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

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 2, 2011

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	**38-3640097**
(State or other jurisdiction of incorporation or organization)	**(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)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐

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

The number of shares of the registrant's common stock, no par value, outstanding as of August 1, 2011 was 15,593,883.

PART I – FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

UNIVERSAL TRUCKLOAD SERVICES, INC.

Unaudited Consolidated Balance Sheets

(In thousands, except share data)

	July 2, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 1,667	$ 6,261
Marketable securities	15,447	15,041
Accounts receivable – net of allowance for doubtful accounts of $4,920 and $4,540, respectively	81,301	68,833
Due from CenTra and affiliates	601	80
Prepaid income taxes	3,605	1,821
Prepaid expenses and other	6,533	6,488
Deferred income taxes	3,495	2,973
Total current assets	112,649	101,497
Property and equipment	120,637	116,461
Less accumulated depreciation	(41,036)	(38,255)
Property and equipment – net	79,601	78,206
Goodwill	17,722	17,231
Intangible assets – net of accumulated amortization of $17,512 and $15,803, respectively	11,183	11,977
Other assets	2,947	3,137
Total assets	$ 224,102	$ 212,048
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 27,057	$ 23,773
Accrued expenses and other current liabilities	20,234	18,521
Total current liabilities	47,291	42,294
Long-term liabilities:		
Deferred income taxes	5,862	5,425
Other long-term liabilities	958	118
Total long-term liabilities	6,820	5,543
Shareholders' equity:		
Common stock, no par value. Authorized 40,000,000 shares; 16,122,483 shares issued; 15,595,583 and 15,667,483 shares outstanding, respectively	16,122	16,122
Paid-in capital	79,914	79,914
Treasury stock, at cost; 526,900 and 455,000 shares, respectively	(7,754)	(6,625)
Retained earnings	79,393	72,559
Accumulated other comprehensive income, net of income taxes of $(1,460) and $(1,524), respectively	2,316	2,241
Total shareholders' equity	169,991	164,211
Total liabilities and shareholders' equity	$ 224,102	$ 212,048

See accompanying notes to unaudited consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.
Unaudited Consolidated Statements of Income
July 2, 2011 and July 3, 2010
(In thousands, except per share data)

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	2011	2010	2011	2010
Operating revenues:				
Truckload	$110,798	$ 97,055	$208,111	$183,266
Brokerage	42,165	34,757	78,970	67,161
Intermodal	26,998	22,492	50,510	42,921
Total operating revenues	179,961	154,304	337,591	293,348
Operating expenses:				
Purchased transportation	139,631	116,894	260,090	222,301
Commissions expense	10,675	9,882	20,581	18,861
Other operating expense	3,235	3,835	6,939	7,249
Selling, general, and administrative	13,223	13,132	25,946	25,884
Insurance and claims	4,189	3,801	8,326	8,130
Depreciation and amortization	2,897	2,692	5,768	5,385
Total operating expenses	173,850	150,236	327,650	287,810
Income from operations	6,111	4,068	9,941	5,538
Interest income	31	33	48	66
Interest expense	(4)	(7)	(4)	(16)
Other non-operating income	168	3,699	1,158	5,595
Income before provision for income taxes	6,306	7,793	11,143	11,183
Provision for income taxes	2,371	3,220	4,309	4,545
Net income	$ 3,935	$ 4,573	$ 6,834	$ 6,638
Earnings per common share:				
Basic	$ 0.25	$ 0.29	$ 0.44	$ 0.42
Diluted	$ 0.25	$ 0.29	$ 0.44	$ 0.42
Weighted average number of common shares outstanding:				
Basic	15,614	15,980	15,623	15,980
Diluted	15,614	15,980	15,623	15,980
Other-than-temporary impairment losses:				
Total other-than-temporary impairment losses	$ —	$ —	$ —	$ —
Portion of loss recognized in other comprehensive income (loss)	—	—	—	—
Net impairment loss recognized in earnings	$ —	$ —	$ —	$ —

See accompanying notes to unaudited consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.
Unaudited Consolidated Statements of Cash Flows
Twenty-six weeks ended July 2, 2011 and July 3, 2010
(In thousands)

	2011	2010
Cash flows from operating activities:		
Net income	$ 6,834	$ 6,638
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,768	5,385
Gain on sale of marketable securities	(842)	(5,370)
(Gain) loss on disposal of property and equipment	(9)	126
Provision for doubtful accounts	646	837
Deferred income taxes	(20)	(1,549)
Change in assets and liabilities:		
Accounts receivable	(13,114)	(9,359)
Prepaid income taxes, prepaid expenses and other assets	(1,639)	2,216
Due from CenTra and affiliates	(521)	(41)
Accounts payable, accrued expenses and other current liabilities	4,603	(1,639)
Other long-term liabilities	840	145
Net cash provided by (used in) operating activities	2,546	(2,611)
Cash flows from investing activities:		
Capital expenditures	(5,996)	(4,200)
Proceeds from the sale of property and equipment	461	225
Purchases of marketable securities	(560)	(2,459)
Proceeds from sale of marketable securities	1,006	11,364
Payment of earnouts related to acquisitions	—	(118)
Acquisition of businesses	(775)	(400)
Net cash (used in) provided by investing activities	(5,864)	4,412
Cash flows from financing activities:		
Repayment of long-term debt	—	(550)
Payment of earnout obligations related to acquisitions	(147)	(169)
Purchases of treasury stock	(1,129)	—
Net cash used in financing activities	(1,276)	(719)
Net (decrease) increase in cash and cash equivalents	(4,594)	1,082
Cash and cash equivalents – beginning of period	6,261	953
Cash and cash equivalents – end of period	$ 1,667	$ 2,035
Supplemental cash flow information:		
Cash paid for interest	$ 4	$ 16
Cash paid for income taxes	$ 5,605	$ 5,314
Acquisition of businesses:		
Fair value of assets acquired, including goodwill	$ 1,406	$ 5,884
Liabilities assumed	—	(2,453)
Advances made for acquisitions of businesses in 2010	—	(2,647)
Cash paid in 2011 for 2010 acquisitions of businesses	—	150
Acquisition obligations	(631)	(534)
Net cash paid for acquisitions of businesses	$ 775	$ 400

See accompanying notes to unaudited consolidated financial statements.

