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

FORM 10-K/A

Amendment No. 1
to Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________.

Commission File Number: 0-51142

UNIVERSAL TRUCKLOAD SERVICES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Michigan **(State or Other Jurisdiction of Incorporation or Organization)**	**38-3640097** **(I.R.S. Employer Identification No.)**

12755 E. Nine Mile Road
Warren, Michigan 48089
(Address, including Zip Code of Principal Executive Offices)

(586) 920-0100
(Registrant's telephone number, including area code)

Securities registered pursuant to section 12(b) of the Act:

Common Stock, no par value
(TITLE OF CLASS)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for a shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large Accelerated filer	☐	Accelerated filer	☒

Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

As of June 30, 2012, the last business day of the registrant’s most recently completed second quarter, the aggregate market value of the registrant’s common stock held by non-affiliates of the registrant, based upon the closing sale price of the common stock on June 29, 2012, as reported by The Nasdaq Stock Market, was approximately $82.6 million (assuming, but not admitting for any purpose, that all directors and executive officers of the registrant are affiliates).

The number of shares of common stock, no par value, outstanding as of March 4, 2013, was 30,053,912.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following document, to the extent specified in this report, are incorporated by reference in Part III of this report:

Document	Incorporated by reference in:
Proxy Statement for 2013 Annual Meeting of Shareholders	Part III, Items 10 - 14

TABLE OF CONTENTS

Explanatory Note

We are filing this Amendment No. 1 on Form 10-K/A (the “Amended Filing” or “Form 10-K/A”) to our previously filed Annual Report on Form 10-K for the year ended December 31, 2012 (the “Original Filing”) to amend and restate Item 9A. Controls and Procedures related to the effectiveness of our disclosure controls and procedures and internal controls over financial reporting. In addition, this Amendment No. 1 includes a restated Report of Independent Registered Public Accounting Firm regarding Internal Control Over Financial Reporting, and a restated Report of Independent Registered Public Accounting Firm as part of Item 8, Financial Statements and Supplementary Data. The Original Filing was filed with the Securities and Exchange Commission (the “SEC”) on March 18, 2013.

Restatement of Disclosure Controls and Procedures Conclusion

KPMG LLP, our previous independent registered public accounting firm, recently advised the Company that in the course of their own internal post-engagement review, they believe that one or more material weaknesses in our internal control over financial reporting may have existed as of December 31, 2012. As a result, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, on the effectiveness of the design and operation of our disclosure controls and procedures, including in connection with our acquisition of LINC Logistics Company on October 1, 2012, pursuant to Rule 13a-15(e) and 15d-15(e) of the Exchange Act. At the time that our Annual Report on Form 10-K for the year ended December 31, 2012 was filed with the SEC, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2012, our disclosure controls and procedures were effective in causing the material information required to be disclosed in the reports that it files or submits under the Exchange Act to be recorded, processed, summarized and reported, to the extent applicable, within the time periods required for us to meet the SEC filing deadlines for these reports specified in the SEC’s rules and forms. Based upon our subsequent evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2012 because of the material weaknesses in our internal controls over financial reporting as further described in Item 9A. Controls and Procedures included in this Amended Filing. As a result, we have restated Item 9A. Controls and Procedures related to the effectiveness of our disclosure controls and procedures and internal controls over financial reporting to include the material weaknesses. KPMG LLP, the independent registered public accounting firm that audited the financial statements included in our previously filed Annual Report on Form 10-K for the year ended December 31, 2012, has reissued an adverse audit report on the effectiveness of the Company’s internal control over financial reporting as of December 31, 2012 dated March 18, 2013, except as to the restatement of the effectiveness of internal control over financial reporting which is as of November 27, 2013.

In light of the material weaknesses described in Item 9A, the Company performed additional analyses and other post-closing procedures to ensure our consolidated financial statements were prepared in accordance with generally accepted accounting principles. Accordingly, management concluded that no changes were required to the financial statements previously filed and the financial statements included in this Annual Report on Form 10-K present fairly, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Universal Truckload Services, Inc.:

We have audited the accompanying consolidated balance sheets of Universal Truckload Services, Inc. and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income and shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of LINC Logistics Company (LINC), for the two years in the period ended December 31, 2011. LINC was acquired on October 1, 2012, in a transaction between entities under common control as discussed in note 1 to the consolidated financial statements of Universal Truckload Services, Inc. and subsidiaries. Such statements are included in the consolidated financial statements of Universal Truckload Services, Inc and subsidiaries and reflect total assets and total revenue of 23.1 percent and 29.4 percent respectively in 2011 and 23.0 percent and 28.9 percent respectively in 2010 of the related consolidated totals. These statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for LINC, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Universal Truckload Services, Inc. and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Universal Truckload Services, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework (1992*) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 18, 2013 except for the restatement of the effectiveness of internal control over financial reporting for the material weaknesses at the LINC Logistics Company related to ineffective segregation of duties and general information technology controls to restrict user access and to review the development, change management, and maintenance of system applications; and ineffective controls over the completeness, accuracy and validity of journal entries, which is as of November 27, 2013 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP
Detroit, Michigan
March 18, 2013, except as to the restatement of the effectiveness
of internal control over financial reporting for the material weaknesses
related to the LINC Logistics Company, which is as of
November 27, 2013

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
LINC Logistics Company

We have audited the consolidated balance sheets of LINC Logistics Company (a Michigan corporation) as of December 31, 2010 and 2011, and the related consolidated statements of income, other comprehensive income (loss), stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2011 (not presented herein). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LINC Logistics Company as of December 31, 2010 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Southfield, Michigan
March 16, 2012 (except Note 14 which is dated April 23, 2012, except for the stock-split in Note 14 which is dated May 8, 2012)

UNIVERSAL TRUCKLOAD SERVICES, INC.

Consolidated Balance Sheets

December 31, 2012 and 2011
(In thousands, except share data)

	2012	2011
Assets		
Current assets:		
Cash and cash equivalents	$ 2,554	$ 5,511
Marketable securities	9,962	16,059
Accounts receivable—net of allowance for doubtful accounts of $2,515 and $3,874, respectively	118,903	112,815
Other receivables	16,720	15,696
Due from affiliates	3,586	1,231
Prepaid income taxes	1,621	4,185
Prepaid expenses and other	10,914	13,220
Deferred income taxes	4,878	3,311
Total current assets	169,138	172,028
Property and equipment, net	127,791	114,200
Goodwill	17,965	17,722
Intangible assets—net of accumulated amortization of $22,237 and $19,206, respectively	7,115	9,490
Other assets	5,360	2,407
Total assets	$327,369	$315,847
Liabilities and Shareholders’ Equity		
Current liabilities:		
Accounts payable	$ 55,248	$ 49,909
Due to affiliates	4,093	5,507
Accrued expenses and other current liabilities	17,130	16,727
Insurance and claims	27,246	24,885
Current portion of long-term debt	—	16,385
Total current liabilities	103,717	113,413
Long-term liabilities:		
Long-term debt	146,000	66,676
Dividend payable	—	27,000
Deferred income taxes	15,599	9,852
Other long-term liabilities	4,681	4,035
Total long-term liabilities	166,280	107,563
Shareholders’ equity:		
Common stock, no par value. Authorized 100,000,000 shares; 30,685,441 and 30,649,815 shares issued; 30,053,912 and 30,082,515 shares outstanding, respectively	30,685	30,649
Paid-in capital	550	65,387
Treasury stock, at cost; 631,529 and 567,300 shares, respectively	(9,316)	(8,325)
Retained earnings	34,589	5,998
Accumulated other comprehensive income:		
Unrealized holding gain on available-for-sale securities, net of income taxes of $858 and $1,054, respectively	998	1,608
Foreign currency translation adjustments	(134)	(446)
Total shareholders’ equity	57,372	94,871
Total liabilities and shareholders’ equity	$327,369	$315,847

See accompanying notes to consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.

Consolidated Statements of Income

Years ended December 31, 2012, 2011 and 2010
(In thousands, except per share data)

	2012	2011	2010
Operating revenues:			
Transportation services, including related party amounts of $298, $117 and $388, respectively	$ 741,650	$740,089	$646,434
Value-added services	174,975	147,814	117,557
Intermodal services, including related party amounts of $2,346, $864 and $89, respectively	120,381	102,769	87,877
Total operating revenues	1,037,006	990,672	851,868
Operating expenses:			
Purchased transportation and equipment rent, including related party amounts of $285, $2,344 and $2,304, respectively	592,493	581,980	498,296
Direct personnel and related benefits, including related party amounts of $14,410, $14,044 and $13,617, respectively	163,069	145,841	122,502
Commission expense	42,157	42,593	39,457
Operating expenses (exclusive of items shown separately), including related party amounts of $10,560, $10,521 and $8,744, respectively	71,117	66,313	53,703
Occupancy expense, including related party amounts of $3,850, $3,629 and $4,660, respectively	19,275	18,438	16,688
Selling, general, and administrative, including related party amounts of $3,829, $3,285 and $3,414, respectively	41,159	29,865	30,463
Insurance and claims, including related party amounts of $17,842, $18,156 and $17,253, respectively	20,342	21,843	20,768
Depreciation and amortization	18,237	17,731	17,539
Total operating expenses	967,849	924,604	799,416
Income from operations	69,157	66,068	52,452
Interest income	241	83	199
Interest expense	(4,224)	(2,241)	(1,593)
Other non-operating income	2,778	1,743	5,937
Income before provision for income taxes	67,952	65,653	56,995
Provision for income taxes	20,264	14,207	11,286
Net income	$ 47,688	$ 51,446	$ 45,709
Earnings per common share:			
Basic	$ 1.59	$ 1.71	$ 1.50
Diluted	$ 1.59	$ 1.71	$ 1.50
Weighted average number of common shares outstanding:			
Basic	30,032	30,121	30,445
Diluted	30,036	30,121	30,445
Pre-merger dividends paid per common share	$ 1.00	$ 1.00	$ —
Pro Forma earnings per common share—“C” corporation status (unaudited):			
Pro Forma provision for income taxes due to LINC Logistics Company conversion to “C” corporation	$ 11,059	$ 12,016	$ 11,037
Earnings per common share:			
Basic	$ 1.22	$ 1.31	$ 1.14
Diluted	$ 1.22	$ 1.31	$ 1.14

See accompanying notes to consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.

Consolidated Statements of Comprehensive Income

Years ended December 31, 2012, 2011 and 2010
(In thousands, except per share data)

	2012	2011	2010
Net Income	$47,688	$51,446	$45,709
Other comprehensive income (loss):			
Unrealized holding gains (losses) on available-for-sale investments arising during the period, net of income taxes	566	53	4,805
Realized gains on available-for-sale investments reclassified into income, net of income taxes	(1,176)	(686)	(3,196)
Foreign currency translation adjustments	312	(274)	57
Net gain (loss) recognized in other comprehensive income	(298)	(907)	1,666
Total comprehensive income	$47,390	$50,539	$47,375

See accompanying notes to consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2012, 2011 and 2010
(In thousands)

	2012	2011	2010
Cash flows from operating activities:			
Net income	$ 47,688	$ 51,446	$ 45,709
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	18,237	17,731	17,539
Gain on sale of marketable equity securities	(2,189)	(1,136)	(5,370)
Loss on disposal of property and equipment	45	2	180
Change in the fair value of acquisition related contingent consideration	16	(137)	(145)
Non-cash charges incurred from LINC	2,442	—	—
Stock-based compensation	586	—	—
Provision for doubtful accounts	1,190	1,306	1,717
Deferred income taxes	4,389	4,289	(664)
Change in assets and liabilities:			
Trade and other accounts receivable	(8,076)	(7,865)	(13,076)
Prepaid income taxes, prepaid expenses and other assets	1,276	(4,655)	2,751
Accounts payable, accrued expenses, insurance and claims and other current liabilities	7,922	16,083	(5,138)
Due to/from affiliates, net	(3,769)	(363)	3,252
Other long-term liabilities	646	1,999	130
Net cash provided by operating activities	70,403	78,700	46,885
Cash flows from investing activities:			
Capital expenditures	(29,566)	(29,603)	(12,917)
Proceeds from the sale of property and equipment	987	1,190	633
Purchases of marketable securities	(19)	(3,383)	(2,582)
Proceeds from sale of marketable securities	7,500	2,398	11,364
Affiliate notes receivables—LINC	(5,000)	—	4,500
Proceeds from affiliate notes receivable—LINC	5,000	—	—
Payment of earnout obligations related to acquisitions	—	—	(232)
Acquisitions of businesses	(850)	(1,050)	(441)
Net cash (used in) provided by investing activities	(21,948)	(30,448)	325
Cash flows from financing activities:			
Proceeds from borrowing—revolving debt	94,871	34,165	16,815
Repayments of debt—revolving debt	(44,871)	(44,664)	(9,880)
Proceeds from borrowing—term debt	82,000	41,082	—
Repayments of debt—term debt	(69,061)	(10,976)	(10,271)
Distributions to LINC shareholders	(95,985)	(53,790)	(31,316)
Dividends paid	(15,499)	(15,555)	—
Purchases of treasury stock	(991)	(1,700)	(4,567)
Payment of earnout obligations related to acquisitions	(206)	(189)	(364)
Capitalized financing costs	(1,752)	(929)	—
Net cash used in financing activities	(51,494)	(52,556)	(39,583)
Effect of exchange rate changes on cash and cash equivalents	82	42	(10)
Net increase (decrease) in cash	(2,957)	(4,262)	7,617
Cash and cash equivalents—January 1	5,511	9,773	2,156
Cash and cash equivalents—December 31	$ 2,554	$ 5,511	$ 9,773
Supplemental cash flow information:			
Cash paid for interest	$ 2,990	$ 1,668	$ 1,746
Cash paid for income taxes	$ 12,759	$ 13,051	$ 9,977

See accompanying notes to consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.

