RADIANT LOGISTICS, INC
Form 10-Q/A
December 03, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A

(Amendment No. 1)

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2014

¨ 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 001-35392

RADIANT LOGISTICS, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware	04-3625550
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)

405 114th Ave S.E., Bellevue, WA 98004
(Address of principal executive offices)

(425) 943-4599
(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 past 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 x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x 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 definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer ¨	Smaller reporting company x

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

There were 34,656,560 shares issued and outstanding of the registrant’s common stock, par value $.001 per share, as of December 3, 2014.

EXPLANATORY NOTE

Radiant Logistics, Inc. is filing this Amendment No. 1 on Form 10-Q/A (this "Amendment") to amend its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, filed with the Securities and Exchange Commission (the "SEC") on November 12, 2014 (the "Original 10-Q"), to amend and restate Part I "Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations" to correct an error in the table that provides a reconciliation for the three months ended September 30, 2014 and 2013 (pro forma and unaudited) of adjusted EBITDA to net income, which is located on page 26 of the Original 10-Q.

In addition, this Amendment also amends and restates the exhibit list in Part II, Item 6 of the Original 10-Q and re-files certain exhibits specified herein, including currently dated certifications of our chief executive officer and chief financial officer as set forth as Exhibits 31.1, 31.2 and 32.1 hereto.

Except as described above, we have not modified or updated other disclosures contained in the Original 10-Q. Accordingly, this Amendment, with the exception of the foregoing, does not reflect events occurring after the date of filing of the Original 10-Q, or modify or update those disclosures affected by subsequent events. Consequently, all other information not affected by the corrections described above is unchanged and reflects the disclosures and other information made at the date of the filing of the Original 10-Q and should be read in conjunction with our filings with the SEC subsequent to the filing of the Original 10-Q, including amendments to those filings, if any.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements" within the meaning set forth in United States securities laws and regulations – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business, financial performance and financial condition, and often contain words such as "anticipate," "believe," "estimates," "expect," "future," "intend," "may," "plan," "see," "seek," "strategy," or "will" or the neg any variation thereon or similar terminology or expressions. These forward-looking statements are not guarantees and are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: continued relationships with our operating partners; challenges in locating suitable acquisition opportunities and securing the financing necessary to complete such acquisitions; general industry conditions and competition; domestic and international economic and political factors; transportation costs; our ability to mitigate, to the best extent possible, our dependence on current management and certain of our larger operating partners; laws and governmental regulations affecting the transportation industry in general and our operations in particular; and such other factors that may be identified from time to time in our Securities and Exchange Commission ("SEC") filings and other public announcements including those set forth below under the caption "Risk Factors" in our Form 10-K for the year ended June 30, 2014. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the foregoing. Readers are cautioned not to place undue reliance on our forward-looking statements, as they speak only as of the date made. Except as required by law, we assume no duty to update or revise our forward-looking statements.

The following discussion and analysis of our financial condition and result of operations should be read in conjunction with the financial statements and the related notes and other information included elsewhere in this report.)

Overview

We are a non-asset based transportation and logistics services company providing customers domestic and international freight forwarding services, truck brokerage services and other value-added supply chain management services, including customs brokerage, order fulfillment, inventory management and warehousing.

We are executing a strategy to expand our operations through a combination of organic growth and the strategic acquisition of non-asset based transportation and logistics providers meeting our acquisition criteria. Our first acquisition of Airgroup Corporation ("Airgroup") was completed on January 1, 2006. Radiant Global Logistics, headquartered in Bellevue, Washington, is a non-asset based logistics company providing domestic and international freight forwarding services through a network of operating partner locations across North America.

We continue to seek additional companies as suitable acquisition candidates and have completed ten acquisitions since our platform acquisition of Airgroup, in 2006. Today, RGL, through the Radiant, Airgroup, Adcom, DBA and On Time network brands, has a diversified account base including manufacturers, distributors and retailers that it services using a network of independent carriers through a network of Company-owned and strategic operating partner locations throughout North America and an integrated service partner network serving other key markets around the globe.

