme Court's recent decision in *Montgomery v. Caribe Transport II, LLC*, the Court concluded such claims fall within the statute's safety exception for claims "with respect to motor vehicles," overruling prior Seventh Circuit authority that favored preemption. Although the Court ultimately dismissed the claims for insufficient pleading, it rejected the broker's broader preemption and statute-of-limitations arguments, allowing plaintiffs the opportunity to replead their allegations.

## Pennsylvania / Middle District

**Court grants summary judgment dismissing punitive damages and direct liability claims in lane-change tractor-trailer collision.**

**Enari v. Davranov**, 2026 U.S. Dist. LEXIS 101941 (M.D. Pa. May 8, 2026)

The Court granted multiple summary judgment motions arising from a tractor-trailer lane-change accident on Interstate 80. The Court held the Graves Amendment barred vicarious liability claims against the vehicle owner, Kamuna Express, which merely leased the tractor to motor carrier BEK Express and exercised no operational control over the driver. It further dismissed plaintiffs' direct negligence claims against BEK because the carrier admitted vicarious liability for the driver's conduct. The Court also dismissed punitive damages claims against all defendants, finding no evidence of reckless or outrageous conduct despite allegations involving blind-spot operation, cellphone use, and hiring deficiencies. Negligence claims against the driver and carrier remain pending.

## New Jersey / District of New Jersey

**Court stays cargo-loss dispute for mediation and arbitration after fraudulent carrier allegations tied to stolen shipment.**

**S-Platform, LLC v. RPM Express, Inc.**, 2026 U.S. Dist. LEXIS 105054 (D.N.J. May 12, 2026)

The Court administratively terminated competing motions for default judgment and to vacate default in a cargo-loss dispute involving allegations of fraudulent carrier identity theft. Plaintiff alleged broker RPM Express arranged transportation of a \$170,000 shipment of solar panels through an unknown entity using another carrier's DOT and MC numbers, resulting in the disappearance of the shipment. Rather than rule on the pending motions, the Court stayed the action for ninety days and directed the parties to pursue mediation and/or arbitration. The decision highlights the growing litigation risks surrounding fraudulent carrier schemes, cargo theft, and broker verification practices in the transportation industry.



# ARTICLE OF THE MONTH

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## Supreme Court Strikes Down Federal Preemption Protection for Freight Broker Liability

By: Steven Saal, Partner

Over the past twenty-four (24) months, the United States Supreme Court has overturned decades of precedent, resulting in significant upheaval in both social and economic arenas. This new reality of activism and disruption continued on May 14, 2026, when the Court stated that freight brokers could be held liable in tort under state law for negligent hiring claims when contracting with freight transportation companies. This liability exposure is no longer preempted by the Federal Aviation Administration Authorization Act ("FAAAA").

The overarching theme of Justice Amy Coney Barrett's and Justice Brett Kavanaugh's respective Opinion of the Court and Concurrence is that the statute lacks clarity and the Court could not read into the statute the interpretation sought by C.H. Robinson and the amicus proponents of preemption. The decision is vague in and of itself, with how the Court reached its ultimate conclusion. Justice Barrett relied on generalities such as the Second Restatement's definition of "negligent hiring" and "ordinary definitions" of what constitutes relation to a motor vehicle in determining that the safety exception applies and permits the tort claims against C.H. Robinson to proceed. The crux of the decision and how the Court ultimately reached this conclusion is that Congress explicitly included the "safety exception" for states to exercise a police power over safety regulations in 49 USC § 14501(c), which governs interstate commerce, and excluded the same exception in 49 USC § 14501(b)'s regulation of intrastate commerce. The judges would not parse this difference, which meant that their conclusion would rely on whether or not a broker's vetting and hiring of a smaller freight transportation company constituted "safety" issues as contemplated in the statute. The Court determined it does.

