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 June 28, 2008

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: 0-120510

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)

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 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 ☐ (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 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 July 28, 2008, was 16,088,183.

PART I – FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

UNIVERSAL TRUCKLOAD SERVICES, INC.
Consolidated Balance Sheets
June 28, 2008 and December 31, 2007
(In thousands, except share data)

	June 28, 2008 (Unaudited)	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 2,532	$ 5,416
Marketable securities	13,621	17,961
Accounts receivable – net of allowance for doubtful accounts of $4,240 and $3,874, respectively	99,835	86,626
Due from CenTra and affiliates	72	44
Prepaid income taxes	—	239
Prepaid expenses and other	7,087	4,768
Deferred income taxes	3,698	3,197
Total current assets	126,845	118,251
Property and equipment	82,172	77,588
Less accumulated depreciation	(22,888)	(20,439)
Property and equipment – net	59,284	57,149
Goodwill	11,783	11,031
Intangible assets – net of accumulated amortization of $7,670 and $6,165, respectively	18,272	17,121
Other assets	3,854	3,636
Total assets	$ 220,038	$ 207,188
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 36,677	$ 29,975
Income taxes payable	183	—
Accrued expenses and other current liabilities	17,709	18,468
Total current liabilities	54,569	48,443
Long-term liabilities:		
Long-term debt	820	910
Deferred income taxes	5,151	5,146
Other long-term liabilities	1,260	1,247
Total long-term liabilities	7,231	7,303
Shareholders' equity:		
Common stock, no par value. Authorized 40,000,000 shares; 16,122,483 shares issued; 16,088,183 and 16,093,283 shares outstanding at June 28, 2008 and December 31, 2007, respectively	16,122	16,122
Paid-in capital	79,914	79,914
Treasury Stock, at cost; 34,300 and 29,200 shares at June 28, 2008 and December 31, 2007, respectively	(565)	(480)
Retained earnings	62,859	56,012
Accumulated other comprehensive loss	(92)	(126)
Total shareholders' equity	158,238	151,442
Total liabilities and shareholders' equity	$ 220,038	$ 207,188

See accompanying notes to unaudited consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.
Unaudited Consolidated Statements of Income
June 28, 2008 and June 30, 2007
(In thousands, except per share data)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	2008	2007	2008	2007
Operating revenues:				
Truckload	$118,991	$107,449	$218,235	$200,516
Brokerage	49,830	43,080	93,923	84,069
Intermodal	30,599	27,650	57,397	52,471
Total operating revenues	199,420	178,179	369,555	337,056
Operating expenses:				
Purchased transportation	155,777	136,125	287,377	257,774
Commissions expense	12,177	11,475	22,743	22,074
Other operating expense, net	2,587	2,803	4,877	5,363
Selling, general, and administrative	12,841	12,281	25,532	24,474
Insurance and claims	5,918	5,924	11,463	10,796
Depreciation and amortization	2,359	2,031	4,591	3,938
Total operating expenses	191,659	170,639	356,583	324,419
Income from operations	7,761	7,540	12,972	12,637
Interest income	25	93	66	167
Interest expense	(26)	(12)	(47)	(26)
Other non-operating income (expense)	(2,014)	55	(1,781)	190
Income before provision for income taxes	5,746	7,676	11,210	12,968
Provision for income taxes	2,243	2,958	4,363	5,066
Net income	$ 3,503	$ 4,718	$ 6,847	$ 7,902
Earnings per common share:				
Basic	$ 0.22	$ 0.29	$ 0.43	$ 0.49
Diluted	$ 0.22	$ 0.29	$ 0.43	$ 0.49
Average common shares outstanding:				
Basic	16,088	16,118	16,088	16,118
Diluted	16,088	16,122	16,088	16,131

See accompanying notes to unaudited consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.
Unaudited Consolidated Statements of Cash Flows
Twenty-six Weeks ended June 28, 2008 and June 30, 2007
(In thousands)

	2008	2007
Cash flows from operating activities:		
Net income	$ 6,847	$ 7,902
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,591	3,938
Other-than-temporary impairment of marketable securities	2,222	—
Gains on disposal of property and equipment	(144)	(56)
Gains on disposal of marketable securities	—	(19)
Bad debt expense	676	773
Deferred income taxes	(520)	(167)
Change in assets and liabilities:		
Accounts receivable and due from CenTra and affiliates	(13,913)	(7,610)
Prepaid expenses and other	(2,298)	(4,367)
Accounts payable and accrued expenses	6,152	6,588
Net cash provided by operating activities	3,613	6,982
Cash flows from investing activities:		
Capital expenditures	(4,294)	(12,476)
Proceeds from the sale of property and equipment	336	1,242
Purchases of marketable securities	(12,063)	(5,785)
Proceeds from sale of marketable securities	14,240	12,061
Payment of earnout obligations related to acquisitions	(378)	(719)
Acquisition of businesses	(4,253)	—
Net cash used in investing activities	(6,412)	(5,677)
Cash flows from financing activities:		
Purchases of treasury stock	(85)	—
Net cash used in financing activities	(85)	—
Net increase (decrease) in cash and cash equivalents	(2,884)	1,305
Cash and cash equivalents – beginning of period	5,416	5,008
Cash and cash equivalents – end of period	$ 2,532	$ 6,313
Supplemental cash flow information:		
Cash paid for interest	$ 47	$ 26
Cash paid for income taxes	$ 4,555	$ 3,795
Fair value of assets acquired, including goodwill	$ 4,433	$ —
Payment of acquisition obligations	500	
Remaining acquisition obligations	(680)	—
Liabilities assumed	—	—
Acquisition of businesses	$ 4,253	$ —

See accompanying notes to unaudited consolidated financial statements.

