Lumentum Holdings Inc.
Form 4
August 18, 2015

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
COVERT HAROLD L

(Last) (First) (Middle)

C/O LUMENTUM, 400 NORTH MCCARTHY BLVD

(Street)

MILPITAS, CA 95035

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Lumentum Holdings Inc. [LITE]

3. Date of Earliest Transaction (Month/Day/Year)
08/15/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Pr Deriv Secu

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)		Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						(Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units	$ 0	08/15/2015		A		9,847		(1)	(2)	Common Stock	9,847	$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
COVERT HAROLD L C/O LUMENTUM 400 NORTH MCCARTHY BLVD MILPITAS, CA 95035	X			

Signatures

/s/ Judy G Hamel as Attorney-in-Fact	08/18/2015
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Restricted Stock Units vest over three years, with 33% vesting on August 1, 2016, August 1, 2017 and August 1, 2018.

(2) Restricted Stock Units have no expiration date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. riant: normal;">

2,491

21,837

Selling, general and administrative

expenses

9,768

1,566

4,050

15,384

8,822

—

1,906

10,728

Depreciation and amortization

5,197

880

282

6,359

4,297

—

235

4,532

Transition and lease termination

costs

677

92

Explanation of Responses:

—

769

—

—

—

—

Change in contingent consideration

Explanation of Responses:

(3,921

)

—

—

(3,921

)

(2,041

)

—

—

(2,041

)

Explanation of Responses:

Total operating expenses

100,685

5,693

6,795

Explanation of Responses:

113,173

84,079

—

4,632

88,711

Explanation of Responses:

Income (loss) from operations

17,489

(144

)

(6,795

)

10,550

15,156

—

Explanation of Responses:

(4,632

)

10,524

Other income (expense)

(471

)

(251

)

(1,856

)

(2,579

)

164

—

(2,425

)

(2,260

)

17,018

Income before income tax expense

17,018

Explanation of Responses:

(395

)

(8,651

)

7,971

15,320

—

(7,057

)

8,264

Income tax expense

—

—

(2,017

)

(2,017

)

—

—

(3,082

)

(3,082

)

Explanation of Responses:

Net income (loss)

17,018

(395

)

(10,668

)

5,955

15,320

—

(10,138

)

5,182

Less: Net income attributable to

non-controlling interest

(80

)

—

—

(80

)

(64

)

—

Explanation of Responses:

—

(64

)

Net income (loss) attributable to

Radiant Logistics, Inc.

16,938

(395

)

(10,668

)

5,875

15,256

—

(10,138

)

5,118

Less: Preferred stock dividends

—

—

(2,046

)

(2,046

)

—

—

(1,091

)

Explanation of Responses:

(1,091

)

Explanation of Responses:

Net income (loss) attributable to

common stockholders

$

16,938

$

(395

)

$

(12,714

)

$

3,829

$

15,256

$

—

$

(11,230

)

$

4,027

Operating partner commissions increased approximately $6.7 million, or 12.5%, to $60.4 million in the year ended June 30, 2015 primarily due to a change in sales mix with a higher percentage of domestic revenues, which tend to create higher commissions, compared to international revenues, an increase in new agent based locations, and commission incentives during the fiscal year provided to new stations to join the Radiant network.

Personnel costs increased approximately $12.4 million, or 56.7%, to $34.2 million in the year ended June 30, 2015 primarily due to increased headcount associated with the acquisition of Wheels, SBA, and DCA, along with a full year of personnel costs for companies acquired in the prior year.

Selling, general and administrative (“SG&A”) expenses increased approximately $4.7 million, or 43.4%, to $15.4 million in the year ended June 30, 2015 primarily due to professional fees associated with the acquisitions of Wheels and SBA, ongoing litigation, the full year of opening a Company-owned location in Philadelphia, as well as the additional bad debt expense.

Depreciation and amortization costs increased approximately $1.9 million, or 40.3%, to $6.4 million in the year ended June 30, 2015 primarily due to increased amortization associated with Wheels and a full year of amortization associated with acquisitions completed in the prior year.

We also incurred transition and lease termination costs of $0.8 million during the year ended June 30, 2015 due to the exit and downsizing of the former DBA warehouse and corporate headquarters in New Jersey to a smaller location, similar costs associated with a consolidation effort at the Wheels Toronto location, and non-recurring personnel costs for SBA that are expected to be

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eliminated in connection with the winding down of SBA's historical back office. There were no such costs for the year ended June 30, 2014.

Change in contingent consideration increased approximately $1.9 million, or 92.2%, to $3.9 million in the year ended June 30, 2015 and represents the change in the fair value of contingent consideration due to former shareholders of acquired operations. The change was primarily attributable to a reduction in management's estimates of future pay-outs with respect to On Time, ISLA and ALBS, as they have not achieved their respective specified operating objectives, offset by an increase in management's estimated future pay-outs for PCA and DCA, through the remainder of their respective earn-out periods.

Other expenses increased nominally by approximately $0.3 million due to a foreign exchange loss primarily attributed to a loss on the purchase of a forward contract of CAD in anticipation of the Wheels transaction, and increased interest expense due to higher bank borrowings partially offset by a lack of write-off of debt discount in the prior year.

Our increase in net income was driven principally by the increased efficiency of leveraging our scalable back-office infrastructure, and a favorable write-down of contingent consideration, offset by higher depreciation and amortization costs as well as a lack of lease termination costs in the current year.

Our future net income may be impacted by increased amortization of intangibles resulting from acquisitions as well as changes in contingent consideration may result in gains or losses and are difficult to predict.

The following table provides a reconciliation for the fiscal years ended June 30, 2015 and 2014 of adjusted EBITDA to net income, the most directly comparable GAAP measure in accordance with SEC Regulation G (in thousands):

	Year ended June 30, 2015				Year ended June 30, 2014			
	United States	Canada	Corporate/ Eliminations	Total	United States	Canada	Corporate/ Eliminations	Total
Net revenues	$118,174	$5,549	$—	$123,723	$99,235	$ —	$—	$99,235
Net income (loss) attributable to common stockholders	$16,938	$(395)	$(12,714)	$3,829	$15,256	$ —	$(11,230)	$4,027
Less: Preferred stock dividends	—	—	2,046	2,046	—	—	1,091	1,091
Net income (loss) attributable to Radiant Logistics, Inc.	16,938	(395)	(10,668)	5,875	15,256	—	(10,138)	5,118
Income tax expense	—	—	2,017	2,017	—	—	3,082	3,082
Depreciation and amortization	5,197	880	282	6,359	4,297	—	235	4,532
Net interest expense	—	—	1,855	1,855	—	—	1,187	1,187
EBITDA	22,135	485	(6,514)	16,106	19,553	—	(5,634)	13,919

Share-based compensation	1,053	62	—	1,115	666	—	—	666
Change in contingent consideration	(3,921)	—	—	(3,921)	(2,041)	—	—	(2,041)
Acquisition related costs	—	243	1,774	2,017	—	—	353	353
Non-recurring legal costs	—	—	601	601	—	—	615	615
Transition and lease termination costs	519	92	—	611	—	—	—	—
Loss on write-off of debt discount	—	—	—	—	—	—	1,238	1,238
Foreign exchange loss	471	268	—	739	27	—	—	27
Adjusted EBITDA	$20,257	$1,150	$(4,139)	$17,268	$18,205	$ —	$(3,428)	$14,777
As a % of Net Revenues	17.1 %	20.7 %		14.0 %	18.3 %			14.9 %

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Supplemental Pro forma Information

Basis of Presentation

The results of operations discussion that appears below has been presented utilizing a combination of historical unaudited and, where relevant, pro forma unaudited information to include the effects on our consolidated financial statements of our acquisitions of Wheels, as if we had acquired Wheels as of July 1, 2014. The pro forma results have been adjusted to reflect a consolidation of the historical results of operations of Wheels, and the Company as adjusted to reflect the amortization of acquired intangibles, increased interest expense, changes in taxes, and increased stock compensation expense. The presentation also highlights the transaction costs incurred to complete the Wheels transaction. The pro forma results have been developed based on available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of this transaction.

The pro forma financial data is not necessarily indicative of results of operations that would have occurred had these acquisitions been consummated at the beginning of the periods presented or which might be attained in the future.

The following table summarizes transportation revenue, cost of transportation and net transportation revenue (in thousands) for the fiscal year ended June 30, 2015 (pro forma and unaudited):

	Twelve Months Ended June 30, 2015
Transportation revenue	$ 751,330
Cost of transportation	596,338
Net transportation revenue	$ 154,992
Net transportation margins	20.6%

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The following table presents certain condensed consolidated statements of income data as a percentage of our net transportation revenue (in thousands) for the fiscal year ended June 30, 2015 (pro forma and unaudited):

	Twelve Months Ended June 30, 2015	Percentage	
Net transportation revenue	$ 154,992	100 %	
Operating partner commissions	60,355	38.9 %	
Personnel costs	53,055	34.2 %	(a)
Selling, general and administrative expenses	23,265	15.0 %	(b)
Depreciation and amortization	11,745	7.6 %	(c)
Transition and Lease termination costs	769	0.5 %	
Restructuring Costs	3,672	2.4 %	
Impairment of Intangibles	831	0.5 %	
Change in contingent consideration	(4,846)	(3.1 %)	
Total operating expenses	148,846	96.0 %	
Income from operations	6,146	4.0 %	
Interest (expense) net	(5,565)	(3.6 %)	(d)
Other income (expense)	1,878	1.2 %	
Income before income tax expense	2,459	1.6 %	
Income tax expense	(861)	(0.6 %)	(e)
Net income	1,598	1.0 %	
Less: Net income attributable to non-controlling interest	(81)	(0.1 %)	
Net income attributable to Radiant Logistics, Inc.	1,517	1.0 %	
Less: Preferred stock dividends	(2,045)	(1.3 %)	
Net loss attributable to common stockholders	$ (528)	(0.3 %)	

(a) - Includes $186 of stock based compensation expense for the first nine months related to the Wheels transaction

(b) - Includes $1,644 of transaction expenses related to the acquisition incurred by Radiant during the year ended June 30, 2015

(c) - Includes $4,209 of amortization of intangibles expense for the first nine months related to the Wheels transaction

(d) - Includes $3,709 of interest expense for the first nine months related to the Wheels transaction

(e) - Includes a tax benefit of $1,517 for the first nine months related to the Wheels transaction

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The following table provides a reconciliation for the fiscal year ended June 30, 2015 (pro forma and unaudited) of adjusted EBITDA to net income (loss), the most directly comparable GAAP measure in accordance with SEC Regulation G (in thousands):

	Twelve Months Ended June 30, 2015	
Net transportation revenue	$ 154,992	
Net loss attributable to common stockholders	$ (528)	
Preferred stock dividends	2,045	
Net income attributable to Radiant Logistics, Inc.	1,517	
Income tax expense	861	
Depreciation and amortization	11,745	
Net interest expense	5,565	
EBITDA	$ 19,688	
Share-based compensation	1,301	(a)
Change in contingent consideration	(4,846)	
Transition and Lease termination costs	769	
Restructuring Costs	3,672	
Impairment of Intangibles	831	
Foreign exchange loss	739	
Adjusted EBITDA	$ 22,154	
As a % of Net Revenues	14.3 %	

(a) - Includes $186 of stock based compensation expense for the first nine months related to the Wheels transaction

Liquidity and Capital Resources

Net cash provided by operating activities was $2.1 million for the year ended June 30, 2015, compared to net cash provided of $6.9 million for the year ended June 30, 2014. The change was principally driven by the change in our net income adjusted for amortization, contingent consideration, loss on the write-off of debt discount, lease termination costs, and changes in operating assets and liabilities (primarily the changes in accounts receivable and accounts payable).

Net cash used for investing activities was $47.9 million for the year ended June 30, 2015, compared to $9.0 million for the year ended June 30, 2014. Use of cash in 2015 consisted of $44.0 million related to acquisitions and the

purchase of $4.1 million of property, furniture and technology related equipment, offset by proceeds from the sale of equipment of $0.2 million. Use of cash in 2014 consisted of $7.5 million related to acquisitions, the purchase of $0.2 million of technology related equipment, and payments made to the former shareholders of acquired operations totaling $1.3 million.

Net cash provided by financing activities was $50.6 million for the year ended June 30, 2015, compared to $3.9 million for the year ended June 30, 2014. The cash provided by financing activities in 2015 consisted of borrowings from our credit facility of $30.6 million, borrowings of subordinated and other notes of $25.5 million, and a tax benefit from the exercise of stock options of $3.3 million, offset by payments of employee tax withholdings related to net share settlements of stock option exercises of $3.8 million, payment of contingent consideration made to former shareholders of acquired operations of $1.5 million, preferred dividend payments of $2.0 million, and payments of loan fees of $1.4 million. Cash from financing activities in 2014 consisted of repayments to our credit facility of $1.6 million, repayments of senior subordinated promissory notes of $10.0 million, repayments of notes payable to former shareholders of $2.8 million, payment of employee tax withholdings related to net share settlements of stock option exercises of $0.9 million, payment of contingent consideration to former shareholders of acquired operations of $0.3 million, preferred dividend payments of $0.7 million, and $0.1 million in non-controlling interest distributions, offset by proceeds from the preferred stock offering of $19.3 million and a tax benefit from the exercise of stock options of $1.0 million.

Acquisitions

Below are descriptions of recent material acquisitions in the last three fiscal years including a breakdown of consideration paid at closing and future potential earn-out payments. We define “material acquisitions” as those with aggregate potential consideration of $10.0 million or more.

On October 1, 2013, through a wholly-owned subsidiary, Radiant Transportation Services, Inc., the Company acquired the stock of On Time Express, Inc. (“On Time”), a privately-held Arizona corporation founded in 1982. On Time has an extensive, dedicated line-haul network that it leverages in delivering customized time critical domestic and international logistics solutions to an account base that includes customers in the aviation, aerospace, plastic injection molding, medical device, furniture and automotive industries. The base purchase price is valued at up to approximately $20.0 million, consisting of: $7.0 million paid in cash at closing, $0.5 million paid through the issuance of the Company’s common stock, $0.5 million payable as a working capital holdback plus a dollar-for-dollar payment of any working capital in excess of $750,000, $2.0 million in notes payable, and up to $10.0 million in aggregate Tier-1 earn-out payments following the four-year earn-out period immediately following closing. In addition, the transaction also provides for a Tier-2 earn-out payment calculated as 50% of the excess over a base target amount of $16,000,000 in cumulative earnings during the four-year Tier-1 earn-out period. The earn-out payments shall be made in a combination of cash and common stock, as the Company may elect to satisfy up to 25% of each Tier-1 earn-out payments and 50% of the Tier-2 earn-out payment through the issuance of its common stock valued based upon a 25-day volume weighted average price to be calculated preceding the delivery of the shares.

On April 2, 2015, we acquired Wheels Group, Inc., one of the largest 3PL and transportation service providers in Canada, for aggregate consideration of approximately CAD$33.8 million and 6,900,000 shares of our common stock, in addition to the refinancing of Wheels outstanding indebtedness of approximately CAD$32 million. Wheels provides 3PL intermodal and truck brokerage services throughout the United States and Canada along with third party logistics solutions and value added warehouse and distribution service offerings in support of U.S. shippers looking to access the Canadian markets.

