

Roadrunner Transportation Systems, Inc.

Form S-1/A

May 07, 2010

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**As filed with the Securities and Exchange Commission on May 7, 2010**

**Registration No. 333-152504**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**AMENDMENT NO. 7  
TO  
Form S-1  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

**Roadrunner Transportation Systems, Inc.**  
*(Exact Name of Registrant as Specified in Its Charter)*

**Delaware**

**4731**

**20-2454942**

*(State or Other Jurisdiction of  
Incorporation or Organization)*

*(Primary Standard Industrial  
Classification Code Number)*

*(I.R.S. Employer  
Identification Number)*

**4900 S. Pennsylvania Ave.  
Cudahy, Wisconsin 53110  
(414) 615-1500**

*(Address, Including Zip Code, and Telephone Number, Including Area Code,  
of Registrant's Principal Executive Offices)*

**Mark A. DiBlasi  
President and Chief Executive Officer  
Roadrunner Transportation Systems, Inc.  
4900 S. Pennsylvania Ave.  
Cudahy, Wisconsin 53110  
(414) 615-1500**

*(Name, Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Agent for Service)*

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**Approximate Date of Commencement of Proposed Sale to the Public:**

As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Smaller Reporting Company   
 (Do not check if a smaller reporting company)

<b>Title of Each Class of Securities to be Registered</b>	<b>Proposed Maximum Aggregate Offering Price(1)</b>	<b>Amount of Registration Fee(2)</b>
Common Stock, \$.01 par value per share, offered by the registrant	\$ 170,000,000.00	\$ 7,961.00
Common Stock, \$.01 par value per share, offered by the selling stockholders	\$ 26,000,000.00	\$ 1,213.80
Total	\$ 196,000,000.00	\$ 9,174.80

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

(2) Previously paid.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.**



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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated May 7, 2010

**Roadrunner Transportation Systems, Inc.**

**10,600,644 Shares of Common Stock**

We are selling 9,000,000 shares of our common stock and the selling stockholders identified in this prospectus are selling an aggregate of 1,600,644 shares. We will not receive any proceeds from the shares of our common stock sold by the selling stockholders.

Prior to this offering, there has been no public market for our common stock. We currently expect the initial public offering price of our common stock will be between \$14.00 and \$16.00 per share. Our common stock has been approved for listing on the New York Stock Exchange under the symbol RRTS.

**Investing in our common stock involves risks. See *Risk Factors* beginning on page 9 for a description of various risks you should consider in evaluating an investment in our common stock.**

	<b>Per Share</b>	<b>Total</b>
Initial public offering price	\$	\$
Underwriting discount <sup>(1)</sup>	\$	\$
Proceeds, before expenses, to us	\$	\$
Proceeds, before expenses, to selling stockholders	\$	\$

(1) For a description of additional compensation to be paid to Robert W. Baird & Co. Incorporated and BB&T Capital Markets, please see *Underwriting*.

We have granted the underwriters a 30-day option to purchase up to an additional 1,590,096 shares of our common stock to cover over-allotments, if any.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares of our common stock to purchasers on or about \_\_\_\_\_, 2010.

**Baird**

**BB&T Capital Markets**

**Stifel Nicolaus**

**, 2010**

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*No dealer, salesperson, or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of the date of this prospectus.*

**Through and including \_\_\_\_\_, 2010 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.**

**Market and Industry Data and Forecasts**



This prospectus includes estimates of market share and industry data and forecasts that we obtained from industry publications and surveys. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein.

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**Prospectus Summary**

*This summary highlights information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in our common stock. You should read this entire prospectus carefully, including Risk Factors and our financial statements and related notes.*

*Unless otherwise stated in this prospectus, the terms RRTS, we, us, or our refer to Roadrunner Transportation Systems, Inc. and its subsidiaries; GTS means Group Transportation Services Holdings, Inc. and its subsidiaries; and GTS merger means the merger of GTS with and into a wholly owned subsidiary of RRTS, which will occur simultaneously with the consummation of this offering and add third-party logistics and transportation management solutions to RRTS suite of services.*

**Our Business**

We are a leading non-asset based transportation and logistics services provider offering a full suite of solutions, including customized and expedited less-than-truckload, truckload and intermodal brokerage, and domestic and international air. Following the GTS merger, third-party logistics and transportation management solutions will be added to our services. We utilize a proprietary web-enabled technology system and a broad third-party network of transportation providers to serve a diverse customer base in terms of end market focus and annual freight expenditures. Our third-party transportation providers consist of individuals or small teams that own or lease their own over-the-road transportation equipment and provide us with dedicated freight capacity (which we refer to as independent contractors), and asset-based, over-the-road transportation companies that provide us with freight capacity under non-exclusive contractual arrangements (which we refer to as purchased power). Across all transportation modes, from pickup to delivery, we leverage relationships with a diverse group of over 9,000 third-party carriers to provide scalable capacity and reliable, customized service to our more than 35,000 customers in North America. Although we service large national accounts, we primarily focus on small to mid-size shippers, which we believe represent an expansive and underserved market. Our customized transportation and logistics solutions are designed to allow our customers to reduce operating costs, redirect resources to core competencies, improve supply chain efficiency, and enhance customer service. As a non-asset based transportation provider, we do not own any tractors or other power equipment used to transport our customers' freight. As a result, our business model requires minimal investment in transportation equipment and facilities, thereby enhancing free cash flow generation and returns on our invested capital and assets. In 2009, our capital expenditures as a percentage of revenues were 0.5%, as discussed in *Summary Consolidated Financial and Other Data*. Further, our business model is highly scalable and flexible, featuring a variable cost structure that helped contribute to the growth of our operating income and our improvement from a net loss of approximately \$3.8 million in 2008 to net income of approximately \$0.2 million in 2009 despite the recent economic downturn.

Less-than-truckload services involve the transport of consolidated freight of several shippers to multiple destinations on one vehicle. Based on our research, we believe that we are the largest non-asset based provider of less-than-truckload services in North America in terms of revenue. Our less-than-truckload business generated revenues of \$316.1 million for the year ended December 31, 2009. Within our less-than-truckload business, we operate 17 service centers throughout the United States and complement our service center network with over 200 delivery agents, which are independent companies that de-consolidate and deliver a portion of our less-than-truckload freight. Our point-to-point less-than-truckload model enables more direct transportation of freight from shipper to end user than does the traditional hub and spoke model employed by many other less-than-truckload service providers. With fewer handlings, consolidations, and de-consolidations per less-than-truckload shipment, we believe we are positioned to deliver freight more cost-efficiently, faster, and with fewer damage or lost goods claims than many of

our competitors. We recently completed the complementary acquisition of certain assets and related operations of Bullet Freight Systems, Inc., a provider of non-asset based less-than-truckload logistics services with operations in California, Oregon, Washington, and Illinois. We refer to this acquisition as the Bullet acquisition. We believe the Bullet acquisition is an example of our ability to identify, execute, and integrate acquisition targets that enhance our service capabilities and financial profile.

Truckload brokerage involves the sale and management of transportation services related to the transport of a single shipper's freight to a single destination. This includes locating a qualified truckload carrier that can move the freight on schedule, negotiating favorable rates for our customers, and managing the entire shipping process from pickup through delivery. We are a leading truckload brokerage operation in North America in terms of revenue. Our truckload brokerage business generated revenues of \$134.8 million for the year ended December 31, 2009. Within our truckload brokerage business, we operate nine company dispatch offices and augment our dispatch office network with an additional 42 brokerage agents, which are exclusive third parties that originate a portion of our truckload brokerage revenues and receive a percentage of the net margin generated.

The GTS merger will add third-party logistics and transportation management solutions to our existing suite of services, which will allow us to offer our customers a one-stop transportation and logistics solution, including access to the most cost-effective and time-sensitive modes of transportation within our broad network. Third-party logistics providers, such as GTS, offer customized transportation management solutions, which include pricing, contract management, transportation mode and carrier selection, freight tracking, freight bill payment and audit, cost reporting and analysis, and dispatch. The U.S. third-party logistics sector increased from \$45.3 billion in 1999 to \$127.0 billion in 2008 (and did not experience a decline in any year during such period), according to

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Armstrong & Associates, a leading supply chain market research firm. Although we believe, based on our industry knowledge, that the U.S. 3PL sector declined in 2009, we also believe that the market penetration of third-party logistics will expand in the future. Since February 2008, we and GTS have been under common control and the management teams of both companies have developed a strong working relationship and are implementing a cohesive plan to enhance our collective growth initiatives. With minimal integration requirements and a similar focus on small to mid-size shippers, we believe that we are well-positioned to realize synergies with GTS as a combined entity.

