RADIANT LOGISTICS, INC
Form 424B1
December 13, 2013
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Filed pursuant to Rule 424(b)(1)
Registration No. 333-191974

800,000 Shares

RADIANT LOGISTICS, INC.

9.75% Series A Cumulative Redeemable Perpetual Preferred Stock

(Liquidation Preference $25 per Share)

We are offering 800,000 shares of our 9.75% Series A Cumulative Redeemable Perpetual Preferred Stock, which we refer to as the Series A Preferred Shares, or the Series A Preferred Stock.

Dividends on the Series A Preferred Stock are cumulative from the date of original issue and will be payable on the 31st day of each January, July and October and on the 30th day of April commencing April 30, 2014 when, as and if declared by our board of directors. Dividends will be payable out of amounts legally available therefore at an initial rate equal to 9.75% per annum per $25.00 of stated liquidation preference per share. Before this offering, there has been no public market for the Series A Preferred Stock.

Commencing on December 20, 2018, we may redeem, at our option, the Series A Preferred Shares, in whole or in part, at a cash redemption price of $25.00 per share, plus any accrued and unpaid dividends to, but not including, the redemption date. The Series A Preferred Shares have no stated maturity, will not be subject to any sinking fund or other mandatory redemption, and will not be convertible into or exchangeable for any of our other securities.

Holders of the Series A Preferred Shares generally will have no voting rights except for limited voting rights if dividends payable on the outstanding Series A Preferred Shares are in arrears for six or more consecutive or non-consecutive quarters, and under certain other circumstances. The Series A Preferred Shares are a new issue of securities with no established trading market. We have applied to have the Series A Preferred Shares listed on the NYSE MKT Stock Market and we expect to commence trading within 30 days after the date of initial delivery of the Series A Preferred Shares.

Investing in the Series A Preferred Stock involves a high degree of risk. See Risk Factors beginning on page 23 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	$ 25.00	$ 20,000,000
Underwriting Commissions paid by us	$ 1.50	$ 1,200,000
Proceeds, before expenses, to us	$ 23.50	$ 18,800,000

Delivery of the Series A Preferred Shares is expected to be made in book-entry form through the facilities of The Depository Trust Company on or about December 20, 2013. We have granted the underwriters an option for a period of 30 days to purchase an additional 120,000 of our Series A Preferred Shares. If the underwriters exercise the option in full, the total underwriting discounts payable by us will be $1,380,000, and total proceeds to us before expenses will be $21,620,000.

Sterne Agee **Janney Montgomery Scott**

Boenning & Scattergood, Inc. **National Securities Corporation**

The date of this prospectus is December 12, 2013.

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You should rely solely on the information contained in this prospectus and any related free writing prospectus issued by us and the documents incorporated by reference herein or therein. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer of the shares in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus and any related free writing prospectus issued by us, and any document incorporated by reference herein or therein is accurate only as of the date on the front cover of those documents. Our business, financial condition, results of

operations and prospects may have changed since those dates.

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PROSPECTUS SUMMARY

The following summary contains information about Radiant Logistics, Inc. and the offering of our 9.75% Series A Cumulative Redeemable Perpetual Preferred Stock, or Series A Preferred Stock. It does not contain all of the information that may be important to you in making a decision to purchase our Series A Preferred Stock. For a more complete understanding of Radiant Logistics, Inc. and the offering of our Series A Preferred Stock, we urge you to read this entire prospectus and the documents incorporated by reference carefully, including the Risk Factors sections and our financial statements and the notes to those statements incorporated by reference herein.

References in this prospectus to we , us, our, Radiant or the Company refer to Radiant Logistics, Inc., a Delaware corporation, and its consolidated subsidiaries. These subsidiaries include: Radiant Global Logistics, Inc., a Washington corporation (formerly Airgroup Corporation), or RGL; Radiant Logistics Partners LLC, a Delaware limited liability corporation, or Radiant Partners; Radiant Customs Services, Inc., a Washington corporation, or Radiant Customs; Radiant Transportation Services, Inc., a Delaware corporation (formerly Radiant Logistics Global Services, Inc.), or Radiant Transportation; Adcom Express, Inc., a Minnesota corporation, or Adcom; DBA Distribution Services, Inc., a New Jersey corporation, or DBA; and On Time Express, Inc., an Arizona corporation, or On Time.

Company Overview

We are a non-asset based transportation and logistics services company providing customers domestic and international freight forwarding services through a network of Company-owned and independent agent offices operating under the Radiant, Airgroup, Adcom, DBA and On Time network brands. We also offer an expanding array of value-added supply chain management services, including customs and property brokerage, order fulfillment, inventory management and warehousing.

Through our operating locations across North America, we offer domestic and international air, ocean and ground freight forwarding to a large and diversified account base consisting of manufacturers, distributors and retailers. Our primary business operations involve arranging the shipment, on behalf of our 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. We provide a wide range of value-added logistics solutions to meet customers specific requirements for transportation and related services, including arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems.

Our value-added logistics solutions are provided through our multi-brand network of Company-owned and independent agent offices, using a network of independent air, ground and ocean carriers and international operating partners strategically positioned around the world. We create value for our customers and independent agents through, among other things, our customized logistics solutions, global reach, brand awareness, purchasing power, and infrastructure benefits, such as centralized back-office operations, and advanced transportation and accounting systems.

As we continue to grow and scale the business, we are developing density in our trade lanes which creates opportunities for us to more efficiently source and manage our transportation capacity. In pursuing this opportunity, we recently launched an organic initiative to offer truck brokerage capabilities through our wholly owned subsidiary, Radiant Transportation Services in an effort to internalize a portion of purchased transportation expenditures with our unaffiliated third party truck brokers and expand the margin characteristics of our existing business. Our recent acquisition of On Time was an extension of this strategy, which internalized an airport to airport line haul network that gives us greater flexibility to maximize the margin characteristics of the freight under our control.

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We generated transportation revenue of $310.8 million and net transportation revenue of $88.4 million for the year ended June 30, 2013, as compared to transportation revenue of $297.0 million and net transportation revenue of $84.7 million for the year ended June 30, 2012. We generated net income of $3.7 million for the year ended June 30, 2013, as compared to net income of $1.9 million for the year ended June 30, 2012. We generated adjusted EBITDA of $10.7 million for the year ended June 30, 2013, as compared to adjusted EBITDA of $7.5 million for the year ended June 30, 2012. See Management s Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of EBITDA and Adjusted EBITDA to net income.

We continue to reflect positive financial trends in our first quarter of fiscal year 2014 as our net income attributable to our common stockholders increased 171.0% to $1.1 million on $76.7 million of revenue, compared to net income of $0.4 million on $79.1 million of revenue for the comparable prior year period. Adjusted EBITDA for the three months ended September 30, 2013 increased 23.5% to $3,096,000 compared to adjusted EBITDA of $2,506,000 for the three months ended September 30, 2012. See Management s Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of EBITDA and Adjusted EBITDA to net income.

Competitive Strengths

As a non-asset based third-party logistics provider, we believe that we are well-positioned to provide cost-effective and efficient solutions to address the demand in the marketplace for transportation and logistics services. We believe that the most important competitive factors in our industry are quality of service, including reliability, responsiveness, expertise and convenience, scope of operations, geographic coverage, information technology and price. We believe our primary competitive advantages are as follows:

Non-asset based business model

As a non-asset based provider we do not own the transportation equipment used to transport the freight, and thus with relatively no dedicated or fixed operating costs, we are able to leverage our network of locations to offer competitive pricing and flexible solutions to our customers. Moreover, our balanced product offering provides us with revenue streams from multiple sources and enables us to retain customers even as they shift from priority to deferred shipments of their products. We believe our low capital intensity model allows us to provide low-cost solutions to our customers, operate our business with strong cash flow characteristics, and retain significant flexibility in responding to changing industries and economic conditions.

Lower-risk operation of network of independent agent offices

We derive a substantial portion of our revenue pursuant to agreements with independently-owned agent offices operating under our various brands. These arrangements afford us with a relatively low risk growth model as each individual agent office is responsible for its own sales and costs of operations. Under shared revenue arrangements with our independent agent office owners, we are responsible to provide centralized back-office infrastructure, transportation and accounting systems, billing and collection services.

Offer significant advantages to independent agent office owners

Our current network is predominantly represented by independent agent offices that rely on us for operating authority, technology, sales and marketing support, access to working capital, our carrier and international partner networks, and collective purchasing power. Through the agency relationship, the agent has the ability to focus on the operational and sales support aspects of the business without diverting costs or expertise to the structural aspect of its operations, thus, providing the agent with the regional, national and global brand recognition that they would not otherwise be able to achieve by solely serving their local market.

Diverse customer base

We have a well-diversified customer base that includes manufacturers, distributors and retailers. As of September 30, 2013, no single customer represented more than 5% of our business and no one agency location represented more than 10% of our business, reducing risks associated with any particular industry, geographic or customer concentration.

Information technology resources

A primary component of our business strategy is the continued development of advanced information systems to provide accurate and timely information to our management, independent agents and customers. We believe that the ability to provide accurate real-time information on the status of shipments has and will become increasingly important in our industry. Our customer delivery tools enable connectivity with our customers and trading partners systems, which leads to more accurate and up-to-date information on the status of shipments. Our centralized transportation management system (rating, routing, tender and financial settlement processes) drives significant productivity improvement across our network.

Global network of transportation providers

Radiant provides worldwide supply chain services, which today include international air and ocean services that complement our domestic service offerings. These offerings include heavyweight and small package air services, providing same day (next flight out) air charters, next day a.m. / p.m., second day a.m. / p.m. as well as time definite surface transport moves. Our non-asset based business model also allows us to use commercial passenger and cargo flights. Thus, we have thousands of daily flight options to choose from, and our pickup and delivery network provides us with zip code to zip code coverage throughout North America.

Ability to leverage On Time s dedicated time definite line haul network

As we continue to grow and scale the business, we are developing density in our trade lanes which creates opportunities for us to more efficiently source and manage our transportation capacity. We believe the recent addition of On Time s dedicated line haul network will provide transportation capacity to our other operating locations across North America and serve as a catalyst for margin expansion in our existing business and a competitive differentiator in the marketplace to help us secure new customers and attract additional agent stations to our network.

Industry Overview

As business requirements for efficient and cost-effective logistics services have increased, so has the importance and complexity of effectively managing freight transportation. Businesses increasingly strive to minimize inventory levels, perform manufacturing and assembly operations in the lowest cost locations, and distribute their products in numerous global markets. As a result, companies are increasingly looking to third-party logistics providers to help them execute their supply chain strategies.

Customers have two principal third-party alternatives: a freight forwarder or a fully-integrated carrier. We operate primarily as a freight forwarder. Freight forwarders procure shipments from customers and arrange the transportation of cargo on a carrier. A freight forwarder may also arrange pick-up from the shipper to the carrier and delivery of the shipment from the carrier to the recipient. Freight forwarders often tailor shipment routing to meet the customer s price and service requirements. Fully-integrated carriers, such as FedEx Corporation, DHL Worldwide Express, Inc., and United Parcel Service, provide pickup and delivery service, primarily through their own captive fleets of trucks and aircraft. Because freight forwarders select from various transportation options in routing customer shipments, they are often able to serve customers less expensively and with greater flexibility than integrated carriers. Freight forwarders generally handle shipments of any size and offer a variety of customized shipping options.

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Most freight forwarders, including us, focus on heavier cargo and do not generally compete with integrated shippers of primarily smaller parcels. In addition to the high fixed expenses associated with owning, operating and maintaining fleets of aircraft, trucks and related equipment, integrated carriers often impose significant restrictions on delivery schedules and shipment weight, size and type. On occasion, integrated shippers serve as a source of cargo space to forwarders. Additionally, most freight forwarders do not generally compete with the major commercial airlines, which, to some extent, depend on forwarders to procure shipments and supply freight to fill cargo space on their scheduled flights.

We believe there are several factors that are increasing demand for global logistics solutions, including:

- Outsourcing of non-core activities
- Globalization of trade
- Increased need for time-definite delivery
- Consolidation of global logistics providers
- Increasing influence of e-business and the Internet

Our Growth Strategy

We provide customers with comprehensive value-added logistics solutions through domestic and international freight forwarding services offered by us through our Radiant, Airgroup, Adcom, DBA and On Time network brands. Since inception of our business in 2006, we have executed on a strategy to expand operations through a combination of organic growth and the strategic acquisition of non-asset based transportation and logistics providers meeting our acquisition criteria. We have successfully completed eight acquisitions since our initial acquisition of Airgroup in January of 2006, including:

- Automotive Services Group, expanding our services into the automotive industry, in 2007;
- Adcom Express, Inc., adding domestic agency locations, in 2008;
- DBA Distribution Services, Inc., adding two Company-owned logistics offices and agency offices, in 2011;
- ISLA International Ltd., adding a Company-owned logistics office in Laredo, Texas, providing us with bilingual expertise in both north and south bound cross-border transportation and logistics services, in 2011;

- Brunswicks Logistics, Inc., adding a strategic Company-owned location in New York-JFK, in 2012;

- Marvir Logistics, Inc., adding a Company location in Los Angeles from the conversion of a former agency location since 2006, in 2012;

- International Freight Systems of Oregon, Inc., adding a Company location in Portland, Oregon, from the conversion of a former agency location since 2007, in 2012; and

- On Time Express, Inc., adding three Company-owned offices in Phoenix, Arizona, Dallas, Texas and Atlanta, Georgia, intended to provide additional line haul and time critical logistics capabilities, in 2013

We expect to grow our business organically and by completing acquisitions of other companies with complementary geographical and logistics service offerings. We will continue to make enhancements to our back office infrastructure and transportation management and accounting systems to support this growth. Our organic growth strategy will continue to focus on strengthening existing and expanding new customer relationships, while continuing our efforts on the organic build-out of our network of independent agency locations. In addition, we will also be working to drive further productivity improvements enabled through the introduction of our value added truck brokerage and customs house brokerage service capabilities and the optimization of our own transportation capacity management opportunities available through On Time s dedicated line haul network.