On June 8, 2015, we acquired SBA, a domestic and international air freight forwarder serving manufacturers, distributors and retailers through a combination of three company-owned operating locations and forty independent agency locations across North America. The transaction was valued at approximately $12.0 million in cash and is subject to certain hold-back provisions and a working capital adjustment as of the closing date.

Senior Credit Facility

We have a USD$65.0 million revolving credit facility (the “Senior Credit Facility”) with Bank of America, N.A. (“BofA”) on its own behalf and as agent to the other lenders named therein, currently consisting of the Bank of Montreal (as the initial member of the syndicate under such loan). The Senior Credit Facility matures on August 9, 2018 and is collateralized by a first-priority security interest in all of the assets of the U.S. co-borrowers, a first-priority security interest in all of the accounts receivable and associated assets of the Canadian co-borrowers (the “Canadian A/R Assets”) and a second-priority security interest on the other assets of the Canadian borrowers. Advances under the Senior Credit Facility were used to fund the Wheels acquisition and are available for future acquisitions, certain debt repayment and for other corporate purposes. Borrowings under the Senior Credit Facility accrue interest at a variable rate of interest based upon LIBOR and/or one or more other interest rate indices plus an applicable margin. The Senior Credit Facility provides for advances of up to 85% of our eligible Canadian and domestic accounts receivable, 75% of eligible accrued but unbilled domestic receivables and eligible foreign accounts receivable, all of which are subject to certain sub-limits, reserves and reductions.

The co-borrowers of the Senior Credit Facility include the following: (i) with respect to U.S. obligations under the Senior Credit Facility, Radiant Logistics, Inc., Radiant Global Logistics, Inc., Radiant Transportation Services, Inc., Radiant Logistics Partners LLC, Adcom Express, Inc., Radiant Customs Services, Inc., DBA Distribution Services, Inc., International Freight Systems (of Oregon), Inc., Radiant Off-Shore Holdings LLC, Green Acquisition Company, Inc., On Time Express, Inc., Clipper Exxpress Company, Bluenose Finance LLC, Wheels MSM US, Inc., Service By Air, Inc., Highways and Skyways, Inc., and Radiant Trade Services, Inc.; and (ii) with respect to Canadian obligations under the Senior Credit Facility, Radiant Global Logistics, Ltd., Wheels Group Inc., 1371482 Ontario Inc., Wheels MSM Canada Inc., 2062698 Ontario Inc., Associate Carriers Canada Inc. and Wheels Associate Carriers Inc. As co-borrowers under the Senior Credit Facility, the accounts receivable of the foregoing entities are eligible for inclusion within the overall borrowing base of the Company and all borrowers ae responsible for repayment of the debt associated with applicable advances (U.S. or Canadian) under the Senior Credit Facility. In addition, we and our U.S. subsidiaries guarantee both the U.S. and Canadian obligations under the Senior Credit Facility, while our Canadian subsidiaries will guarantee only the Canadian obligations under the Senior Credit Facility.

The terms of the Senior Credit Facility are subject to a financial covenant which may limit the amount otherwise available under such facility. The covenant requires us to maintain a basic fixed charge coverage ratio of at least 1.1 to 1.0 during any period (the “Trigger

Period") in which we are in default under the Senior Credit Facility, if total availability falls below $10 million or if U.S. availability is less than $6 million.

Under the terms of the Senior Credit Facility, we are permitted to make additional acquisitions without the consent of the senior lenders only if certain conditions are satisfied. The conditions imposed by the Senior Credit Facility include the following: (i) the absence of an event of default under the Senior Credit Facility, (ii) the acquisition must be consensual; (iii) the company to be acquired must be in the transportation and logistics industry, located in the United States or certain other approved jurisdictions, and have a positive EBITDA for the 12 month period most recently ended prior to such acquisition, (iv) no debt or liens may be incurred, assumed or result from the acquisition, subject to limited exceptions, and (v) after giving effect for the funding of the acquisition, we must have availability under the Senior Credit Facility of at least the greater of 20% of the U.S.-based borrowing base and Canadian-based borrowing base or $12.5 million, and U. S. availability of at least $7.5 million. In the event that we are not able to satisfy the conditions of the Senior Credit Facility in connection with a proposed acquisition, we must either forego the acquisition, obtain the consent of the senior lenders, or retire the Senior Credit Facility. This may limit or slow our ability to achieve the critical mass we may need to achieve our strategic objectives.

As of August 31, 2015, we have gross availability of $54.0 million, net of advances and letter of credit reserves of approximately $0.3 million for approximately $53.7 million in remaining availability under the credit facility to support future acquisitions and our on-going working capital requirements. We expect to structure acquisitions with certain amounts paid at closing, and the balance paid over a number of years in the form of earn-out installments which are payable based upon the future earnings of the acquired businesses payable in cash, stock or some combination thereof. As we continue to execute our acquisition strategy, we will be required to make significant payments in the future if the earn-out installments under our various acquisitions become due. While we believe that a portion of any required cash payments will be generated by the acquired businesses, we may have to secure additional sources of capital to fund the remainder of any cash-based earn-out payments as they become due. This presents us with certain business risks relative to the availability of capacity under our credit facility, the availability and pricing of future fund raising, as well as the potential dilution to our stockholders to the extent the earn-outs are satisfied directly, or indirectly, from the sale of equity.

Senior Secured Integrated Private Debt Fund IV LP Term Loan

On April 2, 2015, Wheels obtained a CAD$29.0 million senior secured Canadian term loan from Integrated Private Debt Fund IV LP ("IPD") pursuant to a $29,000,000 Credit Facilities Loan Agreement (the "IPD Loan Agreement"). The Company and its U.S. and Canadian subsidiaries are guarantors of the Wheels obligations thereunder. The loan matures on April 1, 2024 and accrues interest at a rate of 6.65% per annum. The loan repayment will consist of interest-only payments for the first 12 months followed by blended principal and interest payments for the next eight years. The loan may be prepaid in whole at any time upon providing at least 30 days prior written notice and paying the difference between (i) the present value of the loan interest and the principal payments foregone discounted at the Government of Canada Bond Yield for the term from the date of prepayment to April 1, 2024, and (ii) the face value of the principal amount being prepaid. In connection with the loan, we paid an amount equal to five months of interest payments into a debt service reserve account controlled by IPD.

The loan is collateralized by a (i) first-priority security interest in all of the assets of Wheels except the Canadian A/R Assets, (ii) a second-priority security interest in the Canadian A/R Assets, and (iii) a second-priority security interest on all of our assets.

The terms of the loan are subject to certain financial covenants, which require us to maintain (i) a debt service coverage ratio of at least 1.2 to 1.0 and (ii) a senior debt to EBITDA ratio of at least 3.0 to 1.0. In addition, during any Trigger Period, the Company and its U.S. and Canadian subsidiaries must maintain a fixed charge coverage ratio of at

least 1.1 to 1.0.

Under the terms of the IPD Loan Agreement, we are permitted to make additional acquisitions without IPD's consent only if certain conditions are satisfied, including, among others: (i) the equity interests or property acquired in such acquisition constitute a business reasonably related to our business or the business of Wheels; (ii) no default or event of default shall exist prior to or will be caused as a result of such acquisition; (iii) we or Wheels shall have provided IPD with at least 10 business days prior written notice of such acquisition that must include certain descriptive information and pro forma information regarding the acquisition; (iv) such person whose equity interests or property are being acquired shall have, as of the last day of the most recent fiscal quarter of such person, actual (or pro forma to the extent approved in writing by IPD) positive EBITDA and net income, in each case for the 12 month period ending on such date; (v) the aggregate cash consideration payable at the closing of the acquisition shall not exceed $10,000,000 for any single transaction and $25,000,000 in the aggregate, in any fiscal year or such greater amount approved in writing by IPD; provided, however, that the foregoing limitation shall exclude cash consideration derived from the proceeds of sales of newly issued equity interests of Radiant during the twelve-month period prior to the closing of such acquisition (as described below); (vi) no debt or liens may be incurred, assumed or result from the acquisition, subject to limited exceptions; (vii) the assets subject to the acquisition are free from all liens except those permitted under the IPD Loan Agreement; and (viii) the post-closing U.S. availability under the Senior Credit Facility is at least $7,500,000 on a pro forma basis.

Subordinated Secured Alcentra Capital Corporation and Triangle Capital Corporation Term Loan

On April 2, 2015, we obtained a USD$25.0 million subordinated secured term loan from Alcentra Capital Corporation ($10.0 million) and Triangle Capital Corporation ($15.0 million) (collectively, the “Subordinated Lenders”) pursuant to a Loan and Security Agreement (the “Alcentra/Triangle Subordinated Loan Agreement”). The loan matures on April 2, 2021 and accrues interest at a rate of 12% per annum during the first six months of the loan and then at a variable rate, ranging from LIBOR plus 950 basis points to LIBOR plus 1025 basis points (all with a 100 basis points LIBOR floor), depending on our total leverage ratio. Prior to April 2, 2016, the loan may not be prepaid. After this, prior to April 2, 2017, the loan may be prepaid by paying a prepayment premium equal to 3% of the amount prepaid. After April 2, 2017, the loan may be prepaid, in whole or in part, without penalty. We may be required to prepay, at the Subordinated Lenders’ option, the entire amount of the loan (including applicable prepayment premiums) upon the occurrence of certain events, such as an event of default, a change in control, or the completion of a “going private” transaction.

The loan is collateralized by a third-priority security interest in all of our U.S. based assets. The loan is subordinate to the Senior Credit Facility and the loan from IPD, and is senior to all other indebtedness.

The terms of the loan are subject to certain financial covenants. We are required to maintain a fixed charge coverage ratio of at least 1.05 to 1.0. We are also required to initially maintain a maximum adjusted leverage ratio and a maximum total leverage ratio of up to 3.75:1.00 and 4.25:1.00, respectively, with such amounts decreasing by .10 for every year of the loan, such that during the final year of the loan, the maximum adjusted leverage ratio and the maximum total leverage ratio will be 3.25:1.00 and 3.75:1.00, respectively.

Under the Alcentra/Triangle Subordinated Loan Agreement, we are permitted to make additional acquisitions without the consent of the Subordinated Lenders only if certain conditions are satisfied, including, among others: (i) the equity interests or property acquired in such acquisition constitute a business reasonably related to the our business; (ii) no default or event of default shall exist prior to or will be caused as a result of such acquisition; (iii) we shall have provided the Subordinated Lenders with at least 30 business days prior written notice of such acquisition that must include certain descriptive information and pro forma information regarding the acquisition; and (iv) post-closing U.S. availability under the Senior Credit Facility is at least $7,500,000 on a pro forma basis; and (v) the aggregate cash consideration payable at the closing of the acquisition shall not exceed $10,000,000 for any single transaction and $25,000,000 in the aggregate in any fiscal year (of which not more than $10,000,000 in the aggregate in any fiscal year may be payable in connection with acquisitions of persons located or organized within Canada) or such greater amount approved in writing by the Subordinated Lenders; provided, however, that the foregoing limitation shall exclude cash consideration derived from the proceeds of sales of equity interests issued by the borrowers during the 12 month period prior to the closing of such acquisition to the extent that the borrowers elect to issue equity interests. The written consent of the Subordinated Lenders shall be required if, in an acquisition described in the preceding clause, the aggregate cash consideration payable at the closing of such Acquisition is equal to or greater than $25,000,000 (or $10,000,000 with respect to any acquisition of a person located or organized within Canada).

For additional information regarding our indebtedness, see Note 6 to our consolidated financial statements contained elsewhere in this report.

Given our continued focus on the build-out of our network of operating partner locations, we believe that our current working capital and anticipated cash flow from operations are adequate to fund existing operations for the next 12 months. However, continued growth through strategic acquisitions will require additional sources of financing as our existing working capital is not sufficient to finance our operations and an acquisition program. Thus, our ability to finance future acquisitions will be limited by the availability of additional capital. We may, however, finance acquisitions using our common stock as all or some portion of the consideration. In the event that our common stock

does not attain or maintain a sufficient market value or potential acquisition candidates are otherwise unwilling to accept our securities as part of the purchase price for the sale of their businesses, we may be required to utilize more of our cash resources, if available, in order to continue our acquisition program. If we do not have sufficient cash resources through either operations or from debt facilities, our growth could be limited unless we are able to obtain such additional capital.

Off Balance Sheet Arrangements

As of June 30, 2015, we did not have any relationships with unconsolidated entities or financial partners, such as entities often referred to as structured finance or special purpose entities, which had been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As such, we are not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The guidance is effective for annual and interim periods beginning after December 15, 2017, and early adoption is not permitted. We are currently evaluating the impact, if any, that the adoption of this guidance will have on our consolidated financial statements and related disclosures.

In April 2015, the FASB issued ASU 2015-03, Imputation of Interest, requiring entities to present debt issuance costs related to a debt liability as a reduction of the carrying amount of that liability. In August 2015, the FASB issued ASU 2015-15 to provide additional guidance related to debt issuance costs related to line-of-credit arrangements. The guidance is effective for annual and interim periods beginning after December 15, 2015, and early adoption is permitted. We are currently evaluating the impact, if any, that the adoption of this guidance will have on the Company's consolidated financial statements and related disclosures.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of business. These risks are primarily related to foreign exchange risk. We have currency exposure arising from both sales and purchases denominated in foreign currencies, as well as intercompany transactions. Significant changes in exchange rates between foreign currencies in which we transact business and the U.S. dollar may adversely affect our results of operations and financial condition. Historically, we have not entered into any hedging activities, and, to the extent that we continue not to do so in the future, we may be vulnerable to the effects of currency exchange-rate fluctuations

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of Radiant Logistics, Inc. including the notes thereto and the report of our independent accountants are included in this report, commencing at page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

An evaluation of the effectiveness of our "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act as of June 30, 2015, was carried out by our management under the supervision and with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Based upon that evaluation, our CEO and CFO concluded that, as of June 30, 2015, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an assessment of the effectiveness of our internal control over financial reporting. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control — Integrated Framework (2013). Based on management’s assessment based on the criteria of the COSO, we concluded that, as of June 30, 2015, our internal control over financial reporting is effective at the reasonable assurance level. On April 2, 2015, and June 8, 2015 the Company acquired Wheels and SBA, respectively. Refer to Note 3 of Notes to Consolidated Financial Statements for additional information regarding these events. Management has excluded these businesses from its evaluation of the effectiveness of the Company’s internal control over financial reporting as of June 30, 2015. The revenues attributable to Wheels represented approximately 15% of the Company’s consolidated revenues for the year ended June 30, 2015 and the revenues attributable to SBA represented approximately 2% of the Company’s consolidated revenues for the year ended June 30, 2015.

Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the U.S. Our internal control over financial reporting includes those policies and procedures which:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the U.S., and that receipts and expenditures of the Company are being made only in accordance with authorization of our management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements.

Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit us to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information concerning our executive officers and directors. Each of the executive officers will serve until his or her successor is appointed by our Board of Directors or such executive officer's earlier resignation or removal. Each of the directors will serve until the next annual meeting of stockholders or such director's earlier resignation or removal.

