PAM TRANSPORTATION SERVICES INC
Form 10-Q
August 07, 2009

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

FORM 10-Q

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

For the quarterly period ended June 30, 2009

or

o 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: 0-15057

P.A.M. TRANSPORTATION SERVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware	71-0633135
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification no.)

297 West Henri De Tonti, Tontitown, Arkansas 72770
(Address of principal executive offices) (Zip Code)

Registrant’s telephone number, including area code: (479) 361-9111

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 the filing requirements for the past 90 days.
Yes ý No o

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

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 o	Accelerated filer ý
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at July 29, 2009
Common Stock, $.01 Par Value	9,411,607

P.A.M. TRANSPORTATION SERVICES, INC.
Form 10-Q
For The Quarter Ended June 30, 2009
Table of Contents

Table of contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

P.A.M. TRANSPORTATION SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

ASSETS	June 30, 2009 (unaudited)	December 31, 2008 (see note)
Current assets:		
Cash and cash equivalents	$ 1,545	$ 858
Accounts receivable-net:		
Trade	38,487	43,815
Other	1,821	1,088
Inventories	805	858
Prepaid expenses and deposits	11,631	9,443
Marketable equity securities	12,648	12,540
Income taxes refundable	506	524
Total current assets	67,443	69,126
Property and equipment:		
Land	4,924	4,916
Structures and improvements	13,650	13,596
Revenue equipment	303,566	320,188
Office furniture and equipment	7,622	7,606
Total property and equipment	329,762	346,306
Accumulated depreciation	(130,311)	(125,742)
Net property and equipment	199,451	220,564
Other assets:		
Other	562	671
TOTAL ASSETS	$ 267,456	$ 290,361
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 13,645	$ 20,269
Accrued expenses and other liabilities	14,975	15,684
Current maturities of long-term debt	11,509	15,928
Deferred income taxes-current	625	157
Total current liabilities	40,754	52,038
Long-term debt-less current portion	32,357	35,492
Deferred income taxes-less current portion	43,875	47,354
Total liabilities	116,986	134,884
SHAREHOLDERS' EQUITY		
Preferred stock, $.01 par value, 10,000,000 shares authorized; none issued	-	-
Common stock, $.01 par value, 40,000,000 shares authorized; 11,368,207 and		

11,368,207 shares issued; 9,409,607 and 9,409,607 shares outstanding				
at June 30, 2009 and December 31, 2008, respectively		114		114
Additional paid-in capital		77,688		77,659
Accumulated other comprehensive income		1,277		611
Treasury stock, at cost; 1,958,600 shares		(29,127)		(29,127)
Retained earnings		100,518		106,220
Total shareholders' equity		150,470		155,477
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	267,456	$	290,361

Note: The consolidated balance sheet at December 31, 2008 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. See notes to condensed consolidated financial statements.