Our growth strategy continues to focus on both organic growth and growth through acquisitions. For organic growth, we will focus on strengthening and retaining existing, and expanding new customer operating partner relationships. Since our acquisition of Airgroup in January 2006, we have focused our efforts on the build-out of our network of operating partner locations, as well as enhancing our back-office infrastructure, transportation and accounting systems. We also continue to search for targets that fit within our acquisition criteria.

Performance Metrics

Our principal source of income is derived from freight forwarding services. As a freight forwarder, we arrange for the shipment of our customers' freight from point of origin to point of destination. Generally, we quote our customers a turnkey cost for the movement of their freight. Our price quote will often depend upon the customer's time-definite needs (first day through fifth day delivery), special handling needs (heavy equipment, delicate items, environmentally sensitive goods, electronic components, etc.), and the means of transport (motor carrier, air, ocean or rail). In turn, we assume the responsibility for arranging and paying for the underlying means of transportation.

Our transportation revenue represents the total dollar value of services we sell to our customers. Our cost of transportation includes direct costs of transportation, including motor carrier, air, ocean and rail services. We act principally as the service provider to add value in the execution and procurement of these services to our customers. Our net transportation revenue (gross transportation revenue less the direct cost of transportation) is the primary indicator of our ability to source, add value and resell services provided by third parties, and is considered by management to be a key performance measure. In addition, management believes measuring its operating costs as a function of net transportation revenue provides a useful metric, as our ability to control costs as a function of net transportation revenue directly impacts operating earnings.

Our operating results will be affected as acquisitions occur. Since all acquisitions are made using the purchase method of accounting for business combinations, our financial statements will only include the results of operations and cash flows of acquired companies for periods subsequent to the date of acquisition.

Our GAAP-based net income will be affected by non-cash charges relating to the amortization of customer related intangible assets and other intangible assets attributable to completed acquisitions. Under applicable accounting standards, purchasers are required to allocate the total consideration in a business combination to the identified assets acquired and liabilities assumed based on their fair values at the time of acquisition. The excess of the consideration paid over the fair value of the identifiable net assets acquired is to be allocated to goodwill, which is tested at least annually for impairment. Applicable accounting standards require that we separately account for and value certain identifiable intangible assets based on the unique facts and circumstances of each acquisition. As a result of our acquisition strategy, our net income will include material non-cash charges relating to the amortization of customer related intangible assets and other intangible assets acquired in our acquisitions. Although these charges may increase as we complete more acquisitions, we believe we will be growing the value of our intangible assets (e.g., customer relationships). Thus, we believe that earnings before interest, taxes, depreciation and amortization, or EBITDA, is a useful financial measure for investors because it eliminates the effect of these non-cash costs and provides an important metric for our business.

EBITDA is a non-GAAP measure of income and does not include the effects of preferred stock dividends, interest and taxes, and excludes the “non-cash” effects of depreciation and amortization on long-term assets. Companies have some discretion as to which elements of depreciation and amortization are excluded in the EBITDA calculation. We exclude all depreciation charges related to furniture and equipment, all amortization charges, including amortization of leasehold improvements and other intangible assets. We then further adjust EBITDA to exclude changes in contingent consideration, expenses specifically attributable to acquisitions, severance and lease termination costs, extraordinary items, share-based compensation expense, non-recurring litigation expenses, and other non-cash charges. While management considers EBITDA and adjusted EBITDA useful in analyzing our results, it is not intended to replace any presentation included in our consolidated financial statements.