Name	Age	Position
Bohn H. Crain	51	Chief Executive Officer and Chairman of the Board of Directors
Stephen P. Harrington	58	Director
Jack Edwards	70	Director
Richard P. Palmieri	62	Director
Daniel Stegemoller	61	Senior Vice President & Chief Operating Officer of Radiant Global Logistics, Inc.
Todd E. Macomber	51	Senior Vice President & Chief Financial Officer
Robert L. Hines Jr.	56	Senior Vice President, General Counsel & Secretary
Tim Boyce	55	Chief Operating Officer of Rail and Truck Brokerage Operations
Peter Jamieson	61	Senior Vice President and Country Manager (Canada)

Board of Directors

We believe that our Board should be composed of individuals with sophistication and experience in many substantive areas that impact our business. We believe that experience, qualifications, or skills in the following areas are most important: accounting and finance; strategic planning; logistics and operations, human resources and development practices; and board practices of other corporations. These areas are in addition to the personal qualifications described in this section. We believe that all of our current Board members possess the professional and personal qualifications necessary for board service, and have highlighted particularly noteworthy attributes for each Board member in the individual biographies below. The principal occupation and business experience, for at least the past five years, of each current director is as follows:

Bohn H. Crain. Mr. Crain has served as our Chief Executive Officer and Chairman of our Board of Directors since October 2005. Mr. Crain brings nearly 20 years of industry and capital markets experience in transportation and logistics. Since January 2005, Mr. Crain has served as the Managing Member of Radiant Capital Partners, LLC, an entity he formed to execute a consolidation strategy in the transportation/logistics sector. Prior to founding Radiant, Mr. Crain served as the executive vice president and the chief financial officer of Stonepath Group, Inc. from January 2002 until December 2004. In 2001, Mr. Crain served as the executive vice president and Chief Financial Officer of Schneider Logistics, Inc., a third-party logistics company, and from 2000 to 2001 he served as the Vice President and Treasurer of Florida East Coast Industries, Inc., a public company engaged in railroad and real estate businesses listed on the New York Stock Exchange. Between 1989 and 2000, Mr. Crain held various vice president and treasury positions for CSX Corp., and several of its subsidiaries, a Fortune 500 transportation company listed on the New York Stock Exchange. He also serves on the Board of Trustees for Eastside Preparatory School in Bellevue, Washington. Mr. Crain earned a

Bachelor of Arts in Business Administration with and emphasis in Accounting from the University of Texas. As a result of these and other professional experiences, Mr. Crain possesses particular knowledge and experience in logistics management, industry trends, business operations and accounting that strengthen the Board's collective qualifications, skills, and experience.

Stephen P. Harrington. Mr. Harrington was appointed as a director in October 2007. Mr. Harrington is currently self-employed as a business consultant and strategic advisor. He served as the Chairman, Chief Executive Officer, Chief Financial Officer, Treasurer and Secretary of Zone Mining Limited, a publicly-traded Nevada corporation, from August 2006 until January 2007. Mr. Harrington graduated with a B.S. from Yale University in 1980. As a result of these and other professional experiences, Mr. Harrington possesses particular knowledge and experience in corporate governance and financial management that strengthen the Board's collective qualifications, skills, and experience.

Jack Edwards. Mr. Edwards was appointed as a director in December 2011. Mr. Edwards is an independent business executive who since 2002 has been providing strategic, investment and operational advisory services to a broad range of corporate and private equity clients and boards. From 2001 through 2002, he was the President and Chief Executive Officer of American Medical Response, Inc., a provider of private ambulatory services. Prior to this, Mr. Edwards served as the President and Chief Executive Officer at a variety of logistics and freight-forwarding companies, including Danzas Corporation and ITEL Transportation Group. Previously he held senior executive positions at Circle International, American President Lines and The Southern Pacific Transportation Company. Mr. Edwards has served as a director of several publicly-held corporations, including Laidlaw Inc. (NYSE), ITEL Corp. (NYSE) and Sun Gro Horticulture Canada Ltd. (TSX) where he served as Chairman of the Board. Mr. Edwards currently serves as a director for Adelante Media Group and Zonar Systems. Mr. Edwards received a Bachelor of Science in Food Science and Technology from the University of California, Davis, and a Masters of Business Administration in Marketing from the University of Oregon. As a result of these and other professional experiences, Mr. Edwards possesses particular knowledge and experience in the transportation and logistics industry, along with business combinations and financial management, that strengthen the Board's collective qualifications, skills, and experience.

Richard P. Palmieri. Mr. Palmieri was appointed as a director in March 2014. Mr. Palmieri has been the Managing Director of ANR Partners, LLC, a Philadelphia-based management and financial consulting firm, since 2012. Prior to this, from 2007 to 2012, Mr. Palmieri served as the President and CEO of Canon Financial Services, Inc., the captive finance subsidiary of Canon USA. From 2003 to 2006, he was the President and CEO of Schneider Financial Services, a financial services subsidiary of a large, privately held transportation and logistics company. From 1998 to 2003, he served as a Managing Director and co-head of the Transportation and Logistics investment banking group at Credit Suisse Group. From 1993 to 1998, he served as a Managing Director and co-head of the Transportation and Logistics investment banking group at Deutsche Securities. Before this, he served in various finance and management positions at several large companies, including Whirlpool Financial Corporation, PacificCorp Credit, Commercial Credit Company and GE Capital. Mr. Palmieri received a Bachelor of Science in Accounting from Wagner College. As a result of these and other professional experiences, Mr. Palmieri possesses particular knowledge and experience in logistics and financial management that strengthen the Board's collective qualifications, skills, and experience.

Executive Officers

Dan Stegemoller. Mr. Stegemoller has served as our Senior Vice President and Chief Operating Officer of our subsidiary, Radiant Global Logistics, Inc. since August 2007, and previously held the position of Vice President, beginning November 2004, prior to the Company's acquisition of Airgroup. He has over 35 years of experience in the transportation industry. Prior to joining Airgroup, from 1973 through 1983, he served in numerous supervisory and management positions at FedEx. From 1983 through 2004, Mr. Stegemoller served in a variety of roles including Vice President of Customer Service managing a call center for Purolator/Emery Air/CF Airfreight, Director of Customer Service for First Data/American Express, Regional Director for Towne Air Freight, Senior Vice President of National

Account Sales for Forward Air, a high-service level contractor to the air cargo industry.

Todd E. Macomber. Mr. Macomber has served as our Senior Vice President and Chief Financial Officer since March 2011, as our Senior Vice President and Chief Accounting Officer since August 2010, and as our Vice President and Corporate Controller since December 2007. Prior to joining us, Mr. Macomber served as Senior Vice President and Chief Financial Officer of Biotrace International, Inc., a subsidiary of Biotrace International PLC, an industrial microbiology company listed on the London Stock Exchange. Mr. Macomber earned a Bachelor of Arts, emphasis in Accounting from Seattle University.

Robert L. Hines, Jr. Mr. Hines became our Senior Vice President, General Counsel and Secretary in May 2013. Prior to joining us, Mr. Hines, from 2004 to 2013, served as Managing/Principal Attorney for T-Mobile USA, Inc., the nation's fourth largest telecommunications carrier, where he supported machine-to-machine (IoT) sales, federal government sales, and multinational sales initiatives. Prior to that, he served in a variety of legal roles, including serving as the General Counsel and Secretary of Multiple Zones International (NASDAQ). He earned a Bachelor of Arts degree from the University of North Carolina at Chapel Hill and a Juris Doctor and Masters of Business Administration from Vanderbilt University.

Tim Boyce has served as our Chief Operating Officer of Rail and Truck Brokerage Operations since our acquisition of Wheels in April 2015. He came to Wheels on February 1, 2012 to serve as the Executive Vice President - Marketing and Sales, and was promoted to Chief Marketing Officer shortly thereafter. From October 2013 until April 2015, he served as President of Wheels' U.S. operations. Prior to joining Wheels, Mr. Boyce was employed by Canadian Pacific Railway where he served in various senior roles including General Manager - Sales and Marketing Domestic Intermodal. Prior to this, he was the Vice President - Sales and Marketing with Canpar Transport Ltd, a leading Canadian courier company, and TST (formerly TNT) Overland Express, a leading Canadian based LTL company serving customers across North America.

Peter Jamieson has served as our Senior Vice President and Country Manager (Canada) since our acquisition of Wheels in April 2015. Prior to this, Mr. Jamieson served as the Chief Operating Officer of Wheels since 2010 and a member of the Wheels board of directors. Prior to 2010, he served in various roles with Wheels since joining them in 1996. Prior to joining Wheels, Peter was a Director of Global Business Affairs for a multinational petro chemical company. Peter obtained a BA, Economics and Western Executive Program from the University of Western Ontario, Canada.

The information in the Proxy Statement set forth under the captions "Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information in the Proxy Statement set forth under the captions "Executive Compensation" is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information in the Proxy Statement set forth under the captions "Principal Stockholders" and "Executive Compensation — Securities authorized for Issuance under Equity Compensation Plans" is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information in the Proxy Statement set forth under the captions "Corporate Governance" is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information in the Proxy Statement set forth under the captions "Principal Accounting Fees and Services" is incorporated herein by reference.

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Explanation of Responses:

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) List of Documents Filed as part of this Report
(1) Index to Consolidated Financial Statements:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of June 30, 2015 and 2014

Consolidated Statements of Operations and Comprehensive Income for the years ended June 30, 2015 and 2014

Consolidated Statements of Stockholders' Equity for the years ended June 30, 2015 and 2014

Consolidated Statements of Cash Flows for the years ended June 30, 2015 and 2014

Notes to Consolidated Financial Statements

(2) Index to Financial Statement Schedules:

All schedules have been omitted because the required information is included in the consolidated financial statements or the notes thereto, or because it is not required.

(3) Index to Exhibits

See exhibits listed under the Exhibit Index below.

(b) Exhibits

			Incorporated by Reference			
Exhibit Number	Description	Filed Herewith	Form	Period Ending	Exhibit	Filing Date
2.1	Stock Purchase Agreement by and between Radiant Logistics, Inc., Radiant Transportation Services, Inc. and On Time Express, Inc.		8-K		2.1	10/4/13
2.2	Arrangement Agreement among Radiant Logistics, Inc., Radiant Global Logistics ULC and Wheels Group Inc.		8-K		2.1	1/23/15
2.3	Stock Purchase Agreement by and between Radiant Logistics, Inc. and Service by Air, Inc.		8-K		2.1	6/8/15
3.1	Certificate of Incorporation		SB-2		3.1	9/20/02
3.2			8-K		3.1	10/18/05

	Amendment to Registrant’s Certificate of Incorporation (Certificate of Ownership and Merger Merging Radiant Logistics, Inc. into Golf Two, Inc. dated October 18, 2005)				
3.3	Amended and Restated Bylaws	8-K		3.2	7/19/11
3.4	Certificate of Merger dated April 6, 2011 between DBA Distribution Services, Inc. and DBA Acquisition Corp.	8-K		2.3	4/12/11
3.5	Certificate of Amendment of Certificate of Incorporation	10-Q	12/31/12	3.1	2/12/13
3.6	Certificate of Designations, Preferences and Rights of 9.75% cumulative Redeemable Perpetual Preferred Stock	10-K/A	6/30/14	3.6	7/15/15
10.1	Executive Employment Agreement dated January 13, 2006 by and between Radiant Logistics, Inc. and Bohn H. Crain	8-K		10.7	1/18/06
10.2	Letter Agreement dated June 10, 2011; Amendment to the Employment Agreement between Radiant Logistics, Inc. and Bohn H. Crain	8-K		10.1	6/10/12
10.3	Employment Agreement dated effective November 15, 2011, by and between Radiant Global Logistics, Inc. and Jonathan Fuller	8-K		10.1	12/7/11
10.4	Employment Agreement dated May 14, 2012 by and between Radiant Logistics, Inc. and Dan Stegemoller	8-K		10.1	5/14/12

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Exhibit Number	Description	Filed Herewith	Incorporated by Reference Form	Period Ending	Exhibit	Filing Date
10.5	Employment Agreement dated May 14, 2012 by and between Radiant Logistics, Inc. and Todd Macomber		8-K		10.2	5/14/12
10.6	Employment Agreement dated April 26, 2013 by and between Radiant Logistics, Inc. and Robert L. Hines Jr.		8-K		10.1	4/30/13
10.7	Employment Agreement dated October 1, 2013 by and between On Time Express, Inc. and Bart Wilson.		8-K		10.1	10/4/13
10.8	Employment Agreement dated February 1, 2012 by and between Wheels Group Inc. and Tim Boyce.		8-K		10.4	4/8/15
10.9	Employment Agreement dated April 6, 2015 by and between Wheels Group Inc. and Peter Jamieson.		8-K		10.5	4/8/15
10.10	Employment Agreement dated October 1, 2013 by and between On Time Express, Inc. and Eric Kunz.		8-K		10.2	10/4/13
10.11	Operating Agreement of Radiant Logistics Partners, LLC dated June 28, 2006		8-K		10.4	5/14/12
10.12	Discretionary Management Incentive Compensation Plan effective July 1, 2012		8-K		10.5	5/14/12
10.13	Amendment and Restated Loan and Security Agreement dated April 2, 2015 by and among Radiant Logistics, Inc., Radiant Global Logistics, Inc., Radiant Transportation Services, Inc., Radiant Logistics Partners, LLC, Adcom Express, Inc., Radiant Customs Services, Inc., DBA Distribution Services, Inc., International Freight Systems Inc., Radiant Off-Shore Holdings LLC, Green Acquisition Company, Inc., On Time Express, Inc., Clipper Exxpress Company, Bluenose Finance LLC, Wheels MSM US, Inc., Radiant Trade Services, Inc. Radiant Global Logistics LTD., Wheels Group Inc., 1371482 Ontario Inc., Wheels MSM Canada Inc., 2062698 Ontario Inc., Associate Carriers Canada		8-K		10.1	4/8/15

	Inc., Wheels Associate Carriers Inc. and Bank of America, N.A.				
10.14	$29,000,000 Credit Facilities Loan Agreement dated April 2, 2015 by and among Wheels Group Inc. and Integrated Private Debt Fund IV LP.	8-K		10.2	4/8/15
10.15	Loan and Security Agreement dated April 2, 2015 by and among Radiant Logistics, Inc., Radiant Global Logistics, Inc., Radiant Transportation Services, Inc., Radiant Logistics Partners, LLC, Adcom Express, Inc., Radiant Customs Services, Inc., DBA Distribution Services, Inc., International Freight Systems Inc., Radiant Off-Shore Holdings LLC, Green Acquisition Company, Inc., On Time Express, Inc., Clipper Exxpress Company, Bluenose Finance LLC, Wheels MSM US, Inc., Radiant Trade Services, Inc. and Triangle Capital Corporation as Agent.	8-K		10.3	4/8/15
10.16	Sublease Agreement between Space Exploration Technologies Corp., and Radiant Logistics, Inc. dated December 20, 2012	10-Q	12/31/12	10.1	2/12/13
10.17	Lease Agreement between Jonda Hawthorne, LLC and DBA Distribution Services, Inc. dated February 25, 2008, as amended	10-Q	12/31/12	10.2	2/12/13

Exhibit Number	Description	Filed Herewith	Incorporated by Reference Form	Period Ending	Exhibit	Filing Date
10.18	Lease Agreement between Jonda Hawthorne, LLC and DBA Distribution Services, Inc. dated March 15, 2004, as amended		10-Q	12/31/12	10.3	2/12/13
10.19	Form of Incentive Stock Option Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan		10-Q	12/31/12	10.5	2/12/13
10.20	Form of Non-qualified Stock Option Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan		10-Q	12/31/12	10.6	2/12/13
10.21	Form of Restricted Stock Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan		10-Q	12/31/12	10.7	2/12/13
10.22	Form of SAR Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan		10-Q	12/31/12	10.8	2/12/13
10.23	Form of Restricted Stock Unit Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan		10-Q	12/31/12	10.9	2/12/13
10.24	Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan		DEF 14A		Annex A	10/9/12
14.1	Code of Business Conduct and Ethics		10-KSB		14.1	3/17/06
21.1	Subsidiaries of the Registrant		10-K	6/30/15	21.1	9/28/15
23.1	Consent of Peterson Sullivan LLP		10-K	6/30/15	23.1	9/28/15
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the	X				

	Sarbanes-Oxley Act of 2002					
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
101.INS	XBRL Instance		10-K/A	6/30/15	101.INS	9/29/15
101.SCH	XBRL Taxonomy Extension Schema		10-K/A	6/30/15	101.SCH	9/29/15
101.CAL	XBRL Taxonomy Extension Calculation		10-K/A	6/30/15	101.CAL	9/29/15
101.DEF	XBRL Taxonomy Extension Definition		10-K/A	6/30/15	101.DEF	9/29/15
101.LAB	XBRL Taxonomy Extension Label		10-K/A	6/30/15	101.LAB	9/29/15
101.PRE	XBRL Taxonomy Extension Presentation		10-K/A	6/30/15	101.PRE	9/29/15

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RADIANT LOGISTICS, INC.