(1) Basis of Presentation

Pursuant to the rules and regulations of the Securities and Exchange Commission, the accompanying consolidated financial statements of Universal Truckload Services, Inc. and its wholly owned subsidiaries, or the Company or UTSI, have been prepared by UTSI, without audit by an independent registered public accounting firm. 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. 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, 2007 and 2006 and for each of the years in the three-year period ended December 31, 2007 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.

Certain reclassifications have been made to the prior financial statements in order for them to conform to the June 28, 2008 presentation.

(2) Transactions with CenTra and Affiliates

Historically, UTSI's former parent, CenTra, Inc., or CenTra, provided management services to UTSI, including legal and human resources. The cost of these services was based on the estimated utilization of specific services and an annual allocation charge was agreed upon at the beginning of each fiscal year. Management believed the allocation methods were reasonable. However, the costs of these services charged to UTSI were 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. Beginning in 2008, the Company has agreed to pay CenTra management service fees based on the actual use of services rendered to the Company. The amounts charged to UTSI for the thirteen and twenty-six weeks ended June 28, 2008 and June 30, 2007 are presented in the table below.

In addition to the management services described above, UTSI purchases other services from CenTra. Following is a schedule of services provided and amounts paid to CenTra (in thousands):

	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2008	June 30, 2007	June 28, 2008	June 30, 2007
Management services	$ 78	$ 39	$ 157	$ 78
Building & terminal rents (month to month basis)	226	129	432	265
Maintenance services	—	117	—	363
Trailer rents	7	11	16	20
Health insurance	488	485	1,001	1,000
Total	$ 799	$ 781	$ 1,606	$ 1,726

(2) Transactions with CenTra and Affiliates - continued

An affiliate of CenTra charged UTSI $4,121,000 and $3,222,000 for personal liability and property damage insurance for the thirteen weeks ended June 28, 2008 and June 30, 2007, respectively. Charges for the twenty-six weeks ended June 28, 2008 and June 30, 2007 were $7,698,000 and $7,232,000, respectively.

Operating revenues for the thirteen weeks ended June 28, 2008 and June 30, 2007 include approximately $3,000 and $131,000, respectively, of freight services provided to CenTra. Operating revenues for the twenty-six weeks ended June 28, 2008 and June 30, 2007 include approximately $138,000 and $215,000, respectively, of freight services provided to CenTra. Related accounts receivable due from CenTra and affiliates were $72,000 and $44,000 as of June 28, 2008 and December 31, 2007, respectively.

Purchased transportation for the thirteen weeks ended June 28, 2008 and June 30, 2007 includes $1,786,000 and $4,088,000, respectively, of transportation services provided by CenTra to CrossRoad Carriers. Purchased transportation for the twenty-six weeks ended June 28, 2008 and June 30, 2007 includes $3,513,000 and $8,402,000, respectively, of transportation services provided by CenTra to CrossRoad Carriers. Related accounts payable of $213,000 and $465,000 at June 28, 2008 and December 31, 2007, respectively, are included in accounts payable in the accompanying balance sheet.

(3) Debt

Universal Truckload Services, Inc. and KeyBank National Association entered into a loan agreement dated October 29, 2007 for the period October 29, 2007 to October 28, 2008. Under the line of credit with KeyBank, our 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 1.75% or LIBOR plus 1.05% (effective rate of 3.25% at June 28, 2008). The agreement governing our unsecured line of credit contains various financial and restrictive covenants to be maintained by us including requiring us to maintain a tangible net worth of at least $85.0 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. The agreement also contains customary representations and warranties, affirmative and negative covenants and events of default. The Company did not have any amounts outstanding under its line of credit at June 28, 2008 or December 31, 2007, and there were $839,000 and $6,400 letters of credit issued against the line, respectively.

On May 1, 2006, UTS Realty, LLC, or Realty, received a $1,000,000 loan from the County of Cuyahoga, Ohio, which we will refer to as the County for this section, 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 will forgive $450,000 of the principal amount owed. On January 31, 2007, the Company began recording the forgiveness as a reduction in the cost of the underlying improvements at a rate of $90,000 per annum. The remaining principal of $550,000 is due at maturity. As of June 28, 2008 and December 31, 2007, the outstanding balance under the loan was $820,000 and $910,000, respectively. The loan matures on January 31, 2011; however, at Realty’s option, the maturity date may be extended until January 31, 2021. In connection with this loan, Realty and the Company entered into an environmental indemnity agreement with the County and the Company issued a $820,000 standby letter of credit that expires January 15, 2009. Under the terms of the environmental indemnity agreement, Realty and the Company have agreed to indemnify the County, without limitation, against any loss attributable to the generation, storage, release or presence of Regulated Materials, as defined in the environmental indemnity agreement, at the container storage facility.