Consolidated Statements of Cash Flows—Continued

Years ended December 31, 2012, 2011 and 2010
(In thousands)

	2012	2011	2010
Distributions to LINC shareholders:			
Purchase adjustment pursuant to merger agreement	$(10,102)	$ —	$ —
Payment of dividend payable	(27,000)	(31,000)	(10,000)
Dividends paid	(58,500)	(22,500)	(21,200)
Distribution for shareholder state tax withholding	(383)	(290)	(116)
Net cash paid	$(95,985)	$(53,790)	$(31,316)
Acquisition of businesses:			
Fair value of assets acquired, including goodwill	$ 1,100	$ 1,406	$ 5,825
Liabilities assumed	—	—	(2,453)
Advances made for acquisitions of businesses in 2009	—	—	(2,647)
Payment of acquisitions obligations	—	—	150
Fair value of acquisition obligations	(250)	(356)	(434)
Net cash paid for acquisition of businesses	$ 850	$ 1,050	$ 441

Non-cash financing transactions (Note 9):

During each of the years ended December 31, 2011 and 2010, the Company recorded the forgiveness of the loan from the County of Cuyahoga of $90 as a reduction of the loan and as a reduction of the underlying land improvements.

See accompanying notes to consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.

Consolidated Statements of Shareholders' Equity

Years ended December 31, 2012, 2011 and 2010
(In thousands)

	Common stock	Paid-in capital	Treasury stock	Retained earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balances—December 31, 2009	$30,649	$ 65,387	$(2,058)	$(31,496)	$ 403	$ 62,885
Net income	—	—	—	45,709	—	45,709
Comprehensive income	—	—	—	—	1,666	1,666
Dividends declared by LINC				(21,200)		(21,200)
LINC distribution for state tax withholding				(116)		(116)
Purchases of treasury stock	—	—	(4,567)	—	—	(4,567)
Balances—December 31, 2010	$30,649	$ 65,387	$(6,625)	$ (7,103)	$ 2,069	$ 84,377
Net income	—	—	—	51,446	—	51,446
Comprehensive income	—	—	—	—	(907)	(907)
Dividends paid ($1.00 per share)	—	—	—	(15,555)	—	(15,555)
Dividends declared by LINC	—	—	—	(22,500)	—	(22,500)
LINC distribution for state tax withholding	—	—	—	(290)	—	(290)
Purchases of treasury stock	—	—	(1,700)	—	—	(1,700)
Balances—December 31, 2011	$30,649	$ 65,387	$(8,325)	$ 5,998	$ 1,162	$ 94,871
Net income	—	—	—	47,688	—	47,688
Comprehensive income	—	—	—	—	(298)	(298)
Dividends paid ($1.00 per share)	—	—	—	(15,499)	—	(15,499)
Dividends declared by LINC	—	—	—	(58,500)	—	(58,500)
LINC distribution for state tax withholding	—	—	—	(383)	—	(383)
LINC purchase adjustment	—	(10,102)	—	—	—	(10,102)
Termination of LINC's S-Corp status	—	(55,285)	—	55,285	—	—
Stock based compensation	36	550	—	—	—	586
Purchases of treasury stock	—	—	(991)	—	—	(991)
Balances—December 31, 2012	$30,685	$ 550	$(9,316)	$ 34,589	$ 864	$ 57,372

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Business

Universal Truckload Services, Inc., referred to herein as UTSI, or us, we or the Company, through its subsidiaries, is a leading asset-light provider of customized transportation and logistics solutions throughout the United States, Mexico and Canada. We provide our customers with supply chain solutions that can be scaled to meet their changing demands. We offer our customers with a broad array of services across their entire supply chain, including transportation, value-added, and intermodal services. Our customized solutions and flexible business model are designed to provide us with a highly variable cost.

(b) Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. At December 31, 2012, we conducted our operation through the following operating and support subsidiaries: Universal Am-Can Ltd., The Mason & Dixon Lines, Inc., Mason Dixon Intermodal, Inc., Economy Transport, Inc., Louisiana Transportation, Inc., Great American Lines, Inc., Universal Logistics Solutions, Inc., Universal Logistics Solutions International, Inc., Cavalry Transportation, LLC, Logistics Insight Corporation, Pro Logistics, Inc., LINC Ontario, Ltd., Mohican Transport (a division of LINC Ontario, Ltd.), CTX, Inc., Central Global Express, Inc., On Demand Transport, Inc., OTR Logistics, Inc., Logistics Insight Corporation S. de R.L. de C.V., Stafflinc de Mexico, S. de R.L. de C.V., Flint Special Services, Inc., Logistics Services, Inc., Oakland Logistics Service, Inc., Smyrna Transfer, Inc., St. James Leasing, Inc., LGSI Equipment, Inc. of Wyoming, and LGSI Equipment of Indiana, LLC. All significant intercompany accounts and transactions have been eliminated.

During 2012, we completed the acquisition of LINC Logistics Company ("LINC") whereby each outstanding share of LINC common stock was converted into the right to receive consideration consisting of 0.700 of a share of common stock of the Company and cash in lieu of fractional shares. This resulted in the issuance of 14,527,332 shares of the Company's common stock, a payment of $27.60 of cash in lieu of fractional shares, and a working capital adjustment resulting in an additional payment of $10.1 million to the former shareholders of LINC. Our majority shareholders beneficially owned, in the aggregate, 100% of the common stock of LINC. The Company and LINC were under common control, and as such, under US GAAP, the merger was accounted for using the guidance for transactions between entities under common control as described in ASC Topic 805 – "Business Combinations". In accordance with ASC Topic 805-30, the Company has recognized the assets and liabilities of LINC at their carrying amounts at the date of transfer and adjusted for any inconsistencies in the application of accounting methods subject to preferability. As a result, the financial statements of the Company have been retrospectively revised to reflect the accounts of LINC as if they had been consolidated for all previous periods presented.

Through December 31, 2004, UTSI was a wholly owned subsidiary of CenTra, Inc. On December 31, 2004, CenTra distributed all of UTSI's common stock to Matthew T. Moroun and a trust controlled by Manuel J. Moroun, collectively the Morouns, the sole shareholders of CenTra, Inc. CenTra, Inc., its subsidiaries and affiliates are referred to as "CenTra." Subsequent to the initial public offering in 2005, the Morouns retained and continue to hold a controlling interest in UTSI. The accompanying consolidated financial statements present the historical financial position, results of operations, and cash flows of the Company and are not necessarily indicative of what the financial position, results of operations, or cash flows would have been had the Company operated as an unaffiliated company during the periods presented.

Our fiscal year consists of four quarters, each with thirteen weeks.

(1) Summary of Significant Accounting Policies—continued

(c) Use of Estimates

The preparation of the consolidated financial statements requires management of the Company to make a number of estimates and assumptions related to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment and intangible assets; marketable securities; valuation allowances for receivables; and liabilities related to insurance and claim costs. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments with an original maturity of three months or less.

It is our policy to record checks issued in excess of funds on deposit as accounts payable for balance sheet presentation, and include the changes in these positions as cash flows from operating activities in the statements of cash flows. At December 31, 2012 and 2011, accounts payable included reclassification of checks issued in excess of funds on deposit in the amount of $13.4 million and $10.0 million, respectively. The change in the amount of checks issued in excess of funds on deposit of $3.4 million, $8.2 million, and $(3.3) million for 2012, 2011, and 2010, respectively, is included in cash flows from operating activities in the statements of cash flows as a change in accounts payable, accrued expenses and other current liabilities.

(e) Marketable Securities

At December 31, 2012 and 2011, marketable securities, all of which are available-for-sale, consist of common and preferred stocks. Marketable securities are carried at fair value, with unrealized gains and losses, net of related income taxes, reported as accumulated other comprehensive income, except for losses from impairments which are determined to be other-than-temporary. Realized gains and losses, and declines in value judged to be other-than-temporary on available-for-sale securities are included in the determination of net income and are included in other non-operating income (expense), at which time the average cost basis of these securities are adjusted to fair value. Fair values are based on quoted market prices at the reporting date. Interest and dividends on available-for-sale securities are included in other non-operating income (expense). During the years ended December 31, 2012, 2011 and 2010, the Company received proceeds of $7.5 million, $2.4 million, and $11.4 million from the sale of marketable securities with a combined cost of $5.3 million, $1.2 million, and $6.0 million resulting in a realized gain of $2.2 million, $1.1 million, and $5.4 million, respectively.

The cost, gross unrealized holding gains, gross unrealized holding losses, and fair value of available-for-sale securities by type were as follows (in thousands):

	Cost	Gross unrealized holding gains	Gross unrealized holding (losses)	Fair Value
At December 31, 2012				
Equity Securities	$ 8,105	$ 2,077	$ (220)	$ 9,962
At December 31, 2011				
Equity Securities	$13,396	$ 3,347	$ (684)	$16,059

(1) Summary of Significant Accounting Policies—continued

(e) Marketable Securities—continued

Included in equity securities at December 31, 2012 were securities with a book basis of $1.6 million and a cumulative loss position of $0.2 million, the impairment of which the Company considers to be temporary. The Company considers several factors in its determination as to whether declines in value are judged to be temporary or other-than-temporary, including the severity and duration of the decline, the financial condition and near-term prospects of the specific issuers and the industries in which they operate, and the Company's intent and ability to hold these securities. The Company may incur future impairment charges if declines in market values continue and/or worsen and impairments are no longer considered temporary.

The fair value and gross unrealized holding losses of the Company's marketable securities that are not deemed to be other-than-temporarily impaired aggregated by type and length of time they have been in a continuous unrealized loss position were as follows (in thousands):

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
At December 31, 2012						
Equity securities	$1,222	$ 117	$ 164	$ 103	$1,386	$ 220
At December 31, 2011						
Equity securities	$2,387	$ 492	$ 988	$ 192	$3,375	$ 684

The Company's portfolio of equity securities in a continuous loss position, the impairment of which the Company considers to be temporary, consists primarily of common stocks in the banking, oil and gas, and transportation industries. The fair value and unrealized losses are distributed in 10 publicly traded companies, with no single industry or company representing a material or concentrated unrealized loss. The Company has evaluated the near-term prospects of the various industries, as well as the specific issuers within its portfolio, in relation to the severity and duration of the impairments, and based on that evaluation, and the Company's ability and intent to hold these investments for a reasonable period of time to allow for a recovery of fair value, the Company does not consider these investments to be other-than-temporarily impaired at December 31, 2012.

The Company from time to time invests cash in excess of its current needs in marketable securities, much of which is held in equity securities, which are actively traded on public exchanges. It is the philosophy of the Company to minimize the risk of capital loss without foregoing the potential for capital appreciation through investing in value-and-income oriented investments. However, holding equity securities subjects the Company to fluctuations in the market value of its investment portfolio based on current market prices, and a decline in market prices or other unstable market conditions could cause a loss in the value of the Company's marketable securities classified as available-for-sale.