Non-cash financing transactions (Note 3):

During each of the twenty-six week periods ended July 2, 2011 and July 3, 2010, the Company recorded the forgiveness of the loan from the County of Cuyahoga of $90,000 as a reduction of the loan and as a reduction of the underlying land improvements.

(1) Basis of Presentation

Pursuant to the rules and regulations of the Securities and Exchange Commission, the accompanying unaudited consolidated financial statements of Universal Truckload Services, Inc. and its wholly owned subsidiaries, or the Company or UTSI, have been prepared by the Company's management. In the opinion of management, the unaudited consolidated financial statements include all normal recurring adjustments necessary to present fairly the information required to be set forth therein. All intercompany transactions and balances have been eliminated in consolidation. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted from these statements pursuant to such rules and regulations and, accordingly, should be read in conjunction with the consolidated financial statements as of December 31, 2010 and 2009 and for each of the years in the three-year period ended December 31, 2010 included in the Company's Form 10-K filed with the Securities and Exchange Commission. The preparation of the consolidated financial statements requires the use of management's estimates. Actual results could differ from those estimates.

The Company's fiscal year ends on December 31. The Company's fiscal year consists of four quarters, each with thirteen weeks.

(2) Transactions with CenTra and Affiliates

Through December 31, 2004, UTSI was a wholly owned subsidiary of CenTra, Inc, or CenTra. On December 31, 2004, CenTra distributed all of UTSI's common stock to the sole shareholders of CenTra, the Morouns. Subsequent to the initial public offering in 2005, the Morouns retained and continue to hold a controlling interest in UTSI. CenTra provides management services to UTSI, including legal, human resources, and tax services. The cost of these services is based on the estimated utilization of the specific services and is allocated to the Company. Management believes the allocation method is 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 management services described above, UTSI purchases other services from CenTra and affiliates. Following is a schedule of cost incurred for services provided by CenTra and affiliates. The amounts charged to UTSI for the thirteen weeks and twenty-six weeks ended July 2, 2011 and July 3, 2010 are presented in the table below (in thousands):

	Thirteen weeks ended		Twenty-six weeks ended	
	July 2, 2011	July 3, 2010	July 2, 2011	July 3, 2010
Management services	$ 244	$ 266	$ 493	$ 537
Building and terminal rents	141	128	285	265
Maintenance services	65	44	116	124
Personal liability and property damage insurance	3,779	3,545	7,149	6,755
Health and other insurance	865	960	1,729	1,900
Total	$ 5,094	$ 4,943	$ 9,772	$ 9,581

(2) Transactions with CenTra and Affiliates - continued

Operating revenues from freight services provided to CenTra for the thirteen and twenty-six weeks ended July 2, 2011 were $665,000 and $737,000, respectively. Operating revenues from freight services provided to CenTra for the thirteen and twenty-six weeks ended July 3, 2010 were $19,000 and $24,000, respectively.

During the thirteen and twenty-six weeks ended July 2, 2011, the Company charged CenTra approximately $84,000 and $150,000, respectively, for vehicle maintenance services performed during the period. For the thirteen and twenty-six weeks ended July 3, 2010, the Company charged CenTra approximately $61,000 and $85,000, respectively.

As of July 2, 2011 and December 31, 2010, amounts due from CenTra and affiliates were $601,000 and $80,000, respectively.

During the thirteen weeks ended July 2, 2011, the Company purchased five tractors from an affiliate of CenTra for $175,000.

The Company also retained the law firm of Sullivan Hincks & Conway to provide legal services during the period. Daniel C. Sullivan, a member of our Board, is a partner at Sullivan Hincks & Conway. Amounts paid for legal services during the thirteen and twenty-six weeks ended July 2, 2011 were $95,000 and $233,000, respectively. Amount paid for legal services during the thirteen and twenty-six weeks ended July 3, 2010 was $37,000.

(3) Debt

On October 28, 2010, the Company and KeyBank National Association, or KeyBank, entered into an Amended and Restated Loan Agreement and Promissory Note, collectively referred to as the Agreement, for the period October 25, 2010 to October 24, 2011, thereby replacing the previous loan agreements. Under the Agreement with KeyBank, the Company's maximum permitted borrowings and letters of credit in the aggregate may not exceed $20 million. The line of credit is unsecured, and bears interest at a rate equal to the lesser of the Prime Rate minus 0.50% or LIBOR plus 1.00% (effective rate of 1.19% at July 2, 2011). The Agreement governing our unsecured line of credit contains various financial and restrictive covenants to be maintained by the Company including requirements to maintain a tangible net worth of at least $85 million, a debt to tangible net worth ratio not to exceed 1 to 1, and quarterly net profits of at least one dollar. For purposes of this Agreement, tangible net worth is defined as total assets, excluding all intangible assets, less total debt. The Agreement also may, in certain circumstances, limit our ability to pay dividends or distributions utilizing our line of credit. The Agreement also contains customary representations and warranties, affirmative and negative covenants and events of default. As of July 2, 2011 the Company was in compliance with its debt covenants. The Company did not have any amounts outstanding under its line of credit at July 2, 2011 or December 31, 2010, and there were letters of credit aggregating $650,000 and $1,300,000 issued against the line, respectively.