Our operating results are also subject to seasonal trends when measured on a quarterly basis. The impact of seasonality on our business will depend on numerous factors, including the markets in which we operate, holiday seasons, consumer demand and economic conditions. Since our revenue is largely derived from customers whose shipments are dependent upon consumer demand and just-in-time production schedules, the timing of our revenue is often beyond our control. Factors such as shifting demand for retail goods and/or manufacturing production delays could unexpectedly affect the timing of our revenue. As we increase the scale of our operations, seasonal trends in one area of our business may be offset to an extent by opposite trends in another area. We cannot accurately predict the timing of these factors, nor can we accurately estimate the impact of any particular factor, and thus we can give no assurance any historical seasonal patterns will continue in future periods.

Results of Operations

Three months ended September 30, 2014 and 2013 (actual and unaudited)

The following table summarizes transportation revenue, cost of transportation and net transportation revenue (in thousands) for the three months ended September 30, 2014 and 2013:

	Three Months Ended September 30,		Change	
	2014	2013	Amount	Percent
Transportation revenue	$98,231	$76,702	$21,529	28.1 %
Cost of transportation	71,906	53,481	18,425	34.5 %
Net transportation revenue	$26,325	$23,221	$3,104	13.4 %
Net transportation margins	26.8 %	30.3 %		

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Domestic and international transportation revenue was $60.9 million and $37.4 million, respectively, for the three months ended September 30, 2014, compared with $44.5 million and $32.2 million, respectively, for the three months ended September 30, 2013. The increase in domestic transportation revenue is due principally to incremental revenues attributed to our acquisitions of On Time, the opening of a Company-owned location in Philadelphia, and higher domestic revenues from both Company-owned and operating partner locations. The increase in international revenue is principally due to incremental revenues from the opening of a Company-owned location in Philadelphia, and improved cross-border shipping into and out of Mexico. Net transportation margins decreased due to lower margin characteristics associated with the incremental revenues associated with On Time and PCA when compared to the prior period.

The following table compares condensed consolidated statements of operations data as a percentage of our net transportation revenue (in thousands) for the three months ended September 30, 2014 and 2013:

	Three Months Ended September 30,					
	2014		2013		Change	
	Amount	Percent	Amount	Percent	Amount	Percent
Net transportation revenue	$26,325	100.0 %	$23,221	100.0 %	$3,104	13.4 %
Operating partner commissions	13,979	53.1 %	13,635	58.7 %	344	2.5 %
Personnel costs	6,561	24.9 %	4,492	19.3 %	2,069	46.1 %
Selling, general and administrative expenses	2,648	10.1 %	2,264	9.7 %	384	17.0 %
Depreciation and amortization	1,279	4.9 %	830	3.6 %	449	54.1 %
Change in contingent consideration	(550)	(2.1)%	(195)	(0.8)%	(355)	182.1 %
Total operating expenses	23,917	90.9 %	21,026	90.5 %	2,891	13.7 %
Income from operations	2,408	9.1 %	2,195	9.5 %	213	9.7 %
Other income (expense)	36	0.2 %	(434)	(1.9)%	470	(108.3 %)
Income before income tax expense	2,444	9.3 %	1,761	7.6 %	683	38.8 %
Income tax expense	(902)	(3.4)%	(652)	(2.8)%	(250)	38.3 %
Net income	1,542	5.9 %	1,109	4.8 %	433	39.0 %
Less: Net income attributable to non-controlling interest	(22)	(0.1)%	(17)	(0.1)%	(5)	29.4 %
Net income attributable to Radiant Logistics, Inc.	1,520	5.8 %	1,092	4.7 %	428	39.2 %
Less: Preferred stock dividends	(511)	(2.0 %)	—	—	(511)	NM
Net income attributable to common stockholders	$1,009	3.8 %	$1,092	4.7 %	$(83)	(7.6 %)

Operating partner commissions increased primarily due to a change in sales mix with a higher percentage of domestic revenues, which tend to create higher commissions, compared to international revenues. Operating partner commissions as a percentage of net revenues decreased as a result of our recent acquisitions of On Time, which added Company-owned locations in Phoenix, Dallas, and Atlanta, along with the opening of a Company-owned location in Philadelphia. Company-owned locations are not paid commissions.