(f) Accounts Receivable

Accounts receivable are recorded at the net invoiced amount, net of an allowance for doubtful accounts, and do not bear interest. They include unbilled amounts for services rendered in the respective period but not yet billed to the customer until a future date, which typically occurs within one month. In order to reflect customer receivables at their estimated net realizable value, we record

(1) Summary of Significant Accounting Policies—continued

(f) Accounts Receivable—continued

charges against revenue based upon current information. These charges generally arise from rate changes, errors, and revenue adjustments that may arise from contract disputes or differences in calculation methods employed by the customer. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical write-off experience and the aging of its outstanding accounts receivable. Balances are considered past due based on invoiced terms. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers. Accounts receivable from affiliates are shown separately and include trade receivables from the sale of services to affiliates.

(g) Property and Equipment

Property and equipment, including leasehold improvements, are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Description	Life in Years
Transportation equipment	5 -15
Other operating assets	3 - 15
Information technology equipment	2 - 5
Buildings and related assets	10 - 39

The amounts recorded for depreciation expense were $15.2 million, $14.3 million, and $14.1 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Tire repairs, replacement tires, replacement batteries, consumable tools used in our logistics services, and routine repairs and maintenance on vehicles are expensed as incurred. Parts and fuel inventories are included in prepaid expenses and other current assets. The Company capitalizes certain costs associated with vehicle repairs and maintenance that materially extend the life or increase the value of the vehicle or pool of vehicles.

(h) Intangible Assets

Intangible assets consist of the cost of customer and agent relationships that have been acquired in business combinations. The gross amount recorded for the agent contracts and customer relationships is $29.4 million and $28.7 million at December 31, 2012 and 2011, respectively. The agent contracts and customer relationships are being amortized over periods ranging from seven to fifteen years which represents the expected average life of the agent and customer relationships. As of December 31, 2012, the weighted average amortization period for customer and agent relationships was approximately 9 years. Accumulated amortization is $22.2 million and $19.2 million as of December 31, 2012 and 2011, respectively. The amounts recorded for amortization expense were $3.0 million, $3.4 million, and $3.4 million for the years ended December 31, 2012, 2011 and 2010, respectively.

(1) Summary of Significant Accounting Policies—continued

(h) Intangible Assets—continued

Estimated amortization expense by year is as follows (in thousands):

2013	$ 2,108
2014	1,578
2015	978
2016	952
2017	658
Thereafter	841
Total	$ 7,115

(i) Goodwill

Goodwill represents the excess purchase price over the fair value of assets acquired in connection with the Company's acquisitions. Under FASB Accounting Standards Codification, or ASC, Topic 805 "*Business Combinations*", the Company is required to test goodwill for impairment annually (in the Company's third fiscal quarter) or more frequently, whenever events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit with goodwill below its carrying amount. The Company has the option to first assess qualitative factors to determine whether or not it is necessary to perform a two-step quantitative goodwill impairment test. If the Company chooses that option, it would not be required to perform Step 1 of the test unless it determines that, based on a qualitative assessment, it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the Company determines that it is more likely than not, or if the Company chooses not to perform a qualitative assessment, then it may then proceed with Step 1 of the two-step impairment test. Determining the fair value of a reporting unit requires the use of significant estimates and assumptions. The Company estimates the fair value of its reporting units utilizing the income approach through the application of a discounted cash flow analysis. Key assumptions used to determine the fair value of each reporting unit as of the Company's annual testing date were: (a) future expected cash flows; (b) estimated residual growth rates and (c) discount rates, which were based on the Company's best estimates of the after-tax weighted-average cost of capital. Additionally, the Company considers its market capitalization in comparison to the fair value of its reporting units. During the third quarter of 2012, the Company completed its goodwill impairment testing and determined that the fair value of each reporting unit with goodwill exceeded its respective carrying value of the net assets. Accordingly, no impairment loss was recognized.

The changes in the carrying amount of goodwill for the years ended December 31, 2012 and 2011 are as follows (in thousands):

Balance as of January 1, 2011	$ 17,231
Business Acquisitions	491
Balance as of December 31, 2011	17,722
Business Acquisitions	243
Balance as of December 31, 2012	$ 17,965

(1) Summary of Significant Accounting Policies—continued

(j) Long-Lived Assets

Long-lived assets, other than goodwill, such as property and equipment and purchased intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset to be tested for possible impairment, the Company first compares the undiscounted cash flows expected to be generated by a long-lived asset to its carrying value. If the carrying value of the long-lived asset is deemed to not be recoverable on an undiscounted cash flow basis, an impairment charge is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market prices and independent third-party appraisals. Changes in management's judgment relating to salvage values and/ or estimated useful lives could result in greater or lesser annual depreciation expense or impairment charges in the future.

(k) Contingent Consideration

Contingent consideration arrangements granted in connection with a business combination is evaluated to determine whether contingent consideration is, in substance, additional purchase price of an acquired enterprise or compensation for services, use of property or profit sharing. Additional purchase price is added to the fair value of consideration transferred in the business combination and compensation is included in operating expenses in the period it is incurred. Contingent consideration is remeasured to fair value at each reporting date until the contingency is resolved.

(l) Fair Value of Financial Instruments

For cash equivalents, accounts receivables, accounts payable, and accrued expenses, the carrying amounts are reasonable estimates of fair value as the assets are readily redeemable or short-term in nature and the liabilities are short-term in nature. Marketable securities, consisting primarily of equity securities, are carried at fair market value as determined by quoted market prices. Our senior debt consists primarily of variable rate borrowings. The carrying value of these borrowings approximates fair value because the applicable interest rates are adjusted frequently based on short-term market rates.

(m) Deferred Compensation

Deferred compensation relates to the Company's bonus plans. Annual bonuses may be awarded to certain operating, sales and management personnel based on overall Company performance and achievement of specific employee or departmental objectives. Such bonuses are typically paid in annual installments over a five-year period. All bonus amounts earned by and due to employees in the current year are included in accrued expenses and other current liabilities. Those that are payable in subsequent years are included in other long-term liabilities.

(n) Closing Costs

Our customers may discontinue or alter their business activity in a location earlier than anticipated, prompting us to exit a customer-dedicated facility. We recognize exit costs associated with operations that close or are identified for closure as an accrued liability in the Consolidated Balance Sheets. Such

(1) Summary of Significant Accounting Policies—continued

(n) Closing Costs—continued

charges include lease termination costs, employee termination charges, asset impairment charges, and other exit-related costs associated with a plan approved by management. If we close an operating facility before its lease expires, costs to terminate a lease are recognized when an early termination provision is exercised, or we record a liability for non-cancellable lease obligations based on the fair value of remaining lease payments, reduced by any existing or prospective sublease rentals. Employee termination costs are recognized in the period that the closure is communicated to affected employees. The recognition of exit and disposal charges requires us to make certain assumptions and estimates as to the amount and timing of such charges. Subsequently, adjustments are made for changes in estimates in the period in which the change becomes known.

(o) Revenue and Related Expenses

We are the primary obligor when rendering transportation services, value-added services and intermodal services, and we assume the corresponding credit risk with customers. We have discretion in setting sales prices and, as a result, our earnings may vary. In addition, we have discretion to choose and negotiate terms with our multiple suppliers for the services ordered by our customers. This includes owner-operators with whom we contract to deliver our transportation services. As such, revenue and the related purchased transportation and commissions are recognized on a gross basis when persuasive evidence of an arrangement exists, delivery has occurred at the receiver's location or for service arrangements after the related services have been rendered, the revenue and related expenses are fixed or determinable and collectability is reasonably assured. Fuel surcharges, where separately identifiable, of $115.2 million, $110.6 million and $67.4 million for the years ended December 31, 2012, 2011 and 2010, respectively, are included in operating revenues.

Our customer contracts could involve multiple revenue-generating activities performed for the same customer. When several contracts are entered into with the same customer in a short period of time, we evaluate whether these contracts should be considered as a single, multiple element contract for revenue recognition purposes. Criteria we consider that may result in the aggregation of contracts include whether such contracts are actually entered into within a short period of time, whether services in multiple contracts are interrelated, or if the negotiation and terms of one contract show or include consideration for another contract or contracts. Our current contracts have not been required to be aggregated, as they are negotiated independently on a standalone basis. Our customers typically choose their vendor and award business at the conclusion of a competitive bidding process for each service. As a result, although we evaluate customer purchase orders and agreements for multiple elements and aggregation of individual contracts into a multiple element arrangement, our current contracts do not meet the criteria required for multiple element contract accounting.

(p) Insurance & Claims

Insurance and claims expense represents charges for premiums and the accruals made for claims within the Company's self-insured retention amounts. The accruals are primarily related to auto liability, general liability, cargo and equipment damage, and service failure claims. A liability is recognized for the estimated cost of all self-insured claims including an estimate of incurred but not reported claims based on historical experience and for claims expected to exceed the Company's policy limits. The Company may also make accruals for personal injury and property damage to third parties, and

(1) Summary of Significant Accounting Policies—continued

(p) Insurance & Claims—continued

workers' compensation claims if a claim exceeds the Company's insurance coverage. Such accruals are based upon individual cases and estimates of ultimate losses, incurred but not reported losses, and losses arising from known claims ultimately settling in excess of insurance coverage using loss development factors based upon industry data and past experience. Since the reported accrual is an estimate, the ultimate liability may be different from the amount recorded. If adjustments to previously established accruals are required, such amounts are included in operating expenses in the current period. The Company maintains insurance with licensed insurance carriers. Legal expenses related to auto liability claims are covered under our insurance policy. We are responsible for all other legal expenses related to claims.

In brokerage arrangements, the Company's exposure to liability associated with accidents incurred by other third-party carriers, who haul freight on the Company's behalf, is reduced by various factors including the extent to which the third party providers maintain their own insurance coverage.

The Company's insurance expense varies primarily based upon the frequency and severity of the Company's accident experience, insurance rates, the Company's coverage limits, and self-insured retention amounts.

(q) Stock Based Compensation

We record compensation expense for the grant of stock based awards. Compensation expense is measured at the grant date, based on the calculated fair value of the award, and recognized as an expense over the requisite service period (generally the vesting period of the grant). During 2012, the Company granted 178,137 shares of restricted stock to certain employees with a market price at the date of grant of $16.42. No stock based awards were granted in 2011 or 2010.

(r) Foreign Currency Translation

The financial statements of the Company's subsidiaries operating in Mexico and Canada are prepared to conform to U.S. GAAP and translated into U.S. Dollars by applying a current exchange rate. The local currency has been determined to be the functional currency. Items appearing in the Consolidated Statements of Income are translated using average exchange rates during each period. Assets and liabilities of international operations are translated at period-end exchange rates. Translation gains and losses are reported in accumulated other comprehensive income (loss) as a component of shareholders' equity.

(s) Income Taxes

Deferred income taxes are provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(1) Summary of Significant Accounting Policies—continued

(s) Income Taxes—continued

The Company is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2009. In addition, the Company files income tax returns in various state, local and foreign jurisdictions. Historically, the Company has been responsible for filing separate state, local and foreign income tax returns for itself and its subsidiaries. The Company is no longer subject to state income tax examinations for years before 2006.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. We recognize interest related to unrecognized tax benefits in income tax expense and penalties in other operating expenses.

(t) Segment Information

In prior periods, we presented our individual operating segments as one reportable segment. In the fourth quarter of 2012, we acquired LINC and, on December 20, 2012, our board appointed a new chief executive officer, who has the responsibility to allocate resources and to assess the performance of our operating segments. Certain integration activities in connection with our organizational design and our financial reporting system were not concluded as of December 31, 2012. We concluded that LINC should be reported separately from the reportable segment that predated the LINC acquisition. The subsequent finalization of our organizational design and financial reporting systems may result in future modifications of our reportable segments. We report certain financial and descriptive information about the different types of activities in which we engage and geographical areas in which we operate to allow better analysis of past performance and better assessment of risks, returns and prospects for future net cash flows. As such, we provide enterprise-wide disclosures about products, services, geographical areas and major customers.

(u) Concentrations of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents, marketable securities and accounts receivable. We maintain our cash and cash equivalents and marketable securities with high quality financial institutions. We perform ongoing credit evaluations of its customers and generally does not require collateral. The Company’s customers are generally concentrated in the automotive, wind energy, building materials, machinery and metals industries.