Date: March 14, 2016	By:	/s/ Bohn H. Crain
		Bohn H. Crain
		Chief Executive Officer
		(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Stephen P. Harrington Stephen P. Harrington	Director	March 14, 2016
/s/ Jack Edwards Jack Edwards	Director	March 14, 2016
/s/ Richard P. Palmieri Richard P. Palmieri	Director	March 14, 2016
/s/ Bohn H. Crain Bohn H. Crain	Chairman and Chief Executive Officer (Principal Executive Officer)	March 14, 2016
/s/ Todd E. Macomber Todd E. Macomber	Senior Vice President and Chief Financial Officer (Principal Accounting Officer)	March 14, 2016

FINANCIAL STATEMENTS

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RADIANT LOGISTICS, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Audit Committee of the Board of Directors

Radiant Logistics, Inc.

Bellevue, Washington

We have audited the accompanying consolidated balance sheets of Radiant Logistics, Inc. (“the Company”) as of June 30, 2015 and 2014, and the related consolidated statements of operations and comprehensive income, stockholders’ equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The Company has determined that it is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Radiant Logistics, Inc. as of June 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

/S/ PETERSON SULLIVAN LLP

Peterson Sullivan LLP

Seattle, Washington

September 28, 2015

RADIANT LOGISTICS, INC.

Consolidated Balance Sheets

	June 30, 2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$7,268,144	$2,880,205
Accounts receivable, net of allowance of $1,551,202 and $1,034,934, respectively	127,348,546	65,066,555
Current portion of employee and other receivables	110,728	232,791
Income tax deposit	4,102,191	—
Prepaid expenses and other current assets	5,671,872	2,926,431
Deferred tax asset	1,977,433	925,208
Total current assets	146,478,914	72,031,190
Furniture and equipment, net	13,175,890	1,265,107
Acquired intangibles, net	82,954,682	15,041,988
Goodwill	63,089,222	28,247,003
Employee and other receivables, net of current portion	5,000	22,070
Deposits and other assets	3,002,492	617,093
Total long-term assets	149,051,396	43,928,154
Total assets	$308,706,200	$117,224,451
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued transportation costs	$92,735,266	$45,510,140
Commissions payable	9,449,047	5,569,671
Other accrued costs	7,022,242	2,517,415
Income taxes payable	—	436,328
Due to former shareholders of acquired operations	683,593	—
Current portion of notes payable	543,086	—
Current portion of contingent consideration	1,872,000	1,541,000
Current portion of transition and lease termination liability	282,849	319,826
Other current liabilities	297,727	—
Total current liabilities	112,885,810	55,894,380
Notes payable, net of current portion	85,892,515	7,243,371
Contingent consideration, net of current portion	5,741,000	9,626,000
Transition and lease termination liability, net of current portion	923	198,502
Deferred rent liability	1,143,749	560,248
Deferred tax liability	17,544,417	2,774,506
Other long-term liabilities	1,004,812	2,610
Total long-term liabilities	111,327,416	20,405,237
Total liabilities	224,213,226	76,299,617

Stockholders' equity:		
Preferred stock, $0.001 par value, 5,000,000 shares authorized; 839,200 shares issued and outstanding, liquidation preference of $20,980,000	839	839
Common stock, $0.001 par value, 100,000,000 shares authorized; 42,563,224 and 34,326,308 shares issued and outstanding, respectively	24,018	15,781
Additional paid-in capital	74,658,960	34,558,785
Deferred compensation	(4,166)	(9,209)
Retained earnings	10,146,282	6,317,473
Accumulated other comprehensive loss	(394,547)	—
Total Radiant Logistics, Inc. stockholders' equity	84,431,386	40,883,669
Non-controlling interest	61,588	41,165
Total stockholders' equity	84,492,974	40,924,834
Total liabilities and stockholders' equity	$308,706,200	$117,224,451

The accompanying notes form an integral part of these consolidated financial statements.

RADIANT LOGISTICS, INC.

Consolidated Statements of Operations and Comprehensive Income

	Year Ended June 30,	
	2015	2014
Revenues	$502,664,981	$349,133,058
Cost of transportation	378,942,137	249,897,847
Net revenues	123,722,844	99,235,211
Operating partner commissions	60,355,824	53,654,531
Personnel costs	34,225,627	21,836,922
Selling, general and administrative expenses	15,384,020	10,728,131
Depreciation and amortization	6,358,847	4,532,135
Transition and lease termination costs	769,541	—
Change in contingent consideration	(3,921,222)	(2,040,567)
Total operating expenses	113,172,637	88,711,152
Income from operations	10,550,207	10,524,059
Other income (expense):		
Interest income	16,701	8,091
Interest expense	(1,873,140)	(1,194,303)
Loss on write-off of debt discount	—	(1,238,409)
Foreign exchange loss	(738,858)	(27,563)
Other	16,429	191,945
Total other expense	(2,578,868)	(2,260,239)
Income before income tax expense	7,971,339	8,263,820
Income tax expense	(2,016,557)	(3,081,865)
Net income	5,954,782	5,181,955
Less: Net income attributable to non-controlling interest	(80,423)	(63,642)
Net income attributable to Radiant Logistics, Inc.	5,874,359	5,118,313
Less: Preferred stock dividends	(2,045,550)	(1,091,275)
Net income attributable to common stockholders	$3,828,809	$4,027,038
Other comprehensive income (loss):		
Foreign currency translation loss	(394,547)	—
Comprehensive income	$3,434,262	$4,027,038
Net income per common share:		
Basic	$0.11	$0.12
Diluted	$0.10	$0.11

Weighted average shares outstanding:		
Basic shares	36,446,778	33,716,367
Diluted shares	38,021,511	35,458,401

The accompanying notes form an integral part of these consolidated financial statements.

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RADIANT LOGISTICS, INC.

Consolidated Statements of Stockholders’ Equity

	RADIANT LOGISTICS, INC. STOCKHOLDERS' EQUITY									
					Additional			Accumulated Other	Non-	Total
	Preferred Stock		Common Stock		Paid-in	Deferred	Retained	Comprehensive	Controlling	Stockholders'
	Shares	Amount	Shares	Amount	Capital	Compensation	Earnings	Loss	Interest	Equity
Balance as of June 30, 2013	—	$—	33,348,166	$14,803	$13,873,157	$(14,252)	$1,943,530	$—	$67,523	$15,884,761
Issuance of 9.75% Series A Cumulative Redeemable Perpetual Preferred Stock at $25.00 per share, net of underwriting and offering costs of $1,659,341	839,200	839	—	—	19,319,820	—	—	—	—	19,320,659
Issuance of common stock to former On Time shareholders at $2.11 per share	—	—	237,320	237	499,763	—	—	—	—	500,000
Issuance of common stock to former ISLA shareholders at $2.21 per share	—	—	26,188	26	57,812	—	—	—	—	57,838
Issuance of common stock to former Phoenix Cartage	—	—	17,083	17	49,983	—	—	—	—	50,000

shareholders t $2.93 per hare										
hare-based ompensation	—	—	—	—	661,055	—	—	—	—	661,055
mortization of eferred ompensation	—	—	—	—	—	5,043	—	—	—	5,043
ashless xercise of tock options	—	—	697,551	698	(885,513)	—	—	—	—	(884,815
ax benefit rom exercise of tock options	—	—	—	—	982,708	—	—	—	—	982,708
referred ividends paid	—	—	—	—	—	—	(744,370)	—	—	(744,370
istribution to on-controlling nterest	—	—	—	—	—	—	—	—	(90,000)	(90,000
et income	—	—	—	—	—	—	5,118,313	—	63,642	5,181,955
alance as of une 30, 2014	839,200	$839	34,326,308	$15,781	$34,558,785	$(9,209)	$6,317,473	$—	$41,165	$40,924,834
ssuance of ommon stock o former TNI hareholders at $3.08 per hare	—	—	16,218	16	49,984	—	—	—	—	50,000
ssuance of ommon stock o former On ime shareholders t $3.84 per hare	—	—	52,452	52	201,110	—	—	—	—	201,162
ssuance of ommon stock o former DCA hareholders at $3.90 per hare	—	—	43,221	43	168,707	—	—	—	—	168,750
ssuance of ommon stock o Operating artner	—	—	56,819	57	108,553	—	—	—	—	108,610
ssuance of ommon stock o former	—	—	6,900,000	6,900	38,840,100	—	—	—	—	38,847,000

Vheels' shareholders t $5.63 per hare										
ssuance of ommon stock o former Highways shareholders t $5.40 per hare	—	—	27,799	28	149,972	—	—	—	—	150,000
hare-based ompensation	—	—	—	—	1,110,317	—	—	—	—	1,110,317
Amortization of eferred ompensation	—	—	—	—	—	5,043	—	—	—	5,043
Cashless xercise of tock options	—	—	1,140,407	1,141	(3,784,487)	—	—	—	—	(3,783,346
Tax benefit rom exercise of tock options	—	—	—	—	3,255,919	—	—	—	—	3,255,919
Preferred ividends paid	—	—	—	—	—	—	(2,045,550)	—	—	(2,045,550
Distribution to on-controlling nterest	—	—	—	—	—	—	—	—	(60,000)	(60,000
Net income	—	—	—	—	—	—	5,874,359	—	80,423	5,954,782
Comprehensive oss	—	—	—	—	—	—	—	(394,547)	—	(394,547
Balance as of une 30, 2015	839,200	$839	42,563,224	$24,018	$74,658,960	$(4,166)	$10,146,282	$(394,547)	$61,588	$84,492,974

The accompanying notes form an integral part of these consolidated financial statements.

RADIANT LOGISTICS, INC.

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2015	2014
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Net income	$5,954,782	$5,181,955
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
share-based compensation expense	1,115,360	666,098
amortization of intangibles	5,394,306	4,013,175
depreciation and leasehold amortization	964,541	518,960
deferred income tax benefit	(1,756,025)	(439,971)
amortization of loan fees and original issue discount	145,010	203,003
change in contingent consideration	(3,921,222)	(2,040,567)
loss on write-off of debt discount	—	1,238,409
transition and lease termination costs	523,586	—
loss on disposal of fixed assets	56,219	—
recovery of provision for doubtful accounts	(169,583)	(410,712)
CHANGE IN OPERATING ASSETS AND LIABILITIES:		
accounts receivable	(3,289,498)	(9,380,256)
employee and other receivables	140,220	170,695
income tax deposit and income taxes payable	(4,252,354)	125,689
prepaid expenses, deposits and other assets	(691,317)	(320,186)
accounts payable and accrued transportation costs	779,036	8,147,051
commissions payable	1,438,376	(516,653)
other accrued costs	464,384	93,535
other liabilities	(349,126)	(857)
deferred rent liability	247,049	(23,153)
lease termination liability	(743,029)	(292,521)
Net cash provided by operating activities	2,050,715	6,933,694
CASH FLOWS USED FOR INVESTING ACTIVITIES:		
Acquisitions during the fiscal year, net of cash acquired	(44,031,165)	(7,452,056)
Purchase of furniture and equipment	(4,091,898)	(237,733)
Proceeds from sale of furniture and equipment	233,150	—
Payments to former shareholders of acquired operations	—	(1,311,775)
Net cash used for investing activities	(47,889,913)	(9,001,564)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:		
Proceeds from (repayments to) credit facility, net of credit fees	30,566,353	(1,633,612)
Proceeds from notes payable	25,547,730	—
Payment of loan fees	(1,352,723)	—
Repayment of notes payable	—	(12,767,091)
Proceeds from preferred stock, net of offering costs	—	19,320,659

Payments of shelf registration costs	(158,483)	—
Payments of contingent consideration	(1,456,826)	(259,596)
Payment of preferred stock dividends	(2,045,550)	(744,370)
Distributions to non-controlling interest	(60,000)	(90,000)
Proceeds from sale of common stock	108,610	—
Payment of employee tax withholdings related to cashless stock option exercises	(3,783,346)	(884,815)
Tax benefit from exercise of stock options	3,255,919	982,708
Net cash provided by financing activities	50,621,684	3,923,883
Effect of exchange rate changes on cash and cash equivalents	(394,547)	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,387,939	1,856,013
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,880,205	1,024,192
CASH AND CASH EQUIVALENTS, END OF PERIOD	$7,268,144	$2,880,205
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Income taxes paid	$2,764,249	$2,493,092
Interest paid	$1,596,198	$1,260,219

(continued)

Supplemental disclosure of non-cash investing and financing activities:

In October 2013, the Company issued 237,320 shares of common stock at a fair value of $2.11 per share in satisfaction of $500,000 of the On Time Express, Inc. purchase price, resulting in a decrease to the amount due to former shareholders of acquired operations, an increase to common stock of $237 and an increase to additional paid-in capital of $499,763.

In March 2014, the Company issued 26,188 shares of common stock at a fair value of $2.21 per share in satisfaction of $57,838 of the ISLA International, Ltd. earn-out payment for the year ended June 30, 2013, resulting in a decrease to the amount due to former shareholders of acquired operations, an increase to common stock of $26 and an increase to additional paid-in capital of $57,812.

In March 2014, the Company issued 17,083 shares of common stock at a fair value of $2.93 per share in satisfaction of $50,000 of the Phoenix Cartage and Air Freight, LLC purchase price, resulting in a decrease to the amount due to former shareholders of acquired operations, an increase to common stock of $17 and an increase to additional paid-in capital of $49,983.

In September 2014, the Company issued 16,218 shares of common stock at a fair value of $3.08 per share in satisfaction of $50,000 of the Trans-Net, Inc. purchase price, resulting in an increase to common stock of $16 and an increase to additional paid-in capital of $49,984.

In November 2014, the Company issued 52,452 shares of common stock at a fair value of $3.84 per share in satisfaction of $201,162 of the On Time Express, Inc. earn-out payment for the year ended June 30, 2014, resulting in a decrease to the current portion of contingent consideration, an increase to common stock of $52 and an increase to additional paid-in capital of $201,110.