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Our acquisition strategy has been designed to take advantage of shifting market dynamics. The third party logistics industry continues to grow as an increasing number of businesses outsource their logistics functions to more cost effectively manage and extract value from their supply chains. The industry is positioned for further consolidation as it remains highly fragmented, and as customers are demanding the types of sophisticated and broad reaching service offerings that can more effectively be handled by larger more diverse organizations. We believe the highly fragmented composition of the marketplace, the industry participants need for capital, and their owners desire for liquidity has and will continue to produce a large number of attractive acquisition candidates. Our target acquisition candidates are generally smaller than those identified as acquisition targets of larger public companies and have limited ability to conduct their own public offerings or obtain financing that will provide them with capital for liquidity or rapid growth. We believe that many of these smaller companies are receptive to our acquisition program as a vehicle for liquidation or growth. We intend to be opportunistic in executing our acquisition strategy with a goal of expanding both our domestic and international capabilities.

Recent Developments

Acquisition of On Time Express, Inc.

On October 1, 2013, we closed the acquisition of On Time Express, Inc., or On Time, a privately-held corporation based in Phoenix, Arizona, with additional offices in the vicinity of Dallas, Texas and Atlanta, Georgia, that has developed a dedicated line haul network that it leverages in delivering customized time definite 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. On Time operates a non-asset based line haul network with access to a broad range of asset-based carriers that offer transportation options including 53 foot air ride dry vans, flatbeds, oversize dimensional equipment and cargo vans. On Time services over 20 airport hub locations on a daily basis, while maintaining strong margins as a result of the time-critical nature of the freight it carries and the utilization levels achieved on its routes.

It is our expectation that On Time will continue to operate as a stand-alone business unit within our various operating units and brands, support its own end customers, and provide transportation capacity to our other operating locations across North America via its dedicated line haul network with less-than-truckload, or LTL, and expedited ground service.

The purchase price of On Time was structured as $7.5 million in cash paid at closing, of which $0.5 million was held back subject to a working capital true-up 90 days after closing; 237,320 shares our common stock which were valued at $0.5 million; $2.0 million in cash payable in four quarterly installments commencing on the 90-day anniversary of the closing; and up to an additional $10.0 million in Tier-1 earn-out amounts payable over the next four years in a combination of cash and our common stock based on the future adjusted EBITDA of the acquired operation. We may, in our sole discretion, elect to satisfy up to 25% of each of the performance-based payments through the issuance of our common stock valued at the time of the payment. In addition, on November 1, 2018, we will pay an additional Tier-2 earn-out amount equal to 50% of the amount, if any, by which the cumulative adjusted EBITDA of all of the prior performance periods exceeds a base targeted amount. We may, in our sole discretion, elect to satisfy up to 50% of such additional Tier-2 payment through the issuance of our common stock valued at the time of payment.

Repayment of a Portion of the Caltius Notes

During September 2013, we repaid $2 million of indebtedness owed under the senior subordinated notes issued to Caltius. As of the date of this prospectus, approximately $8 million remained outstanding under the notes, which we intend to repay with the proceeds from this offering.

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SELECTED SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables set forth selected summary consolidated financial data as of and for the periods indicated. The selected summary consolidated financial data as of and for each of the fiscal years ended June 30, 2013, June 30, 2012 and June 30, 2011 are derived from our audited consolidated financial statements that are included elsewhere in this prospectus.

The following selected summary consolidated financial data should be read in conjunction with our consolidated financial statements and related notes, and our Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

(In thousands, except per share data and operational data)

Income Statement Data:

	Year Ended June 30,			Three Months Ended September 30,	
	2013	2012	2011	2013	2012
				(Unaudited)	
Revenue	$ 310,835	$ 297,003	$ 203,820	$ 76,702	$ 79,148
Cost of transportation	222,402	212,294	141,316	53,481	56,910
Net revenue	88,433	84,709	62,505	23,221	22,238
Income from operations	7,422	4,481	5,175	2,195	1,116
Other expense	1,285	927	139	434	342
Income before income tax expense	6,137	3,554	5,036	1,760	773
Net income	3,765	2,079	3,011	1,108	433
Net income attributable to non-controlling interest	108	178	159	17	30
Net income attributable to common stockholders	3,657	1,901	2,852	1,092	403
Net income per common share:					
Basic	$ 0.11	$ 0.06	$ 0.09	$ 0.03	$ .01
Diluted	$ 0.10	$ 0.05	$ 0.09	$ 0.03	$ .01

Balance Sheet Data:

	June 30,			September 30,	
	2013	2012	2011	2013	2012
				(Unaudited)	
Cash and cash equivalents	$ 1,024	$ 67	$ 434	$ 8,795	$ 676
Total assets	83,753	84,503	56,621	88,253	87,669
Total liabilities	67,868	73,101	50,471	71,127	75,732
Total stockholders equity	15,885	11,402	6,150	17,126	11,937

Other Data:

	Year Ended June 30,			Three Months Ended September 30,	
	2013	2012	2011	2013	2012
				(Unaudited)	
Cash provided by (used for) operating activities	$ 2,899	$ 3,563	$ 2,932	$ 1,656	$ (2)
Cash used for investing activities	(2,532)	(11,528)	(5,385)	(44)	(201)
Cash provided by financing activities	591	7,598	2,205	6,158	813
EBITDA(1)	11,973	7,769	6,410	3,092	2,354
Adjusted EBITDA(1)	10,693	7,519	6,823	3,096	2,506

(1) EBITDA and Adjusted EBITDA are non-U.S. GAAP measures. EBITDA means net income before interest, income taxes, impairment, depreciation and amortization. We calculate adjusted EBITDA as EBITDA, adjusted for share-based compensation, changes in contingent consideration, gain on litigation settlement (net), lease termination costs and acquisition related costs. For a reconciliation of EBITDA and adjusted EBITDA to net income and management s reasons why we believe that the presentation of EBITDA and adjusted EBITDA provides useful information to investors, see the section appearing elsewhere in this prospectus entitled Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations.

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SELECTED UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2013 is presented as if the acquisition of On Time had occurred on September 30, 2013. The unaudited pro forma condensed combined statement of operations for the three month periods ended September 30, 2013 and September 30, 2012 are presented as if the acquisition had occurred on July 1, 2012. The unaudited pro forma condensed consolidated statement of operations for the year ended June 30, 2013 is presented as if the acquisition had occurred at July 1, 2012. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable.

The information set forth below, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, may not reflect all of the anticipated financial expenses and benefits and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had Radiant and On Time been combined during the periods presented.

The unaudited pro forma condensed consolidated financial information is based on the preliminary information available and management s preliminary valuation of the fair value of tangible and intangible assets acquired and liabilities assumed. The finalization of the Company s purchase accounting assessment may result in changes to the valuation of assets acquired and liabilities assumed, particularly in regards to infinite and finite-lived intangible assets, which could be material. The Company will finalize the purchase price allocation as soon as practicable within the measurement period in accordance with Accounting Standards Codification Topic 805 Business Combinations (ASC 805), but in no event later than one year following the transaction date.

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Radiant Logistics, Inc.

Summary Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet

	Radiant Logistics, Inc.	On Time Express, Inc.	Pro Forma	
	September 30, 2013		Adjustments	Total
Assets				
Current assets				
Cash and cash equivalents	$ 8,795	$ 41	$ (529)[(a)]	$ 1,307
			(7,000)[(i)]	
Accounts receivable, net of allowance for doubtful accounts	49,003	3,067		52,070
Current portion of employee and other receivables	322			322
Income tax receivable		127	(127)[(b)]	
Prepaid expenses and other current assets	2,727	194		2,921
Deferred tax asset	1,025	24		1,049
Total current assets	61,872	3,453	(7,656)	57,669
Furniture and equipment, net	1,204	280		1,484
Goodwill and acquired intangibles, net	24,483		15,950[(c)]	41,412
			2,499[(d)]	
			(1,520)[(e)]	
Employee and other receivables, net of current portion	57	25		82
Deferred tax asset		142	(142)[(b)]	
Deposits and other assets	637			637
Total Assets	$ 88,253	$ 3,900	$ 9,131	$ 101,284
Liabilities and Stockholders equity				
Current liabilities				
Accounts payable and accrued transportation costs	$ 33,424	$ 1,595	$	$ 35,019
Commissions payable	4,915			4,915
Other accrued costs	2,242	256		2,498
Income taxes payable	830		(127)[(b)]	703
Current portion of notes payable	767	529	(529)[(a)]	3,267
			500[(f)]	
			2,000[(g)]	
Current portion of contingent consideration	317		1,685[(h)]	2,002
Current portion of lease termination liability	303			303
Total current liabilities	42,798	2,380	3,529	48,707
Notes payable and other long-term debt, net of current portion and debt discount	23,739		250[(j)]	23,989
Contingent consideration, net of current portion	3,513		4,515	8,028

Lease termination liability, net of current portion	457			457
Deferred rent liability	578			578
Deferred tax liability	39		(142)[b]	2,396
			2,499[d]	
Other long-term liabilities	3			3
Total liabilities	71,127	2,380	10,651	84,158
Stockholders equity				
Common stock	15	1	(1)[e]	15
Additional paid-in capital	14,005	1,946	(1,946)[e]	14,005
Deferred compensation	(13)			(13)
Retained earnings (deficit)	3,035	(427)	427[e]	3,035
Total Radiant Logistics, Inc. stockholders equity	17,042	1,520	(1,520)	17,042
Non-controlling interest	84			84
Total stockholders equity	17,126	1,520	(1,520)	17,126
Total liabilities and stockholders equity	$ 88,253	$ 3,900	$ 9,131	$ 101,284

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Pro Forma Adjustments and Assumptions.

(a) To reflect the payoff of On Time s line of credit at acquisition.
(b) To net current and deferred tax assets and liabilities.
(c) To reflect the estimated value of goodwill and acquired intangible assets.
(d) To reflect the estimated deferred tax liability associated with the acquired intangible assets.
(e) To reflect the elimination of On Time s equity balances.
(f) To reflect the future issuance of common stock of $0.5 million as due shareholder.
(g) To reflect the issuance of $2.0 million of notes payable at closing.
(h) To reflect the estimated contingent consideration payable of $6.2 million.
(i) To reflect the initial cash payment of $7.0 million.
(j) To reflect the estimated working capital adjustment.

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Radiant Logistics, Inc.

Summary Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations

Year Ended June 30, 2013

	Historical Statements			
	Radiant Logistics, Inc.	On Time Express, Inc.	Pro Forma Adjustments[a]	Pro Forma Consolidated
Revenue	$ 310,835	$ 26,102	$	$ 336,937
Cost of transportation	222,402	19,926		242,328
Net revenues	88,433	6,176		94,609
Agent commissions	52,466			52,466
Personnel costs	16,112	1,362	(435)[b]	17,039
Selling, general and administrative expenses	9,770	1,774	(153)[c]	11,391
Depreciation and amortization	3,944	179	1,315[d]	5,438
Transition and lease termination costs	1,544			1,544
Change in contingent consideration	(2,825)		250[e]	(2,575)
Total operating expenses	81,011	3,315	977	85,303
Income from operations	7,422	2,861	(977)	9,306
Other expense (income)				
Interest income	(16)	(6)		(22)
Interest expense	2,016	67	75[f]	2,439
			281[g]	
Gain on litigation settlement, net	(368)			(368)
Other	(347)	(18)		(365)
Total other expense	1,285	43	356	1,684
Income before income tax expense	6,137	2,818	(1,333)	7,622
Income tax expense (benefit)	2,371	1,122	(487)[h]	3,006
Net income	3,766	1,696	(846)	4,616
Less: Net income attributable to non-controlling interest	(108)			(108)
Net income attributable to Radiant Logistics, Inc.	$ 3,658	$ 1,696	$ (846)	$ 4,508

Net income per common share basic	$	0.11			$	0.14
Net income per common share diluted	$	0.10			$	0.13
Basic weighted average common shares outstanding		33,120,767		237,320(i)		33,358,087
Diluted weighted average common shares outstanding		35,690,119		237,320(i)		35,927,439
Other Data:						
Pro Forma EBITDA					$	15,369(j)
Pro Forma Adjusted EBITDA						14,339(j)
Pro Forma Adjusted Net Income						7,347(j)

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Pro Forma Adjustments and Assumptions

(a) Transaction costs of $66,000 were not eliminated in the presentation of the above pro forma information as they represent one-time historical costs.

(b) To eliminate non-recurring personnel costs.
(c) To reflect the estimated change in lease obligations resulting from the execution of new lease agreements.
(d) To reflect the estimated amortization of acquired identifiable intangibles.
(e) To reflect the estimated change in contingent consideration.
(f) To reflect interest expense on the $2 million of notes payable at the rate of 6.0% per annum.
(g) To reflect interest expense incurred on $7.5 million from the Bank of America Credit Facility at the rate of 3.75% per annum.
(h) To reflect income taxes at the rate of 40%.
(i) To reflect the issuance of 237,320 shares of common stock in connection with the On Time acquisition.
(j) Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income are non-GAAP measures that have been presented in order to provide useful information to investors relative to our financial performance as adjusted to reflect the acquisition of On Time as if it occurred as of the beginning of the period presented above. For a reconciliation of Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income, to Net Income, reference is made to the financial tables included within the section below entitled Reconciliation of Non-GAAP Financial Measures.

