HESS JOHN C
Form 4
February 02, 2006

FORM 4

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

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
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(Print or Type Responses)

1. Name and Address of Reporting Person *
HESS JOHN C

(Last) (First) (Middle)

101 WOOD AVENUE

(Street)

ISELIN, NJ 088300770

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ENGELHARD CORP [EC]

3. Date of Earliest Transaction (Month/Day/Year)
02/01/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Vice President,Human Resources

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

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

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/01/2006		F		1,298 (1)	D	$ 40.3	15,872	D	
Common Stock								20,564	I	By Fleet Bank as Trustee

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HESS JOHN C 101 WOOD AVENUE ISELIN, NJ 088300770			Vice President,Human Resources	

Signatures

By: M.J.Hassett Attorney in fact for J.C.Hess	02/02/2006
**Signature of Reporting Person	Date

Explanation of Responses:

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

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

(1) Shares used for minimum withholding tax obligation on vesting of restricted share awards pursuant to plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Total Assets

$ 24,827,030

$ 25,024,337

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities -

Notes payable – current portion of long term debt	$ 233,306	$ 800,000
Accounts payable and accrued transportation costs	9,709,769	13,270,756
Commissions payable	1,155,562	700,020
Other accrued costs	205,845	344,305
Income taxes payable	1,084,917	224,696
Total current liabilities	12,389,399	15,339,777
Long term debt	3,011,269	1,974,214
Deferred tax liability	468,945	608,523

Total long term liabilities	3,480,214	2,582,737
Total liabilities	15,869,613	17,922,514
Commitments & contingencies	-	-
Minority interest	11,840	57,482
Stockholders' equity:		
Preferred stock, $0.001 par value, 5,000,000 shares authorized; no shares issued or outstanding	-	-
Common Stock, $0.001 par value, 50,000,000 shares authorized; issued and outstanding: 34,401,696 at March 31, 2008 and 33,961,639 at June 30, 2007	15,857	15,417
Additional paid-in capital	7,539,252	7,137,774
Accumulated earnings (deficit)	1,390,468	(108,850)

Total stockholders' equity	
	8,945,577
	7,044,341
$	24,827,030
$	25,024,337

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

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Explanation of Responses:

RADIANT LOGISTICS, INC.
Condensed Consolidated Statements of Operations
(unaudited)

	THREE MONTHS ENDED MARCH 31,		NINE MONTHS ENDED MARCH 31,	
	2008	2007	2008	2007
Revenue	$ 25,765,377	$ 19,394,026	$ 74,431,411	$ 52,155,055
Cost of transportation	16,264,393	12,278,178	48,093,022	33,357,039
Net revenue	9,500,984	7,115,848	26,338,389	18,798,016
Agent commissions	6,611,130	5,419,646	18,617,364	14,389,716
Personnel costs	1,199,467	659,130	3,836,707	1,747,252
Selling, general and administrative expenses	1,268,558	742,061	2,703,589	1,760,558
Depreciation and amortization	238,822	209,348	720,426	600,295
Total operating expenses	9,317,977	7,030,185	25,878,086	18,497,821
Income from operations	183,007	85,663	460,303	300,195
Other income (expense):				
Interest income	800	2,490	3,200	6,801
Interest expense	(27,173)	(5,397)	(101,045)	(15,849)
Other – non recurring	-	-	1,918,146	-
Other	(47,811)	(21,783)	(54,550)	(24,466)
Total other income (expense)	(74,184)	(24,690)	1,765,751	(33,514)
Income before income tax expense	108,823	60,973	2,226,054	266,681
Income tax expense	35,841	37,449	772,378	18,327
Income before minority interests	72,982	23,524	1,453,676	248,354
Minority interest	13,696	(18)	45,642	(18)
Net income	$ 86,678	$ 23,506	$ 1,499,318	$ 248,336
Net income per common share – basic	$ -	$ -	$ .04	$ .01
Net income per common share – diluted	$ -	$ -	$ .04	$ .01
Weighted average shares outstanding:				
Basic shares	34,115,010	33,961,639	34,012,391	33,856,712
Diluted shares	34,134,454	34,162,532	34,218,416	34,363,106

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

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Explanation of Responses:

RADIANT LOGISTICS, INC.
Condensed Consolidated Statement of Stockholders' Equity

	COMMON STOCK		ADDITIONAL		TOTAL
	SHARES	AMOUNT	PAID-IN CAPITAL	ACCUMULATED EARNINGS	STOCKHOLDERS' EQUITY
Balance at June 30, 2007	33,961,639	$ 15,417	$ 7,137,774	$ (108,850)	$ 7,044,341
Share based compensation (unaudited)	-	-	150,384	-	150,384
Shares issued to former Airgroup Shareholders pursuant to earnout obligations	356,724	357	213,677	-	214,034
Shares issuable for investor relations services	83,333	83	37,417	-	37,500
Net income for the nine months ended March 31, 2008 (unaudited)	-	-	-	1,499,318	1,499,318
Balance at March 31, 2008 (unaudited)	34,401,696	$ 15,857	$ 7,539,252	$ 1,390,468	$ 8,945,577

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

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RADIANT LOGISTICS, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited)

	For nine months ended March 31, 2008	2007
CASH FLOWS PROVIDED (USED FOR) OPERATING ACTIVITIES:		
Net income	$ 1,499,318	$ 248,336
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
non-cash compensation expense (stock options)	150,384	141,876
stock issuable for investor relations services	37,500	-
amortization of intangibles	410,520	458,871
amortization of deferred tax liability	(139,578)	(156,016)
other deferred taxes	(570,860)	(6,661)
depreciation	293,655	119,964
amortization of bank fees	16,251	21,459
amortization of employee loan receivable	40,000	40,000
minority interest in (loss) or income of subsidiaries	(45,642)	12,018
provision for doubtful accounts	381,533	23,369
tax indemnity	(486,694)	-
change in purchased accounts receivable	-	(6,128)
CHANGE IN ASSETS AND LIABILITIES -		
accounts receivable	1,145,236	(3,182,902)
employee receivable and other receivables	(8,792)	(1,271)
prepaid expenses and other assets	334,898	(33,100)
accounts payable and accrued transportation costs	(3,346,953)	3,458,480
commissions payable	455,542	547,167
other accrued costs	(138,460)	(47,966)
income taxes payable	860,221	(880,564)
Net cash provided by operating activities	888,079	756,932
CASH FLOWS USED FOR INVESTING ACTIVITIES:		
acquisition of automotive assets	(1,925,000)	-
purchase of technology and equipment	(235,083)	(187,239)
Net cash used for investing activities	(2,160,083)	(187,239)
CASH FLOWS PROVIDED (USED FOR) BY FINANCING ACTIVITIES:		
issuance of notes receivable	(125,000)	-
net proceeds from (payment to) credit facility	1,337,055	(759,447)
payments to former shareholders of Airgroup	(500,000)	-
proceeds from note payable – acquisition of automotive assets	120,000	-
Net cash provided by (used for) financing activities	832,055	(759,447)
NET DECREASE IN CASH	(439,949)	(189,754)

CASH, BEGINNING OF THE PERIOD		719,575		510,970
CASH, END OF PERIOD	$	279,626	$	321,216
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Income taxes paid	$	622,595	$	987,689
Interest paid	$	101,045	$	15,849

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

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RADIANT LOGISTICS, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited)

Supplemental disclosure of non-cash investing and financing activities:

In September 2006, the Company issued 250,000 shares, of its common stock, at $1.01 per share, in exchange for $252,500, in value, of domestic and international freight training materials for the development of its employees and exclusive agent offices.

In October 2006, the Company issued 100,000 shares of common stock, at a market value of $1.01 a share, as incentive compensation to its senior managers which was recorded against other accrued costs.

In March, 2008 the Company issued 356,724 shares of common stock, in satisfaction of the $214,000 earnout obligation due to former Airgroup shareholders for the earnout period ended June 30, 2007.

RADIANT LOGISTICS, INC.
Notes to Condensed Consolidated Financial Statements
(unaudited)

NOTE 1 – NATURE OF OPERATION AND BASIS OF PRESENTATION

General

Radiant Logistics, Inc. (the "Company") is executing a strategy to build a global transportation and supply chain management company through organic growth and the strategic acquisition of regional best-of-breed non-asset based transportation and logistics providers to offer its customers domestic and international freight forwarding and an expanding array of value added supply chain management services, including order fulfillment, inventory management and warehousing.

The Company completed the first step in its business strategy through the acquisition of Airgroup Corporation ("Airgroup") effective as of January 1, 2006. Airgroup is a Seattle, Washington based non-asset based logistics company providing domestic and international freight forwarding services through a network of exclusive agent offices across North America. Airgroup has a diversified account base including manufacturers, distributors and retailers using a network of independent carriers and international agents positioned strategically around the world.