(3) Debt - continued

In connection with the acquisition of the Cleveland, Ohio property in August 2005, Realty received indemnity from the seller from any and all claims, which Realty may incur as a direct consequence of any environmental condition of which the seller had actual knowledge as of the date of the acquisition of the property. The Company believes the fair value of this debt approximates the carrying value based on current rates available for similar issues.

(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 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	
	June 28, 2008	June 30, 2007	June 28, 2008	June 30, 2007
Weighted average number of common shares	16,118	16,118	16,118	16,118
Incremental shares from assumed exercise of stock options	—	4	—	13
Weighted average number of common shares and common share equivalents	16,118	16,122	16,118	16,131

For the thirteen and twenty-six weeks ended June 28, 2008, 190,000 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 June 28, 2008 and June 30, 2007 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, 2008	245,017	$ 22.50
Granted	—	—
Exercised	—	—
Expired	—	—
Forfeited	55,017	$ 22.50
Balance at June 28, 2008	190,000	$ 22.50
Exercisable	190,000	$ 22.50

(6) Comprehensive Income

Comprehensive income includes the following (in thousands):

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 28, 2008	June 30, 2007	June 28, 2008	June 30, 2007
Net income	$ 3,503	$ 4,718	$ 6,847	$ 7,902
Other comprehensive income (loss):				
Unrealized holding gains (losses) on available for sale investments arising during the period, net of income tax	(973)	44	(1,321)	60
Reclassification adjustment for losses on available for sale investments reclassified into income, net of tax	1,355	—	1,355	—
Net gain recognized in other comprehensive income	382	44	34	60
Total Comprehensive income	$ 3,885	$ 4,762	$ 6,881	$ 7,962

Accumulated other comprehensive loss at June 28, 2008 of $92,000 represents the unrealized holding losses on available for sale investments of $149,000, net of related income tax benefits of $57,000. At June 28, 2008, the gross unrealized holding gains and gross unrealized holding losses on available-for-sale investments was $877,000 and $1,026,000, respectively.

(7) Acquisitions

In 2008, UTSI acquired the following companies for a total cost of $3,753,000.

- On January 14, 2008, the Company acquired certain assets of Trimodal, Inc., or Trimodal, for $1,777,000 through an Asset Purchase Agreement. Trimodal is a regional provider of intermodal services in the Midwestern United States. The Company used cash and marketable securities on hand to finance the acquisition. Trimodal operates as part of Mason Dixon Intermodal, Inc.
- On June 13, 2008, the Company acquired certain assets of Overnite Express, Inc., or Overnite, for $1,976,000 through an Asset Purchase Agreement. Additionally, the Company is required to pay cash consideration to the former owners of Overnite based on a percentage of revenues generated during the period from July 1, 2008 to June 30, 2010. Overnite is a regional provider of van trucking services in the Midwestern United States. Overnite operates as part of Universal Am-Can, Ltd.

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 preliminary allocation of the purchase price of these companies is as follows (in thousands):

Equipment	$1,226
Intangible assets	2,656
Goodwill (tax deductible)	551
Accrued Liabilities	(680)
	$3,753

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

(8) Fair Value Measurements

Effective January 1, 2008, the Company adopted SFAS No. 157, "*Fair Value Measurements*", which 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. SFAS No. 157 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.

(8) Fair Value Measurements - continued

The Company's adoption of SFAS No. 157 did not have a material impact on our financial position, results of operations, or cash flows. 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 table below. FASB Staff Position FAS 157-2 delayed the effective date for all non-financial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis until January 1, 2009.

Effective January 1, 2008, the Company adopted SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115*", which provides entities the option to measure many financial instruments and certain other items at fair value. Entities that choose the fair value option will recognize unrealized gains and losses on items for which the fair value option was elected in earnings at each subsequent reporting date. The Company has currently chosen not to elect the fair value option for any items that are not already required to be measured at fair value in accordance with U.S. generally accepted accounting principles.

The following table summarizes the Company's assets measured at fair value on a recurring basis (in thousands):

	June 28, 2008			
	Level 1	Level 2	Level 3	Fair Value Measurement
Assets				
Cash Equivalents	$ 2,187	$ —	$ —	$ 2,187
Available-for-sale securities	11,621	2,000	—	13,621
Total Assets	$13,808	$2,000	$ —	$ 15,808

The valuation techniques used to measure fair value for the items in the table 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.
- Available-for-sale securities – Included within this asset category are both equity and debt securities. Equity securities consisting of stocks which are actively traded on public exchanges are listed as Level 1 assets. Fair value was measured based on quoted prices for identical securities in active markets. Debt securities, classified as Level 2 assets, consist of auction rate securities. Fair value was determined using dealer quoted prices for similar assets.

(9) Marketable Securities

Marketable securities are carried at fair value, with the unrealized gains and losses, net of tax, included as a component of accumulated other comprehensive income. Realized gains and losses, and declines in value judged to be other-than-temporary on available-for-sale securities, if any, are included in the determination of net income and are included in 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 as of June 28, 2008 is as follows (in thousands):

	Amortized Cost	Gross unrealized holding gains	Gross unrealized holding (losses)	Fair Value
Auction Rate Securities	$ 2,000	$ —	$ —	$ 2,000
Equity Securities	11,770	877	(1,026)	11,621
	$ 13,770	$ 877	$ (1,026)	$13,621

Included in equity securities at June 28, 2008 are $5.4 million of securities with a cumulative loss position of $1.0 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 issuer, and our intent and ability to hold these securities.