In December 2014, the Company issued 43,221 shares of common stock at a fair value of $3.90 per share in satisfaction of $168,750 of the Don Cameron & Associates, Inc. purchase price, resulting in an increase to common stock of $43 and an increase to additional paid-in capital of $168,707.

In April 2015, the Company issued 6,900,000 shares of common stock at a fair value of $5.63 per share in satisfaction of the Wheels Group Inc. purchase price, resulting in an increase to common stock of $6,900 and an increase to additional paid-in capital of $38,840,100.

In June 2015, the Company issued 27,799 shares of common stock at a fair value of $5.40 per share in satisfaction of $150,000 of the Highways and Skyways, Inc. purchase price, resulting in an increase to common stock of $28 and an increase to additional paid-in capital of $149,972.

The accompanying notes form an integral part of these consolidated financial statements.

Explanation of Responses:

RADIANT LOGISTICS, INC.

Notes to the Consolidated Financial Statements

NOTE 1 – THE COMPANY AND BASIS OF PRESENTATION

The Company

Radiant Logistics, Inc. (the "Company") operates as a third party logistics company, providing multi-modal transportation and logistics services primarily in the United States and Canada. The Company services a large and diversified account base consisting of consumer goods, food and beverage, manufacturing and retail customers which it supports from an extensive network of over 150 operating locations across North America. The Company provides these services through a multi-brand network comprised of approximately 31 Company owned offices and 128 locations operated by its independent agents, as well as an integrated international service partner network located in other key markets around the globe. As a third party logistics company, the Company has approximately 10,000 asset-based transportation companies, including motor carriers, railroads, airlines and ocean lines in its carrier network. The Company believes shippers value its services because it is able to objectively arrange the most efficient and cost-effective means, type and provider of transportation service since it is not influenced by the ownership of transportation assets. In addition, the Company's minimal investment in physical assets affords it the opportunity for higher return on invested capital and net cash flows than the Company's asset-based competitors.

Through its operating locations across North America, the Company offers domestic and international air and ocean freight forwarding services and freight brokerage services including truckload services, less than truckload services; and intermodal services, which is the movement of freight in trailers or containers by combination of truck and rail. The Company's primary business operations involve arranging the shipment, on behalf of its customers, of materials, products, equipment and other goods that are generally larger than shipments handled by integrated carriers of primarily small parcels, such as FedEx, DHL and UPS, including arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. The Company also provides other value-added logistics services, including customs brokerage, order fulfillment, inventory management and warehousing services to complement its core transportation service offering.

The Company expects to grow its business organically and by completing acquisitions of other companies with complementary geographical and logistics service offerings. The Company's organic growth strategy will continue to focus on strengthening existing and expanding new customer relationships leveraging the benefit of the Company's new truck brokerage and intermodal service offerings, while continuing its efforts on the organic build-out of the Company's network of strategic operating partner locations. In addition, as the Company continues to grow and scale the business, the Company is creating density in its trade lanes which creates opportunities for the Company to more efficiently source and manage our transportation capacity.

In addition to its focus on organic growth, it will continue to search for acquisition candidates that bring critical mass from a geographic standpoint, purchasing power and/or complementary service offerings to the current platform. As the Company continues to grow and scale the business, it remains focused on leveraging its back-office infrastructure to drive productivity improvement across the organization.

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as well as a single variable interest entity, Radiant Logistics Partners, LLC ("RLP"), which is 40% owned by Radiant Global Logistics, Inc ("RGL"), and 60% owned by Radiant Capital Partners, LLC ("RCP", see Note 8), an affiliate of Bohn H. Crain, the Company's Chief Executive Officer, whose accounts are included in the consolidated financial statements. All significant intercompany balances and transactions have been eliminated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates

The preparation of financial statements and related disclosures in accordance with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates include revenue recognition, accruals for the cost of purchased transportation, the fair value of acquired assets and liabilities, changes in contingent consideration, accounting for the issuance of shares and share-based compensation, the assessment of the recoverability of long-lived assets and goodwill, and the establishment of an allowance for doubtful accounts. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the period that they are determined to be necessary. Actual results could differ from those estimates.

b) Fair Value Measurements
In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

c) Fair Value of Financial Instruments
The carrying values of the Company's receivables, accounts payable and accrued transportation costs, commissions payable, and other accrued costs approximate the fair values due to the relatively short maturities of these instruments. The carrying value of the Company's credit facility and other long-term liabilities would not differ significantly from fair value (based on Level 2 inputs) if recalculated based on current interest rates. Contingent consideration attributable to the Company's acquisitions are reported at fair value using Level 3 inputs.

d) Cash and Cash Equivalents
For purposes of the statements of cash flows, cash equivalents include all highly liquid investments with original maturities of three months or less that are not securing any corporate obligations. Cash balances may at times exceed federally insured limits. Checks issued by the Company that have not yet been presented to the bank for payment are reported as accounts payable and commissions payable in the accompanying consolidated balance sheets. Accounts payable and commissions payable includes outstanding payments which had not yet been presented to the bank for payment in the amounts of $3,137,103 and $3,837,619 as of June 30, 2015 and 2014, respectively.

e) Concentrations
The Company maintains its cash in bank deposit accounts that, at times, may exceed federally-insured limits. The Company has not experienced any losses in such accounts.

f) Accounts Receivable
The Company's receivables are recorded when billed and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The Company evaluates the collectability of accounts receivable on a customer-by-customer basis. The Company records a reserve for bad debts against amounts due to reduce the net recognized receivable to an amount the Company believes will be reasonably collected. The reserve is a discretionary amount determined from the analysis of the aging of the accounts receivables, historical experience and knowledge of specific customers.

The Company derives a substantial portion of its revenue through independently-owned strategic operating partner locations operating under the various Company brands. Each individual strategic operating partner is responsible for some or all of the bad debt expense related to the underlying customers being serviced by the office. To facilitate this arrangement, certain strategic operating partners are required to maintain a security deposit with the Company that is recognized as a liability in the Company's financial statements. The Company charges each individual strategic operating partner's bad debt reserve account for any accounts receivable aged beyond 90 days. However, the bad debt reserve account may carry a deficit balance when amounts charged to this reserve exceed amounts otherwise available in the bad debt reserve account. In these circumstances, deficit bad debt reserve accounts, as well as other deficit balances owed to us by our strategic operating partners, are recognized as a receivable in the Company's financial statements. Other strategic operating partners are not responsible to establish a bad debt reserve, however, they are still responsible for deficits and their strategic operating partner agreements provide that the Company may withhold all or a portion of future commission checks payable to the individual operating partner in satisfaction of any deficit balance. Currently, a number of the Company's operating partners have a deficit balance in their bad debt reserve

account. The Company expects to replenish these funds through the future business operations of these operating partners. However, to the extent any of these operating partners were to cease operations or otherwise be unable to replenish these deficit accounts, the Company would be at risk of loss for any such amount.

g) Furniture and Equipment

Technology (computer software, hardware, and communications), furniture, and equipment are stated at cost, less accumulated depreciation over the estimated useful lives of the respective assets. Depreciation is computed using three to fifteen year lives for vehicles, communication, office, furniture, and computer equipment using the straight line method of depreciation. Computer software

is depreciated over a three year life using the straight line method of depreciation. For leasehold improvements, the cost is depreciated over the shorter of the lease term or useful life on a straight line basis. Upon retirement or other disposition of these assets, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected in other income or expense. Expenditures for maintenance, repairs and renewals of minor items are charged to expense as incurred. Major renewals and improvements are capitalized.

h) Goodwill

Goodwill represents the excess of purchase price over the value assigned to the net tangible and identifiable intangible assets of a business acquired. The Company typically performs its annual goodwill impairment test effective as of April 1 of each year, unless events or circumstances indicate impairment may have occurred before that time. The Company assesses qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. After assessing qualitative factors, the Company determined that no further testing was necessary. If further testing was necessary, the Company would have performed a two-step impairment test for goodwill. The first step requires the Company to determine the fair value of each reporting unit, and compare the fair value to the reporting unit's carrying amount. The Company had only one reporting unit as of April 1, 2015. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and the Company must perform a second more detailed impairment assessment. The second impairment assessment involves allocating the reporting unit's fair value to all of its recognized and unrecognized assets and liabilities in order to determine the implied fair value of the reporting unit's goodwill as of the assessment date. The implied fair value of the reporting unit's goodwill is then compared to the carrying amount of goodwill to quantify an impairment charge as of the assessment date. As of June 30, 2015, management believes there are no indications of impairment.

The table below reflects changes in goodwill for the years ending June 30:

	June 30, 2015	2014
Goodwill, beginning of year	$28,247,003	$15,952,544
Wheels acquisition	28,524,922	—
SBA acquisition	4,626,273	—
OTE acquisition	—	10,892,459
Other acquisitions	1,691,024	1,402,000
Goodwill, end of year	$63,089,222	$28,247,003

i) Long-Lived Assets

Acquired intangibles consist of customer related intangibles, trade names and trademarks, and non-compete agreements arising from the Company's acquisitions. Customer related intangibles are amortized using the straight-line method over a period of up to 10 years, trademarks and trade names are amortized using the straight line method over 15 years, and non-compete agreements are amortized using the straight line method over the term of the underlying agreements. During the fourth quarter of 2015 the Company evaluated the amortizable life used for customer related intangibles and determined that to better reflect the expected future cash flows of those assets, the lives were extended from five years to a range of up to 10 years. This change in estimate, effective as of April 1, 2015, was accounted for prospectively. This change lowered amortization expense $600,000, increasing earnings per basic and diluted share approximately $.01, for the year ended June 30, 2015.

The Company reviews long-lived assets to be held-and-used for impairment whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. If the sum of the undiscounted expected future cash flows over the remaining useful life of a long-lived asset is less than its carrying amount, the asset is considered to be impaired. Impairment losses are measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell. Management has performed a review of all long-lived assets and has determined no impairment of the respective carrying value has occurred as of June 30, 2015.

j) Business Combinations

The Company accounts for business combinations using the purchase method of accounting and allocates the purchase price to the tangible and intangible assets acquired and the liabilities assumed based upon their estimated fair values at the acquisition date. The

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difference between the purchase price and the fair value of the net assets acquired is recorded as goodwill. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, the estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of income.

The fair values of intangible assets acquired are estimated using a discounted cash flow approach with Level 3 inputs. Under this method, an intangible asset's fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life. To calculate fair value, the Company uses risk-adjusted cash flows discounted at rates considered appropriate given the inherent risks associated with each type of asset. The Company believes the level and timing of cash flows appropriately reflects market participant assumptions.

The Company determines the acquisition date fair value of the contingent consideration payable based on the likelihood of paying the contingent consideration as part of the consideration transferred. The fair value is estimated using projected future operating results and the corresponding future earn-out payments that can be earned upon the achievement of specified operating objectives and financial results by our acquired companies using Level 3 inputs and the amounts are then discounted to present value. These liabilities are measured quarterly at fair value, and any change in the contingent liability is included in the consolidated statements of income.

k) Commitments

The Company has operating lease commitments for equipment rentals, office space, and warehouse space under non-cancelable operating leases expiring at various dates through May 2021. Rent expense is recognized straight line over the term of the lease. Minimum future lease payments (excluding the lease payments included in the lease termination liability) under these non-cancelable operating leases for the next five fiscal years ending June 30 and thereafter are as follows:

2016	$5,277,048
2017	4,642,041
2018	3,136,454
2019	2,383,430
2020	1,294,964
Thereafter	789,485
Total minimum lease payments	$17,523,422

Rent expense amounted to $2,750,070 and $1,868,797 for the years ended June 30, 2015 and 2014.

l) Lease Termination and Transition Costs

Lease termination costs consist of expenses related to future rent payments for which we no longer intend to receive any economic benefit. A liability is recorded when we cease to use leased space. Lease termination costs are calculated as the present value of lease payments, net of expected sublease income, and the loss on disposition of assets. Transition costs consist of certain nonrecurring personnel costs that will be eliminated in connection with the winding-down of the historical back-office of SBA estimated at $158,358, as well as the periodic expense of retention

bonuses, estimated to be $685,000, which is being expensed over the requisite service period.

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The transition and lease termination liability consists of the following:

	Lease Termination Costs	Severance Costs	Non-recurring Personnel Costs	Total
Balance as of June 30, 2013	$ 810,849	$ —	$ —	$ 810,849
Payments and other	(292,521)	—	—	(292,521)
Balance as of June 30, 2014	518,328	—	—	518,328
Lease termination and transition costs	582,683	28,500	158,358	769,541
Payments and other	(845,739)	—	(158,358)	(1,004,097)
Balance as of June 30, 2015	$ 255,272	$ 28,500	$ —	$ 283,772

m) 401(k) Savings Plan
The Company has employee savings plans under which the Company provides safe harbor matching contributions. During the years ended June 30, 2015 and 2014, the Company's contributions under the plans were $523,673 and $343,209, respectively.

n) Income Taxes
Deferred income taxes are reported using the asset and liability method. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company reports a liability for unrecognized tax benefits resulting from uncertain income tax positions taken or expected to be taken in an income tax return. Estimated interest and penalties, if any, are recorded as a component of interest expense or other expense, respectively.

o) Revenue Recognition and Purchased Transportation Costs
The Company is the primary obligor responsible for providing the service desired by the customer and is responsible for fulfillment, including the acceptability of the service(s) ordered or purchased by the customer. At the Company's sole discretion, it sets the prices charged to its customers, and is not required to obtain approval or consent from any other party in establishing its prices. The Company has multiple suppliers for the services it sells to its customers, and has the absolute and complete discretion and right to select the supplier that will provide the product(s) or service(s) ordered by a customer, including changing the supplier on a shipment-by-shipment basis. In most cases, the Company determines the nature, type, characteristics, and specifications of the service(s) ordered by the customer. The Company also assumes credit risk for the amount billed to the customer.

As a non-asset based carrier, the Company generally does not own transportation assets. The Company generates the major portion of its freight forwarding revenues by purchasing transportation services from direct (asset-based) carriers and reselling those services to its customers. Based upon the terms in the contract of carriage, revenues related to shipments where the Company issues a House Airway Bill or a House Ocean Bill of Lading are recognized at the time the freight is tendered to the direct carrier at origin net of duties and taxes. Costs related to the shipments are also

recognized at this same time based upon anticipated margins, contractual arrangements with direct carriers, and other known factors. The estimates are routinely monitored and compared to actual invoiced costs. The estimates are adjusted as deemed necessary by the Company to reflect differences between the original accruals and actual costs of purchased transportation.

This method generally results in recognition of revenues and purchased transportation costs earlier than the preferred methods under GAAP which does not recognize revenue until a proof of delivery is received or which recognizes revenue as progress on the transit is made. The Company’s method of revenue and cost recognition does not result in a material difference from amounts that would be reported under such other methods.

All other revenue, including revenue from other value-added services including brokerage services, warehousing and fulfillment services, is recognized upon completion of the service.

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p) Share-Based Compensation

The Company has issued restricted stock awards and stock options to certain directors, officers and employees. The Company accounts for share-based compensation under the fair value recognition provisions such that compensation cost is measured at the grant date based on the value of the award and is expensed ratably over the vesting period. Determining the fair value of share-based awards at the grant date requires judgment, including estimating the percentage of awards that will be forfeited, stock volatility, the expected life of the award, and other inputs. If actual forfeitures differ significantly from the estimates, share-based compensation expense and the Company's results of operations could be materially impacted. The Company issues new shares of common stock to satisfy exercises and vesting of awards granted under our stock plan.