Personnel cost increases are primarily attributable to our On Time acquisition, which added the personnel costs associated with new Company-owned locations in Phoenix, Dallas, and Atlanta, the opening of a Company-owned location in Philadelphia.

Selling, general and administrative ("SG&A") costs increased due to our acquisition of On Time and the opening of a Company-owned location in Philadelphia, increased legal expenses incurred in connection with acquisitions and litigation, higher travel expenses associated with our regional vice presidents and other corporate travel.

Depreciation and amortization costs increased primarily due to amortization of intangibles for On Time and PCA, partially offset by scheduled changes in the amortization costs associated with the Adcom, ISLA and ALBS acquisitions.

Change in contingent consideration represents the change in the fair value of contingent consideration due to former shareholders of acquired operations. The change in both periods was primarily attributable to current projections of ISLA and ALBS not achieving their respective specified operating objectives.

The increase in income from operations is attributable to several factors, favorable and unfavorable to the Company. Net revenues increased $3.1 million primarily due to the incremental revenues attributed to our acquisition of On Time and the opening of a Company-owned location in Philadelphia, and increased revenues associated with improved cross-border shipping into and out of Mexico. Operating partner commission expense increased $0.3 million primarily due to a change in sales mix with a higher percentage of domestic revenues, which tend to create higher commissions, compared to international revenues. Personnel costs increased $2.1 million primarily due to increased personnel costs associated with recently acquired Company-owned locations as well as increased head-count at the corporate office. SG&A expenses increased $0.4 million primarily due to our acquisition of On Time and the opening of a Company-owned location in Philadelphia, increased legal expenses incurred in connection with acquisitions and litigation, higher travel expenses associated with our regional vice presidents and other corporate travel. Depreciation and amortization increased $0.4 million due to amortization of intangibles for On Time and PCA, partially offset by scheduled changes in the amortization costs associated with the Adcom, ISLA and ALBS acquisitions. Change in contingent consideration increased $0.4 million due to changes in the projected future operating results of acquired businesses relative to the specified operating objectives and financial targets associated with earn-outs in their respective agreements.

Other expense decreased due to the decrease in interest expense resulting from the payoff of senior subordinated notes.

Our increase in net income was driven principally by the increased efficiency of leveraging our scalable back-office infrastructure, and a favorable write-down of contingent consideration, offset by higher depreciation and amortization costs.

Our future net income may be impacted by increased amortization of intangibles resulting from acquisitions as well as changes in contingent consideration may result in gains or losses and are difficult to predict.

The following table provides a reconciliation for the three months ended September 30, 2014 and 2013 of adjusted EBITDA to net income, the most directly comparable GAAP measure in accordance with SEC Regulation G (in thousands):

	Three Months Ended September 30,		Change	
	2014	2013	Amount	Percent
Net transportation revenue	$26,325	$23,221	$3,104	13.4 %
Net income attributable to common stockholders	$1,009	$1,092	$(83)	(7.6)%
Preferred stock dividends	511	—	511	NM
Net income attributable to Radiant Logistics, Inc.	1,520	1,092	428	39.2 %
Income tax expense	902	652	250	38.3 %

Depreciation and amortization	1,279	830	449	54.1 %
Net interest expense	91	519	(428)	(82.5)%
EBITDA	$3,792	$3,093	$699	22.6 %
Share-based compensation	205	133	72	54.1 %
Change in contingent consideration	(550)	(195)	(355)	182.1 %
Acquisition related costs	95	66	29	43.9 %
Non-recurring legal costs	120	15	105	700.0 %
Adjusted EBITDA	$3,662	$3,112	550	17.7 %
As a % of Net Revenues	13.9 %	13.4 %		

We had adjusted EBITDA of $3.7 million and $3.1 million for the three months ended September 30, 2014 and 2013, respectively.