On 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 requires 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, at Realty's option, the maturity date could have been extended until January 31, 2021. In June 2010, the Company repaid $550,000 of the remaining principal balance. As of July 2, 2011 and December 31, 2010, the outstanding balance under the loan was $0 and $90,000 (presented under other current liabilities), respectively.

(4) Earnings Per Share

Basic earnings per common share amounts are based on the weighted average number of common shares outstanding, and diluted earnings per share amounts are based on the weighted average number of common shares outstanding plus the incremental shares that would have been outstanding upon the assumed exercise of all dilutive stock options.

The following table provides a reconciliation of the number of weighted average common shares outstanding used to calculate basic earnings per share to the weighted average number of common shares and common share equivalents outstanding used in calculating diluted earnings per share (in thousands):

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 2, 2011	July 3, 2010	July 2, 2011	July 3, 2010
Weighted average number of common shares	15,614	15,980	15,623	15,980
Incremental shares from assumed exercise of stock options	—	—	—	—
Weighted average number of common shares and common share equivalents	15,614	15,980	15,623	15,980

For both the thirteen and twenty-six weeks ended July 2, 2011 and July 3, 2010, 187,500 options to purchase shares of common stock were excluded from the calculation of diluted earnings per share because such options were anti-dilutive.

(5) 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 February 11, 2005, UTSI granted 260,000 options to certain of its employees. The stock options granted vested immediately, have a life of seven years and have an exercise price of $22.50 per share. Prior to January 1, 2006, the Company accounted for stock options issued under the Plan pursuant to the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. No stock-based employee compensation was reflected in net income prior to fiscal year 2006, as all options granted under the Plan had an exercise price equal to the fair market value of the underlying common stock on the date of grant. The intrinsic value of all outstanding options as of July 2, 2011 and July 3, 2010 was $0.

(5) Stock Based Compensation – (continued)

The following table summarizes the stock option activity and related information for the period indicated:

	Options	Weighted Average Exercise Price
Balance at January 1, 2011	187,500	$ 22.50
Granted	—	—
Exercised	—	—
Expired	—	—
Forfeited	—	—
Balance at July 2, 2011	187,500	$ 22.50
Exercisable	187,500	$ 22.50

(6) Comprehensive Income

Comprehensive income includes the following (in thousands):

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 2, 2011	July 3, 2010	July 2, 2011	July 3, 2010
Net income	$3,935	$ 4,573	$6,834	$ 6,638
Other comprehensive income (loss):				
Unrealized holding gains(losses) on available-for-sale investments arising during the period, net of income tax	(4)	154	591	3,383
(Gains) on available-for-sale investments reclassified into income:				
Realized gains, net of income tax	—	(2,130)	(516)	(3,188)
Net gain (loss) recognized in other comprehensive income	(4)	(1,976)	75	195
Total comprehensive income	$3,931	$ 2,597	$6,909	$ 6,833

Accumulated other comprehensive income at July 2, 2011 of $2,316,000 represents the unrealized holding gains on available–for-sale investments of $3,776,000, net of related income taxes of $1,460,000. At July 2, 2011, the gross unrealized holding gains and gross unrealized holding losses on available-for-sale investments were $3,996,000 and $220,000, respectively.

Accumulated other comprehensive income at December 31, 2010 of $2,241,000 represents the unrealized holding gains on available–for-sale investments of $3,765,000, net of related income tax expense of $1,524,000. At December 31, 2010, the gross unrealized holding gains and gross unrealized holding losses on available-for-sale investments were $3,993,000 and $228,000, respectively.

(7) Acquisitions

In March 2011, the Company acquired certain assets of Hart Transportation, Inc., or Hart, based in Jacksonville, Florida through a Limited Asset Purchase Agreement for approximately $1,406,000. Hart is primarily a regional provider of van and flatbed services throughout the Southeastern United States. Included in the purchase price is approximately $356,000 of additional consideration estimated to be paid to the former owner of Hart based on a percentage of revenues generated during the period from April 1, 2011 to March 31, 2014. As of July 2, 2011 the fair value of the earnout liability was $329,000. As of July 2, 2011, $775,000 of the original purchase price was paid in cash. The Company used cash and cash equivalents to finance the acquisition. The remaining amount is included in accrued expenses and other current liabilities. 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.

(8) Fair Value Measurements

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.

(8) Fair Value Measurements – (continued)

- 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.

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):

	July 2, 2011			
	Level 1	Level 2	Level 3	Fair Value Measurement
Assets				
Cash equivalents	$ 810	$ —	$ —	$ 810
Marketable securities	15,447	—	—	15,447
Total	$16,257	$ —	$ —	$ 16,257

	December 31, 2010			
	Level 1	Level 2	Level 3	Fair Value Measurement
Assets				
Cash equivalents	$ 59	$ —	$ —	$ 59
Marketable securities	15,041	—	—	15,041
Total	$15,100	$ —	$ —	$ 15,100

The valuation techniques used to measure fair value for the items in the tables above are as follows:

- Cash equivalents – This category consists of money market funds which are listed as Level 1 assets and measured at fair value based on quoted prices for identical instruments in active markets.
- Marketable securities – Marketable securities represent equity securities, which consist of common and preferred stocks, are actively traded on public exchanges and are listed as Level 1 assets. Fair value was measured based on quoted prices for these securities in active markets.