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Radiant Logistics, Inc.

Summary Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations

	Three Months Ended			
	Radiant Logistics, Inc.	On Time Express, Inc.	Pro Forma	
	September 30, 2013		Adjustments	Total
Revenue	$ 76,702	$ 6,724	$	$ 83,426
Cost of transportation	53,481	5,155		58,636
Net revenues	23,221	1,569		24,790
Agent commissions	13,635			13,635
Personnel costs	4,100	261		4,361
Selling, general and administrative expenses	2,656	418	(38)[(a)]	3,036
Depreciation and amortization	830	24	329[(b)]	1,183
Change in contingent consideration	(195)		63[(c)]	(132)
Total operating expenses	21,026	703	(354)	22,083
Income from operations	2,195	866	(354)	2,707
Other expenses	434	33	30[(d)] 70[(e)]	567
Income before income taxes	1,761	833	(454)	2,140
Income tax expense	652	330	(133)[(f)]	849
Net income	1,109	503	(321)	1,291
Less: net income attributable to non-controlling interest	(17)			(17)
Net income attributable to Radiant Logistics, Inc.	$ 1,092	$ 503	$ (321)	$ 1,274
Net income per common share basic and diluted	$ 0.03			$ 0.04
Weighted average shares outstanding:				
Basic	33,337,362		237,320[(g)]	33,574,682
Diluted	35,987,483		237,320[(g)]	36,224,803
Other Data:				
Pro Forma EBITDA				$ 3,879[(h)]

Pro Forma Adjusted EBITDA	3,880[(h)]
Pro Forma Adjusted Net Income	2,000[(h)]

Pro Forma Adjustments and Assumptions

(a) To reflect the change in lease obligations resulting from the execution of new lease agreements.
(b) To reflect the estimated amortization of acquired intangible assets.
(c) To reflect the estimated change in contingent consideration.
(d) To reflect interest on the $2.0 million of notes payable at 6.0% per annum.
(e) To reflect interest incurred on $7.5 million from the Bank of America Credit Facility at 3.75% per annum.
(f) To reflect income taxes at 40%.
(g) To reflect the issuance of 237,320 shares of common stock in connection with On Time the acquisition.
(h) Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income are non-GAAP measures that have been presented in order to provide useful information to investors relative to our financial performance as adjusted to reflect the acquisition of On Time as if it occurred as of the beginning of the period presented above. For a reconciliation of Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income, to Net Income, reference is made to the financial tables included within the section below entitled Reconciliation of Non-GAAP Financial Measures.

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Radiant Logistics, Inc.

Summary Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations

	Three Months Ended			
	Radiant Logistics, Inc.	On Time Express, Inc.	Pro Forma	
	September 30, 2012		Adjustments	Total
Revenue	$ 79,148	$ 6,897	$	$ 86,045
Cost of transportation	56,910	5,275		62,185
Net revenues	22,238	1,622		23,860
Agent commissions	13,295			13,295
Personnel costs	3,758	406		4,164
Selling, general and administrative expenses	2,900	412	(38)[(a)]	3,274
Depreciation and amortization	1,120	52	329[(b)]	1,501
Change in contingent consideration	50		63[(c)]	113
Total operating expenses	21,123	870	(354)	22,347
Income from operations	1,115	752	(354)	1,513
Other expenses	342	10	30[(d)]	452
			70[(e)]	
Income before income taxes	773	742	(454)	1,061
Income tax expense	340	246	(174)[(f)]	412
Net income	433	496	(280)	649
Less: net income attributable to non-controlling interest	(30)			(30)
Net income attributable to Radiant Logistics, Inc.	$ 403	$ 496	$ (280)	$ 619
Net income per common share basic and diluted	$ 0.01			$ 0.02
Weighted average shares outstanding:				
Basic	33,031,110		237,320[(g)]	33,268,430
Diluted	35,602,281		237,320[(g)]	35,839,601
Other Data:				
Pro Forma EBITDA				$ 3,067[(h)]

Pro Forma Adjusted EBITDA	3,282[h]
Pro Forma Adjusted Net Income	1,777[h]

Pro Forma Adjustments and Assumptions

(a) To reflect the change in lease obligations resulting from the execution of new lease agreements.
(b) To reflect the estimated amortization of acquired intangible assets.
(c) To reflect the estimated change in contingent consideration.
(d) To reflect interest on the $2.0 million of notes payable at 6.0% per annum.
(e) To reflect interest incurred on $7.5 million from the Bank of America Credit Facility borrowed to pay a portion of the purchase price of the On Time acquisition at the rate of 3.75% per annum.
(f) To reflect income taxes at the rate of 40%.
(g) To reflect the issuance of 237,320 shares of common stock in connection with the On Time acquisition.
(h) Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income are non-GAAP measures that have been presented in order to provide useful information to investors relative to our financial performance as adjusted to reflect the acquisition of On Time as if it occurred as of the beginning of the period presented above. For a reconciliation of Pro Forma EBITDA, Pro Forma Adjusted EBITDA and Pro Forma Adjusted Net Income, to Net Income, reference is made to the financial tables included within the section below entitled Reconciliation of Non-GAAP Financial Measures.

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Reconciliation of Non-U.S. GAAP Financial Measures.

As used herein, Pro Forma Adjusted Net Income, Pro Forma EBITDA and Pro Forma Adjusted EBITDA are not measures of financial performance or liquidity under United States Generally Accepted Accounting Principles (GAAP). Pro Forma Adjusted Net Income, Pro Forma EBITDA and Pro Forma Adjusted EBITDA are presented herein because they are important metrics used by management to evaluate and understand the performance of the ongoing and additional operations of Radiant s businesses. For Pro Forma Adjusted Net Income, management is using a 40% tax rate for calculating the provision for income taxes. In addition, in arriving at Pro Forma Adjusted Net Income, the Company adjusts for significant items that are not part of regular operating activities. These adjustments include acquisition costs, transition, severance and lease termination costs, unusual legal and claims settlement as well as depreciation and amortization and certain other non-cash charges.

Pro Forma Adjusted EBITDA means pro forma earnings before interest, income taxes, depreciation and amortization, which is then further adjusted for changes in contingent consideration stock-based compensation, acquisition, severance and lease termination costs and other non-cash charges. We believe that pro forma adjusted EBITDA, as presented, represents a useful method of assessing the performance of our operating activities, as it reflects our earnings trends without the impact of certain non-cash charges and other non-recurring charges. We understand that although securities analysts frequently use EBITDA in their evaluation of companies, it is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation. Pro Forma Adjusted Net Income, Pro Forma EBITDA and Pro Forma Adjusted EBITDA should not be considered in isolation or as a substitute for any of the consolidated statements of income prepared in accordance with GAAP, or as an indication of Radiant s operating performance or liquidity.

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The following table provides a reconciliation for the twelve months ended June 30, 2013, the three months ended September 30, 2013, and the three months ended September 30, 2012, of EBITDA, adjusted EBITDA and adjusted net income to net income, the most directly comparable GAAP measure in accordance with SEC Regulation G:

(in thousands)	Twelve Months Ended June 30, 2013 Pro Forma	Three Months Ended September 30, 2013 Pro Forma	Three Months Ended September 30, 2012 Pro Forma
Net Income	$ 4,508	$ 1,274	$ 619
Income tax expense	3,006	849	412
Net interest expense	2,417	573	535
Depreciation and amortization	5,438	1,183	1,501
EBITDA	15,369	3,879	3,067
Share-based compensation	369	133	102
Change in Contingent Consideration	(2,575)	(132)	113
Lease termination costs	1,439		
Gain on litigation settlement, net	(368)		
Acquisition related costs	105		
Adjusted EBITDA	$ 14,339	$ 3,880	$ 3,282

Pro Forma Adjusted Net Income Calculations

(in thousands)	Twelve Months Ended June 30, 2013 Pro Forma	Three Months Ended September 30, 2013 Pro Forma	Three Months Ended September 30, 2012 Pro Forma
Net Income	$ 4,508	$ 1,274	$ 619
Income tax expense	3,006	849	412
Depreciation and amortization	5,438	1,183	1,501
Change in Contingent Consideration	(2,575)	(132)	113
Gain on litigation settlement, net	(368)		
Lease termination costs	1,439		
Acquisition related costs	105	66	
Severance and transition costs	105		
Non-recurring legal costs	306	16	251
Amortization of loan fees and Original Issue Discount	281	77	66
Adjusted Net Income before taxes	12,245	3,333	2,962

Provision for income taxes at 40%		4,898		1,333		1,185
Adjusted Net Income	$	7,347	$	2,000	$	1,777

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the documents incorporated by reference into this prospectus, contains forward-looking statements within the meaning of the Securities Act of 1933, as amended, or the Securities Act, and the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements involve risks and uncertainties that could cause results or outcomes to differ materially from those expressed in the forward-looking statements. Forward-looking statements may include, without limitation, statements relating to our plans, strategies, objectives, expectations and intentions and are intended to be made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Some of the forward-looking statements can be identified by the use of forward-looking terms such as believes, expects, may, will, should, could, seek, intends, plans, esti or other comparable terms. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. The risks and uncertainties discussed in Risk Factors should be considered in evaluating the Company s forward-looking statements. You should not place undue reliance on our forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statements.

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THE OFFERING

The following is a brief summary of certain terms of this offering and does not purport to be complete. For a more complete description of the terms of the Series A Preferred Stock, see Description of Series A Preferred Stock in the Offering beginning on page 79 of this prospectus.

Issuer	Radiant Logistics, Inc., a Delaware corporation.
Securities Offered	800,000 shares of 9.75% Series A Cumulative Redeemable Perpetual Preferred Stock, par value $.001 per share, liquidation preference $25.00 per share, plus up to an additional 120,000 shares if the underwriters exercise their option to purchase additional shares in full.
Price Per Share	$25.00
Conversion; Exchange and Preemptive Rights	The Series A Preferred Shares will not have any conversion or exchange rights or be subject to any preemptive or similar rights.
Dividends	Dividends on the Series A Preferred Shares will accrue and be cumulative from December 20, 2013 and will be payable on each Dividend Payment Date (as defined below) when, as and if declared by our board of directors out of funds legally available for such purpose, subject to certain limitations on our ability to declare and pay dividends under our existing credit facility with Bank of America, NA. See Description of Series A Preferred Shares Dividends and Risk Factors Risks Related To Our Series A Preferred Shares.
Dividend Payment Dates	January 31, April 30, July 31 and October 31, commencing April 30, 2014 (each, a Dividend Payment Date).
Dividend Rate	Subject to adjustment in the manner described immediately below, the dividend rate for the Series A Preferred Shares will initially be 9.75% per annum per $25.00 of liquidation preference per share (equal to $2.4315 per share per annum).
Penalties as a Result of Failure to Pay Dividends	If we do not pay dividends in full on the Series A Preferred Shares on any two Dividend Payment Dates (whether consecutive or not), the per annum dividend rate will increase by an additional 2.00% per $25.00 stated liquidation preference, or $0.50 per annum (or $0.125 per quarter),

per Series A Preferred Share on and after the day following such second Dividend Payment Date. On each subsequent Dividend Payment Date on which cash dividends on the Series A Preferred Shares shall not be declared and paid, the annual dividend rate payable on the Series A Preferred Shares shall increase by an additional 2.00% per annum per $25.00 stated liquidation preference per Series A Preferred Share, up to a maximum annual dividend rate on the Series A Preferred Shares of 19.00%. The dividend rate will reset to the original dividend rate of 9.75% once we have paid all accrued and unpaid dividends on the shares for two consecutive Dividend Payment Dates. Please read Description of Series A Preferred Shares Dividends Penalties as a Result of Failure to Pay Dividends.

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Ranking	The Series A Preferred Shares will represent perpetual equity interests in us and, unlike our indebtedness, will not entitle the holders thereof to receive payment of a principal amount at a particular date. The Series A Preferred Shares will rank:
	senior to all classes of our common shares and to each other class or series of capital stock established after the original issue date of the Series A Preferred Shares that is not expressly made senior to or on parity with the Series A Preferred Shares as to the payment of dividends and amounts payable upon the liquidation of our affairs (collectively, Junior Securities);
	pari passu with any class or series of capital stock established after the original issue date of the Series A Preferred Shares that is not expressly subordinated or senior to the Series A Preferred Shares as to payment of dividends and amounts payable upon the liquidation of our affairs (collectively, Parity Securities);
	junior to all of our and our subsidiaries indebtedness and other liabilities with respect to assets available to satisfy claims against us, and as of September 30, 2013 we and our subsidiaries had outstanding indebtedness and liabilities of approximately $71.1 million; and
	junior to each other class or series of capital stock expressly made senior to the Series A Preferred Shares as to the payment of dividends and amounts payable upon the liquidation of our affairs (collectively, Senior Securities).
	No dividend may be declared or paid or set apart for payment on any Junior Securities (other than a dividend payable solely in shares of Junior Securities) unless (a) full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding Series A Preferred Shares through the most recent respective dividend payment dates and (b) we are in compliance with the Fixed Charge Coverage Ratio described in Description of Series A Preferred Shares Fixed Charge Coverage Ratio.
Redemption	Commencing on December 20, 2018, we may redeem, at our option, in whole or in part, the Series A Preferred Shares at a cash redemption price equal to $25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon (whether or not declared) up to but not including the date of redemption. Please read Description of Series A

	Preferred Shares Redemption Optional Redemption.
Voting Rights	Holders of the Series A Preferred Shares generally have no voting rights. However, in the event that six quarterly dividends, whether or not consecutive, payable on the Series A Preferred Shares are in arrears, the holders of Series A Preferred Shares (voting as a class together) will be entitled, at the next meeting of stockholders called for the election of directors, to elect two directors to serve on our

board of directors, and the size of our board of directors will be increased as needed to accommodate such change. The right of such holders of Series A Preferred Shares to elect two members of our board of directors will continue until such time as all dividends accumulated and in arrears on the Series A Preferred Shares have been paid in full, at which time such right will terminate. However, after the dividends accumulated and in arrears have been paid and the right of such holders of Series A Preferred Shares to elect two members of our board of directors has terminated, such right to elect two members of our board of directors may be reinstated in the event of a subsequent failure to pay six additional quarterly dividends, as described above.