Adjusted EBITDA as a percentage of net transportation revenue increased to 13.9% for the three months ended September 30, 2014, from 13.4% for the three months ended September 30, 2013 as a result of the leverage of our operating platform.

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Supplemental Pro forma Information

Basis of Presentation

The results of operations discussion that appears below has been presented utilizing a combination of historical and, where relevant, pro forma unaudited information to include the effects on our consolidated financial statements of our acquisition of On Time. The pro forma results are developed to reflect a consolidation of the historical results of operations of the Company and adjusted to include the historical results of On Time, as if we had acquired them as of July 1, 2013. The pro forma results are also adjusted to reflect a consolidation of the historical results of operations of On Time and the Company as adjusted to reflect the amortization of acquired intangibles.

The pro forma financial data is not necessarily indicative of results of operations that would have occurred had these acquisitions been consummated at the beginning of the periods presented or which might be attained in the future.

The following table summarizes transportation revenue, cost of transportation and net transportation revenue (in thousands) for the three months ended September 30, 2014 and 2013 (pro forma and unaudited):

	Three months ended September 30, 2014	2013	Change Amount	Percent
Transportation revenue	$98,231	$83,425	$14,806	17.7 %
Cost of transportation	71,906	58,645	13,261	22.6 %
Net transportation revenue	$26,325	$24,780	$1,545	6.2 %
Net transportation margins	26.8 %	29.7 %		

Pro forma transportation revenue was $98.2 million for the three months ended September 30, 2014, an increase of 17.7% from $83.4 million for the three months ended September 30, 2013.

Pro forma cost of transportation was $71.9 million for the three months ended September 30, 2014, an increase of 22.6% from $58.6 million for the three months ended September 30, 2013.

Pro forma net transportation margins were 26.8% from 29.7% for the three months ended September 30, 2014 and 2013.

The following table compares certain condensed consolidated statements of operations data as a percentage of our net transportation revenue (in thousands) for the three months ended September 30, 2014 and 2013 (pro forma and unaudited):

	Three months ended September 30,					
	2014		2013		Change	
	Amount	Percent	Amount	Percent	Amount	Percent
Net transportation revenue	$26,325	100.0 %	$24,780	100.0 %	$1,545	6.2 %
Operating partner commissions	13,979	53.1 %	13,635	55.0 %	344	2.5 %
Personnel costs	6,561	24.9 %	4,770	19.2 %	1,791	37.5 %
Selling, general and administrative expenses	2,648	10.1 %	2,659	10.7 %	(11)	(0.4)%
Depreciation and amortization	1,279	4.9 %	1,363	5.5 %	(84)	(6.2)%
Change in contingent consideration	(550)	(2.1)%	(195)	(0.8)%	(355)	182.1 %
Total operating expenses	23,917	90.9 %	22,232	89.6 %	1,685	7.6 %
Income from operations	2,408	9.1 %	2,548	10.3 %	(140)	(5.5)%
Other income (expense)	36	0.2 %	(529)	(2.2)%	565	(106.8)%
Income before income tax expense	2,444	9.3 %	2,019	8.1 %	425	21.1 %
Income tax expense	(902)	(3.4)%	(756)	(3.0)%	(146)	19.3 %
Net income	1,542	5.9 %	1,263	5.1 %	279	22.1 %
Less: Net income attributable to non-controlling interest	(22)	(0.1)%	(17)	(0.1)%	(5)	29.4 %
Net income attributable to Radiant Logistics, Inc.	1,520	5.8 %	1,246	5.0 %	274	22.0 %
Less: Preferred stock dividends	(511)	(2.0)%	—	—	(511)	NM
Net income attributable to common stockholders	$1,009	3.8 %	$1,246	5.0 %	$(237)	(19.0)%

Pro forma operating partner commissions were $14.0 million for the three months ended September 30, 2014, an increase of 2.5% from $13.6 million for the three months ended September 30, 2013. Operating partner commissions as a percentage of net transportation revenue decreased to 53.1% of net transportation revenue the three months ended September 30, 2014, compared to 55.0% for the comparable prior year period.