There were no equity securities in a cumulative loss position for a period of 12 months or greater; however, during the second quarter of 2008, the Company recorded a pre-tax other-than-temporary impairment charge of $2.2 million for marketable equity securities classified as available for sale. This charge resulted from our equity holdings in the financial sector and was driven mainly by the declines in the value caused by current credit market conditions. As such, the amortized cost basis of these securities has been adjusted to fair value, and the charge has been included in the statements of income for the thirteen and twenty-six weeks ended June 28, 2008.

(10) 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. Management believes all such claims and litigation are adequately covered by insurance or otherwise reserved for and that adverse results in one or more of those cases would not have a materially adverse effect on the Company’s financial condition. 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.

(11) Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (revised 2007), “*Business Combinations*”, or SFAS 141R, which replaces SFAS No. 141. This Statement establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements which will enable users to evaluate the nature and financial effects of the business combination, measures contingent consideration at the acquisition-date fair value and requires transaction costs to be recognized as expense in the period in which they are incurred. SFAS 141R is effective for the Company January 1, 2009, and will be applicable prospectively for business combinations with an acquisition date on or after January 1, 2009.

(11) Recent Accounting Pronouncements - continued

In December 2007, the FASB issued SFAS No. 160, "*Noncontrolling Interests in Consolidated Financial Statements – an Amendment of Accounting Research Bulletin No. 51*", or SFAS 160. This Statement establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 also establishes reporting requirements to provide disclosures to clearly identify and distinguish between the interest of the parent and the interests of the noncontrolling owner. SFAS 160 is effective for the Company as of January 1, 2009. The Company believes once adopted, SFAS 160 will not have a significant impact on the Company's 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, 2007, 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 a primarily non-asset based provider of transportation services to shippers throughout the United States and in the Canadian provinces of Ontario and Quebec. We offer flatbed and dry van trucking services, as well as rail-truck and steamship-truck intermodal and truck brokerage services. We primarily operate through a contractor network of independent sales agents and owner-operators of tractors and trailers. In return for their services, we pay our agents and owner-operators a percentage of the revenue they generate for us.

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 June 28, 2008, approximately 87.6% and 87.0%, respectively, of our total operating expenses were variable in nature and our capital expenditures were $2.7 million and $4.3 million, respectively.

Results of Operations

The following table sets forth items derived from our consolidated statements of income for the thirteen and twenty-six weeks ended June 28, 2008 and June 30, 2007, as a percentage of operating revenues:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 28, 2008	June 30, 2007	June 28, 2008	June 30, 2007
Operating revenues	100%	100%	100%	100%
Operating expenses:				
Purchased transportation	78.1	76.4	77.8	76.5
Commissions expense	6.1	6.4	6.2	6.5
Other operating expenses	1.3	1.6	1.3	1.6
Selling, general and administrative	6.4	6.9	6.9	7.3
Insurance and claims	3.0	3.3	3.1	3.2
Depreciation and amortization	1.2	1.1	1.2	1.2
Total operating expenses	96.1	95.8	96.5	96.3
Operating income	3.9	4.2	3.5	3.7
Interest income, net	—	0.1	—	—
Other non-operating income (expense)	(1.0)	—	(0.5)	0.1
Income before provision for income taxes	2.9	4.3	3.0	3.8
Provision for income taxes	1.1	1.7	1.2	1.5
Net income	1.8%	2.6%	1.9%	2.3%

Twenty-six Weeks Ended June 28, 2008 Compared to Twenty-six Weeks Ended June 30, 2007

Operating revenues. Operating revenues for the twenty-six weeks ended June 28, 2008 increased by $32.5 million, or 9.6%, to $369.6 million from $337.1 million for the twenty-six weeks ended June 30, 2007. Approximately $15.0 million of the increase in operating revenues is attributable to acquisitions made since the fourth quarter of 2007. The increase in operating revenues relating to these acquisitions consisted of a $10.0 million increase in truckload operations, a $1.3 million increase in brokerage operations, and a $3.7 million increase in intermodal operations. For the twenty-six weeks ended June 28, 2008, our operating revenue per loaded mile, excluding fuel surcharges, from our combined truckload and brokerage operations increased to $2.29 from $2.07 for the twenty-six weeks ended June 30, 2007. Excluding the effects of acquisitions made since the fourth quarter of 2007, revenue from our truckload operations increased by $7.7 million, or 3.8%, to $208.2 million for the twenty-six weeks ended June 28, 2008 from $200.5 million for the twenty-six weeks ended June 30, 2007. Excluding the effects of acquisitions made since the fourth quarter of 2007, revenue from our brokerage operations increased by $8.5 million, or 10.1%, to $92.6 million for the twenty-six weeks ended June 28, 2008 compared to $84.1 million for the twenty-six weeks ended June 30, 2007. Excluding the effects of acquisitions made in the first half of 2008, revenue from our intermodal support services increased by $1.2 million, or 2.3%, to $53.7 million for the twenty-six weeks ended June 28, 2008 from $52.5 million for the twenty-six weeks ended June 30, 2007.