According to the American Trucking Associations, or the ATA, beginning in October 2006, the over-the-road freight sector experienced year-over-year declines in tonnage, primarily reflecting a weakening freight environment in the U.S. construction, manufacturing, and retail sectors. During 2009, our less-than-truckload tonnage decreased 4.6% from 2008, while less-than-truckload tonnage in the U.S. over-the-road freight sector declined 23.2% during the same period. Throughout this downturn, we actively managed our less-than-truckload business by adding new customers and streamlining our cost structure to enhance our operating efficiency and improve margins. We believe our variable cost, non-asset based operating model serves as a competitive advantage and allows us to provide our customers with cost-effective transportation solutions regardless of broader economic conditions. We believe we are well-positioned for continued growth, profitability, and market share expansion as an anticipated rebound occurs in the over-the-road freight sector.

**Recent Developments**

We are in the process of compiling our results for the first quarter of 2010, which includes the full quarter impact of our December 2009 Bullet acquisition described in this prospectus. We expect to report the following results:

	<b>Quarter Ended</b>	
	<b>March 31,</b>	
	<b>2009<sup>(1)</sup></b>	<b>2010<sup>(2)</sup></b>
	<b>(in millions)</b>	
Revenues	\$ 104.4	\$ 127.2
Operating income	2.1	6.5
Net income (loss)	(0.6)	1.7
Net income (loss) available to common stockholders	(1.1)	1.2

(1) Our results for the first quarter of 2009 do not reflect the impact of the December 2009 Bullet acquisition.

(2) Our results for the first quarter of 2010 do not reflect the impact of this offering.

**Our Competitive Strengths**

We consider the following to be our principal competitive strengths, which collectively helped us improve from a net loss of approximately \$3.8 million in 2008 to net income of approximately \$0.2 million in 2009 notwithstanding an industry-wide decline in less-than-truckload tonnage from 2008 to 2009 and the related increased pressures on pricing during that period. Adverse general economic conditions and negative industry trends required us to close and consolidate several of our terminals, reduce our hourly and salaried headcount, and pursue additional less-than-truckload customers to help offset the adverse impact of the 23.2% decline in less-than-truckload tonnage in the U.S. over-the-road freight sector from 2008 to 2009 and the adverse impact of the competitive pricing environment. In addition, we increased our recruitment efforts to expand our truckload brokerage agent network to

help address the reduction in our truckload brokerage revenues that also resulted from market tonnage declines and a competitive pricing environment.

*Comprehensive Logistics and Transportation Management Solutions.* Our broad offering of transportation and logistics services allows us to manage a shipper's freight from dispatch through final delivery utilizing a wide range of transportation modes. Following the GTS merger, we will have the ability to provide third-party logistics and transportation management solutions to shippers seeking to redirect resources to core competencies, improve service, reduce costs, and utilize the most appropriate modes of transportation. We leverage our scalable, proprietary technology systems to manage our multi-modal nationwide network of service centers, delivery agents, dispatch offices, brokerage agents, independent contractors, and purchased power. As a result of our integrated offering of services and solutions, we believe we have a competitive advantage in terms of service, delivery time, and customized solutions. The key attributes of our service offerings include the following:

- n *Leading Non-Asset Based, Customized Less-than-Truckload Services.* Based on our research, we believe we are the largest non-asset based provider of customized less-than-truckload services in North America in terms of revenue. We believe our point-to-point less-than-truckload model allows us to offer faster transit times with lower incidence of damage, providing us with a distinct competitive advantage over asset-based less-than-truckload carriers employing the traditional hub and spoke model. In addition, we believe our variable cost structure and the utilization of our dedicated independent

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contractor base positions us to maintain consistent operating margins during periods of economic decline or tightening industry capacity.

- n *Leading Truckload Freight Brokerage Services.* We are a leading truckload brokerage operation in North America in terms of revenue, offering temperature-controlled, dry van, and flatbed services. While we serve a diverse customer base and provide a comprehensive truckload solution, we specialize in the transport of refrigerated foods, poultry, and beverages. Similar to our less-than-truckload services, we utilize our network of purchased power and dedicated independent contractor base in an effort to maintain consistent operating margins, even during periods of economic decline.
- n *Comprehensive Outsourced Transportation Management Solutions.* After giving effect to the GTS merger, we will offer third-party logistics and transportation management solutions, which include pricing, contract management, transportation mode and carrier selection, freight tracking, freight bill payment and audit, cost reporting and analysis, and dispatch, resulting in the control of the transportation of freight and related information through the most efficient means from pickup through delivery. With a flexible operating model, scalable technology system, and access to a dynamic multi-modal carrier network, we believe we can tailor our services to each customer's individual needs and desired level of outsourcing.

*Flexible Operating Model.* Because we utilize a broad network of purchased power, independent contractors, and other third-party transportation providers to transport our customers' freight, our business is not characterized by the high level of fixed costs and required concentration on asset utilization that is common among many asset-based transportation providers. As a result, we are able to focus solely on providing quality service and specialized transportation and logistics solutions to our customers, which we believe provides a significant competitive advantage. Our flexibility to scale our independent contractor base to react to contractions in freight capacity or increases in purchased transportation costs allows us to maintain attractive margins on our freight and continue to meet customer demand. Furthermore, our operating model requires minimal investment in transportation equipment and facilities, which enhances our returns on invested capital and assets.

*Well-Positioned to Capitalize on Acquisition Opportunities.* The domestic transportation and logistics industry is large and highly fragmented, thereby providing significant opportunities to make strategic acquisitions. Our scalable platform, experienced management team, and ability to identify, execute, and integrate acquisitions provide us with a competitive advantage when seeking potential acquisition candidates. Furthermore, our ability to leverage our substantial infrastructure and technology capacity allows us to maximize the benefits of acquisitions. As a result of our extensive strategic planning and execution throughout the recent downturn, we are uniquely positioned to take advantage of continuing consolidation opportunities given our improved capital position following this offering. We believe that this offering will also improve our ability to capitalize on acquisition opportunities by deleveraging our business and reducing our significant historical interest expense.

*Focus on Serving a Diverse, Underserved Customer Landscape.* We serve over 35,000 customers, with no single customer accounting for more than 3.0% of our 2009 revenue. In addition, we serve a diverse mix of end markets, with no industry sector accounting for more than 18.0% of our 2009 revenue. We concentrate primarily on small to mid-size shippers with annual transportation expenditures of less than \$25 million, which we believe represents an underserved market. Our services are designed to satisfy these customers' unique needs and desired level of integration. Furthermore, we believe our target customer base presents attractive growth opportunities for each of our service offerings given that many small to mid-size shippers have not yet capitalized on the benefits of third-party transportation management.

*Scalable Technology Systems.* Our web-enabled technology is designed to serve our customers' distinct logistics needs and provide them with cost-effective solutions and consistent service on a shipment-by-shipment basis. In addition to

managing the physical movement of freight, we offer real-time shipment tracking, order processing, and automated data exchange. Our technology also enables us to more efficiently manage our multi-modal capabilities and broad carrier network, and provides the scalability necessary to accommodate significant growth.

*Experienced and Motivated Management Team.* We have assembled an experienced and motivated management team, led by our chief executive officer, Mark A. DiBlasi. Mr. DiBlasi has over 30 years of industry experience and previously managed a \$1.2 billion-revenue division of FedEx Ground, Inc., a division of FedEx Corporation. Although our senior management team has limited experience managing a public company, its members have an average of 25 years of industry experience leading high-growth logistics operations and draw on substantial knowledge gained from previous leadership positions at FedEx Ground, Inc., FedEx Global Logistics, Inc., and YRC Worldwide, Inc. Our executives' experience is also expected to help our company address and mitigate negative industry trends and the various risks inherent in our business, including significant competition, reliance on independent contractors, a prolonged economic downturn, the integration of recently acquired companies, and fluctuations in fuel prices.