Pro forma personnel costs were $6.6 million for the three months ended September 30, 2014, an increase of 37.5% from $4.8 million for the three months ended September 30, 2013. Personnel costs as a percentage of net transportation revenue increased to 24.9% compared to 19.2% for the comparable prior year period.

Pro forma SG&A costs were $2.6 million for the three months ended September 30, 2014, a decrease of 0.4% from $2.7 million for the three months ended September 30, 2013. As a percentage of net transportation revenue, SG&A costs decreased to 10.1% for the three months ended September 30, 2014, from 10.7% for the comparable prior year period.

Pro forma depreciation and amortization costs were $1.3 million for the three months ended September 30, 2014, a decrease of 6.2% from $1.4 million for the three months ended September 30, 2013. Depreciation and amortization as a percentage of net transportation revenue decreased to 4.9% for the three months ended September 30, 2014, from 5.5% for the comparable prior year period.

Pro forma change in contingent consideration was income of $0.6 million for the three months ended September 30, 2014, an increase of 182.1% from $0.2 million for the three months ended September 30, 2013. As a percentage of net transportation revenue, change in contingent consideration increased to 2.1% for the three months ended September 30, 2014, from 0.8% for the three months ended September 30, 2013.

Pro forma income from operations was $2.4 million for the three months ended September 30, 2014, compared to $2.5 million for the three months ended September 30, 2013.

Pro forma other expense was less than $0.1 million for the three months ended September 30, 2014, compared to $0.5 million for the three months ended September 30, 2013.

Pro forma net income attributable to common stockholders was $1.0 million for the three months ended September 30, 2014, compared $1.2 million for the three months ended September 30, 2013.

The following table provides a reconciliation for the three months ended September 30, 2014 and 2013 (pro forma and unaudited) of adjusted EBITDA to net income, the most directly comparable GAAP measure in accordance with SEC Regulation G (in thousands):

	Three months ended September 30,		Change	
	2014	2013	Amount	Percent
Net transportation revenue	$26,325	$24,780	$1,545	6.2 %
Net income attributable to common stockholders	$1,009	$1,246	$(237)	(19.0)%
Preferred stock dividends	511	—	511	NM
Net income attributable to Radiant Logistics, Inc.	1,520	1,246	274	22.0 %
Income tax expense	902	756	146	19.3 %
Depreciation and amortization	1,279	1,363	(84)	(6.2)%
Net interest expense	91	605	(514)	(85.0)%
EBITDA	$3,792	$3,970	$(178)	(4.5)%
Share-based compensation	205	144	61	42.4 %
Change in contingent consideration	(550)	(195)	(355)	182.1 %
Acquisition related costs	95	66	29	43.9 %
Non-recurring legal costs	120	16	104	650.0 %
Adjusted EBITDA	3,662	4,001	(339)	(8.5)%
As a % of Net Revenues	13.9 %	16.1 %		

Liquidity and Capital Resources

Net cash provided by operating activities was $1.6 million for the three months ended September 30, 2014, compared to $1.7 million for the three months ended September 30, 2013. The change was principally driven by an increase in our net income adjusted for amortization, contingent consideration, and changes in accounts receivable and accounts payable.

Net cash used for investing activities was $1.0 million for the three months ended September 30, 2014, compared to less than $0.1 million for the three months ended September 30, 2013. Use of cash for the three months ended September 30, 2014 consisted of $0.8 million related to acquisitions and the purchase of $0.3 million of furniture and equipment. Use of cash for the three months ended September 30, 2013 consisted of the purchase of less than $0.1 million in furniture and equipment.