The Company recorded share-based compensation expense of $1,115,360 and $666,098 for the years ended June 30, 2015 and 2014, respectively.

q) Basic and Diluted Income Per Share

Basic income per share is computed by dividing net income attributable to common stockholders by the weighted average number of common shares outstanding. Diluted income per share is computed similar to basic income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares, such as stock awards and stock options, had been issued and if the additional common shares were dilutive.

For the year ended June 30, 2015, the weighted average outstanding number of potentially dilutive common shares totaled 38,021,511 shares of common stock, including unvested restricted stock awards and options to purchase 4,514,464 shares of common stock as of June 30, 2015, of which 918,290 were excluded as their effect would have been antidilutive. For the year ended year ended June 30, 2014, the weighted average outstanding number of potentially dilutive common shares totaled 35,458,401 shares of common stock, including unvested restricted stock awards and options to purchase 5,132,735 shares of common stock as of June 30, 2014, of which 1,465,317 were excluded as their effect would have been antidilutive.

The following table reconciles the numerator and denominator of the basic and diluted per share computations for earnings per share as follows:

	Year ended June 30,	
	2015	2014
Weighted average basic shares outstanding	36,446,778	33,716,367
Dilutive effect of share-based awards	1,574,733	1,742,034
Weighted average dilutive shares outstanding	38,021,511	35,458,401

r) Foreign Currency Translation

For the Company's significant foreign subsidiaries that prepare financial statements in currencies other than U.S. dollars, the local currency is the functional currency. All assets and liabilities are translated at year-end exchange rates and all income statement amounts are translated at the weighted average rates for the period. Translation adjustments are recorded in accumulated other comprehensive (loss) income. Gains and losses on transactions of monetary items are recognized in the consolidated statements of income.

s) Reclassifications

Certain amounts for prior periods have been reclassified in the consolidated financial statements to conform to the classification used in fiscal year 2015.

t) Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The guidance is effective for annual and interim periods beginning after December 15, 2017, and early adoption is not permitted. The Company is currently evaluating the impact, if any, that the adoption of this guidance will have on the Company's consolidated financial statements and related disclosures.

In April 2015, the FASB issued ASU 2015-03, Imputation of Interest, requiring entities to present debt issuance costs related to a debt liability as a reduction of the carrying amount of that liability. In August 2015, the FASB issued ASU 2015-15 to provide additional guidance related to debt issuance costs related to line-of-credit arrangements. The guidance is effective for annual and interim periods beginning after December 15, 2015, and early adoption is permitted. The Company is currently evaluating the impact, if any, that the adoption of this guidance will have on the Company's consolidated financial statements and related disclosures.

NOTE 3 – BUSINESS ACQUISITIONS

Fiscal Year 2015 Acquisitions

Wheels Group, Inc.

On April 2, 2015, the Company acquired the outstanding stock of Wheels Group, Inc ("Wheels"). Under an Arrangement Agreement (the "Arrangement"), the Company purchased Wheels for approximately $26.9 million in cash and 6,900,000 shares of common stock. The Company is also responsible for a portion of Wheels' transaction costs, in addition to its own costs. Wheels is one of the largest third party logistics providers in Canada. Wheels, founded in 1988, provides truck brokerage and intermodal services throughout the United States and Canada along with value added warehouse and distribution service offerings in support of U.S. shippers looking to access the Canadian markets. Wheels, now formally amalgamated into Wheels International, Inc., provides these services primarily to the food and beverage, consumer packaged goods, frozen foods and refrigerated product, and building products industries. The goodwill recognized is attributed to a larger geographic footprint and an increased service line expansion and is not deductible for tax purposes. The results of operations for Wheels are included in the Company's financial statements as of the date of purchase. The Company filed financial statements and pro forma financial information on form 8-K/A with the Securities and Exchange Commission on April 27, 2015.

Service by Air, Inc.

On June 8, 2015, the Company acquired the outstanding stock of Service by Air, Inc. ("SBA"), a privately-held New York corporation founded in 1976. SBA is a domestic and international freight forwarder serving manufacturers, distributors and retailers through a combination of three company-owned operating locations and forty independent operating partners across North America. The base purchase price is approximately $12.25 million, consisting of $11.4 million paid in cash at closing, and $.85 million payable net of working capital and other holdbacks. The goodwill recognized is attributable primarily to the expected cost synergies associated with eliminating redundancies and migrating back-office operations of SBA to the Company and is not deductible for tax purposes. The results of operations for SBA are included in the Company's financial statements as of the date of purchase.

Other acquisitions

On September 1, 2014, through a wholly-owned subsidiary, the Company acquired the assets and operations of Trans-Net, Inc. ("TNI"), a privately-held company based in Issaquah, Washington. TNI has extensive experience providing integrated project logistics solutions in key Russian oil, gas, mining and infrastructure development markets. On December 15, 2014, through a wholly-owned subsidiary, the Company acquired the assets and operations of Don Cameron & Associates, Inc. ("DCA"), a privately-held company based in Minneapolis, Minnesota. DCA has extensive experience providing a full range of domestic and international transportation and logistics services across North America to the med-tech, advertising/marketing, pharmaceutical, and trade show industries. Effective as of June 1, 2015, through a wholly-owned subsidiary, the company acquired the stock of Highways and Skyways, Inc.

(“Highways”), a privately-held company based near Cincinnati, Ohio. Highways services a full range of domestic and international transportation and logistics services to manufacturing, apparel, paper products, medical devices, consumer products and technology industries. Each of the TNI, DCA and Highways acquisitions include earn-out payments that are payable upon achieving certain earnings up to a maximum contingent consideration of $6.5 million, although there are no maximums on certain of the earn-out payments.

Each of the TNI, DCA and Highways acquisitions were financed with proceeds from the Company’s Credit Facility (as defined in Note 6), and the transactions were structured using cash, stock, and earn-out payments. The goodwill recorded is expected to be deductible for income tax purposes over a period of 15 years. The consideration paid, purchase price, and pro forma results of operations have not been presented because the effect of these acquisitions was not material to the condensed consolidated financial statements.

Other acquisitions

The acquisition date fair value of the consideration transferred consisted of the following:

Fair value of consideration transferred:	Wheels	SBA	Other
Cash, net of cash acquired	$26,947,942	$10,903,458	$5,718,869
Common stock	38,847,000	—	368,750
Estimated working capital and other holdbacks	—	460,895	683,593
Contingent consideration	—	—	2,025,210
	$65,794,942	$11,364,353	$8,796,422

The fair value of the contingent consideration was estimated using future projected earnings relative to the corresponding future earn-out payments. To calculate fair value, the future earn-out payments were then discounted using Level 3 inputs. The company believes the discount rate used to discount the earn-out payments reflect market participant assumptions.

The purchase price allocation for the acquisitions is as follows:

	Wheels	SBA	Other
Current assets	$36,800,397	$23,420,145	$756,726
Furniture and equipment	8,672,309	112,000	117,510
Deferred tax asset	7,879,689	96,000	—
Other assets	1,019,879	1,134,287	—
Intangibles	59,700,000	7,082,000	6,525,000
Goodwill	28,524,922	4,626,273	1,691,024
Total assets acquired	142,597,196	36,470,705	9,090,260
Other liabilities	34,270,565	22,379,782	293,838
Notes payable	23,078,148	—	—
Long-term deferred tax liability	19,453,541	2,726,570	—
Total liabilities assumed	76,802,254	25,106,352	293,838
Net assets acquired	$65,794,942	$11,364,353	$8,796,422

Fair value of acquired receivables:	Wheels	SBA	Other
Gross amount due	$34,902,914	$18,959,474	$833,782
Estimated uncollectible amounts	(267,625)	(418,226)	(77,056)
	$34,635,289	$18,541,248	$756,726

The fair values of the intangible assets were estimated using a discounted cash flow approach with Level 3 inputs. Under this method, an intangible asset's fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life. To calculate fair value, the Company used risk-adjusted cash flows discounted at rates considered appropriate given the inherent risks associated with each type of asset. The Company believes the level and timing of cash flows appropriately reflect market participant assumptions.

The results of operations for the businesses acquired are included in our financial statements as of the date of purchase. The preliminary fair value estimates for the assets acquired and liabilities assumed are based upon preliminary calculations and valuations and our estimates and assumptions are subject to change as we obtain additional information for our estimates during the respective measurement periods (up to one year from the acquisition date). The primary areas of the preliminary estimates not yet finalized relates to certain tangible assets and liabilities acquired, goodwill and identifiable intangible assets.

Pro Forma

If the acquisitions of Wheels and SBA had taken place effective July 1, 2013, the result would have produced combined revenue of $872.8 million and $829.7 million and combined net income of $0.5 million and $1.0 million for the years ended June 30, 2015 and 2014, respectively. The unaudited pro forma financial information presented is for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition and any borrowings undertaken to finance the acquisition had taken place at the beginning of fiscal 2014.

Since acquisition, Wheels (acquired April 2, 2015) and SBA (acquired June 8, 2015) produced revenue of approximately $76.1 million and $9.5 million, income before taxes of approximately $1.4 million and $0.3 million, excluding amortization of intangibles resulting from the acquisition of approximately $1.4 million and $0.1 million, respectively.

Fiscal Year 2014 Acquisitions

Acquisition of On Time Express, Inc.

On October 1, 2013, through a wholly-owned subsidiary, Radiant Transportation Services, Inc., the Company acquired the stock of On Time Express, Inc. (“On Time”), a privately-held Arizona corporation founded in 1982. On Time has an extensive, dedicated line-haul network that it leverages in delivering customized time critical domestic and international logistics solutions to an account base that includes customers in the aviation, aerospace, plastic injection molding, medical device, furniture and automotive industries. The base purchase price is valued at up to approximately $20.0 million, consisting of: $7.0 million paid in cash at closing, $0.5 million paid through the issuance of the Company’s common stock, $0.5 million payable as a working capital holdback plus a dollar-for-dollar payment of any working capital in excess of $750,000, $2.0 million in notes payable, and up to $10.0 million in aggregate Tier-1 earn-out payments following the four-year earn-out period immediately following closing. In addition, the transaction also provides for a Tier-2 earn-out payment calculated as 50% of the excess over a base target amount of $16,000,000 in cumulative earnings during the four-year Tier-1 earn-out period. The earn-out payments shall be made in a combination of cash and common stock, as the Company may elect to satisfy up to 25% of each Tier-1 earn-out payments and 50% of the Tier-2 earn-out payment through the issuance of its common stock valued based upon a 25-day volume weighted average price to be calculated preceding the delivery of the shares.

The transaction was financed with proceeds from the senior credit facility. The acquisition date fair value of the consideration transferred consisted of the following:

Fair value of consideration transferred:	
Cash, net of cash acquired	$6,952,056
Notes payable	2,000,000
Stock payable	500,000
Working capital holdback	1,251,728
Contingent consideration	7,000,000
	$17,703,784

The fair value of the financial assets acquired included receivables with a fair value of $3,084,077, all of which is expected to be collectible. The fair values of the intangible assets were estimated using a discounted cash flow

approach with Level 3 inputs. Under this method, an intangible asset's fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life. To calculate fair value, the Company used risk-adjusted cash flows discounted at rates considered appropriate given the inherent risks associated with each type of asset. The Company believes the level and timing of cash flows appropriately reflect market participant assumptions.

The fair value of the contingent consideration was estimated using future projected gross margins of On Time and the corresponding future earn-out payments. To calculate fair value, the future earn-out payments were then discounted using Level 3 inputs. The Company believes the discount rate used to discount the earn-out payments reflect market participant assumptions. The goodwill recognized is attributable primarily to its dedicated line-haul network and is not deductible for tax purposes.

The purchase price allocation for the On Time acquisition is as follows:

Current a!ssets	$3,260,183
Furniture and equipment	256,516
Deferred tax asset	146,000
Other assets	86,500
Intangibles	8,176,000
Goodwill	10,892,459
Total assets acquired	22,817,658
Current liabilities	1,843,474
Long-term deferred tax liability	3,270,400
Total liabilities assumed	5,113,874
Net assets acquired	$17,703,784

Acquisition of Phoenix Cartage and Air Freight, LLC

On March 1, 2014, through a wholly-owned subsidiary, the Company acquired select customer relationships of Phoenix Cartage and Air Freight, LLC (“PCA”), a privately-held company based in Philadelphia, Pennsylvania. The transaction was financed with proceeds from the senior credit facility. The transaction was structured as an asset purchase using cash, stock, and earn-out payments. The goodwill recorded is expected to be deductible for income tax purposes over a period of 15 years. The consideration paid, purchase price, and pro forma results of operations have not been presented because the effect of this acquisition was not material to the consolidated financial statements.

The results of operations for the businesses acquired are included in our financial statements as of the date of purchase.

NOTE 4 – FURNITURE AND EQUIPMENT

	June 30,	
	2015	2014
Vehicles	$4,886,072	$45,893
Communication equipment	111,790	45,499
Office and warehouse equipment	471,915	321,223
Furniture and fixtures	585,820	250,596
Computer equipment	1,364,198	767,381
Computer software	7,209,965	1,801,998
Leasehold improvements	1,324,437	930,946

	15,954,197	4,163,536
Less: Accumulated depreciation and amortization	(2,778,307)	(2,898,429)
	$13,175,890	$1,265,107

Depreciation and amortization expense related to furniture and equipment was $964,541 and $518,960 for the years ended June 30, 2015 and 2014, respectively.

NOTE 5 – ACQUIRED INTANGIBLE ASSETS

The table below reflects acquired intangible assets related to all acquisitions:

	June 30, 2015	2014	Weighted-Average Life
Customer related	$88,287,640	$29,119,640	8.9 years
Trade names and trademarks	14,069,000	—	14.8 years
Covenants not to compete	730,000	660,000	2.5 years
	103,086,640	29,779,640	
Less: Accumulated amortization	(20,131,958)	(14,737,652)	
	$82,954,682	$15,041,988	

Amortization expense amounted to $5,394,306 and $4,013,175 for the years ended June 30, 2015 and 2014. Future amortization expense for the fiscal years ending June 30 are as follows:

2016	$8,778,204
2017	8,749,204
2018	8,714,538
2019	8,683,204
2020	8,571,058
Thereafter	39,458,474
	$82,954,682

NOTE 6 – NOTES PAYABLE AND OTHER LONG-TERM DEBT

Notes payable and other long-term debt consist of the following:

	Year ended June 30, 2015	2014
Long-term Credit Facility	$37,707,686	$7,243,371
Senior Secured Loan	23,218,575	—
Subordinated Secured Loan	25,000,000	—
Other notes payable	509,340	—
Total notes payable and other long-term debt	86,435,601	7,243,371

Less: Current portion	(543,086)	—
Total notes payable, net of current portion	$85,892,515	$7,243,371

Future maturities of notes payable and other long-term debt for the years ending June 30 are as follows:

2016	$543,086
2017	2,489,611
2018	2,603,218
2019	40,333,976
2020	2,806,361
Thereafter	37,659,349
	$86,435,601

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Bank of America Credit Facility

The Company has a $65.0 million senior credit facility (the "Credit Facility") with Bank of America, N.A. (the "Lender") on its own behalf and as agent to the other lenders named therein, currently consisting of the Bank of Montreal (as the initial member of the syndicate under such loan), pursuant to an Amended and Restated Loan and Security Agreement. The Credit Facility includes a $2.0 million sublimit to support letters of credit and matures August 9, 2018.