Table of contents

P.A.M. TRANSPORTATION SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(unaudited)
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
OPERATING REVENUES:				
Revenue, before fuel surcharge	$ 62,367	$ 84,680	$ 122,637	$ 171,125
Fuel surcharge	6,109	26,250	11,658	45,625
Total operating revenues	68,476	110,930	134,295	216,750
OPERATING EXPENSES AND COSTS:				
Salaries, wages and benefits	24,012	31,616	48,085	66,113
Fuel expense	14,631	43,125	27,636	80,547
Rents and purchased transportation	9,544	10,842	18,620	20,362
Depreciation	8,570	9,298	17,380	18,285
Operating supplies and expenses	6,823	7,452	13,226	15,471
Operating taxes and licenses	3,331	4,164	6,543	8,523
Insurance and claims	3,131	4,103	6,173	8,655
Communications and utilities	638	756	1,336	1,568
Other	1,292	1,118	2,450	2,502
Loss (gain) on disposition of equipment	68	(14)	24	220
Total operating expenses and costs	72,040	112,460	141,473	222,246
OPERATING LOSS	(3,564)	(1,530)	(7,178)	(5,496)
NON-OPERATING INCOME (EXPENSE)	200	(14)	(667)	(219)
INTEREST EXPENSE	(629)	(532)	(1,293)	(1,101)
LOSS BEFORE INCOME TAXES	(3,993)	(2,076)	(9,138)	(6,816)
FEDERAL AND STATE INCOME TAX BENEFIT:				
Current	-	-	-	-
Deferred	(1,637)	(744)	(3,436)	(2,656)
Total federal and state income tax benefit	(1,637)	(744)	(3,436)	(2,656)
NET LOSS	$ (2,356)	$ (1,332)	$ (5,702)	$ (4,160)
LOSS PER COMMON SHARE:				
Basic	$ (0.25)	$ (0.14)	$ (0.61)	$ (0.43)
Diluted	$ (0.25)	$ (0.14)	$ (0.61)	$ (0.43)
AVERAGE COMMON SHARES OUTSTANDING:				
Basic	9,410	9,708	9,410	9,752
Diluted	9,412	9,708	9,412	9,752

See notes to condensed consolidated financial statements.

Table of contents

P.A.M. TRANSPORTATION SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
OPERATING ACTIVITIES:		
Net loss	$ (5,702)	$ (4,160)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	17,380	18,285
Bad debt expense (recovery)	486	(40)
Stock compensation-net of excess tax benefits	29	91
Non-compete agreement amortization-net of payments	-	(17)
Provision for deferred income tax expense (benefit)	(3,436)	(2,656)
Reclassification of unrealized loss on marketable equity securities	1,105	573
(Gain) loss on sale or reclass of marketable equity securities	(206)	125
Loss on sale or disposal of equipment	24	220
Changes in operating assets and liabilities:		
Accounts receivable	4,573	(4,904)
Prepaid expenses, inventories, and other assets	(2,026)	6,525
Income taxes refundable	18	1,108
Trade accounts payable	(2,246)	(652)
Accrued expenses	1,203	1,877
Net cash provided by operating activities	11,202	16,375
INVESTING ACTIVITIES:		
Purchases of property and equipment	(8,761)	(24,623)
Proceeds from sale or disposal of equipment	8,092	1,927
Change in restricted cash	(464)	4,049
Net sales (purchases) of marketable equity securities	84	(3,107)
Net cash used in investing activities	(1,049)	(21,754)
FINANCING ACTIVITIES:		
Borrowings under line of credit	164,524	274,663
Repayments under line of credit	(168,268)	(301,021)
Borrowings of long-term debt	6,737	25,178
Repayments of long-term debt	(10,547)	(1,483)
Borrowings under margin account	12,872	11,111
Repayments under margin account	(14,784)	(645)
Repurchases of common stock	-	(2,252)
Net cash (used in) provided by financing activities	(9,466)	5,551
NET INCREASE IN CASH AND CASH EQUIVALENTS	687	172
CASH AND CASH EQUIVALENTS-Beginning of period	858	407

CASH AND CASH EQUIVALENTS-End of period	$	1,545	$	579
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION-				
Cash paid during the period for:				
Interest	$	1,320	$	1,082
Income taxes	$	86	$	283
NONCASH INVESTING AND FINANCING ACTIVITIES-				
Purchases of property and equipment included in accounts payable	$	65	$	7,319

See notes to condensed consolidated financial statements.

Table of contents

P.A.M. TRANSPORTATION SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Shareholders' Equity
(unaudited)
(in thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Other Comprehensive Income (Loss)	Accumulated Other Comprehensive Income	Treasury Stock	Retained Earnings	Total
Balance at December 31, 2008	9,410	$ 114	$ 77,659		$ 611	$ (29,127)	$ 106,220	$ 155,477
Components of comprehensive loss:								
Net loss				$ (5,702)			(5,702)	(5,702)
Other comprehensive loss:								
Unrealized gains on marketable securities, net of tax of $424				666	666			666
Total comprehensive loss				$ (5,036)				
Share-based compensation			29					29
Balance at June 30, 2009	9,410	$ 114	$ 77,688		$ 1,277	$ (29,127)	$ 100,518	$ 150,470

See notes to condensed consolidated financial statements.