Unless we have received the affirmative vote or consent of the holders of two thirds of the outstanding Series A Preferred Shares, voting as a single class, we may not adopt any amendment to our Certificate of Incorporation that adversely alters the preferences, powers or rights of the Series A Preferred Shares.

In addition, unless we have received the affirmative vote or consent of the holders of two thirds of the outstanding Series A Preferred Shares, voting as a class together with the holders of any other Parity Securities upon which like voting rights have been conferred and are exercisable, we may not:

- create or issue any Parity Securities if the cumulative dividends payable on outstanding Series A Preferred Shares are in arrears; or

- create or issue any Senior Securities.

Notwithstanding the foregoing, we may amend our Certificate of Incorporation to increase the authorized number of shares of our Preferred Stock without the consent of the holders of the Series A Preferred Shares.

On any of the above-referenced matters in which the holders of the Series A Preferred Stock are entitled to vote as a class, such holders will be entitled to one vote per share.

Please read Description of Series A Preferred Shares Voting Rights.

Fixed Charge Coverage Ratio	We will be subject to a covenant with respect to the Series A Preferred Shares requiring that we maintain a Fixed Charge Coverage Ratio of at least 2.00. If we are not in compliance with the Fixed Charge Coverage Ratio, we will not be permitted to declare or pay dividends on any Junior Securities. For a description of this ratio and for related defined terms, please read Description of Series A Preferred Shares Fixed Charge Coverage Ratio and Description of Series A Preferred Shares Certain Definitions.

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Liquidation Price	In the event of any liquidation of our affairs, holders of the Series A Preferred Shares will, subject to the rights of our creditors and the holders of any Senior Securities, have the right to receive a cash payment equal to the liquidation preference of $25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon (whether or not declared) to the date of payment before any payments are made to holders of our common stock or any other Junior Securities.
Sinking Fund	The Series A Preferred Shares will not be subject to any sinking fund requirements.
Use of Proceeds	We intend to use the net proceeds of the sale of the Series A Preferred Shares, which we expect will total approximately $18,495,000 (or approximately $21,315,000 if the underwriters exercise their over-allotment option in full), primarily to retire the outstanding balance owed under the senior subordinated notes issued to Caltius and to reduce the amount outstanding under our $30 million credit facility with Bank of America. After paying down the Bank of America credit facility we expect to have less than $5.0 million drawn on such credit facility. In the future, we may make additional borrowings under the credit facility, subject to the terms thereof, including the borrowing base, for working capital and general corporate purposes, including to fund potential acquisitions. See Use of Proceeds.
Ratings	The Series A Preferred Shares will not be rated by any Nationally Recognized Statistical Rating Organization.
Listing	The Series A Preferred Shares are a new issue of securities with no established trading market. We have applied to list the Series A Preferred Shares on the NYSE MKT Stock Market and, if the application is approved, we expect trading in the Series A Preferred Shares to begin within 30 days after the date that the Series A Preferred Shares are first issued. The underwriters have advised us that they intend to make a market in the Series A Preferred Shares, but they are not obligated to do so and may discontinue any such market making at any time without notice. We can provide no assurance as to how liquid any trading market for the Series A Preferred Shares will be. If we fail to obtain or maintain the listing of the Series A Preferred Shares on the NYSE MKT Stock Market or other securities exchange for thirty days or more (each a Listing Failure), the per annum dividend rate will increase by an additional 2.00% per $25.00 stated liquidation preference, or $0.50 per annum (or $0.125 per quarter), per Series A Preferred Share for so long as the Listing Failure continues.

Tax Considerations	Any distribution with respect to the Series A Preferred Shares that we pay out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will constitute a dividend. We believe that all or a portion of the distributions you

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	would receive from us with respect to your Series A Preferred Shares will constitute dividends. Such dividends will be included in income by you when distributed. Distributions constituting dividend income received by an individual U.S. holder in respect of the Series A Preferred Shares will generally represent qualified dividend income, which, under current laws, will generally be taxed at a lower maximum marginal tax rate than the maximum marginal tax rate applicable to ordinary income. In addition, distributions on the Series A Preferred Shares constituting dividend income paid to holders that are U.S. corporations will generally qualify for the dividends-received deduction. The availability of the reduced dividend tax rate and the dividends-received deduction are subject to certain exceptions for short-term and hedged positions and other applicable limitations. Each investor should consult its tax advisor in light of its particular circumstances. For a discussion of the tax consequences relating to the Series A Preferred Shares, please read Material U.S. Federal Income Tax Considerations.
Form	The Series A Preferred Shares will be issued and maintained in book-entry form registered in the name of the nominee of The Depository Trust Company (DTC), except under limited circumstances.
Settlement	Delivery of the Series A Preferred Shares offered hereby is expected to be made against payment therefor on or about December 20, 2013.
Registrar and Transfer Agent	Broadridge Corporate Issuer Solutions, Inc.
Risk Factors	An investment in our Series A Preferred Shares involves a high degree of risk. To determine whether an investment in our Series A Preferred Shares is appropriate for you, you should consider carefully all of the information contained in or incorporated by reference into this prospectus, as well as the factors set forth in the headings entitled Risk Factors beginning on page 23 of this prospectus.

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RISK FACTORS

An investment in our Series A Preferred Stock involves a high degree of risk. You should consider carefully all the risks described below, together with the other information contained in this prospectus, before making a decision to invest in the Series A Preferred Stock.

Risks Related to our Business

We need to maintain our existing agent relationships and expand our agent network to increase revenues.

We sell our services through Company-owned locations and through a network of independently-owned agent offices located throughout North America operating under our brands. Approximately 75% and 83% of our consolidated revenues for the year ended June 30, 2013 and June 30, 2012, respectively, were derived through our independent agent offices. Approximately 74% and 77% of our consolidated revenues for the three months ended September 30, 2013 and September 30, 2012, respectively, were derived from our independent agent offices. Although those percentages may be somewhat reduced on a current basis in recognition of the additional Company-owned locations we recently opened in connection with our acquisition of On Time, we believe independent agent relationships will remain critical to our success for the foreseeable future. We have long-term contractual relationships with many of our agents. Although the terms of our agent agreements vary widely, they generally cover the manner and amount of payments, the services to be performed, the length of the contract, and provide us with certain protections such as agent-funded reserves and indemnification obligations, and often include a personal guaranty of the station owner. Certain of our agent agreements are for defined terms, while others are subject to evergreen terms or contain automatic renewal provisions. In most situations, however, the agreements can be terminated by agents with prior notice, regardless of the stated term. While at times agency agreements technically expire, we endeavor to work with the agent to renew the agreement while continuing to operate pursuant to the most recent contract terms, based on historic and on-going course of dealings with the agent. As certain agreements expire, there can be no assurance that we will be able to enter into new agreements that provide for the same terms as those previously agreed upon, if at all. Thus, we are subject to the risk of agency terminations and the failure or refusal of certain of our agents to renew their existing agreements. While we have no customers or agency locations that separately account for more than 10% of our consolidated revenues, we do have a number of customers and agency locations with significant volume and stature, the loss of one or more of which could materially and negatively impact our ability to retain and service our customers. We will need to expand our existing relationships and enter into new relationships in order to increase our current and future market share and revenue. We cannot be certain that we will be able to maintain and expand our existing agent relationships or enter into new agent relationships, or that new or renewed agent relationships will be available on commercially reasonable terms. If we are unable to maintain and expand our existing agent relationships, renew existing agent relationships, or enter into new agent relationships, we may lose customers, customer introductions and co-marketing benefits, and our operating results may suffer significantly.

We are a non-asset based transportation and logistics services company. As a result, we depend on a variety of asset-based third party carriers, whose actions we do not directly control.

The quality and profitability of our services depend upon effective selection, management and discipline of third party carriers. Changes in the financial stability, operating capabilities and capacity of our third party carriers could affect us in unpredictable ways, including volatility in pricing and challenge our ability to remain profitable. Any determination that our third party carriers have violated laws and regulations could seriously damage our reputation and brands, resulting in diminished revenue and profit and increased operating costs.

If our independent agent offices fail to maintain adequate reserves against unpaid customer invoices, or if we are unable to offset against amounts payable by us to our independent agent offices for unpaid customer invoices, our results of operations and financial condition may be adversely affected.

We derive a substantial portion of our revenue pursuant to agency agreements with independently-owned agent offices operating under our various brands. Under these agreements, each individual agent office is responsible for some or all of the bad debt expense related to the underlying customers being serviced by the office. To support this arrangement, each office is required to maintain a security deposit with us that is recognized as a liability in our financial statements and used as a bad debt reserve for each location. We charge each individual office s bad debt reserve account for any accounts receivable aged beyond 90 days. The bad debt reserve account is continually replenished with a portion (typically 5%-10%) of such office s weekly commission check being directed to fund this account. 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 are recognized as a receivable in our financial statements. Further, under the agency agreement, the independent station owner is responsible for such deficits and the agency agreements provide that we may withhold all or a portion of future commission checks payable to the individual office in satisfaction of any deficit balance. As of September 30, 2013, a number of our agency offices have a deficit balance in their bad debt reserve account totaling approximately $650,000, with one agency office representing approximately $381,000 of that amount. We expect to replenish these funds through the future business operations of these offices. However, to the extent any of these offices were to cease operations or otherwise be unable to replenish these deficit accounts, we would be at risk of loss for any such amount. We are currently involved in collection proceedings against two customers who owe us approximately $1.1 million. We have expensed our portion of these amounts. While there can be no assurance as to the amount that may be recovered in the future, based upon, among others: (i) our historic collection experience; (ii) the portion of the bad debt recoverable from the individual agency location responsible for the account; and (iii) the anticipated recovery likely from these customers; we do not believe its exposure to these customers will be material.

Failure to comply with obligations as an indirect carrier could result in penalties and fines and limit our ability to ship freight.

We are regulated, among other things, as indirect air carriers by the Transportation Security Administration of the Department of Homeland Security. These agencies provide requirements, guidance and, in some cases, administer licensing requirements and processes applicable to the freight forwarding industry. We actively monitor our compliance and the compliance of our subsidiaries with such agency requirements to ensure that we, our subsidiaries, and our independent agents satisfactorily complete applicable security requirements and satisfy applicable qualifications and implement the required policies and procedures. We rely on our agent stations to comply with such requirements, however, we do not, actively monitor compliance by our independent agents until we are made aware that there is an inspection by such agencies or we are notified of a potential violation. These agencies generally require companies to fulfill these qualifications prior to and while operating as a freight forwarder. Failure to comply with such requirements, policies and procedures could result in penalties and fines. To date, a limited number of our independent agents have been out of compliance with the indirect air carrier regulations, resulting in small fines to us, which are then charged to the independent agents. While we are working with our independent agents to eliminate any additional violations, there is no assurance that additional violations will not take place, which could result in penalties or fines or, in the extreme case, limits on our ability to ship freight.

If we fail to enhance and integrate information technology systems or we fail to upgrade or replace our information technology systems to handle increased volumes and levels of complexity, meet the demands of our agents and customers and protect against disruptions of our operations, we may suffer a loss in our business.

Increasingly, we compete for business based upon the flexibility, sophistication and security of the information technology systems supporting our services. The failure of the hardware or software that supports our information technology systems, the loss of data contained in the systems, or the inability to access or interact with our web site or connect electronically, could significantly disrupt our operations, prevent clients from placing orders, or cause us to lose inventory items, orders or clients. If our information technology systems are unable to handle additional volume for our operations as our business and scope of services grow, our service levels and operating efficiency will decline. In addition, we expect our agents to continue to demand more sophisticated, fully integrated information technology systems from us as customers demand the same from their supply chain services providers. If we are unable to enhance, maintain and protect our information technology systems or we fail to upgrade or replace our information technology systems to handle increased volumes and levels of complexity, meet the demands of our agents and customers and protect against disruptions of our operations, our business may be adversely affected.

Our information technology systems are subject to risks we cannot control.

Our information technology systems are dependent upon third party communications providers, web browsers, telephone systems and other aspects of the internet infrastructure that have experienced significant system failures and electrical outages in the past. Our systems are susceptible to outages due to fire, floods, power loss, telecommunications failures, break-ins and similar events. Despite our implementation of network security measures, our servers are vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with our computer systems. The occurrence of any of these events could disrupt or damage our information technology systems and inhibit our internal operations, and our ability to provide services to our customers.

We are dependent on third party carriers to transport our client s cargo.

Because our freight forwarding and domestic ground transportation operations are dependent on commercial airfreight carriers and air charter operators, ocean freight carriers, major U.S. railroads, other transportation companies, draymen and longshoremen, changes in available cargo capacity and other changes affecting such carriers, as well as interruptions in service or work stoppages, may negatively impact our business.