(9) Marketable Securities

At July 2, 2011, marketable securities, all of which are available-for-sale, consist of common stocks. Marketable securities are carried at fair value, with unrealized gains and losses, net of related income taxes, reported as accumulated other comprehensive income (loss), 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).

(9) Marketable Securities- continued

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 July 2, 2011				
Equity Securities	$11,671	$ 3,996	$ (220)	$15,447
At December 31, 2010				
Equity Securities	$11,276	$ 3,993	$ (228)	$15,041

Included in equity securities at July 2, 2011 are securities with a fair value of $1,331,000 with a cumulative loss position of $220,000, 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 following table shows the gross unrealized holding losses and fair value 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 at July 2, 2011 (in thousands):

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equity securities	$418	$ 44	$913	$ 176	$1,331	$ 220

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 oil and gas and banking 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 July 2, 2011. 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 drop in market prices or other unstable market conditions could cause a loss in the value of the Company’s marketable securities.

(10) Recent Accounting Pronouncements

In December 2010, the FASB issued Accounting Standards Update, or ASU, 2010-28, which (1) does not prescribe a specific method of calculating the carrying value of a reporting unit in the performance of step 1 of the goodwill impairment test and (2) requires reporting entities with a zero or negative carrying value to assess whether it is more likely than not that a goodwill impairment exists after considering qualitative factors. Based on an assessment of these factors, if an entity concludes that it is more likely than not that a goodwill impairment may exists, the entity must perform step 2 of the goodwill impairment test. This ASU is effective for impairment tests performed during entities' fiscal years that begin after December 15, 2010, which for the Company will be the impairment test performed as of last day of our 2nd fiscal quarter in 2011. The Company believes once applied, the ASU will not have a significant impact on the Company's financial position, results of operations, or cash flows.

In December 2010, the FASB issued ASU 2010-29, to address diversity in practice about the interpretation of pro-forma revenue and earnings disclosure requirements for business combinations. The ASU requires public companies to disclose pro-forma information for business combinations that occurred in the current reporting period. The disclosures include pro-forma revenue and earnings of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. If comparative financial statements are presented, the pro-forma revenue and earnings of the combined entity for the comparable prior reporting period should be reported as though the acquisition date for all business combinations that occurred during the current year had been as of the beginning of the comparable prior annual reporting period. The ASU will be effective for business combinations beginning after December 15, 2010. The Company believes once applied, the ASU will not have a significant impact on the Company's financial statement disclosures.

(11) Contingencies

The Company is involved in claims and litigation arising in the ordinary course of business. These matters primarily involve claims for personal injury and property damage incurred in the transportation of freight. Based on knowledge of the facts and, in certain cases, opinions of outside counsel, the Company believes all such litigation is adequately covered by insurance or otherwise provided for and that adverse results in one or more of those cases would not have a materially adverse effect on its financial condition, operating results and cash flows. However, if the ultimate outcome of these matters, after provisions thereof, is materially different from the Company's estimates, they could have a material effect on the Company's operating results and cash flows in any given quarter or year.

(12) Subsequent Events

The Company has evaluated subsequent events through the time of filing this Quarterly Report on Form 10-Q. 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 Unaudited Consolidated Financial Statements.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Some of the statements and assumptions in this Form 10-Q are forward-looking statements. These statements identify prospective information. Important factors could cause actual results to differ, possibly materially, from those in the forward-looking statements. In some cases you can identify forward-looking statements by words such as "anticipate," "believe," "could," "estimate," "plan," "intend," "may," "should," "will" and "would" or other similar words. You should read statements that contain these words carefully because they discuss our future expectations, contain projections of our future results of operations or of our financial position or state other "forward-looking" information. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. The factors listed in the section captioned "Risk Factors" in Item 1A in our Form 10-K for the year ended December 31, 2010, as well as any other cautionary language in that Form 10-K, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements.

Forward-looking statements speak only as of the date the statements are made. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect thereto or with respect to other forward-looking statements.

Overview

We are primarily an asset-light provider of transportation services to shippers throughout the United States and in the Canadian provinces of Ontario and Quebec. Our over-the-road trucking services include both flatbed and dry van operations and we provide rail-truck and steamship-truck intermodal support services. We also offer truck brokerage services, which allow us to supplement our capacity and provide our customers with transportation of freight not handled by our owner-operators. In addition, we offer full service international freight forwarding and customs house brokerage services.

Our use of agents and owner-operators reduces our need to provide non-driver facilities and tractor and trailer fleets. The primary physical assets we provide to our agents and owner-operators include a portion of our trailer fleet, our headquarters facility, our management information systems and our intermodal depot facilities. Our business model provides us with a highly variable cost structure, allows us to grow organically using relatively small amounts of cash, gives us a higher return on assets compared to many of our asset-based competitors and preserves an entrepreneurial spirit among our agents and owner-operators that we believe leads to improved operating performance. For the thirteen and twenty-six weeks ended July 2, 2011, approximately 86.5% and 85.7%, respectively, of our total operating expenses were variable in nature and our capital expenditures were $2.7 million and $6.0 million, respectively.

The following discussion of the Company's financial condition and results of operations should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and Consolidated Financial Statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2010 and the unaudited Consolidated Financial Statements and related notes contained in this quarterly report on Form 10-Q.