Purchased transportation. Purchased transportation expense for the twenty-six weeks ended June 28, 2008 increased by $29.6 million, or 11.5%, to $287.4 million from $257.8 million for the twenty-six weeks ended June 30, 2007. As a percentage of operating revenues, purchased transportation expense increased to 77.8% for the twenty-six weeks ended June 28, 2008 from 76.5% for the twenty-six weeks ended June 30, 2007. The absolute increase was primarily due to the growth 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. Fuel surcharges for the twenty-six weeks ended June 28, 2008 were $48.9 million compared to $31.6 million for the twenty-six weeks ended June 30, 2007.

Commissions expense. Commissions expense for the twenty-six weeks ended June 28, 2008 increased by $0.6 million, or 3.0%, to $22.7 million from $22.1 million for the twenty-six weeks ended June 30, 2007. As a percentage of operating revenues, commissions expense decreased to 6.2% for the twenty-six weeks ended June 28, 2008 compared to 6.5% for twenty-six weeks ended June 30, 2007. As a percentage of revenues, commissions expense decreased primarily due to $17.3 million of the increase in operating revenues being attributable to an increase in fuel surcharges, which are passed on through to our owner operators and, as such, no commissions are paid.

Other operating expense. Other operating expense for the twenty-six weeks ended June 28, 2008 decreased by $0.5 million, or 9.1%, to $4.9 million from $5.4 million for the twenty-six weeks ended June 30, 2007. As a percentage of operating revenues, other operating expense decreased to 1.3% for the twenty-six weeks ended June 28, 2008 compared to 1.6% for twenty-six weeks ended June 30, 2007. The decrease was primarily due to a decrease in repairs and maintenance cost.

Selling, general and administrative. Selling, general and administrative expense for the twenty-six weeks ended June 28, 2008 increased by $1.0 million, or 4.3%, to $25.5 million from $24.5 million for the twenty-six weeks ended June 30, 2007. As a percentage of operating revenues, selling, general and administrative expense decreased to 6.9% for the twenty-six weeks ended June 28, 2008 compared to 7.3% for twenty-six weeks ended June 30, 2007. The absolute increase in selling, general and administrative expense was primarily the result of a $0.4 million increase in salaries, wages and benefit costs primarily attributable to a higher average headcount and acquisitions made in the first half of 2008, a $0.4 million increase in building rents primarily due to rental costs related to acquisitions made in the first half of 2008 and various other rental increases, and $0.2 million in additional travel costs for training and acquisition related travel costs.

Insurance and claims. Insurance and claims expense for the twenty-six weeks ended June 28, 2008 increased by $0.7 million, or 6.2%, to $11.5 million from $10.8 million for the twenty-six weeks ended June 30, 2007. As a percentage of operating revenues, insurance and claims decreased to 3.1% for the twenty-six weeks ended June 28, 2008 from 3.2% for the twenty-six weeks ended June 30, 2007. The absolute increase is the result of a $0.6 million increase in cargo claims expense for the twenty-six weeks ended June 28, 2008 compared to the twenty-six weeks ended June 30, 2007.

Depreciation and amortization. Depreciation and amortization for the twenty-six weeks ended June 28, 2008 increased by $0.7 million, or 16.6%, to $4.6 million from $3.9 million for the twenty-six weeks ended June 30, 2007. As a percent of operating revenues, depreciation and amortization remained consistent at 1.2% for the twenty-six weeks ended June 28, 2008 compared to the twenty-six weeks ended June 30, 2007. The absolute increase is primarily a result of a $0.4 million increase in depreciation expense relating to the $4.3 million in capital expenditures made during the twenty-six weeks ended June 28, 2008 and the additional depreciation on equipment acquired in connection with the acquisitions made in the first half of 2008 and a $0.3 million increase in amortization expense primarily attributable to the acquisitions made since the fourth quarter of 2007.

Interest expense (income), net. Net interest income for the twenty-six weeks ended June 28, 2008 was $19 thousand compared to net interest income of $141 thousand for the twenty-six weeks ended June 30, 2007. The decrease in net interest income of $122 thousand or 86.5% is the result of lower average invested balances.

Other non-operating income (expense). Non-operating expense for the twenty-six weeks ended June 28, 2008 was $1.8 million compared to non-operating income of $190 thousand for the twenty-six weeks ended June 30, 2007. Included in non-operating expense for the twenty-six weeks ended June 28, 2008 was a $2.2 million pre-tax charge for other-than-temporary impairments of marketable equity securities classified as available for sale. Excluding this charge, there was an increase of non-operating income of $251 thousand or 132% which was primarily the result of increased dividends on available-for-sale investments.

Provision for income taxes. Provision for income taxes for the twenty-six weeks ended June 28, 2008 decreased by $0.7 million, or 13.9%, to $4.4 million from $5.1 million for the twenty-six weeks ended June 30, 2007. For the twenty-six weeks ended June 28, 2008 and June 30, 2007, we had an effective income tax rate of 38.9% and 39.1%, respectively, based upon our income before provision for income taxes.