We rely on commercial airfreight carriers and air charter operators, ocean freight carriers, trucking companies, major U.S. railroads, other transportation companies, draymen and longshoremen for the movement of our clients cargo. Consequently, our ability to provide services for our clients could be adversely impacted by: shortages in available cargo capacity; changes by carriers and transportation companies in policies and practices such as scheduling, pricing, payment terms and frequency of service or increases in the cost of fuel, taxes and labor; and other factors not within our control. Reductions in airfreight or ocean freight capacity could negatively impact our yields. Material interruptions in service or stoppages in transportation, whether caused by strike, work stoppage, lock-out, slowdown or otherwise, could adversely impact our business, results of operations and financial condition.

Our profitability depends on our ability to effectively manage our cost structure as we grow the business.

As we continue to increase our revenue through the expansion of our network of independent agency locations, we must maintain an appropriate cost structure to maintain and increase our profitability. While we intend to increase our revenue by increasing the number and quality of our agency relationships, by strategic acquisitions, and by maintaining and expanding our gross profit margins by reducing transportation costs, our profitability will be driven by our ability to manage our agent commissions, personnel and general and administrative costs as a function of our net revenues. There can be no assurances that we will be able to increase revenues or maintain profitability.

Our business is subject to seasonal trends.

Historically, our operating results have been subject to seasonal trends when measured on a quarterly basis. Our first and fourth fiscal quarters are traditionally weaker compared with our second and third fiscal quarters. As a result, our quarterly operating results are likely to continue to fluctuate. This trend is dependent on numerous factors, including the markets in which we operate, holiday seasons, climate, economic conditions and numerous other factors. A substantial portion of our revenue is derived from clients in industries whose shipping patterns are tied closely to consumer demand which can sometimes be difficult to predict or are based on just-in-time production schedules. Therefore, our revenue is, to a large degree, affected by factors that are outside of our

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control. There can be no assurance that our historic operating patterns will continue in future periods as we cannot influence or forecast many of these factors.

Comparisons of our operating results from period to period are not necessarily meaningful and should not be relied upon as an indicator of future performance.

Our operating results have fluctuated in the past and likely will continue to fluctuate in the future because of a variety of factors, many of which are beyond our control. A substantial portion of our revenue is derived from clients in industries whose shipping patterns are tied closely to economic trends and consumer demand that can be difficult to predict, or are based on just-in-time production schedules. Because our quarterly revenues and operating results vary significantly, comparisons of our results from period to period are not necessarily meaningful and should not be relied upon as an indicator of future performance. Additionally, there can be no assurance that our historic operating patterns will continue in future periods as we cannot influence or forecast many of these factors.

Economic recessions and other factors that reduce freight volumes could have a material adverse impact on our business.

The transportation industry historically has experienced cyclical fluctuations in financial results due to economic recession, downturns in business cycles of our customers, interest rate fluctuations and other economic factors beyond our control. Deterioration in the economic environment subjects our business to various risks that may have a material impact on our operating results and cause us to not reach our long-term growth goals, and which may include the following:

A reduction in overall freight volumes in the marketplace reduces our opportunities for growth. In addition, if a downturn in our customers business cycles causes a reduction in the volume of freight shipped by those customers, our operating results could be adversely affected.

Some of our customers may face economic difficulties and may not be able to pay us, and some may go out of business. In addition, some customers may not pay us as quickly as they have in the past, causing our working capital needs to increase.

A significant number of our transportation providers may go out of business and we may be unable to secure sufficient equipment or other transportation services to meet our commitments to our customers.

We may not be able to appropriately adjust our expenses to changing market demands. In order to maintain high variability in our business model, it is necessary to adjust staffing levels to changing market demands. In periods of rapid change, it is more difficult to match our staffing level to our business needs. In addition, we have other primarily variable expenses that are fixed for a period of time, and we may not be able to adequately adjust them in a period of rapid change in market demand.

We face intense competition in the freight forwarding, logistics and supply chain management industry.

The freight forwarding, logistics and supply chain management industry is intensely competitive and is expected to remain so for the foreseeable future. We face competition from a number of companies, including many that have significantly greater financial, technical and marketing resources. Customers increasingly are turning to competitive bidding situations, soliciting bids from a number of competitors, including competitors that are larger than us. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any one of which could harm our business. There are many factors that could impair our profitability, including the following:

- competition with other transportation services companies, some of which have a broader coverage network, a wider range of services, more fully developed information technology systems and greater capital resources than we do;

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reduction by our competitors of their rates to gain business, especially during times of declining growth rates in the economy, which reductions may limit our ability to maintain or increase rates, maintain our operating margins or maintain significant growth in our business;

shift in the business of shippers to asset-based trucking companies that also offer brokerage services in order to secure access to those companies trucking capacity, particularly in times of tight industry-wide capacity;

solicitation by shippers of bids from multiple transportation providers for their shipping needs and the resulting depression of freight rates or loss of business to competitors; and

establishment by our competitors of cooperative relationships to increase their ability to address shipper needs.

Our industry is consolidating and if we cannot gain sufficient market presence in our industry, we may not be able to compete successfully against larger companies in our industry.

There currently is a trend within our industry toward consolidation of the niche players into larger companies that are attempting to increase global operations through the acquisition of regional and local freight forwarders. If we cannot gain sufficient market presence or otherwise establish a successful strategy in our industry, we may not be able to compete successfully against larger companies in our industry with global operations.

If we are not able to limit our liability for customers claims through contract terms and limit our exposure through the purchase of insurance, we could be required to pay large amounts to our clients as compensation for their claims and our results of operations could be materially adversely affected.

In general, we seek to limit by contract and/or International Conventions and laws our liability to our clients for loss or damage to their goods to $20 per kilogram (approximately $9.07 per pound) and $500 per carton or customary unit, for ocean freight shipments, depending on the International Convention. For truck/land based risks, there are a variety of limits ranging from a nominal amount to full value. However, because a freight forwarder relationship to an airline or ocean carrier is that of a shipper to a carrier, the airline or ocean carrier generally assumes the same responsibility to us as we assume to our clients. When we act in the capacity of an authorized agent for an air or ocean carrier, the carrier, rather than us, assumes liability for the safe delivery of the client s cargo to its ultimate destination, unless due to our own errors and omissions.

We have, from time to time, made payments to our clients for claims related to our services and may make such payments in the future. Should we experience an increase in the number or size of such claims or an increase in liability pursuant to claims or unfavorable resolutions of claims, our results could be adversely affected. There can be no assurance that our insurance coverage will provide us with adequate coverage for such claims or that the maximum amounts for which we are liable in connection with our services will not change in the future or exceed our insurance levels. As with every insurance policy, there are limits, exclusions and deductibles that apply and we could be subject to claims for which insurance coverage may be inadequate or even disputed and such claims could adversely impact our financial condition and results of operations. In addition, significant increases in insurance costs could reduce our profitability.

We may be subject to various claims and lawsuits that could result in significant expenditures.

The nature of our business exposes us to the potential for various claims and litigation related to labor and employment (including wage-and-hour litigation relating to independent contractor drivers, sales representatives, brokerage agents and other individuals), personal injury, property damage, business practices, environmental liability and other matters. Any material litigation could have a material adverse effect on our business, results of operations, financial condition or cash flows.

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Our failure to comply with, or the costs of complying with, government regulation could negatively affect our results of operation.

Our business is subject to heavy, evolving, complex and increasing regulation by national and international sources. Regulatory changes could affect the economics of our industry by requiring changes in operating practices or influencing the demand for, and the costs of providing, services to customers. Future regulation and our failure to comply with any applicable regulations could have a material adverse effect on our business.

If we are unable to maintain our brand images and corporate reputation, our business may suffer.

Our success depends in part on our ability to maintain the image of the Radiant, Airgroup, Adcom, DBA and On Time brands and our reputation for providing excellent service to our customers. Service quality issues, actual or perceived, even when false or unfounded, could tarnish the image of our brand and may cause customers to use other freight-forwarding companies. Damage to our reputation and loss of brand equity could reduce demand for our services and thus have an adverse effect on our business, financial position and results of operations, and could require additional resources to rebuild our reputation and restore the value of our brand.

We operate with a significant amount of indebtedness, which is secured by our accounts receivable and other assets, subject to variable interest rates and contain restrictive covenants.

Our substantial indebtedness could have adverse consequences, such as:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness with Bank of America, NA, or BofA, which could reduce the availability of our cash flow to fund future operating capital, capital expenditures, acquisitions and other general corporate purposes;
- expose us to the risk of increased interest rates, as our borrowings on our secured senior credit facilities are at variable rates of interest;
- require us to sell assets to reduce indebtedness or influence our decisions about whether to do so;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- restrict us from making strategic acquisitions, buying assets or pursuing business opportunities;
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds; and

violating covenants in these agreements could have a material adverse effect on our business, financial condition and results of operations; including substantially increasing our cost of borrowing and restricting our future operations, if not cured or waived. In addition, the lenders may be able to terminate any commitments they had made to supply us with further funds. Accordingly, we may not be able to fully repay our debt obligations, if some or all of our debt obligations are accelerated upon an event of default.

Our Bank of America credit facility and Caltius financing contain financial covenants that may limit current availability and impose ongoing operational limitations and risk of compliance.

We currently maintain a $30.0 million revolving credit facility with BofA, which includes a $2.0 million sublimit to support letters of credit. Under the terms of the credit facility, we are required to maintain a fixed charge coverage ratio of at least 1.1 to 1.0 in the event that availability is less than $5.0 million or an event of default was to occur.

Our compliance with the financial covenants of our credit facility with BofA is particularly important given the materiality of these facilities to our day-to-day operations and overall acquisition strategy. Our debt capacity, subject to the requisite collateral at an advance rate of up to 85% of eligible domestic accounts receivable and, subject to certain sub-limits, 75% of eligible accrued but unbilled receivables and eligible foreign accounts receivables, is limited to a multiple of our consolidated EBITDA (as adjusted) as measured on a rolling four quarter basis. If we fail to comply with these covenants and are unable to secure a waiver or other relief, our financial condition would be materiality weakened and our ability to fund day-to-day operations would be materially and adversely affected. Accordingly, we intend to employ EBITDA and adjusted EBITDA as management tools to measure our historical financial performance and as a benchmark for future financial flexibility.

Under our credit facility with BofA, we are prohibited from declaring and paying dividends unless: (i) there are no existing events of default under the credit facility or an event of default would not be caused by the declaration or payment of such dividend, and (ii) the amount available under the credit facility after the pro forma effect of such dividend is equal to the greater of 20% of the borrowing base under the credit facility or $5,000,000.

In connection with our acquisition of the assets and operations of ISLA International, Ltd. in December 2011, we entered into an investment agreement with Caltius Partners IV, LP and Caltius Partners Executive IV, LP, collectively referred to herein as Caltius, pursuant to which we borrowed $10.0 million in exchange for a series of senior subordinated notes. Under the Caltius financing, we are subject to certain financial covenants, including funded leverage ratio covenants, senior funded leverage ratio covenants and fixed charges ratio covenants.

We intend to prepay all of the outstanding senior subordinated notes from the proceeds of this offering. Caltius has confirmed that they will accept such prepayment without any prepayment penalty or charge and thereupon the senior subordinated notes will terminate (and all restrictions and obligations thereunder, including the prohibition on payment of dividends and other financial and restrictive covenants and consent rights, will terminate, other than redemption rights under an investor rights agreement). See Description of Capital Stock Registration and Redemption Rights.

Dependence on key personnel.

For the foreseeable future, our success will depend largely on the continued services of our Chief Executive Officer, Bohn H. Crain, as well as certain of the other key executives and executives of our acquired businesses because of their collective industry knowledge, marketing skills and relationships with vendors, customers and agent office owners. We have secured employment arrangements with each of these individuals, which contain non-competition covenants that survive their actual term of employment. Nevertheless, should any of these individuals leave us, we could have difficulty replacing them with qualified individuals and it could have a material adverse effect on our future results of operations.

Our results of operations could vary as a result of the methods, estimates, and judgments that we use in applying our accounting policies.

The methods, estimates, and judgments that we use in applying our accounting policies have a significant impact on our results of operations. Such methods, estimates, and judgments are, by their nature, subject to substantial risks, uncertainties, and assumptions, and factors may arise over time that lead us to change our methods, estimates, and judgments. Changes in those methods, estimates, and judgments could significantly affect our results of operations. See Management s Discussion and Analysis of Financial Condition and Results of Operations.

Terrorist attacks and other acts of violence or war may affect our operations and our profitability.

As a result of the potential for terrorist attacks, federal, state and municipal authorities have implemented and continue to follow various security measures, including checkpoints and travel restrictions on large trucks. Such measures may reduce the productivity of our independent contractors and transportation providers or increase the costs associated with their operations, which we could be forced to bear. For example, security measures imposed at bridges, tunnels, border crossings and other points on key trucking routes may cause delays and increase the non-driving time of our independent contractors and transportation providers, which could have an adverse effect on our results of operations. Congress has mandated 100% security screening of air cargo traveling on passenger airlines effective July 31, 2010, and for ocean freight effective July 2012, which may increase costs associated with our air and freight forwarding operations. War, risk of war, or a terrorist attack also may have an adverse effect on the economy. A decline in economic activity could adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of terrorism or war also could impact our ability to raise capital. In addition, the insurance premiums charged for some or all of the coverage currently maintained by us could increase dramatically or such coverage could be unavailable in the future.

We intend to continue growing our international operations and will become increasingly subject to variations in the international trade market.

We provide services to customers engaged in international commerce, and intend to grow our international business in the coming years. For the three months ended September 30, 2013 and 2012, international transportation revenue accounted for 42.0% and 46.2% of our revenue. For the years ended June 30, 2013 and 2012, international transportation revenue accounted for 46.1% and 43.0% of our revenue.