Results of Operations

The following table sets forth items derived from our consolidated statements of income for the thirteen and twenty-six weeks ended July 2, 2011 and July 3, 2010, as a percentage of operating revenues:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 2, 2011	July 3, 2010	July 2, 2011	July 3, 2010
Operating revenues	100%	100%	100%	100%
Operating expenses:				
Purchased transportation	77.6	75.8	77.0	75.8
Commissions expense	5.9	6.4	6.1	6.4
Other operating expenses	1.8	2.5	2.1	2.5
Selling, general and administrative	7.3	8.5	7.7	8.8
Insurance and claims	2.3	2.5	2.5	2.8
Depreciation and amortization	1.6	1.7	1.7	1.8
Total operating expenses	96.6	97.4	97.1	98.1
Operating income	3.4	2.6	2.9	1.9
Interest income, net	—	—	—	—
Other non-operating income	0.1	2.4	0.3	1.9
Income before provision for income taxes	3.5	5.0	3.3	3.8
Provision for income taxes	1.3	2.1	1.3	1.5
Net income	2.2%	3.0%	2.0%	2.3%

Twenty-six Weeks Ended July 2, 2011 Compared to Twenty-six Weeks Ended July 3, 2010

Operating revenues. Operating revenues for the twenty-six weeks ended July 2, 2011 increased by $44.2 million, or 15.1%, to $337.6 million from $293.3 million for the twenty-six weeks ended July 3, 2010. The increase in operating revenues is primarily attributable to an increase in the number of loads in our truckload, brokerage and intermodal operations, an increase in fuel surcharges, and increases in our operating revenues per loaded mile,. The number of loads from our combined truckload, brokerage and intermodal operations was 392,700 for the twenty-six weeks ended July 2, 2011 compared to 369,200 for the twenty-six weeks ended July 3, 2010. Included in operating revenues are fuel surcharges of $42.9 million for the twenty-six weeks ended July 2, 2011 compared to $26.3 million for the twenty-six weeks ended July 3, 2010. For the twenty-six weeks ended July 2, 2011, our operating revenue per loaded mile, excluding fuel surcharges, from our combined truckload and brokerage operations increased to $2.35 from $2.09 for the twenty-six weeks ended July 3, 2010. Included in operating revenues is approximately $3.9 million of truckload revenues attributable to our acquisition made in the first quarter 2011. Excluding the effects of this acquisition, revenue from our truckload operations increased by $20.9 million, or 11.4%, to $204.2 million for the twenty-six weeks ended July 2, 2011 from $183.3 million for the twenty-six weeks ended July 3, 2010. Revenue from our brokerage operations increased by $11.8 million, or 17.6%, to $79.0 million for the twenty-six weeks ended July 2, 2011 compared to $67.2 million for the twenty-six weeks ended July 3, 2010. Revenue from our intermodal support services increased by $7.6 million, or 17.7%, to $50.5 million for the twenty-six weeks ended July 2, 2011 from $42.9 million for the twenty-six weeks ended July 3, 2010.

Purchased transportation. Purchased transportation expense for the twenty-six weeks ended July 2, 2011 increased by $37.8 million, or 17.0%, to $260.1 million from $222.3 million for the twenty-six weeks ended July 3, 2010. As a percentage of operating revenues, purchased transportation expense increased to 77.0% for the twenty-six weeks ended July 2, 2011 from 75.8% for the twenty-six weeks ended July 3, 2010. The absolute increase was primarily due to the increase in our operating revenues. Purchased transportation expense generally increases or decreases in proportion to the revenues generated through owner-operators and other third party providers. The increase in purchased transportation as a percent of operating revenues is primarily due to an increase in fuel surcharges, which are passed through to owner-operators, and a higher cost of transportation in our brokerage business.

Commissions expense. Commissions expense for the twenty-six weeks ended July 2, 2011 increased by $1.7 million, or 9.1%, to $20.6 million from $18.9 million for the twenty-six weeks ended July 3, 2010. As a percentage of operating revenues, commissions expense decreased to 6.1% for the twenty-six weeks ended July 2, 2011 compared to 6.4% for the twenty-six weeks ended July 3, 2010. The absolute increase was primarily due to the increase in our operating revenues. Commissions expense generally increases or decreases in proportion to the revenues. As a percentage of revenues, the decrease in commissions expense is due to an increase in fuel surcharges, which are passed on through to our owner operators, and as such, no commission is paid.

Other operating expense. Other operating expense for the twenty-six weeks ended July 2, 2011 decreased by $0.3 million, or 4.3%, to $6.9 million from $7.2 million for the twenty-six weeks ended July 3, 2010. As a percentage of operating revenues, other operating expense decreased to 2.1% for the twenty-six weeks ended July 2, 2011 compared to 2.5% for the twenty-six weeks ended July 3, 2010. The absolute decrease was primarily due to decreases in repairs and maintenance cost of $0.2 million, property and other operating taxes of $0.3 million and other operating expenses of $0.1 million. These decreases were partially offset by an increase in permit costs of $0.3 million.

Selling, general and administrative. Selling, general and administrative expense for the twenty-six weeks ended July 2, 2011 remained consistent at $25.9 million compared to the twenty-six weeks ended July 3, 2010. As a percentage of operating revenues, selling, general and administrative expense decreased to 7.7% for the twenty-six weeks ended July 2, 2011 from 8.8% for the twenty-six weeks ended July 3, 2010. Included in selling, general and administrative expense for the twenty-six weeks ended July 2, 2011 were increases in salaries and wage expense of $0.8 million, professional fees of $0.2 million, and other selling, general, and administrative expense of $0.2 million. These increases were offset by decreases in our provision for bad debts and uncollectible agent loans of $0.7 million and building rents of $0.4 million.

Insurance and claims. Insurance and claims expense for the twenty-six weeks ended July 2, 2011 increased by $0.2 million, or 2.4%, to $8.3 million from $8.1 million for the twenty-six weeks ended July 3, 2010. As a percentage of operating revenues, insurance and claims expense decreased to 2.5% for the twenty-six weeks ended July 2, 2011 from 2.8% for the twenty-six weeks ended July 3, 2010. The absolute increase is the result of an increase in our cargo claims expense.