(v) Recent Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2011-05, *Presentation of Comprehensive Income*, which eliminates the option to present the components of other comprehensive income as part of the statement of changes in shareholders’ equity. ASU 2011-05 became effective retrospectively for fiscal years, and interim periods within those years, beginning after December 15, 2011. The Company has presented the total of comprehensive income, the components of net income and the components of other comprehensive income in two separate but consecutive statements as a result of the Company’s adoption of ASU 2011-05 beginning with the first quarter of 2012.

In September 2011, the FASB issued ASU 2011-08, *Intangibles—Goodwill and Other,* which allows an entity the option to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under this amendment, if the Company chooses that

(1) Summary of Significant Accounting Policies—continued

(v) Recent Accounting Pronouncements—continued

option, the Company would not be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. This amendment includes a number of events and circumstances for an entity to consider in conducting the qualitative assessment. ASU 2011-08 is effective for impairment tests performed during entities' fiscal years that begin after December 15, 2011, which for the Company was the impairment test completed during the 3rd quarter of the year. The adoption of the ASU did not have a significant impact on the Company's financial position, results of operations, or cash flows.

(w) Unaudited Pro Forma Earnings Per Share

Prior to its acquisition by Universal on October 1, 2012, LINC was an S Corporation for U.S. federal income tax purposes. As a result, LINC had no U.S. federal income tax liability, but had state and local liabilities in certain jurisdictions attributable to earnings as an S Corporation. Pro forma basic and diluted earnings per share have been computed to give effect to the termination of LINC's S Corporation status and acquisition by Universal, which changes the provision for income taxes for each period presented. We assume a blended statutory federal, state and local rate of 38.5%, 39.9% and 39.2% in 2012, 2011 and 2010, respectively.

The following table sets forth a reconciliation of the numerator and denominator used in the calculation of basic and diluted earnings per share for the periods presented (in thousands, except per share data):

	2012	2011	2010
Net income	$47,688	$51,446	$45,709
Pro forma provision for income taxes due to LINC's conversion to a "C" corporation	11,059	12,016	11,037
Pro forma net income	$36,629	$39,430	$34,672
Pro forma earnings per common share:			
Basic	$ 1.22	$ 1.31	$ 1.14
Diluted	$ 1.22	$ 1.31	$ 1.14
Weighted average number of common shares outstanding:			
Basic	30,032	30,121	30,445
Diluted	30,036	30,121	30,445

(2) Business Combinations

Acquisition Accounted for Between Entities Under Common Control

In October 2012, we completed the acquisition of LINC whereby each outstanding share of LINC common stock was converted into the right to receive consideration consisting of 0.700 of a share of common stock of the Company and cash in lieu of fractional shares. This resulted in the issuance of 14,527,332 shares of the Company's common stock. Our majority shareholders beneficially owned, in the aggregate, 100% of the common stock of LINC. The effects of the retroactive restatement of the

(2) Business Combinations—continued

Company's 2011 and 2010 financial statements for using the guidance for transactions between entities under common control as described in ASC Topic 805 – "Business Combinations" are summarized below (in thousands, except per share data):

	Year ended December 31, 2011	2010
Total operating revenues:		
Universal, as previously reported on Form 10-K for the year ended December 31, 2011	$699,771	$605,943
LINC	290,929	245,938
Elimination of intercompany transactions	(28)	(13)
Universal, as restated	$990,672	$851,868
Net income:		
Universal, as previously reported on Form 10-K for the year ended December 31, 2011	$ 15,813	$ 12,744
LINC	35,633	32,965
Universal, as restated	$ 51,446	$ 45,709
Earnings per common share:		
Basic :		
Universal, as previously reported on Form 10-K for the year ended December 31, 2011	$ 1.01	$ 0.80
Universal, as restated	$ 1.71	$ 1.50
Diluted :		
Universal, as previously reported on Form 10-K for the year ended December 31, 2011	$ 1.01	$ 0.80
Universal, as restated	$ 1.71	$ 1.50

Upon closing the merger with LINC on October 1, 2012, we borrowed approximately $149.1 million to repay LINC's outstanding indebtedness and dividends payable. During 2012, we also expensed transaction fees and other costs related to the merger totaling $8.4 million, which are reflected in selling, general and administrative expenses in the consolidated statements of income.

Acquisitions Accounted for Using the Purchase Method

In May 2012, we acquired certain assets of TFX Incorporated, or TFX, based in Durham, North Carolina through a Limited Asset Purchase Agreement for approximately $1.1 million. TFX is primarily a regional provider of intermodal transportation services strategically positioned to service the primary port areas on the East Coast and the key railheads and major manufacturing centers of the Southern and Midwestern United States. As of December 31, 2012, $0.8 million of the original purchase price was paid in cash. The Company used available cash to finance acquisition payments made through December 31, 2012. The remaining amount is included in accrued expenses and other current liabilities. Pursuant to the acquisition, TFX operates as part of Mason Dixon Intermodal, Inc.

(2) Business Combinations—continued

The pro forma effect of this acquisition has been omitted, as the effect is immaterial to the Company's results of operations, financial position and cash flows. The allocation of the purchase price is as follows (in thousands):

Intangible assets	$ 657
Property and equipment	200
Goodwill (tax deductible)	243
	$1,100

The intangible assets acquired represent the acquired companies' customer relationships and are being amortized over a period of seven years.

Goodwill represents the expected synergies to be achieved through the integration of the acquired companies into UTSI, and intangible assets that do not qualify for separate accounting recognition under generally accepted accounting principles.

The operating results of the acquired company have been included in the consolidated statements of income since its acquisition date; however, it has not been separately disclosed as it is deemed immaterial.

In March 2011, we acquired certain assets of Hart Transportation, Inc., or Hart, based in Jacksonville, Florida through a Limited Asset Purchase Agreement for approximately $1.4 million. We used cash and cash equivalents to finance the acquisition. Pursuant to the acquisition, Hart operates as part of Universal Am-Can, Ltd.

The pro forma effect of this acquisition has been omitted, as the effect is immaterial to the Company's results of operations, financial position and cash flows. The allocation of the purchase price is as follows (in thousands):

Intangible assets	$ 915
Goodwill (tax deductible)	491
	$1,406

The intangible assets acquired represent the acquired companies' customer relationships and are being amortized over a period of seven years.

Goodwill represents the expected synergies to be achieved through the integration of the acquired companies into UTSI, and intangible assets that do not qualify for separate accounting recognition under generally accepted accounting principles.

The operating results of the acquired company have been included in the consolidated statements of income since its acquisition date; however, it has not been separately disclosed as it is deemed immaterial.

In 2010, UTSI acquired the following companies for a total cost of $3.4 million:

- Effective January 1, 2010, we acquired Cavalry Transportation, LLC and Cavalry Logistics, LLC, or Cavalry, based in Nashville, Tennessee, for $2.7 million. We used cash and cash equivalents to finance the acquisition. Pursuant to the acquisition, Cavalry operates as a wholly-owned subsidiary of Universal Truckload Services, Inc.

(2) Business Combinations—continued

- Effective January 1, 2010, we acquired certain assets of TSD Transportation L.P., or TSD, based in Texarkana, Texas, for $0.7 million. We used cash and cash equivalents to finance the acquisition. Pursuant to the acquisition, TSD operates as part of Louisiana Transportation, Inc., a wholly-owned subsidiary of Universal Truckload Services, Inc.

The pro forma effect of these acquisitions has been omitted, as the effect is immaterial to the Company's results of operations, financial position and cash flows. The allocation of the purchase price of these companies is as follows (in thousands):

Current assets	$ 1,707
Equipment	117
Intangible assets	1,228
Goodwill (tax deductible)	2,773
Accrued liabilities	(2,453)
	$ 3,372

The intangible assets acquired represent the acquired companies' customer relationships and are being amortized over a period of seven years.

Goodwill represents the expected synergies to be achieved through the integration of the acquired companies into UTSI, and intangible assets that do not qualify for separate accounting recognition under generally accepted accounting principles.

The operating results of the acquired companies have been included in the consolidated statements of income since their respective acquisition dates; however, they have not been separately disclosed as they are deemed immaterial.

(3) Accounts Receivable

Accounts receivable amounts appearing in the financial statements include both billed and unbilled receivables. We bill customers in accordance with contract terms, which may result in a brief timing difference between when revenue is recognized and when invoices are rendered. Unbilled receivables, which usually are billed within one month, totaled $14.1 million and $12.5 million at December 31, 2012 and 2011, respectively.

Accounts receivable are presented net of an allowance for doubtful accounts. Following is a summary of the activity in the allowance for doubtful accounts for the years ended December 31 (in thousands):

	2012	2011	2010
Balance at beginning of year	$ 3,874	$ 5,217	$ 6,167
Provision for doubtful accounts	1,190	1,306	1,717
Acquisition of businesses	—	—	43
Uncollectible accounts written off	(2,549)	(2,649)	(2,710)
Balance at end of year	$ 2,515	$ 3,874	$ 5,217

(4) Property and Equipment

Property and equipment at December 31 consists of the following (in thousands):

	2012	2011
Transportation equipment	$ 147,733	$ 134,461
Land, buildings and related assets	66,936	65,312
Other operating assets	26,697	20,125
Information technology equipment	10,849	11,060
Construction in process	2,312	3,247
	254,527	234,205
Less accumulated depreciation	(126,736)	(120,005)
Total	$ 127,791	$ 114,200

(5) Accrued Expenses and Other Current Liabilities

Accrued expenses consist of the following items at December 31 (in thousands):

	2012	2011
Payroll related items	$ 6,582	$ 5,848
Driver escrow liabilities	5,769	5,429
Commissions, taxes and other	4,779	5,450
Total	$17,130	$16,727

Closing Costs

To align our operations with market conditions and customer requirements, we respond to our largest customers' restructuring and realignment plans as they evolve.

Lease termination costs reflect the exercise, where applicable, of early termination rights or obligations in a real estate lease contract or a liability for non-cancellable lease obligations, based on aggregate remaining lease payments to the landlord, offset by the fair value of prospective sublease income following the cease-use date.

In the fourth quarter of 2009, we announced plans to close our operation in Pontiac, Michigan, following the cancellation of a contract with a nearby GM assembly plant that ceased operations. We recognized closing-related costs for two leased facilities totaling $1.2 million, which is net of agreed payments from GM over a two-year period to settle the early termination of our contract.

In the fourth quarter of 2011, we announced plans to close five small freight consolidation centers in Europe. This action followed the decision by a customer to change its European supply chain management model. Our operations in Europe were first established earlier in 2011 to support this customer, an automotive industry supplier, and we incurred various start-up costs and contractual commitments. Lacking replacement business, our five consolidation centers discontinued service and the facilities were closed prior to December 31, 2011, resulting in a $0.3 million net charge to Occupancy Expense for lease termination costs, a $0.2 million charge to Personnel and Related Benefits, and a $0.4 million net charge to Operating Expenses (exclusive of items shown separately)

(5) Accrued Expenses and Other Current Liabilities—continued

for related early-termination charges. Severance and benefit-related costs relate to negotiated or statutory benefits paid to five employees of our German subsidiary. Where applicable, charges are net of negotiated settlements of lease obligations for real estate, and with subcontractors, vendors and lessors (in thousands).

	Lease termination and facility exit costs	Severance and benefit costs	Fixed asset impairment / disposals	Other	Total
Balance—December 31, 2010	$ (1,478)	$ —	$ —	$ 221	$(1,257)
Charges incurred in 2011	306	245	199	158	908
Adjustments to previous charges	(605)	—	199	(88)	(494)
Cash transactions, net	1,360	—	—	(226)	1,134
Non-cash charges	—	—	(398)	—	(398)
Balance—December 31, 2011	$ (417)	$ 245	$ —	$ 65	$ (107)
Charges incurred in 2012	—	—	—	—	—
Adjustments to previous charges	(102)	(2)	—	(44)	(148)
Cash transactions, net	612	(243)	—	(114)	255
Balance—December 31, 2012	$ 93	$ —	$ —	$ (93)	$ —

The balance as of the end of each period shown in the above table also reflects timing differences which occur between expenses and off-setting sub-lease and/or contract settlement payments.