By implementing a growth strategy based on the operations of Airgroup as a platform, the Company intends to build a leading global transportation and supply-chain management company offering a full range of domestic and international freight forwarding and other value added supply chain management services, including order fulfillment, inventory management and warehousing.

The Company's growth strategy will focus on both organic growth and acquisitions. From an organic perspective, the Company will focus on strengthening existing and expanding new customer relationships. One of the drivers of the Company's organic growth will be retaining existing, and securing new exclusive agency locations. Since the acquisition of Airgroup in January 2006, management focused its efforts on the build-out of the Company's network of exclusive agency offices, as well as enhancing its back-office infrastructure and transportation and accounting systems.

As the Company continues to build out its network of exclusive agent locations to achieve a level of critical mass and scale, it intends to implement an acquisition strategy to develop additional growth opportunities. Implementation of an acquisition strategy will rely upon two primary factors: first, management's ability to identify and acquire target businesses that fit within the Company's general acquisition criteria and, second, the continued availability of capital and financing resources sufficient to complete these acquisitions. Following the acquisition of Airgroup, management has from time-to-time identified a number of additional companies as suitable acquisition candidates. The first transaction was the purchase of certain assets in Detroit Michigan to service the automotive industry which was consummated in November 2007. The Company will continue to search for targets that fit within its acquisition criteria. Management's ability to secure additional financing will rely upon the sale of debt or equity securities, and the development of an active trading market for the Company's securities, neither of which can be assured.

The Company's growth strategy has been designed to take advantage of shifting market dynamics. The third party logistics industry continues to grow as an increasing number of businesses outsource their logistics functions to more cost effectively manage and extract value from their supply chains. The industry is positioned for further consolidation as it remains highly fragmented, and as customers are demanding the types of sophisticated and broad reaching service offerings that can more effectively be handled by larger more diverse organizations.

Successful implementation of the Company’s growth strategy depends upon a number of factors, including management’s ability to: (i) continue developing new agency locations; (ii) locate acquisition opportunities; (iii) secure adequate funding to finance identified acquisition opportunities; (iv) efficiently integrate the businesses of the companies acquired; (v) generate the anticipated economies of scale from the integration; and (vi) maintain the historic sales growth of the acquired businesses in order to generate continued organic growth. There are a variety of risks associated with management’s ability to achieve the Company’s strategic objectives, including the ability to acquire and profitably manage additional businesses and the intense competition in the industry for customers and for acquisition candidates.

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Interim Disclosure

The condensed consolidated financial statements included herein have been prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations, although the Company's management believes that the disclosures are adequate to make the information presented not misleading. The Company's management suggests that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2007.

The interim period information included in this Quarterly Report on Form 10-Q reflects all adjustments, including the recognition of $1.4M in non-recurring income resulting from a change in estimate of liabilities of accrued transportation costs assumed in connection with the Company's acquisition of Airgroup (See Note 3) and other normal recurring adjustments, that are, in the opinion of the Company's management, necessary for a fair statement of the results of the respective interim periods. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year.

Basis of Presentation

The consolidated financial statements also include the accounts of Radiant Logistics, Inc. and its wholly-owned subsidiaries as well as a single variable interest entity, Radiant Logistics Partners LLC which is 40% owned by Airgroup, a wholly owned subsidiary of the Company, whose accounts are included in the consolidated financial statements in accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 46(R) consolidation of "Variable Interest Entities" (See Note 6). All significant inter-company balances and transactions have been eliminated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates

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

b) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include all highly liquid investments with original maturities of three months or less which are not securing any corporate obligations.

c) Concentration

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

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Explanation of Responses:

d) Accounts Receivable

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

e) Property and Equipment

Technology (computer software, hardware, and communications), furniture, and equipment are stated at cost, less accumulated depreciation over the estimated useful lives of the respective assets. Depreciation is computed using five to seven year lives for vehicles, communication, office, furniture, and computer equipment and the double declining balance method. Computer software is depreciated over a three year life using the straight line method of depreciation. For leasehold improvements, the cost is depreciated over the shorter of the lease term or useful life on a straight line basis. Upon retirement or other disposition of these assets, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected in other income or expense. Expenditures for maintenance, repairs and renewals of minor items are charged to expense as incurred. Major renewals and improvements are capitalized.