Depreciation and amortization. Depreciation and amortization for the twenty-six weeks ended July 2, 2011 increased by $0.4 million, or 7.1%, to $5.8 million from $5.4 million for the twenty-six weeks ended July 3, 2010. The absolute increase is primarily the results of additional depreciation on our capital expenditures made throughout 2010 and the first half of 2011.

Interest expense (income), net. Net interest income for the twenty-six weeks ended July 2, 2011 was $44 thousand compared to $50 thousand for the twenty-six weeks ended July 3, 2010.

Other non-operating income. Other non-operating income for the twenty-six weeks ended July 2, 2011 was $1.1 million compared to $5.6 million for the twenty-six weeks ended July 3, 2010. Included in other non-operating income for the twenty-six weeks ended July 2, 2011 were $0.8 million of gains on the sales of marketable securities compared to $5.4 million for the twenty-six weeks ended July 3, 2010.

Provision for income taxes. Provision for income taxes for the twenty-six weeks ended July 2, 2011 decreased by $0.2 million, to $4.3 million from $4.5 million for the twenty-six weeks ended July 3, 2010. The decrease was primarily attributable to decreases in our taxable income and in our effective tax rate. For the twenty-six weeks ended July 2, 2011 and July 3, 2010, we had an effective income tax rate of 38.7% and 40.6%, respectively, based upon our income before provision for income taxes. Included in the twenty-six weeks ended July 3, 2010 was additional expense due to prior period adjustments to our state income taxes.

Thirteen Weeks Ended July 2, 2011 Compared to Thirteen Weeks Ended July 3, 2010

Operating revenues. Operating revenues for the thirteen weeks ended July 2, 2011 increased by $25.7 million, or 16.6%, to $180.0 million from $154.3 million for the thirteen weeks ended July 3, 2010. The increase in operating revenues is primarily attributable to an increase in the number of loads in our truckload, brokerage and intermodal operations, an increase in fuel surcharges, and increases in our operating revenues per loaded mile. The number of loads from our combined truckload, brokerage and intermodal operations was 205,000 for the thirteen weeks ended July 2, 2011 compared to 190,000 for the thirteen weeks ended July 3, 2010. Included in operating revenues are fuel surcharges of $25.0 million for the thirteen weeks ended July 3, 2011 compared to $14.6 million for the thirteen weeks ended July 3, 2010. For the thirteen weeks ended July 2, 2011, our operating revenue per loaded mile, excluding fuel surcharges, from our combined truckload and brokerage operations increased to $2.42 from $2.16 for the thirteen weeks ended July 3, 2010. Included in operating revenues is approximately $3.5 million of truckload revenues attributable to our acquisition made in the first quarter 2011. Excluding the effects of this acquisition, revenue from our truckload operations increased by $10.3 million, or 10.6%, to $107.3 million for the thirteen weeks ended July 2, 2011 from $97.0 million for the thirteen weeks ended July 3, 2010. Revenue from our brokerage operations increased by $7.4 million, or 21.3%, to $42.2 million for the thirteen weeks ended July 2, 2011 compared to $34.8 million for the thirteen weeks ended July 3, 2010. Revenue from our intermodal support services increased by $4.5 million, or 20.0%, to $27.0 million for the thirteen weeks ended July 2, 2011 from $22.5 million for the thirteen weeks ended July 3, 2010.

Purchased transportation. Purchased transportation expense for the thirteen weeks ended July 2, 2011 increased by $22.7 million, or 19.5%, to $139.6 million from $116.9 million for the thirteen weeks ended July 3, 2010. As a percentage of operating revenues, purchased transportation expense increased to 77.6% for the thirteen weeks ended July 2, 2011 from 75.8% for the thirteen weeks ended July 3, 2010. The absolute increase was primarily due to the increase in our operating revenues. Purchased transportation expense generally increases or decreases in proportion to the revenues generated through owner-operators and other third party providers. The increase in purchased transportation as a percent of operating revenues is primarily due to an increase in fuel surcharges, which are passed through to owner-operators, and a higher cost of transportation in our brokerage business.

Commissions expense. Commissions expense for the thirteen weeks ended July 2, 2011 increased by $0.8 million, or 8.0%, to $10.7 million from $9.9 million for the thirteen weeks ended July 3, 2010. As a percentage of operating revenues, commissions expense decreased to 5.9% for the thirteen weeks ended July 2, 2011 compared to 6.4% for the thirteen weeks ended July 3, 2010. The absolute increase was primarily due to the increase in our operating revenues. Commissions expense generally increases or decreases in proportion to the revenues. As a percentage of revenues, the decrease in commissions expense is due to an increase in fuel surcharges, which are passed on through to our owner operators, and as such, no commission is paid.

Other operating expense. Other operating expense for the thirteen weeks ended July 2, 2011 decreased by $0.6 million, or 15.7%, to $3.2 million from $3.8 million for the thirteen weeks ended July 3, 2010. As a percentage of operating revenues, other operating expense decreased to 1.8% for the thirteen weeks ended July 2, 2011 compared to 2.5% for the thirteen weeks ended July 3, 2010. The absolute decrease was primarily due to decreases in repairs and maintenance cost of $0.3 million, property and other operating taxes of $0.2 million and other operating expenses of $0.2 million. These decreases were partially offset by an increase in permit costs of $0.1 million.