(6) Debt

Debt is comprised of the following:

	Interest Rates at December 31, 2012	December 31, 2012	December 31, 2011
Outstanding Debt:			
Syndicated credit facility			
$110 million revolving credit facility	LIBOR + 1.60%	$ 64,000	$ —
$60 million equipment financing facility	LIBOR + 1.85%	32,000	—
$50 million term loan	LIBOR + 2.75%	50,000	—
UBS secured borrowing facility	LIBOR + 0.85%	—	—
KeyBank $20 million unsecured line of credit	NA	—	—
LINC Debt, paid upon merger:			
Comerica syndicated credit facility			
$40 million revolving credit facility	NA	—	14,000
$25 million equipment financing facility	NA	—	11,082
$30 million term loan	NA	—	30,000
Comerica Bank secured revolving credit facility	NA	—	—
Fifth Third Bank -			
Equipment financing facility	NA	—	2,979
$6 million revolving credit facility	NA	—	—
$9 million term loan	NA	—	—
Dividend Distribution Promissory Note	NA	—	25,000
		146,000	83,061
Less current portion		—	16,385
Total long-term debt		$ 146,000	$ 66,676

Syndicated credit facility

On August 30, 2012, the Company entered into a Revolving Credit and Term Loan Agreement, or the Credit Agreement, with and among the lenders parties thereto and Comerica Bank, as administrative agent, to provide for aggregate borrowing facilities of up to $220 million. The Credit Agreement consists of a $110 million revolving credit facility (which amount may be increased by up to $20 million upon request of the Company and approval of the lenders), a $60 million equipment credit facility, and a $50 million term loan. Additionally, the Credit Agreement provides for up to $5 million in letters of credit, which letters of credit reduce availability under the revolving credit facility.

Upon closing the merger with LINC on October 1, 2012, we borrowed approximately $149.1 million to repay LINC's outstanding indebtedness and dividends payable via the new Credit Agreement.

<u>$110 million Revolving Credit Facility</u>

The revolving credit facility is available to refinance existing indebtedness and to finance working capital through August 28, 2017. Two interest rate options are applicable to advances borrowed pursuant to the facility: Eurodollar-based advances and base rate advances. Eurodollar-based advances bear interest at 30, 60 or 90-day LIBOR rates plus an applicable margin, which varies from 1.35% to

(6) Debt—continued

2.10% based on our ratio of total debt to earnings before interest, taxes, depreciation and amortization ("EBITDA"), as defined. As an alternative, base rate advances bear interest at a base rate, as defined, plus an applicable margin, which also varies based on our ratio of total debt to EBITDA in a range from 0.35% to 1.10%. The base rate is the greater of the prime rate announced by Comerica Bank, the federal funds effective rate plus 1.0%, or the daily adjusting LIBOR rate plus 1.0%. At December 31, 2012, interest accrued at 1.81% based on 30-day LIBOR.

To support daily borrowing and other operating requirements, the revolving credit facility contains a $10 million Swing Line sub-facility, which is provided by Comerica Bank, and a $5.0 million letter of credit sub-facility. Swing Line advances incur interest at either the base rate plus the applicable margin or, alternatively, at a quoted rate offered by Comerica Bank in its sole discretion. The Company did not have any amounts outstanding under the Swing Line at December 31, 2012, and there were no letters of credit issued against the line.

The revolving credit facility is subject to a facility fee, which is payable quarterly in arrears, of either 0.25% or 0.5%, depending on our ratio of total debt to EBITDA. Other than in connection with Eurodollar-based advances or quoted rate advances that are paid off and terminated prior to an applicable interest period, there are no premiums or penalties resulting from prepayment. Borrowings outstanding at any time under the revolving credit facility are limited to the value of eligible accounts receivable of our principal operating subsidiaries, pursuant to a monthly borrowing base certificate. At December 31, 2012, our $64.0 million revolver advance was secured by, among other assets, net eligible accounts receivable totaling $91.9 million, of which, $78.2 million were available for borrowing against pursuant to the agreement.

$60 million Equipment Credit Facility

The equipment credit facility is available to refinance existing indebtedness and to finance capital expenditures including in connection with acquisitions. Borrowings under the equipment credit facility may be made until August 28, 2015, and such borrowings shall be repaid in quarterly installments equal to 1/28th of the aggregate amount of borrowings under the equipment credit facility commencing on April 1, 2014.

The two interest rate options that apply to revolving credit facility advances also apply to equipment credit facility advances. Eurodollar-based advances bear interest at 30, 60 or 90-day LIBOR rates plus an applicable margin, which varies from 1.60% to 2.60% based on our ratio of total debt to EBITDA. Base rate advances bear interest at a base rate, as defined, plus an applicable margin, which also varies based on our ratio of total debt to EBITDA in a range from 0.60% to 1.60%. The equipment credit facility is subject to an unused fee, which is payable quarterly in arrears, of 0.5%. At December 31, 2012, interest accrued at 2.06% based on 30-day LIBOR.

$50 million Term Loan

Proceeds of the term loan were advanced on October 1, 2012 and used to refinance existing indebtedness of LINC. The outstanding principal balance is due on August 28, 2017, to the extent not already reduced by mandatory or optional prepayments. The applicable interest rate on the effective date of the term loan indebtedness was the base rate. Base rate advances bear interest at a defined base rate plus an applicable margin which varies from 1.50% to 2.25%, based on our ratio of total debt to

(6) Debt—continued

EBITDA. Thereafter, we may convert base rate advances to Eurodollar-based advances, which bear interest at 30, 60 or 90-day LIBOR rates plus an applicable margin which varies from 2.50% to 3.25%, based on our ratio of total debt to EBITDA. At December 31, 2012, interest accrued at 2.96% based on 30-day LIBOR.

Interest on the unpaid principal of all term loan base rate advances is payable quarterly in arrears commencing on October 1, 2012, and on the first day of each October, January, April and July thereafter. Interest on the unpaid principal of each Eurodollar-based advance of the term loan is payable on the last day of the applicable Eurodollar interest period.

The Credit Agreement requires the Company to repay the borrowings made under the term loan facility and the equipment credit facility as follows: 50% (which percentage shall be reduced to 0% subject to the Company attaining a certain leverage ratio) of the Company's annual excess cash flow, as defined; 100% of net cash proceeds of certain asset sales; and 100% of certain insurance and condemnation proceeds. Mandatory prepayment of the term loan was $0 as of December 31, 2012. The Company may voluntarily repay outstanding loans under each of the facilities at any time, subject to certain customary "breakage" costs with respect to LIBOR-based borrowings. In addition, the Company may elect to permanently terminate or reduce all or a portion of the revolving credit facility.

All obligations under the Credit Agreement are unconditionally guaranteed by the Company's material U.S. subsidiaries and the obligations of the Company and such subsidiaries under the Credit Agreement and such guarantees are secured by, subject to certain exceptions, substantially all of their assets. The Credit Agreement also may, in certain circumstances, limit our ability to pay dividends or distributions. The Credit Agreement includes annual, quarterly and ad hoc financial reporting requirements and financial covenants requiring the Company to maintain maximum leverage ratios and a minimum fixed charge coverage ratio, as well as customary affirmative and negative covenants and events of default. Specifically, we may not exceed a maximum senior debt to EBITDA ratio, as defined, of 2.5:1 and a maximum total debt to EBITDA ratio, as defined, of 3.0:1. We must also maintain a fixed charge coverage ratio, as defined, of not less than 1.25:1. As of December 31, 2012, the Company was in compliance with its debt covenants.

UBS Secured Borrowing Facility

The Company also maintains a secured borrowing facility at UBS Financial Services, Inc., or UBS, using its marketable securities as collateral for the short-term line of credit. The line of credit bears an interest rate equal to LIBOR plus 0.85% (effective rate of 1.06% at December 31, 2012), and interest is adjusted and billed monthly. No principal payments are due on the borrowing; however, the line of credit is callable at any time. The amount available under the line of credit is based on a percentage of the market value of the underlying securities. If the equity value in the account falls below the minimum requirement, we must restore the equity value, or UBS may call the line of credit. The Company did not have any amounts outstanding under its line of credit at December 31, 2012 or 2011, and the maximum available borrowings under the line of credit were $5.1 million and $8.4 million, respectively.

KeyBank Unsecured Line of Credit

On October 24, 2011, the Company and KeyBank entered into a Change in Terms Agreement to the Amended and Restated Loan Agreement and Promissory Note dated October 25, 2010, collectively

(6) Debt—continued

referred to as the Key Loan Agreement, whereby the maturity date of the existing Amended and Restated Loan Agreement and Promissory Note was extended to October 23, 2012. On October 1, 2012, we terminated the Key Loan Agreement.

Cuyahago County Loan

In May 1, 2006, UTS Realty, LLC, or Realty, a wholly owned subsidiary of the Company, received a $1,000,000 loan from the County of Cuyahoga, Ohio, or the County, to be used for improvements to its Cleveland, Ohio container storage facility. The loan agreement with the County required Realty to make quarterly interest payments at an annual rate of 5.0%. Through January 31, 2011, subject to certain conditions, the County forgave $450,000 of the principal amount owed. On January 31, 2007, the Company began recording the forgiveness as a reduction of the loan and as a reduction in the cost of the underlying improvements at a rate of $90,000 per annum. The remaining principal was due at maturity on January 31, 2011; however, in June 2010, the Company repaid $550,000 of the remaining principal balance.

Debt Repaid Upon Merger with LINC

April 2011 Debt Refinancing

On April 21, 2011, LINC executed a Revolving Credit and Term Loan Agreement with a syndicate of banks to refinance a substantial portion of outstanding secured debt and a portion of outstanding dividend payable to CenTra. The syndicated senior secured loan package included a $40 million revolving credit facility, a $25 million equipment credit facility, and a $30 million senior secured term loan. Comerica Bank acted as lead arranger for the agreement and was the administrative agent.

Pursuant to the credit facilities, LINC immediately borrowed an aggregate $61.0 million, including a $19.9 million revolver advance, an $11.1 million advance pursuant to the equipment credit facility, and the entire $30 million senior secured term loan. LINC paid $31.0 million of the $58.0 million dividend payable due from LINC to CenTra at April 21, 2011. Funds were also used to repay outstanding advances totaling $23.0 million and to terminate an existing Comerica Bank Secured Revolving Credit Facility and a prior subordination agreement. Proceeds from the refinancing were also used to repay $3.8 million outstanding pursuant to the Fifth Third Bank Term Loan, which was then terminated. The Fifth Third Bank Revolving Credit Facility, which had no outstanding borrowings at April 21, 2011, was also terminated. LINC also repaid $2.3 million of the $8.1 million principal outstanding on our Fifth Third Bank Equipment Financing Facility at April 21, 2011, plus accrued interest.

$40 million Revolving Credit Facility

The revolving credit facility was available to refinance existing indebtedness and to finance working capital through April 21, 2014. At December 31, 2011, interest accrued at 2.04% based on 30-day LIBOR. Borrowings outstanding at any time under the revolving credit facility were limited to the value of eligible accounts receivable of LINC’s principal operating subsidiaries, pursuant to a monthly borrowing base certificate. At December 31, 2011, the $14.0 million revolver advance was secured by, among other assets, eligible accounts receivable totaling $35.7 million.

$25 million Equipment Credit Facility

The equipment credit facility was available to refinance existing indebtedness and to finance capital expenditures including in connection with acquisitions through advances available until April 21, 2014.

(6) Debt—continued

Commencing on each anniversary date of the facility, equipment credit advances made during the prior year are repaid quarterly based on four-year, straight line amortization. The original maturity date of the overall facility was April 21, 2016. At December 31, 2011, interest accrued at 2.04% based on 30-day LIBOR.

$30 million Senior Secured Term Loan

Proceeds of the term loan were advanced on April 21, 2011 and used to fund initial distributions described in the Revolving Credit and Term Loan Agreement. The outstanding principal balance was originally due on April 21, 2016. The term loan was to be paid in full from the anticipated net cash proceeds from an IPO or any new subordinated debt, and from 50% of the net cash proceeds from any other equity issuance. Excess cash flow was calculated for each year, beginning with the year ending December 31, 2011, based on net income for such year and adjusted for changes in working capital, capital expenditures, and for scheduled, mandatory and optional payments of funded debt. Mandatory prepayment of the term loan equal to 50% of calculated excess cash flow, or $11.3 million as of December 31, 2011, was due June 30 of the year following calculation. On June 25, 2012, LINC executed an amendment extending the due date of this payment for fiscal year 2011, to September 30, 2012. At December 31, 2011, interest accrued at 3.29% based on 30-day LIBOR.