All factors that affect international trade have the potential to expand or contract our international business and impact our operating results. For example, international trade is influenced by, among other things:

- currency exchange rates and currency control regulations;
- interest rate fluctuations;
- changes in governmental policies, such as taxation, quota restrictions, tariffs, other forms of trade barriers and/or restrictions and trade accords;
- changes in and application of international and domestic customs, trade and security regulations;
- wars, strikes, civil unrest, acts of terrorism, and other conflicts;
- natural disasters and pandemics;

- changes in consumer attitudes regarding goods made in countries other than their own;
- changes in availability of credit;
- changes in the price and readily available quantities of oil and other petroleum-related products; and
- increased global concerns regarding environmental sustainability.

If any of the foregoing factors have a negative effect on the international trade market, we will likely suffer a decrease in our international business, which could have a material adverse effect on our results of operations and financial condition.

In connection with our international business, we are subject to certain foreign regulatory requirements, and any failure to comply with these requirements could be detrimental to our business.

We provide services in parts of the world where common business practices could constitute violations of the anti-corruption laws, rules, regulations and decrees of the United States, including the U.S. Foreign Corrupt

Practices Act, the U.K. Bribery Act and of all other countries in which we conduct business; as well as trade control laws, or laws, regulations and Executive Orders imposing embargoes and sanctions; and anti-boycott laws and regulations. Compliance with these laws, rules, regulations and decrees is dependent on our employees, subcontractors, consultants, agents, third party brokers and customers, whose individual actions could violate these laws, rules, regulations and decrees. Failure to comply could result in substantial penalties, damages to our reputation and restrictions on our ability to conduct business. In addition, any investigation or litigation related to such violations may require significant management time and could cause us to incur extensive legal and related costs, all of which may have a material adverse effect on our results of operations and operating cash flows.

Risks Related to our Acquisition Strategy

There is a scarcity of and competition for acquisition opportunities.

There are a limited number of operating companies available for acquisition that we deem to be desirable targets. In addition, there is a very high level of competition among companies seeking to acquire these operating companies. We are and will continue to be a very minor participant in the business of seeking acquisitions of these types of companies. A large number of established and well-financed entities are active in acquiring interests in companies that we may find to be desirable acquisition candidates. Many of these entities have significantly greater financial resources, technical expertise and managerial capabilities than us. Consequently, we will be at a competitive disadvantage in negotiating and executing possible acquisitions of these businesses. Even if we are able to successfully compete with these entities, this competition may affect the terms of completed transactions and, as a result, we may pay more than we expected for potential acquisitions. We may not be able to identify operating companies that complement our strategy, and even if we identify a company that complements our strategy, we may be unable to complete an acquisition of such a company for many reasons, including:

- failure to agree on the terms necessary for a transaction, such as the purchase price;
- incompatibility between our operational strategies or management philosophies with those of the potential acquiree;
- competition from other acquirers of operating companies;
- lack of sufficient capital to acquire a profitable logistics company;
- unwillingness of a potential acquiree to agree to subordinate any future payment of earn-outs or promissory notes to the payments due to our lenders; and
- unwillingness of a potential acquiree to work with our management.

Risks related to acquisition financing.

We have a limited amount of financial resources and our ability to make additional acquisitions without securing additional financing from outside sources is limited. In order to continue to pursue our acquisition strategy, we may be required to obtain additional financing. We intend to obtain such financing through a combination of traditional debt financing or the placement of debt and equity securities. We may finance some portion of our future acquisitions by either issuing equity or by using shares of our common stock for all or a portion of the purchase price for such businesses. 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 common stock as part of the purchase price for the sale of their businesses, we may be required to use more of our cash resources, if available, in order to maintain our acquisition program. If we do not have sufficient cash resources, we will not be able to complete acquisitions and our growth could be limited unless we are able to obtain additional capital through debt or equity financings. The terms of our credit facility with BofA requires that we obtain their consent prior to securing additional debt financing. There could be circumstances in which our ability to obtain additional debt financing could be constrained if we are unable to secure the consent of BofA.

The Caltius financing also restricts our ability to complete acquisitions without their consent. We intend to repay the amounts outstanding under this facility from the proceeds of this offering, which will terminate Caltius consent rights.

Our Bank of America credit facility places certain limits on the acquisitions we may make.

Under the terms of our credit facility, we may be required to obtain BofA s consent prior to making any additional acquisitions.

We are permitted to make additional acquisitions without the consent of BofA only if certain conditions are satisfied. The conditions imposed by the credit facility include the following: (i) the absence of an event of default under the credit facility; (ii) the acquisition is 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 acquisitions; (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 undrawn availability under the credit facility of at least the greater of 20% of the borrowing base or $5,000,000.

In the event we are not able to satisfy the conditions of the credit facility in connection with a proposed acquisition, we must either forego the acquisition, obtain BofA s consent, or retire the credit facility. This may prevent us from completing acquisitions that we determine are desirable from a business perspective and limit or slow our ability to achieve the critical mass we need to achieve our strategic objectives.

To the extent we make any material acquisitions, our earnings will be adversely affected by non-cash charges relating to the amortization of intangibles, which may cause our stock price to decline.

Under applicable accounting standards, purchasers are required to allocate the total consideration paid in a business combination to the identified acquired assets and liabilities based on their fair values at the time of acquisition. The excess of the consideration paid to acquire a business over the fair value of the identifiable tangible assets acquired must be allocated among identifiable intangible assets including goodwill. The amount allocated to goodwill is not subject to amortization. However, it is tested at least annually for impairment. The amount allocated to identifiable intangibles, such as customer relationships and the like, is amortized over the life of these intangible assets. We expect that this will subject us to periodic charges against our earnings to the extent of the amortization incurred for that period. Because our business strategy focuses, in part, on growth through acquisitions, our future earnings will be subject to greater non-cash amortization charges than a company whose earnings are derived solely from organic growth. As a result, we will experience an increase in non-cash charges related to the amortization of intangible assets acquired in our acquisitions. Our financial statements will show that our intangible assets are diminishing in value, when, in fact, we believe they may be increasing because we are growing the value of our intangible assets (e.g. customer relationships). Because of this discrepancy, we believe our EBITDA, a measure of financial performance that does not conform to generally accepted accounting principles, or GAAP, provides a meaningful measure of our financial performance. However, the investment community generally measures a public company s performance by its net income. Further, the financial covenants of our credit facility adjust EBITDA to exclude costs related to share based compensation and other non-cash charges. Thus, we believe EBITDA, and adjusted EBITDA, provide a meaningful measure of our financial performance. If the investment community elects to place more emphasis on net income, the future price of our common stock could be adversely affected.

We are not obligated to follow any particular criteria or standards for identifying acquisition candidates.

Even though we have developed general acquisition guidelines, other than as required under the credit facility with BofA or; prior to the completion of this offering, Caltius financing, we are not obligated to follow any particular operating, financial, geographic or other criteria in evaluating candidates for potential acquisitions

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or business combinations. We will target businesses that we believe will provide the best potential long-term financial return for our stockholders and we will determine the purchase price and other terms and conditions of acquisitions. Our stockholders will not have the opportunity to evaluate the relevant economic, financial and other information that our management team will use and consider in deciding whether or not to enter into a particular transaction.

We may be required to incur a significant amount of indebtedness in order to successfully implement our acquisition strategy.

Subject to the restrictions contained in the BofA credit facility, following this offering we may be required to incur a significant amount of indebtedness in order to complete future acquisitions. If we are not able to generate sufficient cash flow from the operations of acquired businesses to make scheduled payments of principal and interest on the indebtedness, then we will be required to use our capital for such payments. This will restrict our ability to make additional acquisitions. We may also be forced to sell an acquired business in order to satisfy indebtedness. We cannot be certain that we will be able to operate profitably once we incur this indebtedness or that we will be able to generate a sufficient amount of proceeds from the ultimate disposition of such acquired businesses to repay the indebtedness incurred to make these acquisitions.

We may experience difficulties in integrating the operations, personnel and assets of acquired businesses that may disrupt our business, dilute stockholder value and adversely affect our operating results.

A core component of our business plan is to acquire businesses and assets in the transportation and logistics industry. There can be no assurance that we will be able to identify, acquire or profitably manage businesses or successfully integrate acquired businesses into the Company without substantial costs, delays or other operational or financial problems. Such acquisitions also involve numerous operational risks, including:

- difficulties in integrating operations, technologies, services and personnel;
- the diversion of financial and management resources from existing operations;
- the risk of entering new markets;
- the potential loss of existing or acquired agency locations following an acquisition;
- the potential loss of key employees following an acquisition and the associated risk of competitive efforts from such departed personnel;
- possible legal disputes with the acquired company following an acquisition; and
- the inability to generate sufficient revenue to offset acquisition or investment costs.

As a result, if we fail to properly evaluate and execute any acquisitions or investments, our business and prospects may be seriously harmed.

We attempt to mitigate these risks, in part, by providing that a portion of the ultimate purchase price for each acquired operation is structured as contingent consideration (i.e an earn-out) based on the future financial performance of the business. To the extent that an acquired operation underperforms relative to anticipated earnings levels, this will result in the recognition of a non-cash gain on change in contingent consideration as reported in the most recent quarter ended September 30, 2013 in connection with the performance of the Company s ISLA, ALBS, Marvir and IFS operations. In the alternative, to the extent an acquired operation over performs anticipated earnings levels, we will recognize a non-cash loss on change in contingent consideration.

Acquisition of On Time

On October 1, 2013, we purchased 100% of the capital stock of On Time, our largest acquisition to date. On Time will operate as our wholly owned subsidiary. Payment of the full purchase price of On Time is contingent upon On Time achieving certain profitability targets, which it may not be able to achieve. There can be no assurance of On Time s ability following the acquisition to maintain and grow its revenues and operating margins in a manner consistent with its most recent operating results, our ability to integrate On Time s operations with our historic operations, or our ability to realize cost synergies through On Time s line haul network, as well as what the effect that the acquisition will have on On Time s existing customers and employees.

On Time s dependence on specific customers

A significant portion of On Time s revenues is derived from a relatively small number of customers. On Time s top four customers during the years ended December 31, 2012 and December 31, 2011 accounted for approximately 63% and 51% of its revenues, respectively. During the nine months ended September 30, 2013 and September 30, 2012, On Time s top four customers accounted for approximately 75% and 62%, respectively, of On Time s revenues. One of these top four customers, a major airline, accounted for 41% and 31% of its revenues during the years ended December 31, 2012 and December 31, 2011, respectively. Such major airline accounted for approximately 49% and 41% of On Time s revenues during the nine months ended September 30, 2013 and September 30, 2012, respectively. On Time does not have long-term contracts with such customers and the relationships could be terminated at any time. A significant loss of business from, or adverse performance by, any of On Time s large volume customers could have a material adverse effect on On Time s financial condition and results of operations. The failure to retain the business of these major customers may also have an adverse effect on On Time s financial results if we are unable to replace these customers or if new customers are not as profitable. On Time is also subject to credit risk associated with customer concentration. As of December 31, 2012 and December 31, 2011, On Time s top four customers accounted for approximately 70% and 63%, respectively, of On Time s total accounts receivable. On Time s top four customers accounted for approximately 69% of On Time s total accounts receivable as of September 30, 2013. On Time s major airline customer accounted for approximately 37% and 39% of On Time s total accounts receivable as of December 31, 2012 and December 31, 2011, respectively. Such major airline accounted for approximately 35% of On Time s total accounts receivable as of September 30, 2013. If one or more of its largest customers were to become bankrupt, insolvent or otherwise unable to pay for the services provided, On Time may incur significant write-offs of accounts receivable that may have a material adverse effect on its financial condition, results of operations or cash flows.

Legal dispute emanating from recent acquisition of DBA.

In December 2012, we recovered an award in arbitration against the former shareholders of DBA. The award arose out of a prior arbitration action against the former shareholders of DBA in which we asserted, among others, certain claims for indemnification under the Agreement and Plan of Merger, or the DBA Agreement, dated March 29, 2011, based upon breaches that we believe occurred under the DBA Agreement. These breaches included, among others, the breach of certain non-competition and non-solicitation covenants by Paul Pollara, one of the DBA selling shareholders, and Bretta Santini Pollara, a former DBA employee and wife of Mr. Pollara.

In a related matter, in December 2011, Ms. Pollara filed a claim for declaratory relief against us 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, we 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. (a company doing business with Santini Productions). Our counterclaim alleges claims for statutory and common law misappropriation of trade secrets, breach of duty of loyalty, and unfair competition, and seeks damages in excess of $500,000. Following certain procedural motions, two of our wholly-owned subsidiaries, DBA and RGL, intervened and filed a Second Amendment Counterclaim in the lawsuit. After further procedural matters were addressed, the claims that remain at issue are: (1) DBA s statutory trade secret misappropriation claim against Ms. Pollara, Santini Productions, and Oceanair; (2) RGL s and DBA s claims for

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interference with contractual relations against Oceanair; and (3) RGL s and DBA s claim for inducement to breach contract against Oceanair. The parties are awaiting a trial date.

Although the ultimate resolution of this dispute will not likely occur in the near-term, we believe that these breaches will not have any meaningful long-term adverse effect on our overall results of operations given our: (i) efforts to retain existing customers; (ii) restructuring of our Los Angeles operations; and (iii) efforts through a civil proceeding to recover damages and assert legal remedies against Ms. Pollara and her co-defendants who we believe breached certain non-competition and non-solicitation obligations to us. Nevertheless, near-term earnings could be negatively impacted if our efforts to retain existing customers are not successful, and as a result of any legal expenses incurred in connection with the matter.

Risks Related To Our Series A Preferred Shares

We cannot assure you that quarterly dividends on, or any other payments in respect of, the Series A Preferred Shares will be made timely or at all.

