

NEWS RELEASES

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Husch Blackwell Secures Dismissal of State Law Claims in Cargo Theft Case

Husch Blackwell prevailed for client Steam Logistics, LLC in a closely watched case in the logistics industry concerning a high-stakes interstate cargo loss dispute. The U.S. District Court for the Central District of California dismissed with prejudice all state law claims in the dispute, capping a series of procedural victories for Steam and underscoring the broad preemptive scope of the Carmack Amendment.

The dispute arose from an interstate shipment arranged by James Worldwide, Inc., a California-based freight services company acting as shipper and assignee of claims for the cargo owner and consignee. James Worldwide retained Steam, a Tennessee-based logistics company, to broker the transportation of a cargo container from California to Georgia. Steam, acting as a transportation broker, issued a bill of lading and coordinated with downstream carriers to execute the shipment. James Worldwide, however, alleged that Steam acted as a freight forwarder and claimed that the cargo was stolen while in the custody of Steam or its selected carriers during interstate transit. James Worldwide sued Steam for the alleged loss, asserting both a federal claim under the Carmack Amendment and a suite of state law claims that included breach of contract, negligence, and conversion.

On behalf of Steam, the Husch Blackwell litigation team immediately moved to dismiss the state law claims, arguing that—even accepting plaintiff's allegations as true—the Carmack Amendment and, independently, the Federal Aviation Administration Authorization Act (FAAAA) preempted all state law claims. The Court granted Steam's first motion to dismiss in July 2024, holding that plaintiff's state law claims were preempted and granting leave to amend. In response, Plaintiff filed a First Amended Complaint (FAC), notably dropping all state law claims and proceeding solely under the Carmack

Amendment. Steam answered the FAC, and the case appeared poised to proceed on the single federal claim.

Despite the Court's prior ruling and Plaintiff's voluntary abandonment of the state law claims, Plaintiff added a new party and filed a Second Amended Complaint (SAC), reasserting all previously dismissed state law claims (breach of contract, negligence, and conversion). Steam promptly moved to dismiss the SAC, marking its second motion to dismiss in the case. This tactic appeared to be a strategic effort to relitigate claims the Court had already deemed preempted.

The Court granted Steam's second motion to dismiss in its entirety. In its Order, dated August 13, 2025, the Court reaffirmed the preemptive effect of the Carmack Amendment, holding that "the Carmack Amendment completely preempts any state common law action against a carrier or freight forwarder alleging loss or damage to property during interstate transport." The Court also rejected Plaintiff's argument that alternative pleading could circumvent federal preemption, stating unequivocally that "preempted claims cannot be saved from preemption simply because they are pled in the alternative."

"We are very pleased with the Court's decision and its reasoning," said Julie Maurer, the Husch Blackwell partner who co-led the firm's litigation team and who leads the firm's Transportation practice group. "The Carmack Amendment is so central to interstate commerce, especially as cargo theft risks and associated liabilities continue to rise."

The Husch Blackwell litigation team was comprised of Maurer and senior counsel Andy Kleiner.