As security for all indebtedness pursuant to the syndicated Revolving Credit and Term Loan Agreement, LINC granted to Comerica Bank, as lead arranger, a continuing lien on and security interest in substantially all tangible and intangible property of LINC’s significant domestic operating subsidiaries, in assets acquired by LINC in the future with advances from the $25 million equipment credit facility, and in the stock or other ownership interests of LINC’s significant domestic subsidiaries and international subsidiaries, the latter limited to a 65% interest. Collateral property included LINC’s trade accounts receivable; property and equipment with a net book value of $19.4 million at December 31, 2011, a substantial portion of which relates to LINC’s Mexican operation; and other assets with a carrying value of $1.0 million. LINC also executed a mortgage on LINC’s corporate headquarters, which was acquired in 2007 for $1.2 million. The collateral excludes certain tractors and trailers that are subject to liens securing a single note that remains outstanding after April 21, 2011 in connection with the Fifth Third Bank Equipment Financing Facility, which was amended on that date.

Concurrent with execution of the Revolving Credit and Term Loan Agreement, LINC executed a debt subordination agreement among Comerica Bank, as agent, LINC, and DIBC Investments, Inc., an affiliate and successor through assignment to LINC’s former ownership of LINC’s Dividend Distribution Promissory Note. As a result of this action, the Dividend Distribution Promissory Note was not considered a senior liability of the Company, as that term is defined and used in the Revolving Credit and Term Loan Agreement. Previous subordination agreements dated February 9, 2009 with Comerica Bank and dated May 19, 2009 with Fifth Third Bank were terminated.

In connection with the terminations of the Fifth Third Bank Revolving Credit Facility and Term Loan, and also the payoff of notes totaling $2.3 million, LINC amended the Fifth Third Bank Equipment Financing Facility. Various cross-default, cross-collateralization, security arrangements and the subordination agreement entered into on May 19, 2009 among Fifth Third Bank, LINC, and the former parent, CenTra, Inc. were terminated. Upon conclusion of the April 2011 Debt Refinancing, one note remained outstanding under the Fifth Third Bank Equipment Financing Facility. It was issued by a subsidiary of Logistics Insight Corporation.

(6) Debt—continued

Comerica Bank Secured Revolving Credit Facility

On March 29, 2007, LINC executed a $35.0 million revolving credit facility with Comerica Bank. On February 9, 2009, Comerica Bank, LINC, and LINC's former parent, CenTra, entered into a Debt Subordination Agreement in which, effective December 31, 2008, CenTra agreed to subordinate repayment of our $25 million Dividend Distribution Promissory Note to revolving credit facility obligations owed by LINC to Comerica Bank. The revolving credit facility was amended and restated on February 18, 2010, extending the initial term through July 1, 2011 while reducing maximum permitted indebtedness to $32.0 million, modifying applicable interest rates, and adjusting financial covenants and other terms. On December 17, 2010, LINC concluded a second amendment to the amended and restated credit facility, extending the expiration date of the facility to July 31, 2012, and restoring maximum permitted indebtedness to $35 million. The credit facility was paid in full and terminated on April 21, 2011.

Fifth Third Bank Revolving Credit Facility and Term Loan

On May 19, 2009, one of LINC's principal operating subsidiaries, Logistics Insight Corporation, executed a Restated Business Loan Agreement with Fifth Third Bank to refinance $11.9 million of borrowings outstanding on that day, pursuant to an existing $15 million revolving credit facility with the bank. The new agreement provided a $6 million, two-year revolving credit facility and a $9 million amortizing term loan. On April 21, 2011, this credit facility was terminated.

Fifth Third Bank Equipment Financing Facility

On December 18, 2006, LINC refinanced a substantial portion of its transportation equipment, including the rolling stock transferred to LINC by subsidiaries of its former parent on September 30, 2006. Two subsidiaries of Logistics Insight Corporation executed a $25.0 million equipment financing facility with Fifth Third Bank. Effective January 2, 2008, LINC consolidated four outstanding promissory notes due to Fifth Third Bank with aggregate principal value of $24.2 million into two separate term loans, per the original equipment financing facility. On April 21, 2011, two of the three notes were paid in full. At December 31, 2011, the principal outstanding pursuant to the remaining outstanding term note totaled $3.0 million, which was collateralized by transportation equipment with a carrying amount of $3.8 million.

The outstanding term note bore interest at a variable, per annum rate equal to the sum of 30-day LIBOR plus 1.35% with a one-time option to change the applicable interest rate to a variable, per annum rate equal to Fifth Third Bank's prime rate, less 1.5%. At December 31, 2011, interest accrued at 1.65% based on 30-day LIBOR. Variable interest on term loans was paid monthly in arrears.

Dividend Distribution Promissory Note

On December 31, 2008, LINC issued a $25.0 million Dividend Distribution Promissory Note due December 31, 2013 to CenTra, its former parent and an affiliate of the Company. The promissory note was issued in connection with extending the maturity and reducing to $68.0 million the value of the outstanding payment obligation pursuant to our existing dividend payable to CenTra. On December 22, 2010, upon receipt of required consents from both Comerica Bank and Fifth Third Bank, LINC paid $10.0 million to CenTra to further reduce the outstanding dividend payable. Concurrent with the April 2011 debt refinancing, LINC paid an additional $31.0 million to CenTra on April 21, 2011. As of

(6) Debt—continued

December 31, 2011, a net dividend payable totaling $27.0 million was outstanding. Any unpaid amount was payable in cash on or before December 31, 2013. At December 31, 2011, interest accrued at a fixed rate of 1.64%.

Maturities

The following table reflects the maturities of our principal repayment obligations as of December 31, 2012 (in thousands):

Years Ending December 31	Revolving Credit Facilities	Equipment Financing Facilities	Term Loan	Total
2013	$ —	$ —	$ —	$ —
2014	—	4,571	—	4,571
2015	—	4,571	—	4,571
2016	—	4,571	—	4,571
Thereafter	64,000	18,287	50,000	132,287
Total	$64,000	$ 32,000	$50,000	$146,000

(7) Fair Value Measurement and Disclosures

FASB ASC Topic 820, "*Fair Value Measurements and Disclosures*", defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date and expanded disclosures with respect to fair value measurements.

FASB ASC Topic 820 also establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

(7) Fair Value Measurement and Disclosures—continued

The Company has segregated all financial assets that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in the tables below (in thousands):

	December 31, 2012			
	Level 1	Level 2	Level 3	Fair Value Measurement
Assets				
Cash equivalents	$ 23	$ —	$ —	$ 23
Marketable securities	9,962	—	—	9,962
Total Assets	$ 9,985	$ —	$ —	$ 9,985

	December 31, 2011			
	Level 1	Level 2	Level 3	Fair Value Measurement
Assets				
Cash equivalents	$ 79	$ —	$ —	$ 79
Marketable securities	16,059	—	—	16,059
Total Assets	$16,138	$ —	$ —	$ 16,138

(8) Transactions with Affiliates

Through December 31, 2004, UTSI was a wholly-owned subsidiary of CenTra, Inc. On December 31, 2004, CenTra distributed all of UTSI’s common stock to the shareholders of CenTra. Subsequent to our initial public offering in 2005, our majority shareholders retained and continue to hold a controlling interest in UTSI. CenTra provides administrative support services to UTSI, including legal, human resources, and tax services. The cost of these services is based on the actual or estimated utilization of the specific services. Management believes these charges are reasonable. However, the costs of these services charged to UTSI are not necessarily indicative of the costs that would have been incurred if UTSI had internally performed or acquired these services as a separate unaffiliated entity.

In addition to the administrative support services described above, UTSI purchases other services from affiliates. Following is a schedule of cost incurred for services provided by affiliates for the years ended December 31 (in thousands):

	2012	2011	2010
Administrative support services	$ 2,535	$ 2,019	$ 2,350
Truck fueling and maintenance	3,850	3,629	4,660
Real estate rent and related costs	10,787	11,319	9,548
Insurance and employee benefit plans	33,657	33,529	31,988
Contracted transportation services	285	2,344	2,304
Total	$51,114	$52,840	$50,850

(8) Transactions with Affiliates—continued

In connection with our transportation services, we also routinely cross the Ambassador Bridge between Detroit, Michigan and Windsor Ontario, and we pay tolls and other fees to certain related entities which are under common control with CenTra. CenTra also charges us for the direct variable cost of various maintenance, fueling and other operational support costs for services delivered at their trucking terminals that are geographically remote from our own facilities. Such activities are billed when incurred, paid on a routine basis, and reflect actual labor utilization, repair parts costs or quantities of fuel purchased.

Other services from affiliates, including leased real estate, insurance and employee benefit plans, and contracted transportation services, are delivered to us on a per-transaction-basis or pursuant to separate contractual arrangements provided in the ordinary course of business. At December 31, 2012 and 2011, amounts due to affiliates were $4,093 and $5,507, respectively

A significant number of our transportation and logistics service operations are located at facilities leased from affiliates. At 34 facilities, occupancy is based on either month-to-month or contractual, multi-year lease arrangements which are billed and paid monthly. Leasing properties provided by an affiliate that owns a substantial commercial property portfolio affords us significant operating flexibility. However, we are not limited to such arrangements. See Note 10, “Operating Leases” for further information regarding the cost of leased properties.

We purchase workers’ compensation, property and casualty, and other general liability insurance from an insurance company controlled by our majority shareholders. Our employee health care benefits and 401(k) programs are also provided by this affiliate.

Services provided by UTSI to Affiliates

We may assist our affiliates with selected transportation and logistics services in connection with their specific customer contracts or purchase orders. Following is a schedule of services provided to CenTra and affiliates for the years ended December 31 (in thousands):

	2012	2011	2010
Transportation and intermodal services	$2,644	$ 981	$ 477
Truck fueling and maintenance	227	798	804
Administrative and customer support services	111	63	54
Total	$2,982	$1,842	$1,335

At December 31, 2012 and 2011, amounts due from Affiliates were $3,586 and $1,231, respectively.

We have also retained the law firm of Sullivan Hincks & Conway to provide legal services. Daniel C. Sullivan, a member of our Board, is a partner at Sullivan Hincks & Conway. Amounts paid for legal services during 2012, 2011 and 2010 were $144,000, $340,000 and $341,000, respectively.

On October 1, 2012, we completed the acquisition of LINC. Our principal shareholders beneficially owned, in the aggregate, 100% of the common stock of LINC. See Note 2 “Business Combinations—Acquisition Accounted for Between Entities Under Common Control”.

(9) Income Taxes

The provision for income taxes attributable to income from continuing operations for the years ended December 31 consists of the following (in thousands):

	2012	2011	2010
Current:			
U.S. Federal	$12,554	$ 3,454	$ 7,139
State	1,740	5,412	3,787
Foreign	1,586	1,041	1,026
Deferred:			
U.S. Federal	4,155	5,263	(343)
State	354	(889)	(294)
Foreign	(125)	(74)	(29)
Total	$20,264	$14,207	$11,286

Deferred income tax assets and liabilities at December 31 consist of the following (in thousands):

	2012		2011	
	Current	Long-term	Current	Long-term
Domestic deferred tax assets:				
Allowance for doubtful accounts	$ 812	$ —	$ 828	$ —
Other assets	—	3,128	21	1,752
Accrued expenses	6,618	—	4,343	—
Total domestic deferred tax assets	7,430	3,128	5,192	1,752
Domestic deferred tax liabilities:				
Prepaid expenses	(1,650)	—	(1,368)	—
Marketable securities	(902)	—	(613)	—
Property and equipment	—	(19,000)	(40)	(11,604)
Total domestic deferred tax liabilities	(2,552)	(19,000)	(2,021)	(11,604)
Foreign deferred tax asset				
Other assets	—	667	504	—
Valuation allowance—foreign	—	(394)	(364)	—
Total foreign deferred tax asset	—	273	140	—
Net deferred tax asset (liability)	$ 4,878	$(15,599)	$ 3,311	$ (9,852)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the domestic and foreign deferred tax assets will not be realized. The deferred tax assets and liabilities were reviewed separately by jurisdictions when measuring the need for valuation allowances. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income (both ordinary income and taxable capital gains) during the periods in which those temporary differences reverse. Management considers the scheduled reversal of

(9) Income Taxes—continued

deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Valuation allowances are established when necessary to reduce deferred tax assets when it is more likely than not that a portion or all of the deferred tax assets will not be realized. Based upon the level of historical taxable income, reversal of existing taxable temporary differences, projections for future taxable income over the periods in which the domestic deferred tax assets are expected to reverse, and the Company's ability to generate future capital gains, management believes it is more likely than not that the Company will realize the benefits of these deductible differences. Thus, no valuation allowance has been established for the domestic deferred tax assets. Based on the anticipated earnings projections of the foreign subsidiaries, management has recorded a full valuation allowance for the deferred tax assets associated with the German subsidiary. The amount of the domestic and foreign deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced or capital gains contemplated under tax planning strategies are not realized.