Table of contents

P.A.M. TRANSPORTATION SERVICES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)
June 30, 2009

NOTE A: BASIS OF PRESENTATION
The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In management's opinion, all adjustments (consisting of normal recurring accruals) necessary for a fair presentation have been included. Operating results for the six-month period ended June 30, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009. For further information, refer to the consolidated financial statements and the footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2008.

NOTE B: RECENT ACCOUNTING PRONOUNCEMENTS
In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements required under other accounting pronouncements, but does not change existing guidance as to whether or not an instrument is carried at fair value. In February 2008, the FASB issued FSP FAS 157-2, Effective Date of FASB Statement No. 157, which delayed the implementation of the provisions of SFAS No. 157 with regard to non-financial assets and liabilities that are not carried at fair value on a recurring basis in financial statements. On January 1, 2009, the Company adopted SFAS No. 157, as it relates to nonfinancial assets and nonfinancial liabilities that are not recognized or disclosed at fair value in the financial statements on at least an annual basis. The adoption of SFAS No. 157, as it relates to nonfinancial assets and nonfinancial liabilities did not have a material impact on the Company's financial condition, results of operations, or cash flow. See Note J for additional discussion on fair value measurements.

In April 2009, the FASB issued FASB Staff Position ("FSP") FAS 157-4, Determining Fair Value when the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions that are not Orderly ("FSP 157-4"), which is effective for the Company for the quarterly period beginning April 1, 2009. FSP 157-4 affirms that the objective of fair value when the market for an asset is not active is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The FSP provides guidance for estimating fair value when the volume and level of market activity for an asset or liability have significantly decreased and determining whether a transaction was orderly. This FSP applies to all fair value measurements when appropriate. The adoption of FAS 157-4 did not have a material impact on the Company's financial condition, results of operations, or cash flow.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairments ("FSP 115-2"), which is effective for the Company for the quarterly period beginning April 1, 2009. FSP 115-2 amends existing guidance for determining whether an other-than-temporary impairment of debt securities has occurred. Among other changes, the FASB replaced the existing requirement that an entity's management assert it has both the intent and ability to hold an impaired security until recovery with a requirement that management assert (a) it does not have the intent to sell the security, and (b) it is more likely than not it will not have to sell the security before recovery of its cost basis. The adoption of FAS 115-2 did not have a material impact on the Company's financial condition, results of operations, or cash flow.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, Interim Disclosures about Fair Value of Financial Instruments ("FSP 107-1"), which is effective for the Company for the quarterly period beginning April 1, 2009. FSP

107-1 requires an entity to provide the annual disclosures required by FASB Financial Accounting Standards No. 107, Disclosures about Fair Value of Financial Instruments, in its interim financial statements. The adoption of FSP 107-1 did not have a material impact on the Company's financial condition, results of operations, or cash flow.

In April 2009, the FASB issued SFAS No. 165, Subsequent Events ("SFAS No. 165"). SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. The adoption of SFAS No. 165 did not have a material impact on the Company's financial condition, results of operations, or cash flow.

Table of contents

In June 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 168, FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles ("SFAS No. 168"). SFAS No. 168 replaces SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles, and establishes the FASB Accounting Standards Codification ("Codification") as the single source of authoritative U.S. generally accepted accounting principles ("U.S. GAAP") recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. SFAS No. 168 and the Codification are effective for financial statements issued for interim and annual periods ending after September 15, 2009. When effective, the Codification will supersede all existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. Following the issuance of SFAS No. 168, the FASB will not issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts. Instead, the FASB will issue Accounting Standards Updates, which will serve only to: (a) update the Codification; (b) provide background information about the guidance; and (c) provide the bases for conclusions on the change(s) in the Codification. The adoption of SFAS No. 168 is not expected to have a material effect on the Company's financial statements.