Thirteen Weeks Ended June 28, 2008 Compared to Thirteen Weeks Ended June 30, 2007

Operating revenues. Operating revenues for the thirteen weeks ended June 28, 2008 increased by $21.2 million, or 11.9%, to $199.4 million from $178.2 million for the thirteen weeks ended June 30, 2007. Approximately $8.8 million of the increase in operating revenues is attributable to acquisitions made since the fourth quarter of 2007. The increase in operating revenues relating to these acquisitions consisted of a $5.5 million increase in truckload operations, a $0.8 million increase in brokerage operations, and a $2.5 million increase in intermodal operations. For the thirteen weeks ended June 28, 2008, our operating revenue per loaded mile, excluding fuel surcharges, from our combined truckload and brokerage operations increased to $2.37 from $2.08 for the thirteen weeks ended June 30, 2007. Excluding the effects of acquisitions made since the fourth quarter of 2007, revenue from our truckload operations increased by $6.0 million, or 5.6%, to $113.5 million for thirteen weeks ended June 28, 2008 from $107.5 million for the thirteen weeks ended June 30, 2007. Excluding the effects of acquisitions made since the fourth quarter of 2007, revenue from our brokerage operations increased by $5.9 million, or 13.7%, to $49.0 million for the thirteen weeks ended June 28, 2008 compared to $43.1 million for the thirteen weeks ended June 30, 2007. Excluding the effects of acquisitions made in the first half of 2008, revenue from our intermodal support services increased by $0.4 million, or 1.5%, to $28.1 million for the thirteen weeks ended June 28, 2008 from $27.7 million for the thirteen weeks ended June 30, 2007.

Purchased transportation. Purchased transportation expense for the thirteen weeks ended June 28, 2008 increased by $19.7 million, or 14.4%, to $155.8 million from $136.1 million for the thirteen weeks ended June 28, 2008. As a percentage of operating revenues, purchased transportation expense increased to 78.1% for the thirteen weeks ended June 28, 2008 from 76.4% for the thirteen weeks ended June 30, 2007. The absolute increase was primarily due to the growth 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. Fuel surcharges for the thirteen weeks ended June 28, 2008 were $29.6 million compared to $17.8 million for the thirteen weeks ended June 30, 2007.

Commissions expense. Commissions expense for the thirteen weeks ended June 28, 2008 increased by $0.7 million, or 6.1%, to $12.2 million from $11.5 million for the thirteen weeks ended June 30, 2007. As a percentage of operating revenues, commissions expense decreased to 6.1% for the thirteen weeks ended June 28, 2008 compared to 6.4% for thirteen weeks ended June 30, 2007. The absolute increase was primarily due to the growth in our operating revenues. As a percentage of revenues, commissions expense decreased primarily due to $11.8 million of the increase in operating revenues being attributable to an increase in fuel surcharges, which are passed on through to our owner operators and as such, no commissions are paid.

Other operating expense. Other operating expense for the thirteen weeks ended June 28, 2008 decreased by $0.2 million, or 7.7%, to $2.6 million from $2.8 million for the thirteen weeks ended June 30, 2007. As a percentage of operating revenues, other operating expense decreased to 1.3% for the thirteen weeks ended June 28, 2008 compared to 1.6% for the thirteen weeks ended June 30, 2007. The decrease was primarily due to a decrease in repairs and maintenance cost.

Selling, general and administrative. Selling, general and administrative expense for the thirteen weeks ended June 28, 2008 increased by $0.5 million, or 4.6%, to $12.8 million from $12.3 million for the thirteen weeks ended June 30, 2007. As a percentage of operating revenues, selling, general and administrative expense decreased to 6.4% for the thirteen weeks ended June 28, 2008 from 6.9% for the thirteen weeks ended June 30, 2007. The absolute increase in selling, general and administrative expense principally results from a $0.4 million increase in salaries, wages and benefit costs primarily attributable to a higher average headcount and acquisitions made in the first half of 2008, a $0.2 million increase in building rents primarily due to rental costs related to acquisitions made in the first half of 2008 and various other rental increases, and $0.1 million in additional travel costs for training and acquisition related travel costs. These increases were partially offset by a decrease in bad debt expense of $0.1 million compared to the thirteen weeks ended June 30, 2007.

Insurance and claims. Insurance and claims expense for the thirteen weeks ended June 28, 2008 remained consistent at $5.9 million compared to the thirteen weeks ended June 30, 2007. As a percentage of operating revenues, insurance and claims decreased to 3.0% for the thirteen weeks ended June 28, 2008 from 3.3% for the thirteen weeks ended June 30, 2007. Insurance and claims expense has decreased as a percentage of operating revenues primarily as a result of the effects of fuel increases on operating revenues.

Depreciation and amortization. Depreciation and amortization for the thirteen weeks ended June 28, 2008 increased by $0.3 million, or 16.1%, to $2.3 million from $2.0 million for the thirteen weeks ended June 30, 2007. As a percent of operating revenues, depreciation and amortization increased to 1.2% for the thirteen weeks ended June 28, 2008 compared to 1.1% for the thirteen weeks ended June 30, 2007. The absolute increase is primarily the result of a $0.2 million increase in depreciation expense relating to the $4.3 million in capital expenditures made during the twenty-six weeks ended June 28, 2008 and the additional depreciation on equipment acquired in connection with the acquisitions made in the first half of 2008 and a $0.1 million increase in amortization expense primarily attributable to the acquisitions made since the fourth quarter of 2007.