Income tax expense attributable to income from continuing operations differs from the statutory rates as follows:

	2012	2011	2010
Federal statutory rate	35%	35%	35%
S-Corp earnings taxed at shareholder level	-14%	-20%	-21%
Non-deductible merger costs	3%	0%	0%
LINC tax status change	4%	0%	0%
State, net of federal benefit	2%	6%	5%
Foreign	0%	1%	1%
Effective tax rate	30%	22%	20%

Prior to LINC's acquisition by UTSI on October 1, 2012, LINC was an S Corporation for U.S. federal income tax purposes. As a result, LINC had no U.S. federal income tax liability, but had state and local liabilities in certain jurisdictions attributable to earnings as an S Corporation. See Note 1(w) "Unaudited Pro Forma Earnings Per Share**".** The merger transaction resulted in a termination of the S election for LINC, and LINC is now treated as a C corporation subject to federal income taxes. The tax rate adjustment accounts for the periods before the change in LINC's federal tax status. Additionally, in connection with the acquisition by a C Corporation, the Company recorded the federal component of the deferred tax accounts resulting in the recognition of additional income tax expense of $2.5 million.

As of December 31, 2012, the total amount of unrecognized tax benefit representing uncertainty in certain tax positions was $0.7 million. These uncertain tax positions are based on recognition thresholds and measurement attributes for the financial statement recognition and measurements of a tax position taken or expected to be taken in a tax return. Any prospective adjustments to our accrual for uncertain tax positions will be recorded as an increase or decrease to the provision for income taxes and would impact our effective tax rate. At December 31, 2012, there are no positions for which it is reasonably possible that the total amounts of unrecognized tax benefits would significantly increase or decrease within 12 months. As of December 31, 2012, the amount of accrued interest and penalties was $0.1 million and $0.1 million, respectively.

(9) Income Taxes—continued

The changes in the Company's gross unrecognized tax benefits during the years ended December 31 are as follows (in thousands):

	2012	2011
Unrecognized tax benefit—beginning of year	$687	$ 632
Increases related to prior year tax positions	12	120
Increases related to current year tax positions	42	55
Decreases related to prior year tax positions	—	(120)
Settlements with taxing authorities	—	—
Lapse of statutes of limitations	—	—
Unrecognized tax benefit—end of year	$741	$ 687

(10) Operating Leases

The Company leases office space, warehouses, freight distribution centers, terminal yards and equipment under non-cancelable operating leases. Except where we deliver services within facilities provided by our customers, we lease all warehouse and freight distribution centers used in our logistics operations, often in connection with a specific customer program. Where facilities are substantially dedicated to a single customer and our lease is with an independent property owner, we attempt to align lease terms with the expected duration of the underlying customer program. Except as described in Note 8, "Transactions with Affiliates", facilities rented from affiliates are generally occupied pursuant to month-to-month lease agreements.

In most cases, we expect our facility leases will be renewed or replaced by other leases in the ordinary course of business. Where possible, we contractually secure the recovery of certain occupancy costs, including rent, during the term of a customer program. Future minimum rental payments pursuant to leases that have an initial or remaining non-cancelable lease term in excess of one year as of December 31, 2012 are as follows (in thousands):

Years Ending December 31	Leases with Affiliates	Third Party Leases	Total
2013	$ 6,005	$4,799	$10,804
2014	3,026	1,682	4,708
2015	1,734	975	2,709
2016	1,021	—	1,021
2017	801	—	801
Thereafter	1,148	—	1,148
Total	$13,735	$7,456	$21,191

Rental expense for facilities, vehicles and other equipment leased from third parties approximated $10.7 million, $9.5 million and $10.5 million for the years ended December 31, 2012, 2011 and 2010.

(11) Comprehensive Income

Comprehensive income includes the following for the years ended December 31 (in thousands):

	2012	2011	2010
Unrealized holding gains (losses) on available-for-sale investments arising during the period:			
Gross amount	$ 1,383	$ 33	$ 8,103
Income tax (expense) benefit	(817)	20	(3,298)
Net of tax amount	$ 566	$ 53	$ 4,805
Realized (gains) on available-for-sale investments reclassified into income:			
Gross amount	$(2,189)	$(1,136)	$(5,370)
Income tax expense	1,013	450	2,174
Net of tax amount	$(1,176)	$ (686)	$(3,196)
Foreign currency translation adjustments	$ 312	$ (274)	$ 57

The unrealized holding gains and losses on available-for-sale investments represent mark-to-market adjustments net of related income taxes.

(12) Retirement Plans

The Company offers 401(k) defined contribution plans to our employees. The plans are administered by a company controlled by our principal shareholders and include different matching provisions depending on which subsidiary or affiliate is involved. In the plans available to certain employees not subject to collective bargaining agreements, we matched contributions up to $600 annually for each employee who is not considered highly compensated through December 31, 2008, after which some matching contributions were suspended as a response to market conditions at certain subsidiaries. Three other 401(k) plans are provided to employees of specific operations and offer matching contributions that range from zero to $2,080 per participant annually. The total expense for contributions for 401(k) plans, including plans related to collective bargaining agreements, was $0.4 million, $0.4 million and $0.4 million for the years ended December 31, 2012, 2011 and 2010, respectively.

In connection with a collective bargaining agreement that covered 11 Canadian employees at December 31, 2012, we are required to make defined contributions into the Canada Wide Industrial Pension Plan. At December 31, 2012 and 2011, the required contributions totaled approximately $28,000 and $21,000, respectively.

Great American Lines, Inc., a wholly owned subsidiary of the Company, maintained a Simplified Employee Pension Plan, which is a defined contribution plan and covers all full-time employees. Eligibility requirements include completion of one year of service and attaining the age of 21. Contributions to the plan are at management’s discretion. No contributions were made under this plan for the years ended December 31, 2012, 2011 or 2010.

(13) Stock Based Compensation

In December 2004, UTSI's Board of Directors adopted the 2004 Stock Incentive Plan, or the Plan, which became effective upon completion of the Company's initial public offering. The Plan allows for the issuance of a total of 500,000 shares. The grants may be made in the form of restricted stock bonuses, restricted stock purchase rights, stock options, phantom stock units, restricted stock units, performance share bonuses, performance share units or stock appreciation rights.

On December 20, 2012, the Company granted 178,137 shares of restricted stock to certain of its employees. The restricted stock grants vested 20% on December 20, 2012, and an additional 20% will vest on each anniversary of the grant through December 20, 2016, subject to continued employment with the Company.

A summary of the status of the Company's nonvested shares as of December 31, 2012, and changes during the year ended December 31, 2012, is presented below:

	Shares	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2012	—	$ —
Granted	178,137	$ 16.42
Vested	(35,626)	$ 16.42
Forfeited	—	$ —
Balance at December 31, 2012	142,511	$ 16.42

As of December 31, 2012, there was $2.3 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the Plan. That cost is expected to be recognized over a weighted-average period of 4 years. The total fair value of shares vested during the year ended December 31, 2012 was $0.6 million.

(14) Commitments and Contingencies

The Company's principal commitments relate to long-term real estate leases and payment obligations to equipment vendors.

The Company is involved in certain claims and pending litigation arising from the ordinary conduct of business. We also provide accruals for claims within our self-insured retention amounts. Based on the knowledge of the facts, and in certain cases, opinions of outside counsel, in the Company's opinion the resolution of these claims and pending litigation will not have a material effect on the Company's financial position, results of operations or cash flows.

At December 31, 2012, approximately 28.3% of our employees are subject to collective bargaining agreements that are renegotiated periodically, of which 9.5% are subject to contracts that expire in 2013.

(15) Earnings Per Share

Basic earnings per common share amounts are based on the weighted average number of common shares outstanding, excluding outstanding non-vested restricted stock, and diluted earnings per share amounts are based on the weighted average number of common shares outstanding, including outstanding non-vested restricted stock, plus the incremental shares that would have been outstanding

(15) Earnings Per Share—continued

upon the assumed exercise of all dilutive stock options. As of December 31, 2012 there were 4,597 weighted average non-vested shares of restricted shares included in the denominator for the calculation of diluted earnings per share.

For each of the years ended December 31, 2011 and 2010, 187,500 expired options to purchase shares of common stock were excluded from the calculation of diluted earnings per share because such options were anti-dilutive.

(16) Quarterly Financial Data (unaudited)

In October 2012, we completed the acquisition of LINC. Our majority shareholders beneficially owned, in the aggregate, 100% of the common stock of LINC. See Notes 1(b) "Basis of Presentation" for further information. The effects of the retroactive restatement of the Company's quarterly unaudited financial data for all periods prior to the acquisition are summarized below (in thousands, except per share data):

	2012			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	(in thousands, except per share information)			
Operating revenue	$255,992	$264,968	$256,898	$259,148
Operating income	17,395	19,248	18,893	13,621
Income before income taxes	17,103	19,123	19,359	12,367
Provision for income taxes	2,664	3,378	4,307	9,915
Net income	$ 14,439	$ 15,745	$ 15,052	$ 2,452
Earnings per common share:				
Basic	$ 0.48	$ 0.52	$ 0.50	$ 0.08
Diluted	$ 0.48	$ 0.52	$ 0.50	$ 0.08
Weighted average number of common shares outstanding:				
Basic	30,065	30,022	30,018	30,023
Diluted	30,065	30,022	30,018	30,041

	2011			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	(in thousands, except per share information)			
Operating revenue	$227,194	$253,527	$261,965	$247,986
Operating income	14,593	17,697	18,992	14,786
Income before income taxes	15,193	17,266	18,600	14,594
Provision for income taxes	2,777	3,042	4,475	3,913
Net income	$ 12,416	$ 14,224	$ 14,125	$ 10,681
Earnings per common share:				
Basic	$ 0.41	$ 0.47	$ 0.47	$ 0.36
Diluted	$ 0.41	$ 0.47	$ 0.47	$ 0.36
Weighted average number of common shares outstanding:				
Basic	30,159	30,141	30,102	30,082
Diluted	30,159	30,141	30,102	30,082

(17) Segment Reporting

As of December 31, 2012, management evaluated our operating segments, including an evaluation of economic characteristics and applicable aggregation criteria. Certain integration activities in connection with our acquisition of LINC on October 1, 2012 were not concluded as of December 31, 2012. As such, we concluded that LINC's financial performance should be presented separately from our single reportable segment that predated the acquisition. The accounting policies for each reportable segment are the same. LINC is an asset-light, third party provider of supply chain logistics services, including value-added, transportation and specialized services. The reportable segment as previously reported is an asset-light provider of both transportation and intermodal services.

The following tables summarize information about the Company's segments as of and for the fiscal years ending December 31, 2012, 2011 and 2010 (in thousands):

2012	LINC	Pre-merger Reportable Segment	Total
Operating revenues	$ 309,619	$ 727,387	$ 1,037,006
Eliminated inter-segment revenues	—	136	136
Depreciation and amortization	6,125	12,112	18,237
Income from operations	45,466	23,691	69,157
Capital expenditures	13,103	16,463	29,566
Total assets	79,239	248,130	327,369

2011	LINC	Pre-merger Reportable Segment	Total
Operating revenues	$ 290,929	$ 699,743	$ 990,672
Eliminated inter-segment revenues	—	28	28
Depreciation and amortization	6,094	11,637	17,731
Income from operations	41,677	24,391	66,068
Capital expenditures	8,559	21,044	29,603
Total assets	73,036	242,811	315,847

2010	LINC	Pre-merger Reportable Segment	Total
Operating revenues	$ 245,938	$ 605,930	$ 851,868
Eliminated inter-segment revenues	—	13	13
Depreciation and amortization	6,543	10,996	17,539
Income from operations	37,085	15,367	52,452
Capital expenditures	2,661	10,256	12,917
Total assets	67,858	226,983	294,841

The Company provides a portfolio of transportation and logistics services to a wide range of customers throughout the United States, Mexico, Canada, and to a lesser extent, Europe and other countries around the world. Revenues for selected services as provided to the chief operating decision maker are as follows (in thousands):

	Year Ended December 31,		
	2012	2011	2010
Transportation services	$ 741,650	$ 740,089	$ 646,434
Value-added services	174,975	147,814	117,557
Intermodal services	120,381	102,769	87,877
Total	$ 1,037,006	$ 990,672	$ 851,868

Revenues are attributed to geographic areas based upon completion of the underlying service at the point of delivery. In some instances, we are paid one rate for "round-trip" services that originate and terminate in Canada, but have destinations in the United States. In those instances we allocate half of the total revenue to Canada and half to the United States (in thousands).