NOTE C: MARKETABLE EQUITY SECURITIES

The Company accounts for its marketable securities in accordance with Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities ("SFAS No. 115"). SFAS No. 115 requires companies to classify their investments as trading, available-for-sale or held-to-maturity. The Company's investments in marketable securities are classified as either trading or available-for-sale and consist of equity securities. Management determines the appropriate classification of these securities at the time of purchase and re-evaluates such designation as of each balance sheet date. Sales of securities during the first six months of 2009 were insignificant.

Marketable equity securities are carried at fair value, with the unrealized gains and losses, net of tax, included as a component of accumulated other comprehensive income in shareholders' equity. Realized gains and losses, declines in value judged to be other-than-temporary on available-for-sale securities, and increases or decreases in value on trading securities, if any, are included in the determination of net income. A quarterly evaluation is performed in order to judge whether declines in value below cost should be considered temporary and when losses are deemed to be other-than-temporary. Several factors are considered in this evaluation process including the severity and duration of the decline in value, the financial condition and near-term outlook for the specific issuer and the Company's ability to hold the securities. There were no securities in a cumulative loss position for twelve months or longer at June 30, 2009. However, based on the severity of declines in certain securities during the first six months of 2009 and the fact that the Company has no evidence that indicates these securities will regain a value equal to or greater than their cost basis, their declines in value have been determined to be other-than-temporary. As a result of this evaluation, the Company recorded an impairment charge of approximately $109,000 in non-operating expense in its income statement for the quarter ending June 30, 2009. These declines came primarily from our equity securities in the pharmaceutical, financial, and automotive sectors. The cost of securities sold is based on the specific identification method and interest and dividends on securities are included in non-operating income.

As of June 30, 2009, equity securities classified as available-for-sale and equity securities classified as trading had a cost basis of approximately $9,945,000 and $505,000, respectively, and fair market values of approximately $11,991,000 and $657,000, respectively. For the six months ended June 30, 2009, the Company had net unrealized gains in market value on securities classified as available-for-sale of approximately $666,000, net of deferred income taxes. Also during this period, the Company recognized gains on trading securities of approximately $129,000, net of deferred income taxes. During the quarter ending June 30, 2009, the Company recognized gains on trading securities of approximately $115,000, net of deferred income taxes. As of June 30, 2009, the Company's marketable securities that are classified as available-for-sale had gross unrealized gains of approximately $2,990,000 and gross unrealized losses of approximately $944,000. The Company's marketable securities that are classified as trading had gross recognized gains of approximately $155,000 and gross recognized losses of approximately $3,000. As of June 30, 2009, the total net unrealized gain, net of deferred income taxes, in accumulated other comprehensive income was approximately $1,277,000.

The following table shows the Company's investments' approximate gross unrealized losses and fair value at June 30, 2009 and December 31, 2008. These investments consist of equity securities. As of June 30, 2009 and December 31, 2008 there were no investments that had been in a continuous unrealized loss position for twelve months or longer.

	June 30, 2009		December 31, 2008	
	(in thousands)			
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equity securities – Available for sale	$ 4,370	$ 944	$ 4,775	$ 1,237
Equity securities – Trading	43	3	372	67
Totals	$ 4,413	$ 947	$ 5,147	$ 1,304

Table of contents

The market value of the Company's equity securities are used as collateral against any outstanding margin account borrowings. As of June 30, 2009, the Company had outstanding borrowings of approximately $5.0 million under its margin account which were used for the purchase of marketable equity securities and as a source of short-term liquidity.