### **Our Growth Strategies**

We believe our business model has positioned us well for continued growth and profitability, which we intend to pursue through the following initiatives:

*Continue Expanding Customer Base.* In 2009, we expanded our customer base by over 10,000 customers (over 4,000 of which were added through the Bullet acquisition), and we intend to continue to pursue greater market share in the less-than-truckload,

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truckload brokerage, and transportation management solutions markets. The GTS merger will further expand our customer base, enhance our geographic coverage, and create a broader menu of services for existing and future customers. Our expanded reach and broader service offering will provide us with the ability to gain new customers seeking a one-stop transportation and logistics solution. We also expect to expand our customer base as GTS utilizes our less-than-truckload sales force of over 100 people to expand the market reach of our transportation management solutions offering following the GTS merger. Based on our research, we also believe the pool of potential new customers will grow as the benefits of third-party logistics and transportation management solutions continue to be embraced by shippers.

*Increase Penetration with Existing Customers.* With a more comprehensive service offering and an expanded network resulting from the Bullet acquisition and the GTS merger, we believe we will have substantial cross-selling opportunities and the potential to capture a greater share of each customer's annual transportation and logistics expenditures. Along with our planned cross-selling initiatives, we believe that macroeconomic factors will provide us with additional opportunities to further penetrate existing customers. During the recent economic downturn, existing customers generally reduced their number of shipments and pounds per shipment. We believe an economic rebound will result in increased revenue through greater shipment volume, improved load density, and the addition of new customers, and will allow us to increase profits at a rate exceeding our revenue growth.

*Continue Generating Operating Improvements.* Over the last 18 months, we have completed a number of operating improvements, such as headcount reductions, terminal consolidations, and carrier and delivery agent rate reductions. These improvements streamlined our cost structure, improved operating efficiency, and enhanced our margins. In order to continue to capitalize on these improvements and enhance our competitive position, as well as accelerate earnings growth, we are implementing additional initiatives designed to:

- n improve routing efficiency and lane density throughout our network;
- n increase utilization of our flexible independent contractor base;
- n reduce per-mile costs;
- n reduce dock handling costs; and
- n enhance our real-time metric reporting to further reduce operating expenses.

*Pursue Selective Acquisitions.* The transportation and logistics industry is highly fragmented, consisting of many smaller, regional service providers covering particular shipping lanes and providing niche services. We built our less-than-truckload, truckload brokerage, and transportation management solutions (assuming completion of the GTS merger) platforms in part by successfully completing and integrating a number of accretive acquisitions. We intend to continue to pursue acquisitions that will complement our existing suite of services and extend our geographic reach. With a scalable, non-asset based business model, we believe we can execute our acquisition strategy with minimal investment in additional infrastructure and overhead.

## **Our History**

Our principal strategy has been to evolve into a full-service transportation and logistics provider under a non-asset based structure through the acquisition, integration, and internal growth of complementary businesses. In March 2005, we acquired Dawes Transport, Inc., which we refer to as Dawes Transport, a non-asset based less-than-truckload provider primarily using a blend of purchased power and independent contractors. In June 2005, we acquired Roadrunner Freight Systems, Inc., which we refer to as Roadrunner Freight, a provider of less-than-truckload services.



In January 2006, Mark A. DiBlasi joined us as chief executive officer to lead the final integration of our two less-than-truckload businesses, the expansion of our current management team and the transformation of our company into a full-service transportation and logistics provider. In March 2007, we expanded our service offering through the acquisition of Sargent Transportation Group, Inc. and related entities, providers of truckload brokerage services, which we collectively refer to as Sargent.

In December 2009, we acquired certain assets and related operations of Bullet Freight Systems, Inc. through our wholly owned subsidiary, Bullet Transportation Services, Inc., which we refer to as Bullet. Bullet is a non-asset based transportation and logistics company that provides a variety of services throughout the United States and into Canada. Bullet provides less-than-truckload services as well as truckload and intermodal (transporting a shipment by more than one mode, primary via rail and truck) brokerage and air freight forwarding. Bullet has operations in California, Oregon, Washington and Illinois and utilizes independent contractors and an extensive network of third-party purchased power providers to deliver its freight. Bullet provides its services to a broad range of industries and serves over 4,000 customers, including leading manufacturers, retailers and wholesalers. The Bullet acquisition increased our market share across all of our service offerings by providing greater less-than-truckload coverage throughout North America and geographically expanding our truckload brokerage operation. In addition, the integration of shipments from Bullet's customer base into our operations increased the freight density and balance in our less-than-truckload network. We believe this additional density and greater balance will result in higher operating margins and improved levels of customer service through reduced transit times and fewer claims. The operations we acquired in the Bullet acquisition had aggregate revenues of approximately \$48 million for the period from January 1, 2009 to the acquisition date of December 11, 2009. The impact of Bullet on our net income during that period would not have been material.

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### **GTS Merger**

One of our key strategic objectives has been to acquire a third-party logistics and transportation management solutions operation with a scalable technology system and management infrastructure capable of assimilating and enhancing our collective growth initiatives. To address this objective, simultaneous with the consummation of this offering, we will acquire GTS, a provider of third-party logistics and transportation management solutions based in Hudson, Ohio. With the addition of GTS' service offering, we will be able to provide shippers with a one-stop transportation and logistics solution, including access to the most cost-effective and time-sensitive modes of transportation within our broad network of third-party carriers. In 2009, GTS had revenues of approximately \$35 million and a net loss of approximately \$0.2 million.

As a result of the GTS merger, the stockholders of GTS will become stockholders of our company and each share of GTS outstanding common stock will be exchanged for 141.848 shares of our common stock, or an aggregate of 3,230,324 shares. The GTS merger is conditioned upon the consummation of this offering, the approval of the GTS merger by our and GTS' creditors, and upon other conditions set forth in the merger agreement, which is filed as an exhibit to the registration statement of which this prospectus forms a part. The GTS merger is more fully described on page 66 of this prospectus under *Certain Relationships and Related Transactions*.

The following chart represents our business segments immediately following the consummation of the GTS merger.

### **Risk Factors**

There are a number of risks and uncertainties that may affect our financial and operating performance. You should carefully consider the risks discussed in *Risk Factors* beginning on page 9 of this prospectus before investing in our common stock, which include but are not limited to the following:

- n the competitive nature of the transportation industry;
- n our ability to maintain the level of service that we currently provide to our customers;
- n the ability of our carriers to meet our needs and expectations, and those of our customers;
- n our reliance on independent contractors to provide transportation services to our customers;
- n general economic, political, and other risks that are out of our control, including any prolonged delay in a recovery of the U.S. over-the-road freight sector;
- n the limited experience of our senior management in managing a public company; and
- n seasonal fluctuations in our business.

### **Our Offices**

We maintain our principal executive offices at 4900 S. Pennsylvania Ave., Cudahy, Wisconsin 53110. Our telephone number is (414) 615-1500. Our website is located at [www.rrts.com](http://www.rrts.com). The information contained on our website or that can be accessed through our website does not constitute part of this prospectus.



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**The Offering**

Common stock offered:

By us	9,000,000 shares
By the selling stockholders	1,600,644 shares
Total common stock offered	10,600,644 shares

Common stock to be outstanding after this offering 29,535,460 shares

Use of proceeds We estimate that our net proceeds from this offering will be \$123.5 million, assuming an initial public offering price of \$15.00 per share of common stock, the midpoint of the range set forth on the cover of this prospectus, and after deducting the underwriting discounts and estimated offering expenses. We intend to use all of such net proceeds to reduce outstanding indebtedness. See *Use of Proceeds*. We will not receive any proceeds from sales by the selling stockholders in this offering.

New York Stock Exchange symbol RRTS

As of December 31, 2009, and after giving retroactive effect to the conversion of each share of our Class A common stock, Class B common stock and Series B preferred stock (including accrued but unpaid dividends) into a single class of new common stock on a 149.314-for-one basis, we would have had 17,192,595 shares of outstanding common stock, consisting of the following:

- n 14,827,327 shares issuable upon conversion of our Class A common stock, 259,806 of which are shares of redeemable common stock;
- n 282,502 shares issuable upon conversion of our Class B common stock; and
- n 2,082,766 shares issuable upon conversion of our Series B preferred stock, 290,998 of which are attributable to the conversion of accrued but unpaid dividends as of December 31, 2009.