We cannot assure you that we will be able to pay quarterly dividends on the Series A Preferred Shares or to redeem the Series A Preferred Shares, if we wanted to do so. Quarterly dividends on our Series A Preferred Shares will be paid from funds legally available for such purpose when, as and if declared by our board of directors. You should be aware that certain factors may influence our decision, or adversely affect our ability, to pay dividends on, or make other payments in respect of, our Series A Preferred Shares, including, among other things:

- the amount of our available cash or other liquid assets, including the impact of any liquidity shortfalls caused by the below-described restrictions on the ability of our subsidiaries to generate and transfer cash to us;

- any of the events described in this prospectus or the documents incorporated by reference herein or therein that impact our future financial position or performance;

- our ability to service and refinance our current and future indebtedness;

- changes in our cash requirements to fund capital expenditures, acquisitions or other operational or strategic initiatives;

- our ability to borrow or raise additional capital to satisfy our capital needs;

- restrictions imposed by our existing, or any future, credit facilities, debt securities or leases, including restricted payment and leverage covenants that could limit our ability to make payments to holders of the Series A Preferred Shares;

limitations on cash payments to shareholders under Delaware law, including limitations that require dividend payments be made out of surplus or, subject to certain limitations, out of net profits for the then-current or preceding year in the event there is no surplus.

Based on its evaluation of these and other relevant factors, our board of directors may, in its sole discretion, decide not to declare a dividend on the Series A Preferred Shares for any quarterly period for any reason, regardless of whether we have funds legally available for such purpose. In such event, your sole recourse will be your rights as a holder of Series A Preferred Shares specified herein, including your right to cumulative dividends and your further right under certain specified circumstances to additional interest and limited conditional voting rights.

In addition, under our credit facility with BofA, we are prohibited from declaring and paying dividends unless: (i) there are no existing events of default under the credit facility or an event of default would not be caused by the declaration or payment of such dividend, and (ii) the amount available under the credit facility after the pro forma effect of such dividend is equal to the greater of 20% of the borrowing base under the credit facility or $5,000,000.

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The Series A Preferred Shares represent perpetual equity interests.

The Series A Preferred Shares represent perpetual equity interests in us and, unlike our indebtedness, will not entitle the holders thereof to receive payment of a principal amount at a particular date. As a result, holders of the Series A Preferred Shares may be required to bear the financial risks of an investment in the Series A Preferred Shares for an indefinite period of time. In addition, the Series A Preferred Shares will rank junior to all our indebtedness and other liabilities, and to any other senior securities we may issue in the future with respect to assets available to satisfy claims against us.

Increases in market interest rates may adversely affect the trading price of our Series A Preferred Shares.

One of the factors that will influence the trading price of our Series A Preferred Shares will be the dividend yield on the Series A Preferred Shares relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may reduce demand for our Series A Preferred Shares and would likely increase our borrowing costs and potentially decrease funds available for distribution. Accordingly, higher market interest rates could cause the market price of our Series A Preferred Shares to decrease.

The Series A Preferred Shares are a new issuance and do not have an established trading market, which may negatively affect their market value and your ability to transfer or sell your shares. In addition, the lack of a fixed mandatory redemption date for the Series A Preferred Shares will increase your reliance on the secondary market for liquidity purposes.

The Series A Preferred Shares are a new issue of securities with no established trading market. In addition, since the Series A Preferred Shares have no stated maturity date, investors seeking liquidity will be limited to selling their shares in the secondary market absent redemption by us. We have applied to list the Series A Preferred Shares on the NYSE MKT Stock Market, but there can be no assurance that the NYSE MKT Stock Market will accept the Series A Preferred Shares for listing. Even if the Series A Preferred Shares are approved for listing by the NYSE MKT Stock Market, an active trading market on the NYSE MKT Stock Market for the shares may not develop. Even if a trading market develops, it may not remain active, in which case the trading price of the shares of Series A Preferred Shares could be adversely affected and your ability to transfer your shares will be limited.

If an active trading market does develop on the NYSE MKT Stock Market, our Series A Preferred Shares may trade at prices lower than the offering price. The trading price of our Series A Preferred Shares will depend on many factors, including:

- market liquidity and prevailing interest rates, each as discussed above;
- the market for similar securities;
- our issuance of debt or preferred equity securities;
- general economic and financial market conditions, and general market conditions;

- our financial condition, results of operations and prospects; and

- our actual or perceived ability to make dividend or other payments in respect of our Series A Preferred Shares.

We have been advised by the underwriters that they intend to make a market in our Series A Preferred Shares prior to the commencement of any trading on the NYSE MKT Stock Market, but they are not obligated to do so and may discontinue any such market-making at any time without notice.

The Series A Preferred Shares have not been rated, and the lack of a rating may adversely affect the trading price of the Series A Preferred Shares.

We have not sought to obtain a rating for the Series A Preferred Shares, and the shares may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to the Series A Preferred Shares or that we may elect to obtain a rating of our Series A Preferred Shares in the future. In addition, we may elect to issue other securities for which we may seek to obtain a rating. The market value of the Series A Preferred Shares could be adversely affected if:

- any ratings assigned to the Series A Preferred Shares in the future or to other securities we issue in the future are lower than market expectations or are subsequently lowered or withdrawn, or

- ratings for such other securities would imply a lower relative value for the Series A Preferred Shares.

Our Series A Preferred Shares are junior to our debt liabilities and lease obligations, the debt and other liabilities of our subsidiaries and third-party holders of equity interests in our subsidiaries and your interests could be diluted by our issuance of additional shares of preferred stock, including additional Series A Preferred Shares, and by other transactions.

Our Series A Preferred Shares are subordinated to all of our existing and future indebtedness and lease obligations. As of September 30, 2013, we and our subsidiaries had outstanding indebtedness and liabilities of approximately $71.1 million, all of which is senior in right of payment to your Series A Preferred Shares. Our existing indebtedness restricts, and our future indebtedness may include restrictions on our ability to pay dividends to preferred shareholders.

Our charter currently authorizes the issuance of up to five million shares of preferred stock in one or more classes or series, and we will be permitted, without notice to or consent of the holders of Series A Preferred Shares, to issue additional Series A Preferred Shares or other securities that have rights junior to such shares, up to the maximum aggregate number of authorized shares of our preferred stock. The issuance of additional preferred stock on a parity with or senior to our Series A Preferred Shares would dilute the interests of the holders of our Series A Preferred Shares, and any issuance of preferred stock senior to or on a parity with our Series A Preferred Shares or of additional indebtedness could adversely affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series A Preferred Shares. See Risks Related To Our Series A Preferred Shares We cannot assure you that quarterly dividends on, or any other payments in respect of, the Series A Preferred Shares will be made timely or at all.

Except as provided under Description of Series A Preferred Shares Fixed Charge Coverage Ratio, no provisions relating to our Series A Preferred Shares protect the holders of our Series A Preferred Shares in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, any of which might adversely affect the holders of our Series A Preferred Shares.

As a holder of Series A Preferred Shares you have extremely limited voting rights.

Your voting rights as a holder of Series A Preferred Shares will be extremely limited. However, in the event that six quarterly dividends, whether consecutive or not, payable on Series A Preferred Shares are in arrears or a listing failure has occurred and is continuing, the holders of Series A Preferred Shares will have the right, voting together as a class with all other classes or series of parity securities upon which like voting rights have conferred and are exercisable, to elect two additional directors to serve on our board of directors. For additional information on the terms of these limited conditional voting rights, as well as certain other limited protective voting rights, see Description of the Preferred Shares Voting Rights.

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Investors should not expect us to redeem the Series A Preferred Shares on the date the Series A Preferred Shares becomes redeemable by the Company or on any particular date afterwards.

The shares of Series A Preferred Shares have no maturity or mandatory redemption date and are not redeemable at the option of investors under any circumstances. By their terms, the Series A Preferred Shares may be redeemed by us at our option either in whole or in part at any time on or after December 20, 2018 or, under certain circumstances, may be redeemed by us at our option, in whole, sooner than that date. Any decision we may make at any time regarding whether to redeem the Series A Preferred Shares will depend upon a wide variety of factors, including our evaluation of our capital position, our capital requirements and general market conditions at that time. See Risks Related To Our Series A Preferred Shares We cannot assure you that quarterly dividends on, or any other payments in respect of, the Series A Preferred Shares will be made timely or at all. You should not assume that we will redeem the Series A Preferred Shares at any particular time, or at all.

The Series A Preferred Shares are not convertible and purchasers may not realize a corresponding benefit if the trading price of our common stock rises.

The Series A Preferred Shares will not be convertible into common shares or other of our securities and will not have exchange rights or be entitled or subject to any preemptive or similar rights. In addition, the Series A Preferred Shares will earn dividends at a fixed rate (subject to adjustment). Accordingly, as noted in greater detail above, the market value of the Series A Preferred Shares may depend on, among other things, dividend and interest rates for other securities and other investment alternatives and our actual and perceived ability to make dividend or other payments in respect of our Series A Preferred Shares. Moreover, our right to redeem the Series A Preferred Shares on or after December 20, 2018 or in the event of a change in control could impose a ceiling on their value.

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USE OF PROCEEDS

At our offering price of $25.00 per share of our Series A Preferred Stock, we estimate the net proceeds to us from the sale of shares of Series A Preferred Stock that we are selling in this offering will be approximately $18,495,000, after deducting the underwriting commissions and estimated offering expenses payable by us. If the underwriter s option to purchase additional shares is exercised in full, we estimate that we will receive net proceeds of approximately $21,315,000 assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions.

We intend to use the net proceeds from the sale of the securities offered by us under this prospectus primarily to retire the outstanding balance owed under the senior subordinated notes issued to Caltius and reduce the amount outstanding under our credit facility with Bank of America, NA, or BofA. After paying down the BofA credit facility we expect to have less than $5.0 million drawn on such credit facility. In the future, we may make additional borrowings under the credit facility, subject to the terms thereof, including the borrowing base, for working capital and general corporate purposes, including to fund potential acquisitions. We do not currently have any agreements, understandings or arrangements with respect to any potential acquisitions.

Borrowings under our credit facility with BofA accrue interest, at our option, at BofA s prime rate minus 0.50% or LIBOR plus 2.25%. The rates can be subsequently adjusted based on our fixed charge coverage ratio at BofA s base rate plus 0.0% to 0.50% or LIBOR plus 1.50% to 2.25%.

Our credit facility with BofA terminates on the earlier of (a) six months prior to the maturity date of the Caltius senior subordinated notes, or (b) August 9, 2018. The senior subordinated notes issued to Caltius accrue interest at a rate of 13.5% per annum (the Accrual Rate), and must be paid currently in cash on a quarterly basis at a rate of 11.75% per annum (the Pay Rate). The outstanding principal balance of the senior subordinated notes is increased by an amount (the PIK Amount) equal to the difference between the interest accrued at the Accrual Rate and interest accrued at the Pay Rate unless we make an election to pay the PIK amount in cash, which election we have made. The senior subordinated notes are non-amortizing, with all principal due upon maturity at December 1, 2016.

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CAPITALIZATION

You should read this capitalization table in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations , Summary Unaudited Pro Forma Condensed Consolidated Financial Data , and our financial statements and related notes included elsewhere in this prospectus.

The following table sets forth our capitalization as of September 30, 2013 on:

a historical basis;

a pro forma basis to reflect the acquisition of On Time, including the payment of $7.0 million in cash, the issuance of 237,230 shares of our common stock, and the issuance of a $2 million note as payment of the purchase price, all as described under Summary Unaudited Pro Forma Condensed Consolidated Financial Data ; and

an as-adjusted basis to give further effect to the sale of 800,000 shares of our Series A Preferred Stock in this offering at an offering price of $25.00 per share, after deducting estimated underwriting commissions and estimated offering costs payable by us.

(In thousands, except share and per share data)

	September 30, 2013		
	Actual	**Pro Forma** (Unaudited)	**As Adjusted[(1)]**
Assets			
Cash and cash equivalents	$ 8,795	$ 1,307	$ 1,307
Debt			
Notes payable and other long-term debt[(2)]	$ 24,507	$ 26,507	$ 8,012
Equity			
Preferred stock, $.001 par value: 5,000,000 shares authorized; no shares issued and outstanding actual and pro forma; and 800,000 shares issued and outstanding as adjusted			1
Common stock, $.001 par value: 100,000,000 shares authorized 33,348,166 shares issued and outstanding actual; 33,585,396 shares issued and outstanding pro forma and as adjusted[(3)]	15	15	15
Additional paid-in capital	14,005	14,005	32,499
Deferred compensation	(13)	(13)	(13)
Retained earnings	3,035	3,035	3,035
Total Radiant Logistics, Inc. stockholders equity	17,042	17,042	35,537
Non-controlling interest	84	84	84

Total equity	17,126	17,126	35,621
Total capitalization	$ 40,865	$ 43,633	$ 43,633

(1) The as-adjusted capitalization contemplates the issuance of 800,000 shares of Series A Preferred Stock and the receipt of the net proceeds thereof, and the incurrence of $305,000 in transaction costs.
(2) Excludes the working capital adjustment for the On Time acquisition and contingent considerations of all acquisitions.
(3) The number of shares of common stock outstanding reflected above excludes 5,785,780 shares of common stock issuable upon exercise of stock options outstanding.

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MARKET PRICES

Our common stock currently trades on the NYSE MKT under the symbol RLGT. Prior to January 2012, our common stock was quoted on the OTCQB. The following table states the range of the high and low closing prices per share, as applicable, of our common stock for each calendar quarter during our past two fiscal years, as reported by the OTCQB and NYSE MKT, as applicable. These quotations represent inter-dealer prices, without retail mark-up, markdown, or commission, and may not represent actual transactions. The last price of our common stock as reported on the NYSE MKT on December 11, 2013, was $2.24 per share.