Interest expense (income), net. Net interest expense for the thirteen weeks ended June 28, 2008 was $1 thousand compared to net interest income of $81 thousand for the thirteen weeks ended June 30, 2007. The decrease in net interest income of $82 thousand or 101% is the result of lower average invested balances.

Other non-operating income (expense). Non-operating expense for the thirteen weeks ended June 28, 2008 was $2.0 million compared to non-operating income of $55 thousand for the thirteen weeks ended June 30, 2007. Included in non-operating expense for the thirteen weeks ended June 28, 2008 was a $2.2 million pre-tax charge for other-than-temporary impairments of marketable equity securities classified as available for sale. Excluding this charge, there was an increase of non-operating income of $153 thousand or 278% which was primarily the result of increased dividends on available-for-sale investments.

Provision for income taxes. Provision for income taxes for the thirteen weeks ended June 28, 2008 decreased by $0.7 million, or 24.2%, to $2.2 million from $3.0 million for the thirteen weeks ended June 30, 2007. For the thirteen weeks ended June 28, 2008 and June 30, 2007, we had an effective income tax rate of 39.0% and 38.5%, respectively, based upon our income before provision for income taxes.

Liquidity and Capital Resources

Our primary sources of liquidity are funds generated by operations and our revolving unsecured line of credit with KeyBank.

We employ a primarily non-asset based 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.

During the thirteen and twenty-six weeks ended June 28, 2008, we made capital expenditures totaling $2.7 million and $4.3 million, respectively. These expenditures primarily consisted of land improvements, building improvements, and tractors and trailers.

Through the end of 2008, exclusive of acquisitions, we expect to incur additional capital expenditures of $4.0 million to $5.5 million relating to real property acquisitions, renovations and improvements to our existing facilities and the acquisition of additional terminal yards or container facilities. We also expect to incur additional capital expenditures of $3.2 million to $4.2 million for tractors, trailers 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 lines 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 that we will be able to execute any such opportunities on terms acceptable to us. Any such opportunities will be financed from available cash on hand 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 Lines of Credit

The Company and KeyBank National Association entered into a loan agreement dated October 29, 2007 for the period October 29, 2007 to October 28, 2008. Under the line of credit with KeyBank, our 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 1.75% or LIBOR plus 1.05% (effective rate of 3.25% at June 28, 2008). The agreement governing our unsecured line of credit contains various financial and restrictive covenants to be maintained by us including requiring us to maintain a tangible net worth of at least $85.0 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. The agreement also contains customary representations and warranties, affirmative and negative covenants and events of default. The Company did not have any amounts outstanding under its line of credit at June 28, 2008 or December 31, 2007, and there were $839,000 and $6,400 letters of credit issued against the line, respectively.

Discussion of Cash Flows

At June 28, 2008, we had cash and cash equivalents of $2.5 million compared to $5.4 million at December 31, 2007. The decrease in cash and cash equivalents of $2.9 million for the twenty-six weeks ended June 28, 2008 resulted from $6.4 million of cash used in investing activities and $0.1 million used in financing activities, offset by $3.6 million in cash generated from operations.

The $6.4 million in net cash used in investing activities for the twenty-six weeks ended June 28, 2008 consisted of capital expenditures of $4.3 million, $4.3 million for the acquisition of businesses, purchases of marketable securities totaling $12.1 million and sales of marketable securities totaling $14.2 million.

The $3.6 million in cash provided by operations was primarily attributed to $6.8 million of net income and $4.6 million of non-cash charges for depreciation and amortization, $2.2 million of impairment charges on marketable securities classified as available for sale, $0.7 million of non-cash charges for bad debt expense, and an increase in the working capital position of the Company of $10.1 million. The increase in the working capital position is primarily the result of an increase in prepaid expenses and other, consisting primarily of prepaid auto liability insurance premiums, and an increase in accounts receivable due to increased revenue. The increase is partially offset by an increase in accounts payable and accrued expenses.

Off Balance Sheet Arrangements

In connection with the 2005 acquisition of Diamond Logistics of Houston, Inc., or Diamond, we are required to pay cash consideration to the former owners of Diamond based on a percentage of revenues generated through November 2008.

In connection with the 2006 acquisition of Assure Intermodal, LLC, or Assure, we are required to pay cash consideration to the former owners of Assure based on a percentage of revenues generated through January 2009.

In connection with the 2006 acquisition of Djewels, Inc., or Djewels, we are required to pay cash consideration to the former owner of Djewels based on a percentage of revenues generated through February 2009.

In connection with the 2006 acquisition of TriStar Express N.C., Inc., or TriStar, we are required to pay cash consideration to the former owners of TriStar based on a percentage of revenues generated through July 2009.

In connection with the 2007 acquisition of Glenn National Carriers, Inc., or Glenn, we are required to pay cash consideration to the former owners of Glenn based on a percentage of revenues generated through November 2010.

In connection with the 2008 acquisition of Overnite, we are required to pay cash consideration to the former owners of Overnite based on a percentage of revenues generated through June 2010.

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, 2007. There have been no changes in the accounting policies followed by us during the twenty-six weeks ended June 28, 2008.