The 29,535,460 shares of common stock to be outstanding after this offering includes the 17,192,595 shares described in the preceding paragraph, the 9,000,000 shares to be sold by us in this offering, and the following:

- n 3,230,324 shares of our common stock to be issued in connection with the GTS merger, which includes 138,809 shares that are attributable to an acquisition-related increase in outstanding GTS shares subsequent to December 31, 2009; and
- n 112,541 shares of our common stock to be issued upon the offering-related conversion of dividends that accrue on our Series B preferred stock from December 31, 2009 through an assumed offering date of May 10, 2010.

The 29,535,460 shares of common stock to be outstanding after this offering excludes the following:

- n 1,542,264 shares of our common stock issuable upon the exercise of options with a weighted average exercise price of \$11.37 per share;
- n 516,498 shares of our common stock issuable upon the exercise of GTS options with a weighted average exercise price of \$9.79 per share, which will be converted into options to purchase shares of our common stock upon consummation of the GTS merger; and
- n 4,016,248 shares of our common stock issuable upon the exercise of warrants with a weighted average exercise price of \$11.21 per share.

Unless otherwise noted, all share information in this prospectus assumes no exercise of the underwriters over-allotment option and reflects (i) a 149.314-for-one stock split of all outstanding shares of our Class A common stock, Class B common stock, and Series B preferred stock effective May 7, 2010, and (ii) the conversion of all outstanding shares of our Class A common stock, Class B common stock, and Series B preferred stock (including accrued but unpaid dividends) into a single class of new common stock on a one-for-one basis, which will be effected in connection with the consummation of this offering, all of which is generally referred to herein as the conversion.

**Table of Contents****Summary Consolidated Financial and Other Data**

The following table summarizes selected consolidated financial and other data as of and for the periods indicated. You should read the following information together with the more detailed information contained in *Capitalization, Selected Consolidated Financial and Other Data, Management's Discussion and Analysis of Financial Condition and Results of Operations*, and the consolidated financial statements and the related notes included elsewhere in this prospectus.

The consolidated statement of operations data for the years ended December 31, 2007, 2008, and 2009 and the consolidated balance sheet data as of December 31, 2009 are derived from our audited consolidated financial statements included in this prospectus.

(In thousands, except share and per share data)

	<b>Years Ended December 31,</b>		
	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Consolidated Statement of Operations Data</b>			
Revenues	\$ 538,007	\$ 537,378	\$ 450,351
Operating income	17,934	7,280	13,202
Net income (loss)	935	(3,834)	167
Net income (loss) available to common stockholders	935	(3,834)	(1,783)
Weighted average common stock outstanding:			
Basic	15,113,563	15,112,667	15,109,830
Diluted	15,133,571	15,112,667	15,109,830
Earnings (loss) per share available to common stockholders			
Basic	\$ 0.06	\$ (0.25)	\$ (0.12)
Diluted	\$ 0.06	\$ (0.25)	\$ (0.12)
Pro forma diluted earnings per share <sup>(a)</sup>			\$ 0.01
Pro forma diluted earnings per share (as adjusted) <sup>(b)</sup>			\$ 0.26
<b>Other Data</b>			
Working capital (end of period)	\$ 15,539	\$ 13,467	\$ 19,453
Capital expenditures	1,867	1,098	2,246
Capital expenditures as a percentage of revenues <sup>(c)</sup>	0.3%	0.2%	0.5%

	<b>As of December 31, 2009</b>	
(In thousands)	<b>Actual</b>	<b>As Adjusted<sup>(d)</sup></b>

**Consolidated Balance Sheet Data**

Cash	\$ 667	\$ 667
Total current assets	63,765	63,765
Property and equipment, net	5,292	5,292

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Total assets	290,835	288,575 <sup>(e)</sup>
Total current liabilities	44,312	36,912
Current maturities of long-term debt	7,400	
Total debt (including current maturities)	128,060 <sup>(f)</sup>	17,380
Series A preferred stock subject to mandatory redemption	5,000	5,000
Redeemable common stock	1,740	3,897 <sup>(g)</sup>
Total stockholder s investment	117,201	223,464 <sup>(h)</sup>

- (a) Pro forma diluted earnings per share is computed by dividing net income by the pro forma number of weighted average shares outstanding used in the calculation of diluted earnings per share, but after assuming conversion of our Series B preferred stock (including accrued but unpaid dividends) into shares of our common stock and the exercise of any dilutive stock options and warrants.
- (b) Pro forma diluted earnings per share (as adjusted) is computed by dividing net income, adjusted for the elimination of approximately \$10.7 million in interest expense and the related tax benefit of approximately \$4.1 million, assuming the retirement of approximately \$123.5 million of our outstanding debt (including accrued interest and prepayment penalties), by the pro forma number of weighted average shares outstanding used in the calculation of diluted earnings per share, but after assuming conversion of our Series B preferred stock (including accrued but unpaid dividends) into shares of our common stock, the exercise of any dilutive stock options and warrants, and the issuance of shares in this offering (all of the proceeds of which issuance will be used to retire our outstanding indebtedness).
- (c) Our management uses capital expenditures as a percentage of revenues to evaluate our operating performance and measure the effectiveness of our non-asset based structure. We believe this financial measure is useful in evaluating the efficiency of our operating model compared to other companies in our industry.
- (d) The as adjusted column is unaudited and gives effect to:
- n The conversion of all outstanding shares of our Series B preferred stock (including accrued but unpaid dividends) into shares of our common stock on a 149.314-for-one basis upon the completion of this offering; and

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- n The sale by us of 9,000,000 shares of our common stock in this offering at an assumed initial public offering price of \$15.00 per share (the mid-point of the range shown on the cover page of this prospectus) and the application of the estimated net proceeds of \$123.5 million as set forth in *Use of Proceeds*.
- (e) Reflects a non-cash write-off of approximately \$2.3 million of debt issuance costs as a result of the retirement of our outstanding debt in connection with this offering.
- (f) The actual total debt amount does not include (i) approximately \$9.8 million of prepayment penalties we would have incurred as of December 31, 2009 from the repayment of our junior subordinated notes in connection with this offering, or (ii) approximately \$3.0 million of unaccreted discount on our junior subordinated notes.
- (g) In connection with this offering, the approximately \$1.7 million carrying value of these shares will be adjusted to their fair value, using the assumed public offering price of \$15.00 per share.
- (h) Reflects a charge of approximately \$15.1 million that would have been incurred as of December 31, 2009 in connection with the repayment of our existing indebtedness in connection with this offering, including (i) approximately \$9.8 million of prepayment penalties, (ii) the payment of approximately \$3.0 million of unaccreted discount on our junior subordinated notes, and (iii) a non-cash write-off of approximately \$2.3 million of debt issuance costs in connection with the repayment of our existing indebtedness included in total assets.



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**Risk Factors**

*You should carefully consider the following risks and other information set forth in this prospectus before deciding to invest in shares of our common stock. If any of the events or developments described below actually occurs, our business, financial condition, and results of operations may suffer. In that case, the trading price of our common stock may decline and you could lose all or part of your investment.*

**Risks Related to Our Business**

*We operate in a highly competitive industry and, if we are unable to adequately address factors that may adversely affect our revenue and costs, our business could suffer.*

Competition in the transportation services industry is intense. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any one of which could harm our business. There are many factors that could impair our ability to maintain our current profitability, including the following:

- n competition with other transportation services companies, some of which have a broader coverage network, a wider range of services, and greater capital resources than we do;
- n reduction by our competitors of their freight rates to gain business, especially during times of declining growth rates in the economy, which reductions may limit our ability to maintain or increase freight rates, maintain our operating margins, or maintain significant growth in our business;
- n solicitation by shippers of bids from multiple carriers for their shipping needs and the resulting depression of freight rates or loss of business to competitors;
- n development of a technology system similar to ours by a competitor with sufficient financial resources and comparable experience in the transportation services industry; and
- n establishment by our competitors of cooperative relationships to increase their ability to address shipper needs.

