



CTA to Challenge *Dynamex* Decision: We Need Your Help

1. What is the Dynamex Decision and Why is it a Threat?

The California Supreme Court's recent decision in *Dynamex v. Superior Court* created a new test that makes motor carrier – independent driver relationships nearly impossible.

If your company utilizes owner-operators, subhaulers or otherwise provides freight to drivers who are not directly employed by your company, you may now be retroactively liable for wage and hour violations.

2. What's at Risk?

Misclassified drivers can claim unpaid wages, business expenses (truck payments, fuel, insurance, parking) and other damages for a period of three years. According to data obtained by CTA, misclassification wage claims average \$77,000 per driver, with some claims as high as \$300,000-\$400,000 per driver.

3. What's CTA Doing About This?

CTA's Executive Committee has approved pursuing a legal response to *Dynamex*. We are now raising a legal war chest, soliciting legal services and are working with experts in labor and transportation law to devise a winning strategy.

4. What is the Litigation Plan?

Our member-driven litigation management team and counsel will work to solidify the best, most cost-effective litigation plan and budget. Preliminarily, we expect that we will need to raise several million dollars to successfully bring about one or more lawsuits in this matter.

It is our premise that *Dynamex* renders it impossible for motor carriers to continue to contract with independent contractor drivers (as provided in federal law at 49 CFR 376.12) and compels those companies maintaining such fleets, to convert their operations to employee based business models thereby impacting motor carrier rates, routes and services in contravention of precedent in the First Circuit Court of Appeals in *Massachusetts Delivery Association v. Coakley* which invalidated an identical Prong B and Ninth Circuit precedent in *American Trucking Associations v. City of Los Angeles*.

Dynamex also eliminates the ability of existing independent contractor commercial truck operators to continue to operate their personal chosen business models thereby denying them the right to existing property interests.

More detail on legal strategies will be available to those who contribute to the litigation. .

5. How Can My Company Help?

We cannot raise a successful legal defense without your help. We are asking fleets to contribute \$1,000 per driver, which is a small fraction of the potential liability created by *Dynamex* or \$25,000 per company.

Major contributors will have an opportunity to be involved in management and oversight of the litigation.

If you have any questions or would like to contribute, please contact Eric Sauer at esauer@caltrux.org or (916)373-3562.