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This is where the Court has seemingly taken a significant leap in adopting the petitioner/plaintiff's almost reptilian and attenuated logic that if C.H. Robinson had further investigated and evaluated Caribe Transport II, LLC ("Caribe"), then C.H. Robinson would have discovered that Caribe was prone to accidents and therefore C.H. Robinson can be liable for contracting with Caribe. This leap by the Court is concerning and far-reaching, as we will explore more in Justice Kavanaugh's concurrence. Justice Barrett and the Court, without terribly deep analysis, merely connect the dots between a vehicle being "used on a highway in transportation" and that, because C.H. Robinson is hiring a company engaging in that activity, allegations as to C.H. Robinson can be required to "exercise ordinary care" in selection of these carriers. Therefore, because the petitioner/plaintiff "alleges that C.H. Robinson failed to exercise reasonable care when it hired Caribe Transport, which had a subpar safety rating from federal regulators, to transport goods via truck," C.H. Robinson can be found liable.

During oral arguments, Justice Kavanaugh delved into most of the practical and real-world implications of what the Court's consideration of this issue would mean. He then focused in his concurrence on issues such as why Congress would enact insurance requirements on carriers and not brokers if Congress wanted brokers to be exposed to similar liability. His concurrence also made an effort to consider in more detail these issues, such as insurance, as well as the applicability and impact of the Federal Motor Carrier Safety Administration's ("FMCSA") role. Kavanaugh opined that, since the states have this power to regulate safety issues, it would not 'make sense' for only the trucking companies to be liable and immunize brokers if this power exists to keep unsafe trucks off the road. This rationale, however, is confusing given Justice Kavanaugh's following reference to FMCSA and its minimal oversight. He ultimately, in so many words, suggests that it is up to private companies to do what the FMCSA does not, rather than brokers operating in what he calls a "black hole."

Justice Kavanaugh tries to walk this back, arguing that it will not open the door to unfettered liability in a paragraph that just exudes a lack of familiarity with the everyday experiences for commercial transportation companies and defense attorneys in both state and federal courts. The justices accept the reptilian framing of the petitioner/plaintiff – if the brokers act reasonably, they will not be exposed to suits. This simply ignores the practical reality that this will be exploited by the plaintiff's bar to create liability in situations where broker entities were not negligent or proximately responsible in any way, but all a plaintiff attorney needs to do is convince a handful of regular people on a jury otherwise. This is a reality the Court fails to consider.

Ultimately, this is not a practical decision. The Court creates unrest in a massively important supply chain industry at a time when this country is dealing with a myriad of inflationary pressures. The Court, at numerous points, does 'dog whistle' Congress, and certainly Congress could amend the statute to overturn the Court's actions. But an impractical decision overturning how an industry has functioned for decades without first providing Congress the opportunity to clarify or cure the issue, while also bypassing the longstanding practice of deferral to the statutory interpretations of the Solicitor General, is unfortunately keeping in current practice with the recent disruption created by the Supreme Court in overturning Chevron and other highly impactful shifts away from precedent.

The next shift is what commercial transportation companies do next. The industry and we as a defense bar cannot escape reality – this will increase liability, exposure, and the sheer number of lawsuits that will need defense. But Justice Kavanaugh did appear to leave the door slightly cracked open for a little ray of hope to shine through when he adopted the petitioner/plaintiff's words that brokers "just have to hire carriers that actually have a reasonable policy." This itself will create disruption. But large commercial transportation companies do have extensive handbooks, rulebooks, and operational guidelines. The reality is that many 'mom and pop' operations do not, but the industry may need to work with and assist these companies in that endeavor while at the same time maintaining necessary separation. The industry can lead these smaller partners to water, but cannot be directly involved in rule-making and policy-making, or that will open the door to a different liability theory entirely.

This area of the law has changed for the time being. There is a faint hope that Congress will close this loophole, but that remains to be seen. Thankfully, there are actions the industry can take in the meantime, and the legislative process could limit the impact of this decision in the future.

# 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



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