	Year Ended December 31,		
	2012	2011	2010
United States	$ 999,668	$ 955,189	$ 814,212
Mexico	20,266	16,017	17,511
Canada	13,407	14,628	15,608
Europe	2,057	3,040	835
Other	1,608	1,798	3,702
Total	$ 1,037,006	$ 990,672	$ 851,868

Net long-lived property and equipment assets are presented in the table below (in thousands):

	Year Ended December 31,	
	2012	2011
United States	$ 117,910	$ 109,762
Mexico	9,791	4,333
Canada	90	105
Total	$ 127,791	$ 114,200

(18) Subsequent Events

The Company evaluated subsequent events through the time of filing this Annual Report on Form 10-K. We are not aware of any significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on the Consolidated Financial Statements.

ITEM 9A: CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, including in connection with our acquisition of LINC Logistics Company on October 1, 2012, pursuant to Rule 13a-15(e) and 15d-15(e) of the Exchange Act. At the time that our Annual Report on Form 10-K for the year ended December 31, 2012 was filed with the SEC, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2012, our disclosure controls and procedures were effective in causing the material information required to be disclosed in the reports that it files or submits under the Exchange Act to be recorded, processed, summarized and reported, to the extent applicable, within the time periods required for us to meet the SEC filing deadlines for these reports specified in the SEC's rules and forms. However, because of the material weaknesses in our internal controls over financial reporting identified by a subsequent review, our Chief Executive Officer and Chief Financial Officer performed a subsequent evaluation of our disclosure controls and procedures and concluded such controls were not effective as of December 31, 2012. In light of the material weaknesses described below, the Company performed additional analyses and other post-closing procedures to ensure our consolidated financial statements were prepared in accordance with generally accepted accounting principles. Accordingly, management concluded that no changes were required to the financial statements previously filed and the financial statements included in this report present fairly, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

Report of Management on Internal Control Over Financial Reporting

Management of Universal Truckload Services, Inc., or the Company, is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in Rules 13a-15(f) under the Securities Exchange Act of 1934, as amended.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's financial statements.

Management, with the participation of the Company's principal executive and principal financial officers, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2012. This assessment was performed using the criteria established under *the Internal Control-Integrated Framework (1992) established by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO*.

Based on the assessment performed using the criteria established by COSO, management has concluded that as of December 31, 2012, as it relates to LINC Logistics Company, we did not (1) adequately assign and monitor internal control responsibilities to address segregation of duties and maintain effective internal controls over information technology systems to properly restrict access for information technology and financial management users to their specific responsibilities and to properly review development, change management, and maintenance of system applications; (2) maintain effective internal controls to ensure the completeness, accuracy and validity of manual journal entries. As a result, management has concluded that these control deficiencies could have resulted in a material misstatement of the consolidated financial statements that would not have been prevented or detected on a timely basis, and as such, these control deficiencies result in material weaknesses.

In the Report of Management on Internal Control Over Financial Reporting included in our original Annual Report on Form 10-K for the year-ended December 31, 2012, management, including our Chief Executive Officer and Chief Financial Officer, concluded that we maintained effective internal control over financial reporting as of December 31, 2012. Management has subsequently concluded that the material weaknesses described above existed as of December 31, 2012. As a result, management has concluded that we did not maintain effective internal control over financial reporting as of December 31, 2012, based on the criteria established by COSO. Accordingly, we have restated our report of management on internal control over financial reporting.

KPMG LLP, the independent registered public accounting firm that audited the financial statements included in our previously filed Annual Report on Form 10-K for the year ended December 31, 2012, has reissued an adverse audit report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2012. Such report appears below.

Remediation and Plans for Remediation of Material Weaknesses

Management has taken steps, and is currently in the process of planning for and implementing remediation efforts to address the identified material weaknesses.

We plan to remediate our material weakness related to the monitoring of responsibilities and segregation of duties and over information technology, specifically related to restricting access, by completing a periodic review, at least annually, of the active/terminated employee listing of job functions and user access rights. We plan to remediate our material weakness over the information technology, specifically related to change management and maintenance of system applications by implementing a policy requiring appropriate approvals for changes and maintaining a log of changes. We have already remediated our material weakness related to journal entries by requiring a review and approval of all manual journal entries.

Management believes the steps outlined above, both those that have already been taken and the implementation of our plans for remediation, will resolve the control deficiencies identified. We will continue to monitor and improve our internal controls over financial reporting. We may take additional steps or modify our plans for remediation to provide for reasonable assurance that we effectively maintain internal controls over financial reporting.

Changes in Internal Controls

Except as otherwise discussed above, there have been no changes in our internal controls over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended December 31, 2012 identified in connection with our evaluation that has materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Universal Truckload Services, Inc.:

We have audited Universal Truckload Services, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework (1992*), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Universal Truckload Services, Inc. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Material weaknesses related to ineffective segregation of duties and general information technology controls to restrict user access and to review the development, change management, and maintenance of system applications; and ineffective controls over the completeness, accuracy and validity of manual journal entries at the LINC Logistics Company have been identified and included in management's assessment. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Universal Truckload Services, Inc. and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, and shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements for the year ended December 31, 2012, and this report does not affect our report on the consolidated financial statements dated March 18, 2013, which expressed an unqualified opinion on those consolidated financial statements.

The assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting has been restated by Universal Truckload Services, Inc.'s management to disclose the aforementioned material weaknesses and the resultant ineffectiveness of its internal control over financial reporting.

In our opinion, because of the effect of the aforementioned material weakness on the achievement of the objectives of the control criteria, Universal Truckload Services, Inc. has not maintained effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework (1992*) issued by COSO.

/s/ KPMG LLP
Detroit, Michigan
March 18, 2013, except as to the restatement of the effectiveness of internal control over financial reporting for the material weaknesses related to the LINC Logistics Company, which is as of November 27, 2013

PART IV

ITEM 15: EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(1) Financial Statements

(2) Financial Statement Schedules

Financial statement schedules have been omitted since they are either not required, not applicable, or the information is otherwise included elsewhere in this Form 10-K.

(3) Exhibits

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation (Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 000-51142))
3.2	Amendment to Articles of Incorporation (Incorporated by reference to Exhibit 3(i)-1 and 3(i)-2 to the Registrant's Current Report filed on November 1, 2012 (Commission File No. 000-51142))
3.3	Amended and Restated Bylaws, as amended effective April 22, 2009 (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on April 24, 2009 (Commission File No. 000-51142))
4.1	Amended and Restated Registration Rights Agreement, dated as of July 25, 2012, among Registrant, Matthew T. Moroun, the Manuel J. Moroun Revocable Trust U/A March 24, 1977, as amended and restated on December 22, 2004 and the M.J. Moroun 2012 Annuity Trust dated April 30, 2012 ((Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 26, 2012 (Commission File No. 000-51142))
4.2	Specimen Common Share Certificate (Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 000-51142))
10.1+	Employment agreement, dated December 20, 2012, by and between Universal Truckload Service, Inc. and H.E. "Scott" Wolfe (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 26, 2012 (Commission File No. 000-51142))
10.2+	Employment agreement, dated December 20, 2012, by and between Universal Truckload Service, Inc. and Robert E. Sigler (Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on December 26, 2012 (Commission File No. 000-51142))
10.3	Revolving Credit and Term Loan Agreement, dated as of August 28, 2012, among Universal Truckload Services, Inc., the lenders parties thereto and Comerica Bank, as administrative agent, arranger and documentation agent ((Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed August 31, 2012 (Commission File No. 000-51142))
21.1	Subsidiaries of Universal Truckload Services, Inc. (incorporated herein by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 18, 2013)
23.1	Consent of KPMG LLP, independent registered public accounting firm
23.2	Consent of Grant Thornton, independent registered public accounting firm
24	Powers of Attorney (incorporated herein by reference to Exhibit 24 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 18, 2013)
31.1	Chief Executive Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.2	Chief Financial Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chief Executive Officer and Chief Financial Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (2)
101.INS	XBRL Instance Document (1)
101.SCH	XBRL Schema Document (1)

101.CAL	XBRL Calculation Linkbase Document (1)
101.DEF	XBRL Definition Linkbase Document (1)
101.LAB	XBRL Labels Linkbase Document (1)
101.PRE	XBRL Presentation Linkbase Document (1)

(1) Previously furnished.

(2) Furnished herein.

\+ Indicates a management contract, compensatory plan or arrangement.

SIGNATURES

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

Universal Truckload Services, Inc.
(Registrant)

By: */s/ David A. Crittenden*
David A. Crittenden
Chief Financial Officer

Date: November 27, 2013

EXHIBIT INDEX

Exhibit No.	Description
23.1*	Consent of KPMG LLP, independent registered public accounting firm
23.2*	Consent of Grant Thornton, independent registered public accounting firm
31.1*	Chief Executive Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Chief Financial Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Chief Executive Officer and Chief Financial Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith.
** Furnished herewith

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Universal Truckload Services, Inc.:

We consent to the incorporation by reference in the registration statements (No. 333-123385 and 333-187587) on Forms S-8 and S-3 of Universal Truckload Services, Inc. and subsidiaries (the Company) of our reports dated March 18, 2013, except as to the restatement of the effectiveness of internal control over financial reporting for the material weaknesses related to the LINC Logistics Company, which is as of November 27, 2013, with respect to the consolidated balance sheets of the Company as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012, and the effectiveness of internal control over financial reporting as of December 31, 2012, which reports appear in the December 31, 2012 annual report on Form 10-K/A of the Company.

Our report dated March 18, 2013, except as to the restatement of the effectiveness of internal control over financial reporting for the material weaknesses related to the LINC Logistics Company, which is as of November 27, 2013, on the effectiveness of internal control over financial reporting as of December 31, 2012, expresses our opinion that the Company did not maintain effective internal control over financial reporting because of the effect of material weaknesses on the achievement of the objectives of the control criteria and contains an explanatory paragraph that states the material weaknesses related to ineffective segregation of duties and general information technology controls to restrict user access and to review the development, change management, and maintenance of system applications; and ineffective controls over the completeness, accuracy and validity of manual journal entries at the LINC Logistics Company.

/s/ KPMG LLP
Detroit, Michigan
November 27, 2013

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated March 16, 2012 (except Note 14 to the consolidated financial statements, which is not presented herein and is as of April 23, 2012 and, for the stock-split discussed therein, as of May 8, 2012), with respect to the consolidated financial statements of LINC Logistics Company, which is included in the Annual Report of Universal Truckload Services, Inc. on Form 10-K/A for the year ended December 31, 2012. We hereby consent to the incorporation by reference of said report in the Registration Statement of Universal Truckload Services, Inc. on Form S-3 (No. 333-187587) and on Form S-8 (No. 333-123385).

/s/ Grant Thornton LLP

Southfield, Michigan
November 27, 2013

Exhibit 31.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT**

I, H. E. "Scott" Wolfe, certify that:

1. I have reviewed this annual report on Form 10-K/A of Universal Truckload Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 27, 2013

/s/ H. E. "Scott" Wolfe
H.E. "Scott" Wolfe
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, David A. Crittenden, certify that:

1. I have reviewed this annual report on Form 10-K/A of Universal Truckload Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 27, 2013

/s/ David A. Crittenden
David A. Crittenden
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Universal Truckload Services, Inc., or the Company, on Form 10-K/A for the year ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, H. E. “Scott” Wolfe, as Chief Executive Officer of the Company, and I, David A. Crittenden, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, respectively, that (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 27, 2013

/s/ H. E. “Scott” Wolfe
H. E. “Scott” Wolfe
Chief Executive Officer

/s/ David A. Crittenden
David A. Crittenden
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.