Under the provisions of Statement of Position 98-1, “Accounting for the Costs of Computer Software Developed or Obtained for Internal Use”, the Company capitalizes costs associated with internally developed and/or purchased software systems that have reached the application development stage and meet recoverability tests. Capitalized costs include external direct costs of materials and services utilized in developing or obtaining internal-use software, payroll and payroll-related expenses for employees who are directly associated with and devote time to the internal-use software project and capitalized interest, if appropriate. Capitalization of such costs begins when the preliminary project stage is complete and ceases no later than the point at which the project is substantially complete and ready for its intended purpose.

Costs for general and administrative, overhead, maintenance and training, as well as the cost of software that does not add functionality to existing systems, are expensed as incurred.

f) Goodwill

The Company follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142, “Goodwill and Other Intangible Assets.” SFAS No. 142 requires an annual impairment test for goodwill and intangible assets with indefinite lives. Under the provisions of SFAS No. 142, the first step of the impairment test requires the Company to determine the fair value of each reporting unit, and compare the fair value to the reporting unit's carrying amount. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and the Company must perform a second more detailed impairment assessment. The second impairment assessment involves allocating the reporting unit’s fair value to all of its recognized and unrecognized assets and liabilities in order to determine the implied fair value of the reporting unit’s goodwill as of the assessment date. The implied fair value of the reporting unit’s goodwill is then compared to the carrying amount of goodwill to quantify an impairment charge as of the assessment date. The Company performs its annual impairment test effective as of April 1 of each year, unless events or circumstances indicate an impairment may have occurred before that time. As of March 31, 2008, management believes there are no indications of an impairment.

g) Long-Lived Assets

Acquired intangibles consist of customer related intangibles and non-compete agreements arising from the Company's acquisitions. Customer related intangibles are amortized using accelerated methods over approximately 5 years and non-compete agreements are amortized using the straight line method over a 5 year period.

The Company follows the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which establishes accounting standards for the impairment of long-lived assets such as property, plant and equipment and intangible assets subject to amortization. The Company reviews long-lived assets to be held-and-used for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the undiscounted expected future cash flows over the remaining useful life of a long-lived asset is less than its carrying amount, the asset is considered to be impaired. Impairment losses are measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell. Management has performed a review of all long-lived assets and has determined that no impairment of the respective carrying value has occurred as of March 31, 2008.

h) Commitments

The Company has operating lease commitments some of which are for office and warehouse space and are under non-cancelable operating leases expiring at various dates through December 2012. Future annual commitments for years ending June 30, 2008 through 2012, respectively, are $79,790, $294,686, $117,278, $62,825, and $2,432.

i) Income Taxes

Taxes on income are provided in accordance with SFAS No. 109, "Accounting for Income Taxes." Deferred income tax assets and liabilities are recognized for the expected future tax consequences of events that have been reflected in the consolidated financial statements. Deferred tax assets and liabilities are determined based on the differences between the book values and the tax bases of particular assets and liabilities. Deferred tax assets and liabilities are measured using tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is provided to offset the net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

j) Revenue Recognition and Purchased Transportation Costs

The Company recognizes revenue on a gross basis, in accordance with Emerging Issues Task Force ("EITF") 91-9, "Reporting Revenue Gross versus Net," as a result of the following: The Company is the primary obligor responsible for providing the service desired by the customer and is responsible for fulfillment, including the acceptability of the service(s) ordered or purchased by the customer. At the Company's sole discretion, it sets the prices charged to its customers, and is not required to obtain approval or consent from any other party in establishing its prices. The Company has multiple suppliers for the services it sells to its customers, and has the absolute and complete discretion and right to select the supplier that will provide the product(s) or service(s) ordered by a customer, including changing the supplier on a shipment-by-shipment basis. In most cases, the Company determines the nature, type, characteristics, and specifications of the service(s) ordered by the customer. The Company also assumes credit risk for the amount billed to the customer.

As a non-asset based carrier, the Company does not own transportation assets. The Company generates the major portion of its air and ocean freight revenues by purchasing transportation services from direct (asset-based) carriers and reselling those services to its customers. In accordance with EITF 91-9, revenue from freight forwarding and export services is recognized at the time the freight is tendered to the direct carrier at origin, and direct expenses associated with the cost of transportation are accrued concurrently. At the time when revenue is recognized on a transportation shipment, the Company records costs related to that shipment based on the estimate of total purchased transportation costs. The estimates are based upon anticipated margins, contractual arrangements with direct carriers and other known factors. The estimates are routinely monitored and compared to actual invoiced costs. The estimates are adjusted as deemed necessary by the Company to reflect differences between the original accruals and actual costs

of purchased transportation.