*If we are unable to maintain the level of service we currently provide to our customers, our reputation may be damaged, resulting in a loss of business.*

We compete with other transportation providers based on reliability, delivery time, security, visibility, and personalized service. Our reputation is based on the level of customer service that we currently provide. If this level of service deteriorates, or if we are prevented from delivering on our services in a timely, reliable, safe, and secure manner, our reputation and business may suffer.

*Our third-party carriers must meet our needs and expectations, and those of our customers, and their inability to do so could adversely affect our results of operations.*

Our business depends to a large extent on our ability to provide consistent, high quality, technology-enabled transportation and logistics solutions. We do not own or control the transportation assets that deliver our customers freight, and we do not employ the people directly involved in delivering the freight. We rely on third parties to provide less-than-truckload, truckload and intermodal brokerage, and domestic and international air services and to

report certain information to us, including information relating to delivery status and freight claims. This reliance could cause delays in providing our customers with timely delivery of freight, important service data, and in the financial reporting of certain events, including recognizing revenue and recording claims. If we are unable to secure sufficient transportation services to meet our customer commitments, or if any of the third parties we rely on do not meet our needs or expectations, or those of our customers, our results of operations could be adversely affected, and our customers could switch to our competitors temporarily or permanently.

***Our reliance on independent contractors to provide transportation services to our customers could limit our expansion.***

Our transportation services are conducted in part by independent contractors, who are generally responsible for paying for their own equipment, fuel, and other operating costs. Our independent contractors are responsible for providing the tractors and trailers they use related to our business. Certain factors such as increases in fuel costs, insurance costs, and the cost of new and used tractors, or reduced financing sources available to independent contractors for the purchase of equipment, could create a difficult operating environment for independent contractors. Turnover and bankruptcy among independent contractors in the over-the-road freight sector often limits the pool of qualified independent contractors and increases the competition among carriers for their services. If we are required to increase the amounts paid to independent contractors in order to obtain their services, our results of operations could be adversely affected to the extent increased expenses are not offset by higher freight rates. Additionally, our agreements with our independent contractors are terminable

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by either party upon short notice and without penalty. Consequently, we regularly need to recruit qualified independent contractors to replace those who have left our pool. If we are unable to retain our existing independent contractors or recruit new independent contractors, our results of operations and ability to expand could be adversely affected.

***A decrease in levels of capacity in the over-the-road freight sector could have an adverse impact on our business.***

Based on our research, we believe the over-the-road freight sector has experienced levels of excess capacity. The current operating environment in the over-the-road freight sector resulting from an economic recession, fluctuating fuel costs, and other economic factors is beginning to cause a reduction in capacity in the sector generally, and in our carrier network specifically, which could have an adverse impact on our ability to execute our business strategy and on our business.

***If we are unable to expand the number of our sales representatives and brokerage agents, or if a significant number of our existing sales representatives and brokerage agents leave us, our ability to increase our revenue could be negatively impacted.***

Our ability to expand our business will depend, in part, on our ability to attract additional sales representatives and brokerage agents. Competition for qualified sales representatives and brokerage agents can be intense, and we may be unable to attract such persons. Any difficulties we experience in expanding the number of our sales representatives and brokerage agents could have a negative impact on our ability to expand our customer base, increase our revenue, and continue our growth.

In addition, we must retain our current sales representatives and brokerage agents and properly incentivize them to obtain new customers and maintain existing customer relationships. If a significant number of our sales representatives and brokerage agents leave us, our revenue could be negatively impacted. A significant increase in the turnover rate among our current sales representatives and brokerage agents could also increase our recruiting costs and decrease our operating efficiency.

***We may not be able to successfully execute our acquisition strategy, and any acquisitions that we undertake could be difficult to integrate, disrupt our business, dilute stockholder value, and adversely affect our results of operations.***

We plan to increase our revenue and expand our service offerings in the market regions that we serve through the acquisition of complementary businesses. In the future, suitable acquisition candidates may not be available at purchase prices that are attractive to us. In pursuing acquisition opportunities, we will compete with other companies, some of which have greater financial and other resources than we do. We may not have available funds or common stock with a sufficient market price to complete a desired acquisition, or acquisition candidates may not be willing to receive our common stock in exchange for their businesses. If we are unable to secure sufficient funding for potential acquisitions, we may not be able to complete strategic acquisitions that we otherwise find advantageous. Further, if we make any future acquisitions, we could incur additional debt or assume contingent liabilities.

Strategic acquisitions involve numerous risks, including the following:

- n failure of the acquired company to achieve anticipated revenues, earnings, or cash flows;
- n assumption of liabilities that were not disclosed to us or that exceed our estimates;
- n

problems integrating the purchased operations with our own, which could result in substantial costs and delays or other operational, technical, or financial problems;

- n potential compliance issues with regard to acquired companies that did not have adequate internal controls;
- n diversion of management's attention or other resources from our existing business;
- n risks associated with entering markets in which we have limited prior experience; and
- n potential loss of key employees and customers of the acquired company.

***The risks associated with the Bullet acquisition and a failure to successfully integrate the acquired operations could have an adverse affect on our business.***

A portion of our growth is expected to come from our December 2009 Bullet acquisition. Our ability to successfully integrate the acquired Bullet operations will depend upon a number of factors and involve risks, some of which are beyond our control. Some of these risks include:

- n unexpected losses of key Bullet employees and customers;

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- n difficulties in integrating information technology systems, and processes and procedures of the acquired operations with those of our existing operations; and
- n challenges in managing the increased lanes and services added by Bullet.

***One or more significant claims, our failure to adequately reserve for such claims, or the cost of maintaining our insurance for such claims, could have an adverse effect on our results of operations.***

We use the services of thousands of transportation companies and their drivers in connection with our transportation operations. From time to time, these drivers are involved in accidents, and goods carried by these drivers are lost or damaged, and the carriers may not have adequate insurance coverage. Such accidents usually result in equipment damage and, unfortunately, can also result in injuries or death. Although these drivers are not our employees and all of these drivers are independent contractors or work for third-party carriers, from time to time claims may be asserted against us for their actions or for our actions in retaining them. Claims against us may exceed the amount of our insurance coverage, or may not be covered by insurance at all. A material increase in the frequency or severity of accidents, claims for lost or damaged goods, liability claims, or workers' compensation claims, or unfavorable resolutions of any such claims, could adversely affect our results of operations to the extent claims are not covered by our insurance or such losses exceed our reserves. Significant increases in insurance costs or the inability to purchase insurance as a result of these claims could also reduce our profitability and have an adverse effect on our results of operations.

***A significant or prolonged economic downturn, particularly the current downturn in the over-the-road freight sector, or a substantial downturn in our customers' business, could adversely affect our revenue and results of operations.***

The over-the-road freight sector has historically experienced cyclical fluctuations in financial results due to, among other things, economic recession, downturns in business cycles, increasing costs and taxes, fluctuations in energy prices, price increases by carriers, changes in regulatory standards, license and registration fees, interest rate fluctuations, and other economic factors beyond our control. All of these factors could increase the operating costs of a vehicle and impact capacity levels in the over-the-road freight sector. Carriers may charge higher prices to cover higher operating expenses, and our operating income may decrease if we are unable to pass through to our customers the full amount of higher purchased transportation costs. Additionally, economic conditions may adversely affect our customers, their need for our services, or their ability to pay for our services. If the current economic downturn causes a reduction in the volume of freight shipped by our customers, our results of operations could be adversely affected. During 2009, less-than-truckload tonnage in the U.S. over-the-road freight sector decreased 23.2% from 2008.