Borrowings accrue interest based on the Company's fixed charge coverage ratio at the Lender's base rate plus 0.0% to 0.50% or LIBOR plus 1.50% to 2.25%. The Credit Facility provides for advances of up to 85% of the eligible Canadian and domestic accounts receivable, 75% of eligible accrued but unbilled domestic receivables and eligible foreign accounts receivable, all of which are subject to certain sub-limits, reserves and reductions. The Credit Facility is collateralized by a first-priority security interest in all of the assets of the U.S. co-borrowers, a first-priority security interest in all of the accounts receivable and associated assets of the Canadian co-borrowers (the "Canadian A/R Assets") and a second-priority security interest on the other assets of the Canadian borrowers.

Borrowings are available to fund future acquisitions, capital expenditures, repurchase of Company stock or for other corporate purposes. The terms of the Credit Facility are subject to customary financial and operational covenants, including covenants that may limit or restrict the ability to, among other things, borrow under the Credit facility, incur indebtedness from other lenders, and make acquisitions. As of June 30, 2015, the Company was in compliance with all of its covenants.

As of June 30, 2015, based on available collateral and $286,800 in outstanding letter of credit commitments, there was $14,530,000 available for borrowing under the Credit Facility based on advances outstanding.

Senior Secured Loan

In connection with the Company's acquisition of Wheels, Wheels obtained a CAD$29.0 million senior secured Canadian term loan from Integrated Private Debt Fund IV LP ("IPD") pursuant to a CAD$29,000,000 Credit Facilities Loan Agreement (the "IPD Loan Agreement"). The Company and its U.S. and Canadian subsidiaries are guarantors of the Wheels obligations thereunder. The loan matures on April 1, 2024 and accrues interest at a rate of 6.65% per annum. The Company is required to maintain 5 months interest in a debt service reserve account to be controlled by IPD. This amount is recorded as deposits and other assets in the accompanying consolidated financial statements. The loan repayment will consist of interest-only payments for the first 12 months followed by blended principal and interest payments for the next eight years. The loan may be prepaid in whole at any time upon providing at least 30 days prior written notice and paying the difference between (i) the present value of the loan interest and the principal payments foregone discounted at the Government of Canada Bond Yield for the term from the date of prepayment to April 1, 2024, and (ii) the face value of the principal amount being prepaid. As of June 30, 2015, the Company was in compliance with all of its covenants.

The loan is collateralized by a (i) first-priority security interest in all of the assets of Wheels except the Canadian A/R Assets, (ii) a second-priority security interest in the Canadian A/R Assets, and (iii) a second-priority security interest on all of the Company's assets.

Subordinated Secured Loan

In connection with its acquisition of Wheels, the Company obtained a $25.0 million subordinated secured term loan from Alcentra Capital Corporation ($10.0 million) and Triangle Capital Corporation ($15.0 million) (collectively, the "Subordinated Lenders") pursuant to a Loan and Security Agreement (the "Alcentra/Triangle Subordinated Loan

Agreement”). The loan matures on April 2, 2021 and accrues interest at a rate of 12% per annum during the first six months of the loan and then at a variable rate, ranging from LIBOR plus 950 basis points to LIBOR plus 1025 basis points (all with a 100 basis points LIBOR floor), depending on the Company’s total leverage ratio. Prior to April 2, 2016, the loan may not be prepaid. After this, prior to April 2, 2017, the loan may be prepaid by paying a prepayment premium equal to 3% of the amount prepaid. After April 2, 2017, the loan may be prepaid, in whole or in part, without penalty. The Company may be required to prepay, at the Subordinated Lenders’ option, the entire amount of the loan (including applicable prepayment premiums) upon the occurrence of certain events, such as an event of default, a change in control, or the completion of a “going private” transaction. As of June 30, 2015, the Company was in compliance with all of its covenants.

The loan is collateralized by a third-priority security interest in all of the Company’s U.S. based assets. The loan is subordinate to the Senior Credit Facility and the loan from IPD, and is senior to all other indebtedness.

Caltius Senior Subordinated Notes

In connection with the Company's acquisition of ISLA, the Company entered into an Investment Agreement with Caltius Partners IV, LP and Caltius Partners Executive IV, LP (collectively, "Caltius"). Under the Investment Agreement, Caltius provided the Company with a $10.0 million aggregate principal amount evidenced by the issuance of senior subordinated notes (the "Senior Subordinated Notes"), the net proceeds of which were primarily used to finance the cash payments due at closing of the ISLA transaction. The Senior Subordinated Notes accrued interest at the rate of 13.5% per annum. The Company repaid the principal balance in full during the year ended June 30, 2014. The early payment resulted in a write-off of the loan fees and original issue discount of $1,238,409.

The terms of the Investment Agreement are subject to customary financial and operational covenants, including covenants that may limit or restrict the ability to, among other things, incur indebtedness from other lenders, and make acquisitions. On December 20, 2013 the Company fully repaid all amounts due under the Investment Agreement and upon such payment, was in compliance with all of its covenants thereunder. Although the Company repaid the entire outstanding balance, the Company is still subject to customary contract obligations that survive repayment of all amounts due under the Investment Agreement.

DBA – Notes Payable

In connection with the DBA acquisition, the Company issued notes payable in the amount of $4.8 million payable to the former shareholders of DBA. The notes accrue interest at a rate of 6.5%, and such interest is payable quarterly. The Company elected to satisfy $2.4 million of the notes through the issuance of the Company's common stock. The principal amount of the notes was repaid in full during the year ended June 30, 2014.

On Time Notes Payable

In connection with the On Time acquisition, the Company issued notes payable in the amount of $2.0 million payable to the former shareholders of On Time. The notes accrue interest at a rate of 6.0%, and such principal and interest is payable quarterly. The principal amount of the notes was repaid in full during the year ended June 30, 2014.

NOTE 7 – STOCKHOLDERS' EQUITY

The Company is authorized to issue 5,000,000 shares of preferred stock, par value at $.001 per share and 100,000,000 shares of common stock, $.001 per share.

Series A Preferred Stock

On December 20, 2013, the Company closed a registered underwritten public offering of 839,200 shares of 9.75% Series A Cumulative Redeemable Perpetual Preferred Stock ("Series A Preferred Shares") liquidation preference $25.00 per share; including the partial exercise of the underwriters' overallotment option. Proceeds from the offering totaled $19,320,659 after deducting the underwriting discount of $1,258,800 and offering costs of $400,541. The proceeds were used to retire the Senior Subordinated Notes and reduce borrowings under the Credit Facility.

Dividends on the Series A Preferred Shares are cumulative from the date of original issue and are payable on January 31, April 30, July 31 and October 31, commencing on April 30, 2014, when, as and if declared by the Company's Board of Directors. If the Company does not pay dividends in full on any two payment dates (whether consecutive or not), the per annum dividend rate will increase an additional 2.0% per annum per $25.00 stated liquidation preference,

up to a maximum of 19.0% per annum. If the Company fails to maintain the listing of the Series A Preferred Shares on the NYSE MKT or other exchange for 30 days or more, the per annum dividend rate will increase by an additional 2.0% per annum so long as the listing failure continues. The Series A Preferred Shares require the Company to maintain a Fixed Charge Coverage Ratio of at least 2.0. If the Company is not in compliance with this ratio, then it cannot pay any dividend on its common stock. As of June 30, 2015, the Company was in compliance with this ratio.

Commencing on December 20, 2018, the Company may redeem, at its option, the Series A Preferred Shares, in whole or in part, at a cash redemption price of $25.00 per share plus accrued and unpaid dividends (whether or not declared). Among other things, the Series A Preferred Shares have no stated maturity, are not subject to any sinking fund or other mandatory redemption, and are not convertible into or exchangeable for any of the Company's other securities. Holders of Series A Preferred Shares generally have no voting rights, except if the Company fails to pay dividends on the Series A Preferred Shares for six or more quarterly periods (whether consecutive or not). Under such circumstances, holders of Series A Preferred Shares will be entitled to vote to elect two additional directors to the Company's Board of Directors, until all unpaid dividends have been paid or declared and set aside for payment. In addition, certain changes to the terms of the Series A Preferred Shares cannot be made without the affirmative vote of the holders of two-thirds of the outstanding Series A Preferred Shares, voting as a separate class. The Series A Preferred Shares are senior to the Company's common stock with respect to dividends and distributions, including distributions upon liquidation, dissolution or winding up. The Series A Preferred Shares are listed on the NYSE MKT under the symbol "RLGT-PA."

For the year ended June 30, 2015, the Company's board of directors declared and paid a cash dividend to holders of Series A Preferred Shares in the amount of $2.4375 per share, totaling $2,045,550.

NOTE 8 – VARIABLE INTEREST ENTITY AND RELATED PARTY TRANSACTIONS

RLP is owned 40% by RGL and 60% by RCP, a company for which the Chief Executive Officer of the Company is the sole member. RLP is a certified minority business enterprise that was formed for the purpose of providing the Company with a national accounts strategy to pursue corporate and government accounts with diversity initiatives. RCP's ownership interest entitles it to a majority of the profits and distributable cash, if any, generated by RLP. The operations of RLP are intended to provide certain benefits to the Company, including expanding the scope of services offered by the Company and participating in supplier diversity programs not otherwise available to the Company. In the course of evaluating and approving the ownership structure, operations and economics emanating from RLP, a committee consisting of the independent Board member of the Company, considered, among other factors, the significant benefits provided to the Company through association with a minority business enterprises, particularly as many of the Company's largest current and potential customers have a need for diversity offerings. In addition, the Committee concluded that the economic relationship with RLP was on terms no less favorable to the Company than terms generally available from unaffiliated third parties.

Certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have the sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties are considered "variable interest entities". RLP qualifies as a variable interest entity and is included in the Company's consolidated financial statements.

For the year ended June 30, 2015, RLP recorded $134,039 in profits, of which RCP's distributable share was $80,423. For the year ended June 30, 2014, RLP recorded $106,070 in profits, of which Mr. Crain's distributable share was $63,642. The non-controlling interest recorded as a reduction of income on the consolidated statements of income represents RCP's distributive share.

The following table summarizes the balance sheets of RLP:

	June 30, 2015	2014
ASSETS		
Accounts receivable - Radiant Global Logistics, Inc.	$106,272	$73,989
Prepaid expenses and other current assets	2,500	1,581
	$108,772	$75,570
LIABILITIES AND PARTNERS' CAPITAL		
Other accrued costs	$6,125	$6,962
Partners' capital	102,647	68,608
	$108,772	$75,570

NOTE 9 – FAIR VALUE MEASUREMENTS

The following table sets forth the Company's financial liabilities measured at fair value on a recurring basis:

	Fair Value Measurements as of June 30, 2015	
	Level 3	Total
Contingent consideration	$7,613,000	$7,613,000

	Fair Value Measurements as of June 30, 2014	
	Level 3	Total
Contingent consideration	$11,167,000	$11,167,000

The Company has contingent obligations to transfer cash payments and equity shares to former shareholders of acquired operations in conjunction with certain acquisitions if specified operating results and financial objectives are met over the next four fiscal years.

Contingent consideration is measured quarterly at fair value, and any change in the contingent liability is included in the consolidated statements of income. The Company recorded a decrease to contingent consideration of $3,921,222 and $2,040,567 for the years ended June 30, 2015 and 2014, respectively. The change in the current period is principally attributable to a reduction in management's estimates of future pay-outs for On Time, ISLA International, Ltd. and ALBS Logistics, Inc., offset by an increase in management's estimated future pay-out for PCA and DCA.

The Company uses projected future financial results based on recent and historical data to value the anticipated future earn-out payments. To calculate fair value, the future earn-out payments were then discounted using Level 3 inputs. The Company has classified the contingent consideration as Level 3 due to the lack of relevant observable market data over fair value inputs. The Company believes the discount rate used to discount the earn-out payments reflects market participant assumptions. Changes in assumptions and operating results could have a significant impact on the earn-out amount, up to a maximum of $26,620,000 through earn-out periods measured through August 2018, although there are no maximums on certain earn-out payments. Contingent consideration is net of advances on earn-out payments of $0.8 million, and also includes approximately $1.6 million that was earned during fiscal year 2015.

The following table provides a reconciliation of the beginning and ending liabilities for the liabilities measured at fair value using significant unobservable inputs (Level 3):

	Contingent Consideration
Balance as of June 30, 2013	$ 4,025,000
Increase related to accounting for acquisitions	9,500,000
Contingent consideration paid	(317,433)
Change in fair value	(2,040,567)
Balance as of June 30, 2014	$ 11,167,000
Increase related to accounting for acquisitions	2,025,210
Contingent consideration paid	(1,657,988)
Change in fair value	(3,921,222)
Balance as of June 30, 2015	$ 7,613,000

NOTE 10 – PROVISION FOR INCOME TAXES

	June 30, 2015	2014
Current deferred tax assets:		
Allowance for doubtful accounts	$ 542,901	$ 413,974
Accruals	516,710	333,342
Deferred rent	195,267	127,931
Net operating loss carry-forward	619,424	—

Other	103,131	49,961
	$1,977,433	$925,208
Long-term deferred tax assets (liabilities):		
Share-based compensation	$613,323	$715,297
Fixed asset basis differences	(2,072,853)	(303,976)
Goodwill deductible for tax purposes	(1,197,678)	319,094
Intangibles	(17,495,997)	(3,835,802)
Deferred rent	58,183	303,500
Net operating loss carry-forward	2,069,052	—
Other, net	481,553	27,381
	$(17,544,417)	$(2,774,506)

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Income tax expense attributable to operations is as follows:

	Year ended June 30,	
	2015	2014
Current:		
Federal	$3,445,203	$3,120,663
State	321,002	547,173
Foreign	6,377	—
Deferred:		
Federal	(1,510,436)	(458,386)
State	(241,711)	(127,585)
Foreign	(3,878)	—
	$2,016,557	$3,081,865

The following table reconciles income taxes based on the U.S. statutory tax rate to the Company's income tax expense:

	Year ended June 30,	
	2015	2014
Tax expense at statutory rate	$2,683,526	$2,788,086
Permanent differences	58,770	46,525
State income taxes	18,464	276,928
Foreign income taxes	150,579	—
Transaction costs	618,354	—
Contingent consideration	(1,485,707)	—
Other	(27,429)	(29,674)
	$2,016,557	$3,081,865

The following table reconciles the Company's uncertain income tax positions:

Balance as of June 30, 2014	$—
Additions on tax positions related to the current year	80,856
Additions on tax positions related to the prior year	226,872
Balance as of June 30, 2015	$307,728

Approximately $203,100 of the total gross unrecognized tax benefits as of June 30, 2015, if recognized, would impact the effective tax rate.

Tax years which remain subject to examination by federal authorities are the years ended June 30, 2012 through June 30, 2015. Tax years which remain subject to examination by state authorities are the years ended June 30, 2011 through June 30, 2015.

