



September 9, 2003 Landstar entered into a settlement agreement. The total cost incurred, net of insurance recoveries, by Landstar to defend and settle this suit during the 2003 fiscal year was approximately \$4,150,000, approximately \$3,180,000 of which was incurred in the thirteen-week period ended September 28, 2003. The settlement component, net of insurance recoveries, was \$2,700,000. Net of related income tax benefits these costs will reduce Landstar's net income for the thirteen and thirty-nine week periods ended September 28, 2003 by approximately \$2,030,000 and \$2,650,000, respectively.