



Portfolio Media, Inc. | 230 Park Avenue, 7th Floor | New York, NY 10169 | www.law360.com
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Unsafe Carriers Seem Doomed After Freight Broker Ruling

By **Y. Peter Kang**

Law360 (May 18, 2026, 10:31 PM EDT) -- The U.S. Supreme Court's recent holding that freight brokers can be held liable under state law for the negligent hiring of motor carriers that cause auto collisions is a "monumental" win for highway safety, plaintiffs attorneys said, as dangerous "fly-by-night" trucking companies could be put out of business.

The justices on May 14 **reversed** a Seventh Circuit decision that rejected plaintiff Shawn Montgomery's claims that freight broker and logistics giant C.H. Robinson Worldwide Inc. negligently hired motor carrier Caribe Transport, whose driver caused a crash that seriously injured him.

The unanimous decision held that a decades-old federal law meant to economically deregulate the commercial trucking industry doesn't preempt state-based tort claims against freight brokers.

Joseph A. Fried of Fried Goldberg LLC told Law360 that the ruling was a "monumental decision" in that it unequivocally greenlights negligent hiring claims against freight brokers.

If the justices had affirmed the Seventh Circuit, the Atlanta-based plaintiffs attorney said, transportation companies would have been motivated to try and take advantage of federal preemption.

"Had they gone the other way, it would have really damaged highway safety in the United States," Fried said. "Because what would have happened is nobody would be a motor carrier anymore, everybody would end up being a broker, and it would have sort of recreated a situation where there were just loopholes everywhere."

Fried said the clear message from the high court is that "brokers have an obligation to do more than nothing, to do more than just hire someone with a license."

"For a long time, the position of brokers officially has been, 'We are simply connecting people to transportation, and as long as they are licensed, we have no further obligation than that,'" Fried said. "That's been their position forever but this opinion says no, once and for all."

Fried said the ruling will effectively prevent freight brokers from "burying their heads in the sand" with respect to problematic motor carriers whose negligent actions can run the gamut from falsifying the number of drivers actually working to constantly shuttering their companies when safety issues emerge and then reopening under a new name.

"A huge problem is when [a carrier] is pretending to have a two-person team of drivers, but it's just one person," he said. "The brokers clearly can know when that's happening by seeing who's showing up to pick something up and how the companies are getting paid. But now the Supreme Court said you have an obligation, and you need to act reasonably in hiring carriers."

Another plaintiffs attorney, Ted Bassett of Mirick O'Connell DeMallie & Lougee LLP, said before this decision, there were some freight brokers who would hire the least expensive carrier and just make sure they had a license with the U.S. Department of Transportation.

"But now the chance they will hire a fly-by-night company will be minimal," he said. "[Freight brokers have] been exempt for so long, with no regulations requiring what they had to do — they didn't even

have to have insurance like the trucking companies."

In addition, vetting unsafe carriers will help improve highway safety, the Boston-area-based Bassett said, and will not be too financially burdensome for the brokers, as many already conduct best practices in hiring safe drivers.

"When you have a nine-to-nothing decision by the Supreme Court written by Trump appointees, they don't think it's bad for business to make sure the public is safe," Bassett said.

Bassett also said vetting transportation carriers for safety issues "is not rocket science" and likely won't be too difficult for juries to sort through at trial.

"If you were to present to a jury that you hired company X and you knew they had 22 crashes last year and five drivers with suspended licenses and drivers who cheated on hours of service, I don't think it'll be hard for them to decide one way or another," he said. "They don't have to be perfect but let's get rid of the fly-by-night companies. Everybody will be in favor of that except those companies."

Harry Byrne, a Duane Morris LLP partner who represents transportation companies, said he expects freight brokers to eschew more questionable carriers in the wake of the Supreme Court ruling.

"I do think that there's going to be some type of flight to larger carriers," he said. "The reality is most brokers have good practices in place in terms of reviewing motor carriers through their hiring."

Freight brokers should also revisit their practices for carrier vetting and selection and consider tweaking their processes, he said.

"There are very smart, sophisticated lawyers in the plaintiffs bar who will look to make effective use of this decision, and I think brokers need to be prepared to respond in kind and think creatively about developing processes that will be best suited to withstand scrutiny in the state courts," he said.

In addition, Byrne said it remains to be determined what the "reasonable" standard will be for freight brokers in selecting carriers.

"The ruling doesn't mean that every broker is exposed or is going to be subject to liability whenever a carrier has an accident," he said. "There was consensus among the justices and the parties that if a broker acts reasonably in arranging transportation with a reputable company, then they have a good defense or successful defense."

He added, "The devil will be in the details going forward, and there's now going to be questions about the scope of any state law duty and what the state courts consider reasonable and where to draw the line. There are questions that need to be answered, and I expect they'll be pretty vigorously litigated in all 50 states going forward."

The case is *Shawn Montgomery v. Caribe Transport II LLC et al.*, case number 24-1238, in the Supreme Court of the United States.

--Editing by Jay Jackson Jr. Editing by Drashti Mehta.