	High	Low
Fiscal Year Ending June 30, 2014:		
Quarter ending December 31, 2013 (through December 11, 2013)	$ 2.40	$ 2.13
Quarter ended September 30, 2013	2.28	1.81
Fiscal Year Ended June 30, 2013:		
Quarter ended June 30, 2013	$ 2.04	$ 1.81
Quarter ended March 31, 2013	2.24	1.60
Quarter ended December 31, 2012	1.71	1.08
Quarter ended September 30, 2012	1.90	1.60
Fiscal Year Ended June 30, 2012:		
Quarter ended June 30, 2012	$ 2.19	$ 1.66
Quarter ended March 31, 2012	2.54	2.11
Quarter ended December 31, 2011	2.50	2.18
Quarter ended September 30, 2011	2.52	1.95

Holders

As of December 11, 2013, the number of stockholders of record of our common stock was 112. However, based upon broker inquiry conducted during September 2013, in conjunction with our proposed 2013 Annual Meeting of Stockholders, we believe there are a substantial number of additional beneficial owners of our common stock who hold their shares in street name.

Dividend Policy

We have not paid any cash dividends on our common stock to date, and we have no intention of paying cash dividends in the foreseeable future. Whether we declare and pay dividends will be determined by our Board of Directors at its discretion, subject to certain limitations imposed under Delaware law. The timing, amount and form of dividends, if any, will depend on, among other things, our results of operations, financial condition, cash requirements and other factors deemed relevant by our Board of Directors. Our ability to pay dividends is limited by the terms of our credit facility with BofA. Under our credit facility with BofA, we are prohibited from declaring and paying dividends unless: (i) there are no existing events of default under the credit facility or an event of default would not be caused by the declaration or payment of such dividend, and (ii) the amount available under the credit facility after the pro forma effect of such dividend is equal to the greater of 20% of the borrowing base under the credit facility or $5,000,000. We are also prohibited from declaring or paying dividends under the investment agreement with Caltius, however, we intend to prepay all of the outstanding senior subordinated notes issued to Caltius pursuant to the investment agreement from the proceeds of this offering and thereupon the senior subordinated notes will terminate (and all restrictions and obligations thereunder and under the investment agreement, including the prohibition in payment of dividends and other financial and restrictive covenants and consent rights, will terminate, other than redemption rights under an investor rights agreement). See Description of Capital Stock Registration and Redemption Rights.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with the audited consolidated financial statements and the accompanying notes thereto.

Overview

We are a non-asset based transportation and logistics services company providing customers domestic and international freight forwarding services and other value added supply chain management services, including customs and property brokerage, order fulfillment, inventory management and warehousing.

We are executing a strategy to expand our operations through a combination of organic growth and the strategic acquisition of non-asset based transportation and logistics providers meeting our acquisition criteria. Our first acquisition of Airgroup Corporation, or Airgroup, was completed on January 1, 2006. Airgroup, headquartered in Bellevue, Washington, is a non-asset based logistics company providing domestic and international freight forwarding services through a network of independent agent offices across North America.

We continue to seek additional companies as suitable acquisition candidates and have completed seven acquisitions since our acquisition of Airgroup. In November 2007, we acquired certain assets of Automotive Services Group in Detroit, Michigan to service the automotive industry. In September 2008, we acquired Adcom Express, Inc. d/b/a Adcom Worldwide, adding an additional 30 locations across North America and augmenting our overall domestic and international freight forwarding capabilities. In April 2011, we acquired DBA Distribution Services, Inc., d/b/a Distribution by Air, adding an additional 26 locations across North America, further expanding our physical network and service capabilities. In December 2011, we acquired the assets and operations of Laredo, Texas based ISLA International Ltd, to serve as our gateway to Mexico. In February 2012, we acquired the assets and operations of New York-JFK based Brunswicks Logistics, Inc. d/b/a ALBS Logistics, Inc., a strategic location for domestic and international logistics services. In November 2012, we acquired certain assets of Los Angeles, California based Marvir Logistics, Inc., an independent agent, operating partner since 2006 providing domestic and international logistics services. On December 31, 2012, we acquired International Freight Systems of Oregon, Inc., an independent operating partner since January 2007 providing domestic and international logistics services. In October 2013, we acquired On Time Express, Inc., a domestic and international logistics solutions company based in Phoenix, Arizona.

In connection with our 2008 acquisition of Adcom, we changed the name of Airgroup Corporation to Radiant Global Logistics, Inc. to better position our centralized back-office operations to service our multi-brand network. Today, RGL, through the Radiant, Airgroup, Adcom and DBA network brands, has a diversified account base including manufacturers, distributors and retailers using a network of independent carriers through a combination of strategically positioned, company owned and independent agent offices.

Our most recent purchase was the acquisition of Phoenix, Arizona based, On Time. On Time is a solutions based logistics company that has developed a 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. It is our expectation that On Time will continue to operate as a stand-alone business unit separate from RGL and in addition to supporting its own end customers, will also provide transportation capacity to our operating locations across North America via its dedicated line haul network with LTL and expedited ground service. We believe that access to On Time s dedicated line haul network will provide transportation capacity to our other operating locations across North America and serve as a catalyst for margin expansion in our existing business and a competitive differentiator in the marketplace to help us secure new customers and attract additional agent stations to our network.

Our growth strategy will continue to focus on both organic growth and growth through acquisitions. For organic growth, we will focus on enhancing our back-office infrastructure, transportation and accounting systems, strengthening and retaining existing agency relationships, expanding new agency relationships and limited expansion into strategic locations in Asia. We also continue to search for targets that fit within our acquisition criteria.

Performance Metrics

Our principal source of income is derived from freight forwarding services. As a freight forwarder, we arrange for the shipment of our customers freight from point of origin to point of destination. Generally, we quote our customers a turnkey cost for the movement of their freight. Our price quote will often depend upon the customer s time-definite needs (first day through fifth day delivery), special handling needs (heavy equipment, delicate items, environmentally sensitive goods, electronic components, etc.), and the means of transport (motor carrier, air, ocean or rail). In turn, we assume the responsibility for arranging and paying for the underlying means of transportation.

Our transportation revenue represents the total dollar value of services we sell to our customers. Our cost of transportation includes direct costs of transportation, including motor carrier, air, ocean and rail services. We act principally as the service provider to add value in the execution and procurement of these services to our customers. Our net transportation revenue (gross transportation revenue less the direct cost of transportation) is the primary indicator of our ability to source, add value and resell services provided by third parties, and is considered by management to be a key performance measure. In addition, management believes measuring its operating costs as a function of net transportation revenue provides a useful metric, as our ability to control costs as a function of net transportation revenue directly impacts operating earnings.

Our operating results will be affected as acquisitions occur. Since all acquisitions are made using the purchase method of accounting for business combinations, our financial statements will only include the results of operations and cash flows of acquired companies for periods subsequent to the date of acquisition.

Our GAAP-based net income will be affected by non-cash charges relating to the amortization of customer related intangible assets and other intangible assets attributable to completed acquisitions. Under applicable accounting standards, purchasers are required to allocate the total consideration in a business combination to the identified assets acquired and liabilities assumed based on their fair values at the time of acquisition. The excess of the consideration paid over the fair value of the identifiable net assets acquired is to be allocated to goodwill, which is tested at least annually for impairment. Applicable accounting standards require that we separately account for and value certain identifiable intangible assets based on the unique facts and circumstances of each acquisition. As a result of our acquisition strategy, our net income will include material non-cash charges relating to the amortization of customer related intangible assets and other intangible assets acquired in our acquisitions. Although these charges may increase as we complete more acquisitions, we believe we will be growing the value of our intangible assets (e.g., customer relationships). Thus, we believe that earnings before interest, taxes, depreciation and amortization, or EBITDA, is a useful financial measure for investors because it eliminates the effect of these non-cash costs and provides an important metric for our business.

Further, the financial covenants of our Caltius financing are measured against adjusted EBITDA which excludes costs related to share-based compensation expense, change in contingent consideration, extraordinary items and other non-cash charges.

Our compliance with the financial covenants of our borrowing arrangements is particularly important given the materiality of these facilities to our day-to-day operations and overall acquisition strategy. Our debt capacity, subject to the requisite collateral at an advance rate of up to 85% of eligible domestic accounts receivable and, subject to certain sub-limits, 75% of eligible accrued but unbilled receivables and eligible foreign accounts receivables, is limited to a multiple of our consolidated EBITDA (as adjusted) as measured on a rolling four quarter basis. If we fail to comply with these covenants and are unable to secure a waiver or other relief, our financial condition would be materiality weakened and our ability to fund day-to-day operations would be materially and adversely affected. Accordingly, we intend to employ EBITDA and adjusted EBITDA as management tools to measure our historical financial performance and as a benchmark for future financial flexibility.

Our operating results are also subject to seasonal trends when measured on a quarterly basis. The impact of seasonality on our business will depend on numerous factors, including the markets in which we operate, holiday seasons, consumer demand and economic conditions. Since our revenue is largely derived from customers whose shipments are dependent upon consumer demand and just-in-time production schedules, the timing of our revenue is often beyond our control. Factors such as shifting demand for retail goods and/or manufacturing production delays could unexpectedly affect the timing of our revenue. As we increase the scale of our operations, seasonal trends in one area of our business may be offset to an extent by opposite trends in another area. We cannot accurately predict the timing of these factors, nor can we accurately estimate the impact of any particular factor, and thus we can give no assurance any historical seasonal patterns will continue in future periods.

Critical Accounting Policies

Accounting policies, methods and estimates are an integral part of the consolidated financial statements prepared by management and are based upon management s current judgments. These judgments are normally based on knowledge and experience regarding to past and current events and assumptions about future events. Certain accounting policies, methods and estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ from management s current judgments. While there are a number of accounting policies, methods and estimates that affect our financial statements, the areas that are particularly significant 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.

We perform an annual impairment test for goodwill. We assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than the carrying amount. After assessing qualitative factors, if further testing is necessary we would go into a 2-step impairment test. The first step of the impairment test requires us to determine the fair value of each reporting unit, and compare the fair value to the reporting unit s carrying amount. We have only one reporting unit. 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 we 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. We typically perform our annual impairment test effective as of April 1 of each year, unless events or circumstances indicate, an impairment may have occurred before that time.

Acquired intangibles consist of customer related intangibles and non-compete agreements arising from our acquisitions. Customer related intangibles are amortized using accelerated methods over approximately five years and non-compete agreements are amortized using the straight line method over the term of the underlying agreements.

We review 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

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of the asset exceeds the fair value of the asset. When fair values are not available, we estimate 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.

As a non-asset based carrier we do not own transportation assets. We generate the major portion of our air and ocean freight revenues by purchasing transportation services from direct (asset-based) carriers and reselling those services to our customers. Based upon the terms in the contract of carriage, revenues related to shipments where we issue 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. 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 us 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 do not recognize revenue until a proof of delivery is received or which recognize revenue as progress on the transit is made. Our method of revenue and cost recognition does not result in a material difference from amounts that would be reported under such other methods.

Results of Operations

Three months ended September 30, 2013 and 2012 (unaudited)

The following table summarizes transportation revenue, cost of transportation and net transportation revenue (in thousands) for the three months ended September 30, 2013 and 2012 (unaudited):

	Three months ended September 30,		Change	
	2013	2012	Amount	Percent
Transportation revenue	$ 76,702	$ 79,148	$ (2,446)	(3.1%)
Cost of transportation	53,481	56,910	(3,429)	(6.0%)
Net transportation revenue	$ 23,221	$ 22,238	$ 983	4.4%
Net transportation margins	30.3%	28.1%		

We generated transportation revenue of $76.7 million and net transportation revenue of $23.2 million for the three months ended September 30, 2013, as compared to transportation revenue of $79.1 million and net transportation revenue of $22.2 million for the three months ended September 30, 2012. Domestic and international transportation revenue was $44.5 million and $32.2 million, respectively, for the three months ended September 30, 2013, compared to $42.6 million and $36.5 million, respectively, for the three months ended September 30, 2012. These changes in revenue are principally due to incremental decreased revenues associated with slower cross-border shipping into and out of Mexico, lower charter services and less project work.

Cost of transportation decreased 6.0% to $53.5 million for the three months ended September 30, 2013, compared to $56.9 million for the three months ended September 30, 2012. Net transportation margins increased to 30.3% of transportation revenue for the three months ended September 30, 2013, as compared to 28.1% of transportation revenue for the three months ended September 30, 2012. The decrease is due to decreased shipping volumes as reflected in our transportation revenues. The increase in margins is attributable to numerous factors, including differing product mixes of shipments throughout the quarter, specifically lower charter services and less project work that typically provide relatively low margins.

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The following table compares certain condensed consolidated statements of operations data as a percentage of our net transportation revenue (in thousands) for the three months ended September 30, 2013 and 2012 (unaudited):

	Three months ended September 30,					
	2013		2012		Change	
	Amount	Percent	Amount	Percent	Amount	Percent
Net transportation revenue	$ 23,221	100.0%	$ 22,238	100.0%	$ 983	4.4%
Agent commissions	13,635	58.7%	13,295	59.8%	340	2.6%
Personnel costs	4,100	17.7%	3,758	17.0%	342	9.1%
Selling, general and administrative	2,656	11.4%	2,900	13.0%	(244)	(8.4%)
Depreciation and amortization	830	3.6%	1,120	5.0%	(290)	(25.9%)