

**Burlington Motor Carriers Inc. of Daleville, IN, filed for voluntary reorganization under Chapter 11 of the United States Bankruptcy Code on July 9. According to Burlington's attorney, Paul Deignan, the motor carrier plans to continue operating.**

**OOIDA President Jim Johnston says Burlington filing bankruptcy will not have any effect on OOIDA's commitment to pursue equitable resolution of the issues raised in its recently-filed class action lawsuit. In late March, OOIDA filed a class action suit, along with two of its owner-operator members, against Burlington Motor Carriers. OOIDA alleges undisclosed mark-up in insurance costs passed on to the company's leased owner-operators and is seeking a court-ordered end to these overcharge practices.**

**In OOIDA's complaint, filed in U.S. District Court for the Southern District of Indiana, the association alleges that despite Burlington's agreement and obligation to charge back premiums for insurance coverage purchased through the company, it was deducting amounts from owner-operator compensation substantially in excess of the actual premiums. Under the federal truth-in-leasing regulations, motor carriers are only allowed to deduct from compensation for those items clearly specified in the lease.**

**OOIDA's Johnston said that, while it is common to purchase insurance through their carrier, an owner-operator has the right to documents necessary to validate the coverage, and the lease must recite how the charge for insurance was calculated. The complaint alleges that insurance information was not properly supplied by Burlington.**

**According to Deignan, also filing a Chapter 11 is Jolliff Transportation, Inc., a Peoria, IL, company that operates as a wholly-owned subsidiary of Burlington. Burlington acquired Jolliff in June of 1999.**

### ***BURLINGTON'S TANGLED HISTORY***

**Burlington Motor Carriers is headquartered in Daleville, IN, and operates in 48 states, Mexico and Canada. Once part of transportation giant Burlington Northern Inc. (parent company of the Burlington Northern Railroad), Burlington Motor Carriers has gone through a complicated series of ownership changes and corporate restructuring, including a previous Chap. 11 in 1995.**

**Originally known as Burlington Northern Motor Carriers, the company was formed through the acquisition of five trucking firms. In 1988, the five subsidiaries were bought by the subsidiaries' management and a group of New York banking firms and renamed Burlington Motor Carriers.**

In 1990, the five companies merged into one big company and was based in Texas. The carrier's headquarters moved to Daleville, IN. Soon after, BMC collapsed under what the Indianapolis Business Journal describes as "mounting debt." In December of 1995, Burlington made headlines with bankruptcy proceedings. The bankruptcy resulted in a bidding war over the company. In a surprise last-minute bid, Thomas Grojean and a group of investors outmaneuvered the Celadon Group, Indianapolis, for the assets of the bankrupt Burlington Motor Holdings. According to Traffic World, (July '96), the company was bought for \$169 million and the result was a partnership between Grojean and private investors to run Burlington. Grojean is the current chairman and chief executive of Burlington.

***GROJEAN? KNOW THE NAME?***

The Grojean name is well-known in the trucking industry due to the Grojean family's numerous and diverse involvements. Thomas Grojean Sr. operates several motor carrier companies, doing business as Grojean Transportation Inc., headquartered in West St. Paul, MN. The group includes Greenfield Transport, TMG Express, Hirschbach Motor Lines, Van-Pak and Schanno. Burlington is not a part of that group.

Thomas Grojean's sons, Thomas Grojean Jr. and Bill Grojean, are executive vice presidents of the Grojean companies. In addition to their work for several motor carriers, both sons were also involved in the creation and promotion of a group called "Truckers United, Inc."

The group was incorporated in Minnesota in June 2000 by Tom Grojean Jr. Sources say Bill Grojean was actively involved in its operation from the Grojean's corporate office in West St. Paul. When the group was unsuccessful in rallying owner-operators, however, both Grojeans apparently abandoned the idea and returned to their executive positions within the motor carriers. Tom Jr. and Bill Grojean are currently listed on the Grojean companies' web site as executive vice presidents at the Grojean companies.

"Based on the allegations in the Burlington case and Grojean's business and family connections to these companies," says OOIDA's Johnston, "if owner-operators are participating in any of these companies' sponsored insurance programs, it might be prudent to request insurance documentation on and the premiums for any coverage purchased."

***--by Sandi Soendker, Managing Editor***