NOTE D: STOCK BASED COMPENSATION

The Company maintains a stock option plan under which incentive stock options and nonqualified stock options may be granted. On March 2, 2006, the Company's Board of Director's adopted, and shareholders later approved, the 2006 Stock Option Plan (the "2006 Plan"). Under the 2006 Plan 750,000 shares are reserved for the issuance of stock options to directors, officers, key employees and others. The option exercise price under the 2006 Plan is the fair market value of the stock on the date the option is granted. The fair market value is determined by the average of the highest and lowest sales prices for a share of the Company's common stock, on its primary exchange, on the same date that the option is granted. During the first six months of 2009, options for 16,000 shares were issued under the 2006 Plan at an option exercise price of $3.84 per share, and at June 30, 2009, 686,000 shares were available for granting future options.

Outstanding incentive stock options at June 30, 2009, must be exercised within six years from the date of grant and vest in increments of 20% each year. Outstanding nonqualified stock options at June 30, 2009, must be exercised within five to ten years from the date of grant.

In August 2002, the Company granted performance-based variable stock options for 300,000 shares to certain key executives. The exercise price for these awards was fixed at the grant date and was equal to the fair market value of the stock on that date. On the date of grant, options for 60,000 shares vested immediately and vesting of the options for the remaining 240,000 shares was scheduled to occur on a straight-line basis each year from March 15, 2003 through March 15, 2008 upon meeting performance criteria. In order to meet the performance criteria, net income for each fiscal year must have been at least equal to 1.05 times net income for the preceding fiscal year, unless net income for the preceding fiscal year was zero or negative, in which case net income for the fiscal year must have been at least 90% of net income for the most recent year with positive income. As of June 30, 2009, options for 180,000 shares had vested under this 300,000 share option grant (including those options which immediately vested upon grant) while options for 120,000 shares have been forfeited as the performance criteria were not met for the fiscal years 2003, 2004 and 2007.

The total fair value of options vested during the first six months of 2009 was approximately $29,000. As of June 30, 2009, the Company did not have any stock-based compensation plans with unrecognized stock-based compensation expense. Total pre-tax stock-based compensation expense, recognized in Salaries, wages and benefits during the first six months of 2009 was approximately $29,000 which resulted from the annual grant of an option for 2,000 shares to each non-employee director during the first quarter of 2009. Total pre-tax stock-based compensation expense, recognized in Salaries, wages and benefits was approximately $91,000 during the first six months of 2008 and includes approximately $80,000 recognized as a result of the annual grant of an option for 2,000 shares to each non-employee director during the first quarter of 2008. The recognition of stock-based compensation expense decreased diluted and basic earnings per common share by approximately $0.01 during the six months ending June 30, 2009 but did not have a recognizable impact on diluted or basic earnings per share reported for the second quarter ending June 30, 2009. The recognition of stock-based compensation expense decreased diluted and basic earnings per common share by approximately $0.01 during the six months ending June 30, 2008 but did not have a recognizable impact on diluted or basic earnings per share reported for the second quarter ending June 30, 2008. The weighted average grant date fair value of options granted during the first six months of 2009 and 2008 was $1.84 per share and $4.98 per share, respectively.

The fair value of the Company’s employee stock options was estimated at the date of grant using a Black-Scholes-Merton (“BSM”) option-pricing model using the following assumptions:

	Six Months Ended June 30,	
	2009	2008
Dividend yield	0%	0%
Volatility range	58.07%	36.67% - 38.54%
Risk-free rate range	1.57%	2.50% - 4.38%
Expected life	4.4 years	4.3 years - 5 years
Fair value of options	$1.84	$4.98 - $8.89

The Company has never paid any cash dividends on its common stock and we do not anticipate paying any cash dividends in the foreseeable future. The estimated volatility is based on the historical volatility of our stock. The risk free rate for the periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected life of the options was calculated based on the historical exercise behavior.