***Fluctuations in the price or availability of fuel, a prolonged continuation in the upward trend of fuel prices, and limitations on our ability to collect less-than-truckload fuel surcharges may adversely affect our results of operations.***

We are subject to risks associated with fuel charges from our independent contractors and purchased power in our less-than-truckload and truckload businesses. The tractors operated by our independent contractors and purchased power require large amounts of diesel fuel, and the availability and price of diesel fuel are subject to political, economic, and market factors that are outside of our control. Since 2007, the weekly per-gallon price of diesel fuel has ranged from a high of \$4.76 in 2008 to a low of \$2.02 in 2009, according to the U.S. Energy Information Administration. The weekly per-gallon price of diesel fuel had risen to \$2.94 per gallon by the end of March 2010, reflecting an upward trend from 2009 prices. Our independent contractors and purchased power pass along the cost of diesel fuel to us, and we in turn attempt to pass along some or all of these costs to our customers through fuel

surcharge revenue programs. There can be no assurance that our fuel surcharge revenue programs will be effective in the future. Market pressures may limit our ability to assess our fuel surcharges. At the request of our customers, we have at times temporarily capped the fuel surcharges at a fixed percentage pursuant to contractual arrangements that vary by customer. Currently, less than 1% of our customers have contractual arrangements with varying levels of capped fuel surcharges. If fuel surcharge revenue programs, base freight rate increases, or other cost-recovery mechanisms do not offset our exposure to fluctuating fuel costs, our results of operations could be adversely affected.

***Our executive officers and key personnel are important to our business, and these officers and personnel may not remain with us in the future.***

We depend substantially on the efforts and abilities of our senior management. Our success will depend, in part, on our ability to retain our current management and to attract and retain qualified personnel in the future. Competition for senior management is intense, and we may not be able to retain our management team or attract additional qualified personnel. The loss of a member of senior management would require our remaining executive officers to divert immediate and substantial attention to fulfilling the duties of the departing executive and to seeking a replacement. The inability to adequately fill

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vacancies in our senior executive positions on a timely basis could negatively affect our ability to implement our business strategy, which could adversely impact our results of operations.

***Seasonal sales fluctuations and weather conditions could have an adverse impact on our results of operations.***

The transportation industry is subject to seasonal sales fluctuations as shipments generally are lower during and after the winter holiday season. The productivity of our carriers historically decreases during the winter season because companies have the tendency to reduce their shipments during that time and inclement weather can impede operations. At the same time, our operating expenses could increase because harsh weather can lead to increased accident frequency rates and increased claims. If we were to experience lower-than-expected revenue during any such period, our expenses may not be offset, which could have an adverse impact on our results of operations.

***The cost of compliance with, liability for violations of, or modifications to existing or future governmental regulations could adversely affect our business and results of operations.***

Our operations are subject to certain federal, state, and local regulatory requirements. These regulations and requirements are subject to change based on new legislation and regulatory initiatives, which could affect the economics of the transportation industry by requiring changes in operating practices or influencing the demand for, and the cost of providing, transportation services. The U.S. Department of Transportation, or the DOT, and its agencies, such as the Federal Motor Carrier Safety Administration, and various state and local agencies exercise broad powers over our business, generally governing such activities as engaging in motor carrier operations, freight forwarding, and freight brokerage operations, as well as regulating safety. As a motor carrier authorized by the DOT, we must comply with the safety and fitness regulations promulgated by the DOT, including those relating to drug and alcohol testing, driver qualification, and hours-of service. There also are regulations specifically relating to the trucking industry, including testing and specifications of equipment, product handling requirements, and hazardous material requirements. In addition, we must comply with certain safety, insurance, and bonding requirements promulgated by the DOT and various state agencies. Compliance with existing, new, or more stringent measures could disrupt or impede the timing of our deliveries and our ability to satisfy the needs of our customers. In addition, we may experience an increase in operating costs, such as security costs, as a result of governmental regulations that have been and will be adopted in response to terrorist activities and potential terrorist activities. The cost of compliance with existing or future measures could adversely affect our results of operations. Further, we could become subject to liabilities as a result of a failure to comply with applicable regulations.

***Our operations are subject to various environmental laws and regulations, the violation of which could result in substantial fines or penalties.***

From time to time, we arrange for the movement of hazardous materials at the request of our customers. As a result, we are subject to various environmental laws and regulations relating to the handling, transport, and disposal of hazardous materials. If our customers or carriers are involved in an accident involving hazardous materials, or if we are found to be in violation of applicable laws or regulations, we could be subject to substantial fines or penalties, remediation costs, or civil and criminal liability, any of which could have an adverse effect on our business and results of operations. In addition, current and future laws and regulations relating to carbon emissions and the effects of global warming can be expected to have a significant impact on the transportation sector generally and the operations and profitability of some of our carriers in particular, which could adversely affect our business and results of operations.

***If our independent contractors are deemed by regulators to be employees, our business and results of operations could be adversely affected.***

Tax and other regulatory authorities have in the past sought to assert that independent contractors in the trucking industry are employees rather than independent contractors. There can be no assurance that these authorities will not successfully assert this position or that tax laws and other laws that currently consider these persons independent contractors will not change. If our independent contractors are determined to be our employees, we would incur additional exposure under federal and state tax, workers' compensation, unemployment benefits, labor, employment, and tort laws, including for prior periods, as well as potential liability for employee benefits and tax withholdings. Our business model relies on the fact that our independent contractors are independent contractors and not deemed to be our employees, and exposure to any of the above factors could have an adverse effect on our business and results of operations.

***If, following the GTS merger, we are unable to maintain and enhance our proprietary technology systems, demand for our services and our revenue could decrease.***

Our transportation management services business will rely heavily on our proprietary technology systems to track and store externally and internally generated market data, analyze the capabilities of our carrier network, and recommend cost-



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effective carriers in the appropriate transportation mode. To keep pace with changing technologies and customer demands in the future, we must correctly interpret and address market trends and enhance the features and functionality of our proprietary technology systems in response to these trends. We may be unable to implement the appropriate features and functionality of our technology systems in a timely and cost-effective manner, which could result in decreased demand for our services and a corresponding decrease in our revenue.

### ***Following the GTS merger, we may be required to incur substantial expenses and resources in defending intellectual property litigation against us.***

Following the GTS merger, our use of our proprietary technology systems could be challenged by claims that such use infringes, misappropriates, or otherwise violates the intellectual property rights of third parties. GTS does not currently have any patent protection with respect to its technology systems and we cannot be certain that these technologies do not and will not infringe issued patents or other proprietary rights of others. Any claim, with or without merit, could result in significant litigation costs and diversion of resources, and could require us to enter into royalty and licensing agreements, all of which could have an adverse effect on our business following the GTS merger. We may not be able to obtain such licenses on commercially reasonable terms, or at all, and the terms of any offered licenses may not be acceptable to us. If forced to cease using such intellectual property, we may not be able to develop or obtain alternative technologies. Accordingly, an adverse determination in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent us from offering the affected services to our customers, which could have an adverse effect on our business and results of operations.

### ***Terrorist attacks, anti-terrorism measures, and war could have broad detrimental effects on our business operations.***

As a result of the potential for terrorist attacks, federal, state, and municipal authorities have implemented and continue to follow various security measures, including checkpoints and travel restrictions on large trucks. Such measures may reduce the productivity of our independent contractors or increase the costs associated with their operations, which we could be forced to bear. For example, security measures imposed at bridges, tunnels, border crossings, and other points on key trucking routes may cause delays and increase the non-driving time of our independent contractors, which could have an adverse effect on our results of operations. War, risk of war, or a terrorist attack also may have an adverse effect on the economy. A decline in economic activity could adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of terrorism or war also could impact our ability to raise capital. In addition, the insurance premiums charged for some or all of the coverage currently maintained by us could increase dramatically or such coverage could be unavailable in the future.

### ***Our senior management has limited experience managing a public company, and regulatory compliance may divert their attention from the day-to-day management of our business.***

Our senior management has limited experience managing a publicly traded company and limited experience complying with the increasingly complex laws pertaining to public companies. Obligations associated with being a public company will require substantial attention from our senior management and partially divert their attention away from the day-to-day management of our business, which could adversely impact our operations.

### ***We will incur increased costs as a result of being a public company.***

As a public company, we will incur significant legal, accounting, and other administrative expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley, as well as rules of the Securities and Exchange Commission and the New York Stock Exchange, impose significant corporate governance practices on public companies. We expect these rules and regulations to increase our legal and financial compliance

costs and to make some activities more time consuming and costly. In addition, we will incur additional costs associated with our public company reporting requirements. We also expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers.