Selling, general and administrative. Selling, general and administrative expense for the thirteen weeks ended July 2, 2011 increased by $0.1 million, or 0.7%, to $13.2 million from $13.1 million for the thirteen weeks ended July 3, 2010. As a percentage of operating revenues, selling, general and administrative expense decreased to 7.3% for the thirteen weeks ended July 2, 2011 from 8.5% for the thirteen weeks ended July 3, 2010. The absolute increase was primarily the result of increases in salaries and wage expense of $0.4 million, travel and entertainment expense of $0.1 million, and other selling, general, and administrative expense of $0.1 million. These increases were partially offset by decreases in our provision for bad debts and uncollectible agent loans of $0.4 million and building rents of $0.1 million

Insurance and claims. Insurance and claims expense for the thirteen weeks ended July 2, 2011 increased by $0.4 million, or 10.2%, to $4.2 million from $3.8 million for the thirteen weeks ended July 3, 2010. As a percentage of operating revenues, insurance and claims decreased to 2.3% for the thirteen weeks ended July 2, 2011 from 2.5% for the thirteen weeks ended July 3, 2010. The absolute increase is the result of an increase in our cargo claims expense.

Depreciation and amortization. Depreciation and amortization for the thirteen weeks ended July 2, 2011 increased by $0.2 million, or 7.7%, to $2.9 million from $2.7 million for the thirteen weeks ended July 3, 2010. The absolute increase is primarily the result of additional depreciation on our capital expenditures made throughout 2010 and the first half of 2011.

Interest expense (income), net. Net interest income for the thirteen weeks ended July 2, 2011 was $27 thousand compared to $26 thousand for the thirteen weeks ended July 3, 2010.

Other non-operating income. Other non-operating income for the thirteen weeks ended July 2, 2011 was $0.2 million compared to $3.7 million for the thirteen weeks ended July 3, 2010. Included in other non-operating income for thirteen weeks ended July 3, 2010 were $3.6 million of gains on the sales of marketable securities.

Provision for income taxes. Provision for income taxes for the thirteen weeks ended July 2, 2011 decreased by $0.8 million to $2.4 million from $3.2 million for the thirteen weeks ended July 3, 2010. The decrease was primarily attributable to decreases in our taxable income and in our effective tax rate. For the thirteen weeks ended July 2, 2011 and July 3, 2010, we had an effective income tax rate of 37.6% and 41.3%, respectively, based upon our income before provision for income taxes. Included in the thirteen weeks ended July 3, 2010 was additional expense due to prior period adjustments to our state income taxes.

Liquidity and Capital Resources

Our primary sources of liquidity are funds generated by operations, proceeds from the sales of marketable securities, and our revolving unsecured line of credit with KeyBank.

We employ a primarily asset-light operating strategy. Substantially all of the tractors and more than 50% of the trailers utilized in our business are provided by our owner-operators and we have no capital expenditure requirements relating to this equipment. As a result, our capital expenditure requirements are limited in comparison to most large trucking companies which maintain sizable fleets of owned tractors and trailers, requiring significant capital expenditures.

The Company has recently expanded its domestic intermodal operations through the acquisition of 53’ containers. Through the end of 2011, the Company expects to add an additional 300 containers to provide for expansion in this business line. We expect to have limited capital expenditure requirements relating to the maintenance of this equipment; however, we will continue to acquire additional containers to meet our business needs.

During the thirteen and twenty-six weeks ended July 2, 2011, we made capital expenditures totaling $2.7 million and $6.0 million, respectively. These expenditures primarily consisted of tractors, trailers, containers and computer, office, and miscellaneous equipment.

Through the end of 2011, exclusive of acquisitions, if any, we expect to incur capital expenditures of $2.6 million to $3.6 million relating to real property acquisitions and improvements to our existing facilities and the acquisition of additional terminal yards or container facilities. We also expect to incur capital expenditures of $12.2 million to $12.7 million for tractors, trailers, containers, chassis, and other equipment.

We expect that our working capital and available borrowings will be sufficient to meet our capital commitments and fund our operational needs for at least the next twelve months. Based on the availability under our line of credit and other financing sources and assuming the continuation of our current level of profitability, we do not expect that we will experience any liquidity constraints in the foreseeable future.

We continue to evaluate business development opportunities, including potential acquisitions that fit our strategic plans. There can be no assurance that we will identify any opportunities that fit our strategic plans or will be able to execute any such opportunities on terms acceptable to us. Any such opportunities will be financed from available cash and cash equivalents and our unsecured line of credit.

We currently intend to retain our future earnings to finance our growth and do not anticipate paying cash dividends in the foreseeable future.

Unsecured Line of Credit

On October 28, 2010, the Company and KeyBank National Association, or KeyBank, entered into an Amended and Restated Loan Agreement and Promissory Note, collectively referred to as the Agreement, for the period October 25, 2010 to October 24, 2011, thereby replacing the previous loan agreements. Under the Agreement with KeyBank, the Company’s maximum permitted borrowings and letters of credit in the aggregate may not exceed $20 million. The line of credit is unsecured, and bears interest at a rate equal to the lesser of the Prime Rate minus 0.50% or LIBOR plus 1.00% (effective rate of 1.19% at July 2, 2011). The Agreement governing our unsecured line of credit contains various financial and restrictive covenants to be maintained by the Company including requirements to maintain a tangible net worth of at least $85 million, a debt to tangible net worth ratio not to exceed 1 to 1, and quarterly net profits of at least one dollar. For purposes of this Agreement, tangible net worth is defined as total assets, excluding all intangible assets, less total debt. The Agreement also may, in certain circumstances, limit our ability to pay dividends or distributions utilizing our line of credit. The Agreement also contains customary representations and warranties, affirmative and negative covenants and events of default. As of July 2, 2011, the Company was in compliance with its debt covenants. The Company did not have any amounts outstanding under its line of credit at July 2, 2011, and there were letters of credit aggregating $650,000 issued against the line.