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k) Share based Compensation

The Company follows the provisions of SFAS No. 123R, "Share Based Payment," a revision of FASB Statement No. 123 ("SFAS 123R"). This statement requires that the cost resulting from all share-based payment transactions be recognized in the Company's consolidated financial statements. In addition, the Company follows the guidance of the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 107, "Share-Based Payment" ("SAB 107"). SAB 107 provides the SEC's staff's position regarding the application of SFAS 123R and certain SEC rules and regulations, and also provides the staff's views regarding the valuation of share-based payment arrangements for public companies. SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statement of operations based on their fair values.

For the three months ended March 31, 2008, the Company recorded a share based compensation expense of $57,282, which, net of income taxes, resulted in a $37,806 net reduction of net income. For the three months ended March 31, 2007, the Company recorded a share based compensation expense of $49,255, which, net of income taxes, resulted in a $32,508 net reduction of net income. For the nine months ended March 31, 2008, the Company recorded a share based compensation expense of $150,384, which, net of income taxes, resulted in a $99,253 net reduction of net income. For the nine months ended March 31, 2007, the Company recorded a share based compensation expense of $141,876, which, net of income taxes, resulted in a $93,638 net reduction of net income.

l) Basic and Diluted Income Per Share

The Company uses SFAS No. 128, Earnings Per Share for calculating the basic and diluted income per share. Basic income per share is computed by dividing net income attributable to common stockholders by the weighted average number of common shares outstanding. Diluted income per share is computed similar to basic income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

For three months ended March 31, 2008 and 2007, the weighted average outstanding number of dilutive common shares totaled 34,134,454 and 34,162,532 shares of common stock. Options to purchase 2,580,000 shares of common stock were not included in the diluted EPS computation for the three months ended March 31, 2008 as the exercise prices of those options were greater than the market price of the common shares and are thus anti-dilutive. Options to purchase 1,145,000 shares of common stock were not included in the diluted EPS computation for the three months ended March 31, 2007 as the exercise prices of those options were greater than the market price of the common shares and are thus anti-dilutive.

For the nine months ended March 31, 2008 and 2007, the weighted average outstanding number of dilutive common shares totaled 34,218,416 and 34,363,106 shares of common stock. Options to purchase 2,580,000 shares of common stock were not included in the diluted EPS computation for the nine months ended March 31, 2008 as the exercise prices of those options were greater than the market price of the common shares and are thus anti-dilutive. Options to purchase 1,145,000 shares of common stock were not included in the diluted EPS computation for the nine months ended March 31, 2007 as the exercise prices of those options were greater than the market price of the common shares and are thus anti-dilutive.

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

	Three months ended March 31,	Three months ended March 31,	Nine months ended March 31,	Nine months ended March 31,

	2008	2007	2008	2007
Weighted average basic shares outstanding	34,115,010	33,961,639	34,012,391	33,856,712
Options	19,444	200,893	206,025	506,394
Weighted average dilutive shares outstanding	34,134,454	34,162,532	34,218,416	34,363,106

m) Reclassifications

Certain amounts for prior periods have been reclassified in the consolidated financial statements to conform to the classification used in fiscal 2008.

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NOTE 3 – ACQUISITION OF AIRGROUP

In January of 2006, the Company acquired 100 percent of the outstanding stock of Airgroup. The transaction was valued at up to $14.0 million. This consisted of: (i) $9.5 million payable in cash at closing (before giving effect for $2.8 million in acquired cash); (ii) a subsequent cash payment of $0.5 million in cash due on the two year anniversary; (iii) as amended, an additional base payment of $0.6 million payable in cash with $300,000 payable on June 30, 2008 and $300,000 payable on January 1, 2009; (iv) a base earn-out payment of $1.9 million payable in Company common stock over a three-year earn-out period based upon Airgroup achieving income from continuing operations of not less than $2.5 million per year; and (v) as additional incentive to achieve future earnings growth, an opportunity to earn up to an additional $1.5 million payable in Company common stock at the end of a five-year earn-out period (the "Tier-2 Earn-Out"). Under Airgroup's Tier-2 Earn-Out, the former shareholders of Airgroup are entitled to receive 50% of the cumulative income from continuing operations in excess of $15,000,000 generated during the five-year earn-out period up to a maximum of $1,500,000. With respect to the base earn-out payment of $1.9 million, in the event there is a shortfall in income from continuing operations, the earn-out payment will be reduced on a dollar-for-dollar basis to the extent of the shortfall. Shortfalls may be carried over or carried back to the extent that income from continuing operations in any other payout year exceeds the $2.5 million level. The $0.5 million payment listed above was paid in December 2007. Through the most recent earn-out period ended June 30, 2007, the former Airgroup shareholders earned a total of $214,000 in base earn-out payments, which was satisfied by issuing 356,724 shares to the former Airgroup shareholders on February 28, 2008.