***If we fail to maintain adequate internal control over financial reporting in accordance with Section 404 of Sarbanes-Oxley, it could result in inaccurate financial reporting, sanctions, or securities litigation, or could otherwise harm our business.***

As a public company, we will be required to comply with the standards adopted by the Public Company Accounting Oversight Board in compliance with the requirements of Section 404 of Sarbanes-Oxley regarding internal control over financial reporting. Prior to becoming a public company, we are not required to be compliant with the requirements of

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Section 404. The process of becoming compliant with Section 404 may divert internal resources and will take a significant amount of time and effort to complete. We may experience higher than anticipated operating expenses, as well as increased independent auditor fees during the implementation of these changes and thereafter. We are required to be fully compliant under Section 404 by the end of fiscal 2011, and at that time our management will be required to deliver a report that assesses the effectiveness of our internal control over financial reporting, and we will be required to deliver an attestation report of our auditors on our management's assessment of our internal controls. Completing documentation of our internal control system and financial processes, remediation of control deficiencies, and management testing of internal controls will require substantial effort by us. We cannot assure you that we will be able to complete the required management assessment by our reporting deadline. Failure to implement these changes in a timely, effective or efficient manner could harm our operations, financial reporting or financial results, and could result in our being unable to obtain an unqualified report on internal controls from our independent auditors.

***Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from achieving our growth objectives.***

We may in the future be required to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could harm our business. Additional equity financing may dilute the interests of our stockholders, and debt financing, if available, may involve restrictive covenants and could reduce our profitability. If we cannot raise funds on acceptable terms, we may not be able to grow our business or respond to competitive pressures.

***The expected results from our 2009 Bullet acquisition and the GTS merger may vary significantly from our expectations.***

The expected results from the acquired Bullet operations and GTS' actual 2010 financial results might vary materially from those anticipated by us and disclosed in this prospectus. These expectations are inherently subject to uncertainties and contingencies as well as our assumptions about, among other things, the integration of the Bullet acquisition, purchased transportation costs, new customer growth and existing customer shipping demand, over-the-road freight tonnage levels, the growth in the third-party logistics sector and overall economic conditions. These assumptions may be impacted by factors that are beyond our control. Although we believe that the assumptions underlying our expectations are reasonable, actual results could be materially different.

**Risks Related to this Offering**

***None of the proceeds from this offering will be available to us in the operation of our business.***

All of the net proceeds we receive from this offering will be used to reduce our outstanding indebtedness. Accordingly, none of the proceeds will be available to us for acquisitions, capital expenditures, working capital, or other general corporate purposes. We may find it necessary to obtain additional equity or debt financing as we continue to execute our business strategy. In the event additional financing is required, we may not be able to raise it on acceptable terms or at all.

***The market price for our common stock may be volatile, and you may not be able to sell our stock at a favorable price or at all.***

Before this offering, there has been no public market for our common stock. An active public market for our common stock may not develop or be sustained after this offering. The price of our common stock in any such market may be higher or lower than the price you pay in this offering. If you purchase shares of common stock in this offering, you will pay a price that was not established in a competitive market. Rather, you will pay the price that we negotiated

with the representatives of the underwriters. Many factors could cause the market price of our common stock to rise and fall, including the following:

- n the gain or loss of customers;
- n introductions of new pricing policies by us or by our competitors;
- n variations in our quarterly results;
- n announcements of technological innovations by us or by our competitors;
- n acquisitions or strategic alliances by us or by our competitors;
- n recruitment or departure of key personnel;
- n changes in the estimates of our operating performance or changes in recommendations by any securities analysts that follow our stock; and
- n market conditions in our industry, the industries our customers serve, and the economy as a whole.

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In addition, public announcements by our competitors concerning, among other things, their performance, accounting practices, or legal problems could cause the market price of our common stock to decline regardless of our actual operating performance.

***Our current principal stockholders will continue to have significant influence over us after this offering, and they could delay, deter, or prevent a change of control or other business combination or otherwise cause us to take action with which you might not agree.***

Upon the closing of this offering and the consummation of the GTS merger, investment funds affiliated with Thayer | Hidden Creek Partners, L.L.C., which funds are collectively referred to in this prospectus as Thayer | Hidden Creek, will together beneficially own approximately 52% of our outstanding common stock (49.5% if the underwriters over-allotment option is exercised) and Eos Partners, L.P. and affiliated investment funds, referred to in this prospectus as Eos, will together beneficially own approximately 13% of our outstanding common stock (12.3% if the underwriters over-allotment option is exercised). In addition, four of our directors immediately following this offering will be affiliated with Thayer | Hidden Creek. As a result, these stockholders will have significant influence over the election of our board of directors and our decision to enter into any corporate transaction and may have the ability to prevent any transaction that requires the approval of stockholders, regardless of whether or not other stockholders believe that such a transaction is in their own best interests. Such concentration of voting power could have the effect of delaying, deterring, or preventing a change of control or other business combination that might otherwise be beneficial to our stockholders or could limit the price that some investors might be willing to pay in the future for shares of our common stock. The interests of these stockholders may not always coincide with our interests as a company or the interests of our other stockholders. Accordingly, these stockholders could cause us to enter into transactions or agreements that you would not approve or make decisions with which you may disagree.

***We could be considered a controlled company within the meaning of the rules of the New York Stock Exchange.***

Upon the closing of this offering and the consummation of the GTS merger (but assuming no exercise of the underwriters over-allotment option), Thayer | Hidden Creek will beneficially own more than 50% of our outstanding common stock. As a result, we could be considered a controlled company for purposes of Section 303A of the New York Stock Exchange Listed Company Manual and we would be exempt from certain governance requirements otherwise required by the New York Stock Exchange. Under Section 303A, a company of which more than 50% of the voting power is held by an individual, a group, or another company is a controlled company and is exempt from certain corporate governance requirements, including, among others, the requirement that a majority of the board of directors consist of independent directors. Although we initially expect and intend that a majority of our board of directors will consist of independent directors, we cannot provide assurances that we will not rely on the exemption from this requirement in the future.

***The large number of shares eligible for public sale could depress the market price for our common stock.***

The market price for our common stock could decline as a result of sales of a large number of shares of our common stock in the market after this offering, and the perception that these sales could occur may depress the market price. We will have outstanding approximately 29.5 million shares of common stock after this offering. Of these shares, the common stock sold in this offering will be freely tradable, except for any shares purchased by our affiliates as defined in Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. Substantially all of the remaining approximately 18.9 million shares of common stock will be subject to 180-day lock-up agreements with the underwriters. After the 180-day lock-up period, these shares may be sold in the public market, subject to prior registration or qualification for an exemption from registration, including, in the case of shares held by affiliates, compliance with volume restrictions.

Any time after we are eligible to register our common stock on a Form S-3 registration statement under the Securities Act or if we propose to file a registration statement under the Securities Act for any underwritten sale of shares of any of our equity securities, certain of our stockholders will be entitled to require us to register our securities owned by them for public sale. Sales of common stock as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

***You will incur immediate and substantial dilution in your investment because our earlier investors paid substantially less than the initial public offering price when they purchased their shares.***

If you purchase shares in this offering, you will incur immediate and substantial dilution in net tangible book value per share because the price that you pay will be substantially greater than the net tangible book value per share of the shares acquired. This dilution arises because our earlier investors paid substantially less than the initial public offering price when they purchased their shares of common stock. In addition, there will be options and warrants to purchase shares of common stock outstanding upon the completion of this offering that have exercise prices below the initial public offering price. To the extent such options or warrants are exercised in the future, there may be further dilution to new investors.

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***Provisions in our certificate of incorporation, our bylaws, and Delaware law could make it more difficult for a third party to acquire us, discourage a takeover, and adversely affect existing stockholders.***

Our certificate of incorporation, our bylaws, and the Delaware General Corporation Law contain provisions that may make it more difficult or delay attempts by others to obtain control of our company, even when these attempts may be in the best interests of stockholders. These include provisions limiting the stockholders' powers to remove directors or take action by written consent instead of at a stockholders' meeting. Our certificate of incorporation also authorizes our board of directors, without stockholder approval, to issue one or more series of preferred stock, which could have voting and conversion rights that adversely affect or dilute the voting power of the holders of common stock. In addition, our certificate of incorporation provides for our board to be divided into three classes, serving staggered terms. The classified board provision could have the effect of discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. Delaware law also imposes conditions on the voting of control shares and on certain business combination transactions with interested stockholders.