Table of contents

Information related to option activity for the three months ended June 30, 2009 is as follows:

	Shares Under Options	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value*
Outstanding-beginning of year	254,500	$22.32		
Granted	16,000	3.84		
Exercised	-	-		
Cancelled/forfeited/expired	(8,000)	16.99		
Outstanding at June 30, 2009	262,500	$21.36	3.2	$26,080
Exercisable at June 30, 2009	262,500	$21.36	3.2	$26,080

* The intrinsic value of a stock option is the amount by which the market value of the underlying stock exceeds the exercise price of the option. The per share market value of our common stock, as determined by the closing price on June 30, 2009, was $5.47.

The number, weighted average exercise price and weighted average remaining contractual life of options outstanding as of June 30, 2009 and the number and weighted average exercise price of options exercisable as of June 30, 2009 are as follows:

Exercise Price	Shares Under Outstanding Options	Weighted-Average Remaining Contractual Term (in years)	Shares Under Exercisable Options
$3.84	16,000	4.7	16,000
$14.98	16,000	3.7	16,000
$18.27	10,000	0.7	10,000
$19.88	12,500	3.3	12,500
$22.92	14,000	2.7	14,000
$23.22	180,000	3.2	180,000
$26.73	14,000	1.9	14,000
	262,500	3.2	262,500

There were no option exercises during the six months ended June 30, 2009 or 2008. The Company issues new shares upon option exercise.

NOTE E: SEGMENT INFORMATION

The Company considers the guidance provided by Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (“SFAS No. 131”), in its identification of operating segments. The Company has determined that it has a total of eight operating segments whose primary operations can be characterized as either Truckload Services or Brokerage and Logistics Services, however in accordance with the aggregation criteria provided by SFAS No. 131 the Company has determined that the operations of the eight operating segments can be aggregated into a single reporting segment, motor carrier operations. Truckload Services revenues and Brokerage and Logistics Services revenues, each before fuel surcharges, were as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2009		2008		2009		2008	
	Amount	%	Amount	%	Amount	%	Amount	%
	(in thousands, except percentage data)							
Truckload Services revenue	$ 53,255	85.4	$ 75,129	88.7	$ 104,904	85.5	$ 153,485	89.7
Brokerage and Logistics Services revenue	9,112	14.6	9,551	11.3	17,733	14.5	17,640	10.3
Total revenues	$ 62,367	100.0	$ 84,680	100.0	$ 122,637	100.0	$ 171,125	100.0

Table of contents

NOTE F: TREASURY STOCK
The Company accounts for Treasury stock using the cost method and as of June 30, 2009, 1,958,600 shares were held in the treasury at an aggregate cost of approximately $29,127,000.

NOTE G: COMPREHENSIVE INCOME
Comprehensive income was comprised of net income plus or minus market value adjustments related to our marketable securities. The components of comprehensive income were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(in thousands)			
Net loss	$ (2,356)	$ (1,332)	$ (5,702)	$ (4,160)
Other comprehensive (loss) income:				
Reclassification adjustment for unrealized losses on marketable securities included in net income, net of income taxes	68	122	715	342
Change in fair value of marketable securities, net of income taxes	1,225	(1,575)	(49)	(2,662)
Total comprehensive loss	$ (1,063)	$ (2,785)	$ (5,036)	$ (6,480)

NOTE H: EARNINGS PER SHARE
Diluted earnings per share computations assume the exercise of stock options to purchase shares of common stock. The shares assumed exercised are based on the weighted average number of shares under options outstanding during the period and only include those options for which the exercise price is less than the average share price during the period. The net additional shares issuable are calculated based on the treasury stock method and are added to the weighted average number of shares outstanding during the period.

A reconciliation of the basic and diluted income per share computations for the three and six months ended June 30, 2009 and 2008, respectively, is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(in thousands, except per share data)			
Net loss	$ (2,356)	$ (1,332)	$ (5,702)	$ (4,160)
Basic weighted average common shares outstanding	9,410	9,708	9,410	9,752