In the quarter ended December 31, 2007, the Company reduced the estimate of accrued transportation costs assumed in the acquisition of Airgroup. This adjustment was made with the benefit of 2 years of operating experience and resulted in the recognition of approximately $1.4 million in non-recurring income. Pursuant to the acquisition agreement, the former shareholders of Airgroup have indemnified the Company for taxes of $487,000 associated with the income recognized in connection with this change in estimate. The tax indemnity has been reflected as a reduction of the additional base payment otherwise payable to the former shareholders of Airgroup.

NOTE 4 – ACQUIRED INTANGIBLE ASSETS

The table below reflects acquired intangible assets related to the acquisition of Airgroup on January 1, 2006. The information is for the nine months ended March 31, 2008 and year ended June 30, 2007. Prior to the Company's acquisition of Airgroup, there were no intangible assets for prior years as this was the Company's first acquisition.

	Nine months ended March 31, 2008		Year ended June 30, 2007	
	Gross carrying amount	Accumulated Amortization	Gross carrying amount	Accumulated Amortization
Amortizable intangible assets:				
Customer related	$ 2,652,000	$ 1,322,247	$ 2,652,000	$ 925,227
Covenants not to compete	90,000	40,500	90,000	27,000
Total	$ 2,742,000	$ 1,362,747	$ 2,742,000	$ 952,227
Aggregate amortization expense:				
For nine months ended March 31, 2008		$ 410,520		
For nine months ended March 31, 2007		$ 458,871		
Aggregate amortization expense for the year ended June 30:				
2008 – For the remainder of the year		136,839		
2009		597,090		
2010		483,124		
2011		162,200		
Total		$ 1,379,253		

For the nine months ended March 31, 2008, the Company recorded an expense of $410,520 from amortization of intangibles and an income tax benefit of $139,578 from amortization of the long term deferred tax liability; both arising from the acquisition of Airgroup. For the nine months ended March 31, 2007, the Company recorded an expense of $458,871 from amortization of intangibles and an income tax benefit of $156,016 from amortization of the long term deferred tax liability; both arising from the acquisition of Airgroup. The Company expects the net reduction in income, from the combination of amortization of intangibles and long term deferred tax liability, will be $361,257 in 2008, $394,079 in 2009, $318,862 in 2010, and $107,052 in 2011.

NOTE 5 – ACQUISITION OF ASSETS - AUTOMOTIVE

In November 2007**,** the Company completed a restructured transaction with Mass Financial Corporation (“Mass”) to acquire certain assets to service the automotive industry in Detroit, Michigan (the “Purchased Assets”) through its wholly-owned subsidiary, Radiant Logistics Global Services, Inc. (“RLGS”).

Under the terms of the initial agreement, the transaction was valued at up to $2.75 million. As restructured, the purchase price was reduced to $1.56 million, consisting of cash of $560,000 and a $1.0 million credit in satisfaction of indemnity claims asserted by the Company arising from its interim operation of the Purchased Assets since May 22, 2007. Of the cash component of the transaction, $100,000 was paid in May of 2007, $265,000 was paid at closing and a final payment of $195,000 is to be paid in November of 2008, subject to off-set of up to $75,000 for certain qualifying expenses incurred by the Company.

The total estimated purchase price of the acquired assets is $1.925 million, which is comprised of the $1.56 million purchase price along with an additional $365,000 in estimated acquisition expenses. The following table summarizes the preliminary allocation of the purchase price based on the estimated fair value of the acquired assets at November 1, 2007. No liabilities were assumed in connection with the transaction:

Furniture and equipment	$ 25,000
Goodwill and other intangibles	