



ATTORNEYS AT LAW

## U.S. District Court Grants Final Approval of a Settlement between PAM Transport Services, Inc. and Thousands of Drivers

By Anthony J. Vizzoni, Esq.

On July 31, 2020, Judge Timothy L. Brooks of the U.S. District Court for the Western District of Arkansas granted final approval of a settlement between PAM Transport Services, Inc. (“PAM”) and thousands of its drivers in a class action suit that was settled in February, 2020. As a result, over 16,000 PAM drivers will collect \$16.5 million of the settlement proceeds.

In December 2016, three over-the-road truck drivers of PAM filed a federal lawsuit in the United States District Court for the Western District of Arkansas asserting that PAM violated the Fair Labor Standards Act and the Arkansas Minimum Wage Law. The Complaint alleged that PAM failed to pay its drivers minimum wage as required by federal and state law.

Per Arkansas regulations, the maximum amount of time an employer may dock an employee who is on duty for more than 24 hours for time spent in a sleeper berth is eight hours per day. The remaining hours is work time and must be paid, minus meal periods. Attorneys for the PAM drivers had argued that the drivers were required to work more than 16 hours each day to perform ancillary duties.

Counsel for the drivers argued that the drivers were entitled to additional pay because they were required to perform various functions, including remaining in the PAM truck while the PAM truck was moving so they could assist in transporting the cargo, remaining in the vicinity of the PAM truck to help protect PAM customers’ property, as well as remaining inside the PAM truck when stopped to log time in the sleeper berth and also to help protect PAM customers’ property.

Based on the allegations set forth in the complaint, PAM drivers were required to remain over-the-road in or in the general proximity of their assigned truck for more than 24 consecutive hours. Allegedly, drivers were on duty “*continually for days and weeks on end.*”

In its filings for final approval of the settlement, PAM notified the court of its current “*precarious financial situation*”, informing the court that the PAM truckers would likely not get any more than the \$16.5 million if the case were to proceed and end with a higher judgment. Of the more than 16,000 truckers in the class action, not one objection was filed and only two opted out of the settlement thus providing the court with confidence that the settlement is fair, reasonable and adequate. In addition to the monetary terms, PAM has agreed to end its practice of charging employees for wage advances and stop withholding wages on payday as a result of late paperwork.

**About Anthony J. Vizzoni, Esq.:**



Anthony J. Vizzoni is a partner in the firm and serves as Co-Chair of the firm's Trucking and Logistics Group and also as Chair the firm's Business Services Group. He focuses his practice on working closely with the firm's clients on complex issues such as commercial real estate, financing and transactional matters. Prior to joining Becker, Mr. Vizzoni served as in-house counsel to a well-respected real estate development firm. In that capacity, Mr. Vizzoni gained vast legal, operational and business experience in all aspects of real estate investment, real estate financing and real estate development.

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