These provisions and others that could be adopted in the future could deter unsolicited takeovers or delay or prevent changes in our control or management, including transactions in which stockholders might otherwise receive a premium for their shares over then current market prices. These provisions may also limit the ability of stockholders to approve transactions that they may deem to be in their best interests.

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**Special Note Regarding Forward-Looking Statements**

The statements and information contained in this prospectus that are not purely historical are forward-looking statements. Forward-looking statements include statements regarding our expectations, anticipation, intentions, beliefs, or strategies regarding the future. Forward-looking statements also include statements regarding revenue, margins, expenses, and earnings analysis for 2010 and thereafter; potential acquisitions or strategic alliances; and liquidity and anticipated cash needs and availability. All forward-looking statements included in this prospectus are based on information available to us as of the date of this prospectus, and we assume no obligation to update any such forward-looking statements. Our actual results could differ materially from the forward-looking statements. Among the factors that could cause actual results to differ materially are the factors discussed under *Risk Factors*, which include, but are not limited to, the following:

- n the competitive nature of the transportation industry;
- n our ability to maintain the level of service that we currently provide to our customers;
- n the ability of our carriers to meet our needs and expectations, and those of our customers;
- n our reliance on ICs to provide transportation services to our customers;
- n fluctuations in the levels of capacity in the over-the-road freight sector;
- n our ability to attract and retain sales representatives and brokerage agents;
- n our ability to successfully execute our acquisition strategy;
- n the effects of auto liability, general liability, and workers compensation claims;
- n general economic, political, and other risks that are out of our control, including any prolonged delay in a recovery of the U.S. over-the-road freight sector;
- n fluctuations in the price or availability of fuel;
- n our reliance on our executive officers and key personnel;
- n seasonal fluctuations in our business;
- n the costs associated with being a public company and our ability to comply with the internal controls and financial reporting obligations of the SEC and Sarbanes-Oxley;
- n the effects of governmental and environmental regulations; and
- n our ability to maintain, enhance, or protect our proprietary technology systems.

See *Risk Factors* for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other



unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us.

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**Use of Proceeds**

Assuming an initial public offering price of \$15.00 per share, which is the midpoint of the range indicated on the cover of this prospectus, we estimate that we will receive net proceeds of \$123.5 million after deducting underwriting discounts and commissions and estimated offering expenses payable by us. A \$1.00 increase (decrease) in the assumed initial public offering price of \$15.00 per share would increase (decrease) the net proceeds to us from this offering by approximately \$8.4 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and estimated offering expenses payable by us.

We intend to use all of the net proceeds of this offering to prepay approximately \$49.6 million of the outstanding debt under our credit facility, approximately \$42.2 million to retire our senior subordinated notes and accrued interest, and approximately \$31.7 million to retire our junior subordinated notes, including prepayment penalties and accrued interest. In addition, we intend to use approximately \$33.7 million of borrowings under an anticipated new credit facility, which we anticipate entering into in connection with the consummation of this offering, together with approximately \$4.1 million of restricted cash, to retire the approximately \$21.4 million remaining balance of existing indebtedness and an aggregate of approximately \$11.9 million of outstanding debt under GTS credit facility, to pay approximately \$1.0 million of refinancing fees, and to pay an aggregate of \$3.5 million of transaction fees to terminate management and consulting agreements with certain affiliates concurrent with this offering. See *Certain Relationships and Related Transactions*.

Our current credit facility includes a \$50.0 million revolving credit facility, a \$40.0 million term note, and a \$9.0 million incremental term loan. Our credit facility matures in 2012. Availability under the revolving credit facility is subject to a borrowing base of eligible accounts receivable, as defined in the credit agreement. Interest is payable quarterly at LIBOR plus an applicable margin or, at our option, prime plus an applicable margin. At December 31, 2009, the weighted average interest rate on our credit facility was 5.4%. Principal is payable in quarterly installments ranging from \$1.9 million per quarter in 2010 increasing to \$2.4 million per quarter through December 31, 2011. A final payment of the outstanding principal balance is due in 2012. The revolving credit facility also provides for the issuance of up to \$6.0 million in letters of credit. As of December 31, 2009, we had outstanding letters of credit totaling approximately \$4.4 million. As of December 31, 2009, approximately \$34.5 million was outstanding under the term loans and \$35.7 million was outstanding under the revolving credit facility.

Our senior subordinated notes were issued in an aggregate principal amount at maturity of approximately \$36.4 million and will mature on August 31, 2012. Each senior subordinated note includes cash interest of 12% plus a deferred margin, payable quarterly, that is treated as deferred interest and is added to the principal balance of the note each quarter. The deferred interest ranges from 3.5% to 7.5% depending on our total leverage calculation, payable at maturity in 2012. As of December 31, 2009, there was \$41.1 million in aggregate principal amount of senior subordinated notes outstanding.

Our junior subordinated notes were issued in an aggregate face amount of \$19.5 million and will mature February 28, 2013. Our junior subordinated notes include interest of 20% accrued quarterly that is deferred and is added to the principal balance of the note each quarter and is payable at maturity on February 28, 2013. In addition, the junior subordinated notes agreement requires us to pay a premium upon repayment of the junior subordinated notes. The applicable premium is based on the timing of the repayment and begins at 50% of the aggregate principal amount and decreases to 10% over the life of the note. Assuming an offering date of May 10, 2010, we anticipate the prepayment penalty will be approximately \$10.6 million and that accrued and unpaid interest will total approximately \$1.6 million. As of December 31, 2009, there was \$16.8 million in aggregate principal amount of junior subordinated notes

outstanding, net of an unaccreted discount of \$3.0 million.

GTS credit facility consists of a term loan facility of \$10.3 million, of which approximately \$9.9 million was outstanding as of December 31, 2009, and a five-year revolving credit facility of up to \$4.0 million, of which approximately \$1.0 million was outstanding as of December 31, 2009. As of December 31, 2009, the weighted average interest rate on GTS credit facility was 4.1%.

We will not receive any of the net proceeds from the sale of shares of common stock by the selling stockholders, which are estimated to be approximately \$22.3 million. See *Principal and Selling Stockholders*.

### **Dividend Policy**

Historically, we have not paid dividends on our common stock, and we currently do not intend to pay any dividends on our common stock after the completion of this offering. We currently plan to retain any earnings to finance the growth of our business rather than to pay cash dividends. Payments of any cash dividends in the future will depend on our financial condition, results of operations, and capital requirements as well as other factors deemed relevant by our board of directors. Our current debt agreements prohibit us from paying dividends without the consent of our lenders.

**Table of Contents****Capitalization**

The following table sets forth our capitalization as of December 31, 2009:

- n on an actual basis, taking into account the 149.314-for-one stock split of all of our outstanding shares of Class A common stock, Class B common stock, and Series B preferred stock;
- n as adjusted to reflect the sale of 9,000,000 shares of common stock offered by us at an assumed public offering price of \$15.00 per share, which is the midpoint of the range indicated on the cover of this prospectus, the deduction of underwriting discounts and estimated offering expenses, the application of the net proceeds we will receive from the offering in the manner described in *Use of Proceeds*; and the conversion of our Class A common stock, Class B common stock and Series B preferred stock (including accrued but unpaid dividends) into a single class of newly authorized common stock; and
- n as further adjusted to reflect the GTS merger that will occur simultaneous with the consummation of this offering.

See *Prospectus Summary The Offering* for information relating to the expected number of shares to be outstanding after this offering, which assumes an offering date of May 10, 2010 and reflects (i) an additional 138,809 shares that are attributable to an acquisition-related increase in outstanding GTS shares subsequent to December 31, 2009, and (ii) an additional 112,541 shares that are attributable to the offering-related conversion of dividends that accrue on our Series B preferred stock subsequent to December 31, 2009.

	<b>As of December 31, 2009</b>		
	<b>Actual</b>	<b>As Adjusted for Offering and GTS Merger<sup>(a)</sup></b>	
<i>(In thousands, except share data)</i>			
<b>Cash and cash equivalents</b>	\$ 667	\$ 667	\$ 2,176 <sup>(b)</sup>
<b>Restricted cash</b>	\$ 4,066 <sup>(c)</sup>	\$ 4,066	\$
<b>Debt:</b>			