Net cash used for financing activities was $0.4 million for the three months ended September 30, 2014, compared to cash provided by financing activities of $6.2 million for the three months ended September 30, 2013. The cash used for financing activities for the three months ended September 30, 2014 consisted of proceeds from our credit facility of $0.2 million and a tax benefit from the exercise of stock options of $0.5 million, offset by payment of employee tax withholdings related to net share settlements of stock option exercises of $0.4 million, payment of contingent consideration payments made to former shareholders of acquired operations of $0.2 million, and preferred dividend payments of $0.5 million. Cash from financing activities for the three months ended September 30, 2013 consisted of proceeds from our credit facility of $8.2 million, offset by the repayment of $2.0 million of senior subordinated notes.

Acquisitions

Our agreements with respect to our prior acquisitions contain future consideration provisions that provide for the prior owners of the acquired entities to receive additional consideration if specified operating objectives and financial results are achieved in future periods. For additional information regarding the acquisitions and potential earn-out payments, see Note 3 to our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended June 30, 2014 and Note 3 to our unaudited condensed consolidated financial statements contained elsewhere in this report.

Credit Facility

We have a $30.0 million credit facility that includes a $2.0 million sublimit to support letters of credit and matures on August 9, 2018. The credit facility is collateralized by accounts receivable and other assets of the Company and its subsidiaries. Advances under the credit facility are available to fund future acquisitions, capital expenditures, repurchase of Company stock or for other corporate purposes. Borrowings under the credit facility accrue interest, at our option, at the bank's base prime rate minus 0.50% or LIBOR plus 2.25%. The rates can be subsequently adjusted based on the Company's fixed charge coverage ratio at the lender's base rate plus 0.0% to 0.50% or LIBOR plus 1.50% to 2.25%. The credit facility provides for advances of up to 85% of eligible domestic accounts receivable and, subject to certain sub-limits, 75% of eligible accrued but unbilled receivables and eligible foreign accounts receivable.

Under the terms of the credit facility, we are required to maintain a fixed charge coverage ratio of at least 1.1 to 1.0 in the event that availability is less than $5.0 million or an Event of Default was to occur.

For additional information regarding the credit facility, see Note 6 to our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended June 30, 2014 and Note 6 to our unaudited condensed consolidated financial statements contained elsewhere in this report.

Given our continued focus on the build-out of our network of operating partner locations, we believe that our current working capital and anticipated cash flow from operations are adequate to fund existing operations for the next 12 months. However, continued growth through strategic acquisitions, will require additional sources of financing as our existing working capital is not sufficient to finance our operations and an acquisition program. Thus, our ability to finance future acquisitions will be limited by the availability of additional capital. We may, however, finance acquisitions using our common stock as all or some portion of the consideration. In the event that our common stock does not attain or maintain a sufficient market value or potential acquisition candidates are otherwise unwilling to accept our securities as part of the purchase price for the sale of their businesses, we may be required to utilize more of our cash resources, if available, in order to continue our acquisition program. If we do not have sufficient cash resources through either operations or from debt facilities, our growth could be limited unless we are able to obtain such additional capital.

Off Balance Sheet Arrangements

As of September 30, 2014, we did not have any relationships with unconsolidated entities or financial partners, such as entities often referred to as structured finance or special purpose entities, established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As such, we are not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The guidance is effective for annual and interim periods beginning after December 15, 2016, and early adoption is not permitted. We are currently evaluating the impact, if any, that the adoption of this guidance will have on our consolidated financial statements and related disclosures.

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PART II. OTHER INFORMATION

ITEM 6. EXHIBITS

Exhibit No.	Exhibit	Method of Filing
31.1	Certification by Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification by Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification by the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith

SIGNATURES

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

	RADIANT LOGISTICS, INC.
Date: December 3, 2014	/s/ Bohn H. Crain Bohn H. Crain Chief Executive Officer (Principal Executive Officer)
Date: December 3, 2014	/s/ Todd E. Macomber Todd E. Macomber Senior Vice President and Chief Financial Officer (Principal Financial Officer)

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