Effect of Recent Accounting Pronouncements

In February 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 159, “*The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115*” (SFAS 159). This Statement permits entities to choose to measure many financial instruments and certain other items at fair value and report unrealized gains and losses on these instruments in earnings. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 was effective for us on January 1, 2008. The adoption of SFAS 159 did not have an impact on our financial position, results of operations, or cash flows.

In September 2006, the FASB issued SFAS No. 157, “*Fair Value Measurements*.” This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. The Statement applies under other accounting pronouncements that require or permit fair value measurements and, accordingly, does not require any new fair value measurements. SFAS 157 was effective for us on January 1, 2008. The adoption of SFAS 157 did not have an impact on our financial position, results of operations, or cash flows.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *“Business Combinations”*, or SFAS 141R, which replaces SFAS No. 141. For information on this Statement, see Part I, Item 1, Note (11) to the Notes to Unaudited Consolidated Financial Statements in this report.

In December 2007, the FASB issued SFAS No. 160, “*Noncontrolling Interests in Consolidated Financial Statements – an Amendment of Accounting Research Bulletin No. 51*”, or SFAS 160. For information on this Statement, see Part I, Item 1, Note (11) to the Notes to Unaudited Consolidated Financial Statements in this report.

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

Interest Rate Risk

Our market risk is affected by changes in interest rates. Our unsecured line of credit bears interest at a floating rate equal to the lesser of the Prime Rate minus 1.75% or LIBOR plus 1.05%. Accordingly, changes in the Prime Rate or LIBOR would affect the interest rate on and therefore our cost under the line of credit. We currently do not have a balance outstanding under the line of credit.

Included in cash and cash equivalents is $2.2 million in short-term investment grade instruments. The interest rates on these instruments are adjusted to market rates at least monthly. In addition, we have the ability to put these instruments back to the issuer at any time. Accordingly, any future interest rate risk on these short-term investments would not be material.

We did not have any interest rate swap agreements as of June 28, 2008.

Commodity Price Risk

Fluctuations in fuel prices can affect our profitability by affecting our ability to retain or recruit owner-operators. Our owner-operators bear the costs of operating their tractors, including the cost of fuel. The tractors operated by our owner-operators consume large amounts of diesel fuel. Diesel fuel prices fluctuate greatly due to economic, political and other factors beyond our control. To address fluctuations in fuel prices, we seek to impose fuel surcharges on our customers and pass these surcharges on to our owner-operators. Historically, these arrangements have not fully protected our owner-operators from fuel price increases. If costs for fuel escalate significantly it could make it more difficult to attract additional qualified owner-operators and retain our current owner-operators. If we lose the services of a significant number of owner-operators or are unable to attract additional owner-operators, it could have a materially adverse effect on our financial condition and results of operations.

Short Term Investments

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. Holdings of equity securities subjects the Company to fluctuations in the market value of its investment portfolio based on current market prices. A drop in market prices or other unstable market conditions could cause a loss in the value of the Company's short term investments.

Marketable securities are carried at fair value and are marked to market at the end of each quarter, with the unrealized gains and losses, net of tax, included as a component of accumulated other comprehensive income, unless the declines in value are judged to be other-than-temporary, in which case an impairment charge would be included in the determination of net income. See Part I, Item 1, Note (9) of "Notes to Unaudited Consolidated Financial Statements."

As of June 28, 2008 the value of equity securities held as short term investments was $11.6 million compared to $8.6 million at December 31, 2007. The increase during the twenty-six weeks ended June 28, 2008 represents additional purchases of $5.3 million, partially offset by other-than-temporary charges of $2.2 million and other net unrealized holding losses of $0.1 million.

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 Rule 13a-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 June 28, 2008, 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 June 28, 2008 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 (10) of the “Notes to Unaudited Consolidated Financial Statements,” and in the Company’s Annual Report on Form 10-K for the year ending December 31, 2007.

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, 2007.

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

None.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

We held our Annual Meeting of Shareholders on June 13, 2008 at which the following actions were taken:

1. Our shareholders ratified the appointment of KPMG LLP as our independent registered public accountants for the year ended December 31, 2008. 15,883,745 shares were voted for, 4,592 shares were voted against and 7,585 shares were voted to abstain.
2. The shareholders elected the following persons to our Board of Directors, and the results of the vote on this matter were as follows:

Name	Voted For	Withheld	Abstained	Broker Non-Votes
Donald B. Cochran	15,373,125	522,797	—	—
Matthew T. Moroun	14,906,362	989,560	—	—
Manuel J. Moroun	14,906,362	989,560	—	—
Joseph J. Casaroll	15,882,986	12,936	—	—
Angelo A. Fonzi	15,362,811	533,111	—	—
Daniel C. Sullivan	15,882,986	12,936	—	—
Richard P. Urban	15,882,986	12,936	—	—
Ted B. Wahby	15,882,986	12,936	—	—

There were no other directors whose term of office continued after the meeting.

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. 333-120510))
3.2	Amended and Restated Bylaws, as amended effective November 1, 2007 (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on November 30, 2007 (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. 333-120510))
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

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 6, 2008	By: */s/ Robert E. Sigler* Robert E. Sigler, Vice President, Chief Financial Officer, Secretary and Treasurer
Date: August 6, 2008	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 preperation 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 controls 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 6, 2008

/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 preperation 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 controls 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 6, 2008

/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 June 28, 2008, 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 6, 2008

/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.