NOTE 11 – SHARE-BASED COMPENSATION

The Company has two stock-based plans: the 2005 Stock Incentive Plan and the 2012 Stock Option and Performance Award Plan. Each plan authorizes the granting of up to 5,000,000 shares of the Company's common stock. The plans provide for the grant of stock options, stock appreciation rights, shares of restricted stock, RSUs, performance shares and performance units. Options are granted at exercise prices equal to the fair value of the common stock at the date of the grant and have a term of 10 years. Generally, grants under each plan vest 20% annually over a five year period from the date of grant.

Stock Awards

The Company granted restricted stock awards to certain employees in August 2012. The shares are restricted in transferability for a term of up to five years and are forfeited in the event the employee terminates employment prior to the lapse of the restriction. The

awards generally vest ratably over a five year period. During the years ended June 30, 2015 and 2014, the Company recognized share-based compensation expense of $5,043 related to stock awards. The following table summarizes stock award activity under the plan for years ended June 30, 2015 and 2014:

	Number of Shares	Weighted Average Grant-date Fair Value
Balance as of June 30, 2013	10,804	$ 1.62
Vested	(3,113)	1.62
Balance as of June 30, 2014	7,691	$ 1.62
Vested	(3,114)	1.62
Balance as of June 30, 2015	4,577	$ 1.62

Stock Options

During the years ended June 30, 2015 and 2014, the Company recognized share-based compensation expense related to stock options of $1,110,317 and $661,055, respectively. The following table summarizes the activity under the plan:

	Year ended June 30, 2015		Year ended June 30, 2014	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of year	5,125,044	$ 1.46	5,255,781	$ 1.05
Granted	1,598,363	4.50	1,229,658	2.41
Exercised	(2,118,711)	0.84	(1,253,395)	0.67
Forfeited	(94,809)	2.56	(107,000)	1.61
Outstanding, end of year	4,509,887	$ 2.80	5,125,044	$ 1.46
Exercisable, end of year	1,271,938	$ 1.36	2,779,902	$ 0.81
Non-vested, end of year	3,237,949	$ 3.36	2,345,142	$ 2.23

The fair value of each stock option grant is estimated as of the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended June 30,	
	2015	2014
Risk-Free Interest Rate	1.45 - 2.01%	1.95% - 2.21%
Expected Term	6.5 years	6.5 years
Expected Volatility	55.58 - 62.56%	63.49% - 64.99%
Expected Dividend Yield	0.00%	0.00%

As of June 30, 2015, the Company had approximately $5,663,653 of total unrecognized share-based compensation costs relating to unvested stock options which is expected to be recognized over a weighted average period of 4.02 years. The aggregate intrinsic value of options exercised during the years ended June 30, 2015 and 2014 was $10,278,674 and $3,041,577, respectively.

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The following table summarizes outstanding and exercisable options by price range as of June 30, 2015:

	Outstanding Options				Exercisable Options			
Exercise Prices	Number of Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value	Number of Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
$0.00 - $0.49	510,000	3.39	$ 0.24	$3,604,600	510,000	3.39	$ 0.24	$3,604,600
$0.50 - $0.99	37,347	4.03	0.61	250,298	32,162	3.80	0.61	215,507
$1.00 - $1.49	138,468	6.04	1.33	828,293	86,523	5.67	1.30	520,003
$1.50 - $1.99	621,536	7.82	1.90	3,365,543	124,753	7.63	1.86	680,472
$2.00 - $2.49	1,217,249	7.17	2.29	6,110,339	449,779	6.72	2.30	2,251,537
$2.50 - $2.99	190,000	8.72	2.81	855,900	30,000	8.73	2.82	134,700
$3.00 - $3.49	574,353	9.06	3.17	2,380,419	38,721	8.76	3.06	164,692
$3.50 - $3.99	210,000	9.44	3.97	701,800	—	—	—	—
$4.00 - $4.49	217,093	9.42	4.17	680,869	—	—	—	—
$4.50 - $4.99	266,200	9.64	4.58	728,022	—	—	—	—
$5.00 - $5.49	87,641	9.87	5.26	179,321	—	—	—	—
$5.50 - $5.99	400,000	9.76	5.63	672,000	—	—	—	—
$7.00 - $7.49	25,000	9.97	7.45	—	—	—	—	—
$7.50 - $7.99	15,000	9.99	7.88	—	—	—	—	—
	4,509,887	7.75	$ 2.80	$20,357,403	1,271,938	5.44	$ 1.36	$7,571,511

NOTE 12 – CONTINGENCIES

Legal Proceedings

DBA Distribution Services, Inc. – Bretta Santini Pollara v. Radiant Logistics, Inc., United States District Court, Central District of California, Case No. 12-344 GAF

In December 2012, an arbitrator awarded the Company damages from the former shareholders of DBA, finding that the former shareholders breached certain representations and warranties contained in the DBA Agreement. In addition, the arbitrator found that Paul Pollara breached his noncompetition obligation to the Company and enjoined Mr. Pollara from engaging in any activity in contravention of his obligations of noncompetition and non-solicitation, including activities that relate to Santini Productions and his spouse, Bretta Santini Pollara until March 2016. The award also provided that the former DBA Shareholders and Mr. Pollara must pay to the Company the administrative fees, compensation and expenses of the arbitrator associated with the arbitration. The award has been off-set against amounts due to former shareholders of acquired operations. The gain on litigation settlement was recorded net of judgment interest and associated legal costs.

In a related matter, in December 2011, Ms. Pollara filed a claim for declaratory relief against the Company seeking an order stipulating that she is not bound by the non-compete covenant contained within the DBA Agreement signed by her husband, Mr. Pollara. On January 23, 2012, the Company filed a counterclaim against Ms. Pollara, her company Santini Productions, Daniel Reffner (a former employee of the Company now working for Ms. Pollara), and Oceanair, Inc. (“Oceanair”, a company doing business with Santini Productions). The Company’s counterclaim alleges claims for statutory and common law misappropriation of trade secrets, breach of duty of loyalty, and unfair competition, and sought damages in excess of $1,000,000.

On April 25, 2014, a jury returned a verdict in the Company’s favor in the amount of $1,500,000, however the judge entered a judgment notwithstanding the verdict and dismissed the case. The Company filed a notice of appeal with the 9th Circuit Court of Appeals. Santini and Oceanair also appealed the trial court’s denial of fees. Both issues are fully briefed, and the Company is awaiting a consolidated hearing date from the Court of Appeals sometime before the end of the year. Due to the uncertainty associated with the litigation and judicial review process, the Company is unable at this time to express an opinion as to the outcome of this matter.

Ingrid Barahoma v. Accountabilities, Inc. d/b/a/ Accountabilities Staffing, Inc., Radiant Global Logistics, Inc. and DBA Distribution Services, Inc. (Ingrid Barahona California Class Action)

On October 25, 2013, plaintiff Ingrid Barahona filed a purported class action lawsuit against RGL, DBA Distribution Services, Inc. (“DBA”), and two third-party staffing companies (collectively, the “Staffing Defendants”) with whom Radiant and DBA contracted for temporary employees. In the lawsuit, Ms. Barahona, on behalf of herself and the putative class, seeks damages and penalties under

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California law, plus interest, attorneys' fees, and costs, along with equitable remedies, alleging that she and the putative class were the subject of unfair and unlawful business practices, including certain wage and hour violations relating to, among others, failure to provide meal and rest periods, failure to pay minimum wages and overtime, and failure to reimburse employees for work-related expenses. Ms. Barahona alleges that she and the putative class members were jointly employed by the staffing companies and Radiant and DBA. Radiant and DBA deny Ms. Barahona's allegations in their entirety, deny that they are liable to Ms. Barahona or the putative class members in any way and are vigorously defending against these allegations based upon a preliminary evaluation of applicable records and legal standards.

If Ms. Barahona's allegations were to prevail on all claims the Company, as well as its co-defendants, could be liable for uninsured damages in an amount that, while not significant when evaluated against either the Company's assets or current and expected level of annual earnings, could be material when judged against the Company's earnings in the particular quarter in which any such damages arose, if at all. However, based upon the Company's preliminary evaluation of the matter, it does not believe it is likely to incur material damages, if at all, since, among others: (i) the amount of any potential damages remains highly speculative at this stage of the proceedings; (ii) the Company does not believe as a matter of law it should be characterized as Ms. Barahona's employer; (iii) any settlement will be properly apportioned between all named defendants and Radiant and DBA will not exclusively fund the settlement; (iv) wage and hour class actions of this nature typically settle for amounts significantly less than plaintiffs' demands because of the uncertainly with litigation and the difficulty in taking these types of cases to trial; and (v) Plaintiff has indicated her desire to resolve this matter through a mediated settlement, with a mediation scheduled for October 2015. Nevertheless, due to the early stage of the proceeding, the Company is unable to express an opinion as to the likely outcome of the matter.

High Protection Company v. Air Transportation LLC et. al., High Protection Company, Plaintiff v. Professional Air Transportation, LLC, d/b/a Adcom, SLC; Radiant Logistics, Inc.; Adcom Worldwide, an Operating Division of Radiant Logistics, Inc.; Radiant Global Logistics, Inc., d/b/a Container Lines; Felipe Lake, Rubens Correa; and Does 1-100, Defendants, Salt Lake County, Utah, Case # 140902965

On or about May 27, 2014, the Company, together with its co-defendants, including certain of its subsidiaries, were sued in the Third Judicial District Court, Salt Lake County, State of Utah. The matter was subsequently removed to the Federal Courts in the United States District Court, for the District of Utah. The lawsuit alleges liability and damages arising from the ocean shipment of five (5) armored vehicles from Jordan to the Kandahar Air Base, Afghanistan, commencing in August, 2011.

On April 10, 2011, the Plaintiff, High Protection Company, was awarded a contract from the United States Army in the amount of $716,000 for the manufacture and delivery of five armored vehicles. The vehicles were to be delivered to the Kandahar Airfield in Kandahar, Afghanistan, by May 16, 2011. The delivery of the vehicles was delayed into 2013 due to various delays that occurred during the shipping process, including the closing of the border between Pakistan and Afghanistan from November 2011 to July 2012. In June 2013, the United States Army terminated its contract with the Plaintiff. Plaintiff asserted damages against the Company and its co-defendants in excess of $1,000,000, including loss of a $716,000 contract with the United States Army, demurrage and storage charges now alleged to exceed $200,000, and loss of the vehicles.

Based upon the Company's preliminary understanding of the claims, it does not believe it is likely to be exposed to damages, or damages that are material, since, among others: (i) the Company is insured for claims of this nature subject to a $1,000,000 aggregate limit for all claims made and reported during the policy period (subject to a typical reservation of rights letter received from the Underwriter); (ii) the Company believes the Plaintiff's losses, if any, were due, to a material extent, to its own contributory negligence; and (iii) the Plaintiff's claim should be limited as a result of the limitations upon liability contained within the air bill of lading and other shipping documents used in the

transaction. Since the proceeding, however, is still in its early stages, the Company is unable at this time to express an opinion as to the outcome of this matter.

Service By Air, Inc. v. Radiant Global Logistics, Inc.

Due to our acquisition of SBA in June of this year, this case has been dismissed with prejudice.

The Company is involved in various other claims and legal actions arising in the ordinary course of business, some of which are in the very early stages of litigation and therefore difficult to judge their potential materiality. For those claims for which we can judge the materiality, in the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity. Legal expenses are expensed as incurred.

Contingent Consideration and Earn-out Payments

The Company's agreements with respect to the acquisitions, including On Time, PCA, TNI, DCA and Highways (see Note 3) contain future consideration provisions which provide for the selling shareholder(s) to receive additional consideration if specified operating objectives and financial results are achieved in future periods, as defined in their respective agreements. Any changes to the fair value

of the contingent consideration are recorded in the consolidated statements of income. Earn-out payments are generally due annually on November 1, and 90 days following the quarter of the final earn-out period for each respective acquisition.

The following table represents the estimated undiscounted earn-out payments to be paid in each of the following fiscal years:

	2016	2017	2018	2019	Total
Earn-out payments (in thousands):					
Cash	$1,407	$2,632	$1,787	$160	$5,986
Equity	392	877	596	53	1,918
Total estimated earn-out payments [1]	$1,799	$3,509	$2,383	$213	$7,904

[1] The Company generally has the right but not the obligation to satisfy a portion of the earn-out payments in stock.

NOTE 13 – OPERATING AND GEOGRAPHIC SEGMENT INFORMATION

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker, or decision-making group, in making decisions regarding allocation of resources and assessing performance. The Company’s chief operating decision-maker is the Chief Executive Officer. With the recent acquisition of Wheels, the Company has determined that it has two geographic operating segments: United States and Canada. Immaterial operations outside of Canada and the U.S. are reported in the United States segment. The differences in the Company’s operating and reportable segments from the Company’s last annual report are related to the acquisition of Wheels.

The Company evaluates the performance of the segments primarily based on their respective revenues, net revenues and income from operations. Accordingly, interest expense, other non-operating items, capital expenditures and total assets are not reported in segment results. In addition, the Company has disclosed a corporate segment, which is not an operating segment and includes the costs of the Company’s executives, board of directors, professional services such as legal and consulting, and certain other corporate costs associated with operating as a public company. Intercompany transactions have been eliminated in the consolidated balance sheets and statements of operations.

Year ended June 30, 2015 (in thousands)	United States	Canada	Corporate/ Eliminations	Total
Revenues	$473,683	$29,923	$ (941)	$502,665
Net revenues	118,174	5,549	—	123,723
Income from operations	17,489	(144)	(6,795)	10,550
Depreciation and amortization	5,197	880	282	6,359
Goodwill	43,185	19,904	—	63,089
Year ended June 30, 2014 (in thousands)				

Revenues	$349,133	$—	$ —	$349,133
Net revenues	99,235	—	—	99,235
Income from operations	15,156	—	(4,632)	10,524
Depreciation and amortization	4,297	—	235	4,532
Goodwill	28,247	—	—	28,247

The Company's revenue generated within the United States consists of any shipment whose origin and destination is within the United States. The following data presents the Company's revenue generated from shipments to and from the United States and all other countries, which is determined based upon the geographic location of a shipment's initiation and destination points (in thousands):

	United States		Other Countries		Total	
Year ended June 30:	2015	2014	2015	2014	2015	2014
Revenue	$287,715	$211,924	$214,950	$137,209	$502,665	$349,133
Cost of transportation	208,558	142,652	170,384	107,246	378,942	249,898
Net revenue	$79,157	$69,272	$44,566	$29,963	$123,723	$99,235

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NOTE 14 – SUBSEQUENT EVENT

On July 16, 2015, the Company closed a public offering of 6,133,334 shares; including the full exercise of the underwriters' overallotment option. Proceeds from the offering totaled $38,446,513 after deducting the underwriting discount of $2,484,000 and offering costs of $469,491. The proceeds were used to reduce the borrowings under the Credit Facility.

On July 20, 2015, the Company's board of directors declared a cash dividend to holders of the Series A Preferred Shares in the amount of $0.609375 per share. The total declared dividend totaled $511,388 and was paid on July 31, 2015.

Subsequent to year end, in conjunction with our recent acquisition of Wheels and SBA, the Company exited certain leased facilities. These lease termination costs consist of expenses related to future rent payments, for which we no longer intend to receive any economic benefit. The Company estimates the lease termination expense recorded to be approximately $2.3 million during the three months ended September 30, 2015.

EXHIBIT INDEX

Exhibit No.	Exhibit
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002