Discussion of Cash Flows

At July 2, 2011, we had cash and cash equivalents of $1.7 million compared to $6.3 million at December 31, 2010. The decrease in cash and cash equivalents of $4.6 million for the twenty-six weeks ended July 2, 2011 resulted from $5.9 million in cash used in investing activities and $1.3 million in cash used in financing activities. These decreases were partially offset by $2.5 million in cash provided by operations.

The $5.9 million in net cash used in investing activities for the twenty-six weeks ended July 2, 2011 consisted of $6.0 million of capital expenditures, $0.6 million in purchases of marketable securities, and $0.8 million for the acquisition of businesses, offset by $1.0 million in proceeds from the sales of marketable securities and $0.5 million in proceeds from the sale of property and equipment.

The $1.3 million in cash used in financing activities for the twenty-six weeks ended July 2, 2011 consisted of $1.1 million in the purchases of treasury stock and $0.2 for the payments of earnout obligations.

The $2.5 million in net cash provided by operations was primarily attributed to $6.8 million of net income adjusted for $5.8 million of non-cash charges for depreciation and amortization, a $0.8 million gain on the sales of marketable securities, $0.6 million of non-cash charges for provisions for doubtful accounts, and an increase in the working capital position of the Company of $9.8 million. The increase in the working capital position is primarily the result of an increase in accounts receivable due to increased revenue and an increase in prepaid expenses and other assets. These increases are partially offset by increases in accounts payable and other current liabilities, and other long-term liabilities.

Off Balance Sheet Arrangements

None.

Critical Accounting Policies

A summary of critical accounting policies is presented in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies” of our Form 10-K for the year ended December 31, 2010. There have been no changes in the accounting policies followed by us during the twenty-six weeks ended July 2, 2011.

Seasonality

Our operations are subject to seasonal trends common to the trucking industry. Results of operations in the first quarter are typically lower than the second, third and fourth quarters.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have not been any material changes to the Company’s market risk during the thirteen or twenty-six weeks ended July 2, 2011. For additional information, please see the Company’s Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 4: 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 pursuant to paragraph (b) of Rule 13a-15 or 15d-15 of the Securities Exchange Act of 1934, as amended (or the Exchange Act). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of July 2, 2011, 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 Securities and Exchange Commission’s (or SEC) filing deadlines for these reports specified in the SEC’s rules and forms.

Internal Controls

There have been no changes in our internal controls over financial reporting during the twenty-six weeks ended July 2, 2011 identified in connection with our evaluation that has materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II – OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

Information with respect to legal proceedings and other exposures appears in Part I, Item 1, Note (11) of the “Notes to Unaudited Consolidated Financial Statements,” and in the Company’s Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 1A: RISK FACTORS

There have been no material changes to our risk factors as previously disclosed in Item 1A to Part 1 of our Form 10-K for the fiscal year ended December 31, 2010.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information regarding the Company’s purchases of its Common Stock during the period from April 3, 2011 to July 2, 2011, the Company’s second fiscal quarter:

Fiscal Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program
April 2, 2011			500,700	299,300
Apr. 3, 2011 – Apr. 30, 2011	—	$ —	500,700	299,300
May 1, 2011 – May 28, 2011	7,800	15.84	508,500	291,500
May 29, 2011 – July 2, 2011	18,400	15.04	526,900	273,100
Total	26,200	$ 15.28	526,900	273,100

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4: (REMOVED AND RESERVED)

ITEM 5: OTHER INFORMATION

None.

ITEM 6: EXHIBITS

The exhibits listed on the Exhibit Index are furnished as part of this quarterly report on Form 10-Q.

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	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	Registration Rights Agreement, dated as of December 31, 2004, among the Registrant, Matthew T. Moroun and The Manuel J. Moroun Trust (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 000-51142))
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
101.INS**	XBRL Instance Document
101.SCH**	XBRL Schema Document
101.CAL**	XBRL Calculation Linkbase Document
101.LAB**	XBRL Labels Linkbase Document
101.PRE**	XBRL Presentation Linkbase Document

*	Filed herewith.
**	Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

		Universal Truckload Services, Inc. (Registrant)
Date: August 10, 2011	By:	*/s/ Robert E. Sigler*
		Robert E. Sigler, Vice President, Chief Financial Officer, Secretary and Treasurer
Date: August 10, 2011	By:	*/s/ Donald B. Cochran*
		Donald B. Cochran, President and Chief Executive Officer

Exhibit 31.1

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

I, Donald B. Cochran, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) 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 (or persons performing the equivalent functions):
    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: August 10, 2011

/s/ Donald B. Cochran
Donald B. Cochran
President and Chief Executive Officer

Exhibit 31.2

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

I, Robert E. Sigler, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) 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 (or persons performing the equivalent functions):

    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: August 10, 2011

/s/ Robert E. Sigler
Robert E. Sigler
Vice President, Chief Financial Officer, Secretary and Treasurer

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 Quarterly Report, or the Report, of Universal Truckload Services, Inc., or the Company, on Form 10-Q for the period ended July 2, 2011, as filed with the Securities and Exchange Commission on the date hereof, I, Donald B. Cochran, as Chief Executive Officer of the Company, and I, Robert E. Sigler, 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: August 10, 2011

/s/ Donald B. Cochran
Donald B. Cochran
President and Chief Executive Officer

/s/ Robert E. Sigler
Robert E. Sigler
Vice President, Chief Financial Officer, Secretary and Treasurer

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.