Echo Global Logistics, Inc.
Form S-1/A
June 27, 2008

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As filed with the Securities and Exchange Commission on June 27, 2008

Registration No. 333-150514

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-1

REGISTRATION STATEMENT
under the
Securities Act of 1933

ECHO GLOBAL LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**4731**	**20-5001120**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If this Form is to be a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement of the earlier effective registration statement for the same offering: o

If this Form is a post-effective amendment pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller 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 o
Non-accelerated filer ý (Do not check if a smaller reporting company)	Smaller reporting company o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. The securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion: dated June 27, 2008

PROSPECTUS

Shares

ECHO GLOBAL LOGISTICS, INC.

Common Stock

This is an initial public offering of shares of common stock of Echo Global Logistics, Inc.

Echo is offering shares to be sold in the offering. The selling stockholders identified in this prospectus are offering an additional shares. Echo will not receive any proceeds from the sale of shares by the selling stockholders.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $ and $. Application has been made for quotation of the common stock on the Nasdaq Global Market under the symbol "ECHO."

See "Risk Factors" beginning on page 9 to read about factors you should consider before buying shares of our common stock.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds to Echo (before expenses)	$	$
Proceeds to selling stockholders (before expenses)	$	$

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from the selling stockholders at the initial public offering price less the underwriting discount.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment in New York, New York on , 2008.

Lehman Brothers **Citi**

William Blair & Company **Thomas Weisel Partners LLC**
Barrington Research **Craig-Hallum Capital Group**

, 2008.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including our financial statements and the related notes and schedules, included elsewhere in this prospectus. You should carefully consider, among other things, the matters discussed in "Risk Factors" beginning on page 9, and the consolidated financial statements and notes to those consolidated financial statements before making an investment decision.

ECHO GLOBAL LOGISTICS, INC.

Overview

We are a leading provider of technology enabled business process outsourcing (BPO) serving the transportation and logistics needs of our clients. Our proprietary technology platform compiles and analyzes data from our network of over 16,000 transportation providers to efficiently serve our clients' shipping and freight management needs. Our technology enables us to identify excess transportation capacity and obtain preferential rates, service terms and cost savings for our clients. Transportation involves the physical movement of goods, and logistics relates to the management and flow of those goods from origin to destination. We arrange transportation across all major modes, including truckload (TL), less than truck load (LTL), small parcel, inter-modal (which involves moving a shipment by rail and truck), domestic air, expedited services and international.

The ability of our technology platform to identify excess capacity solves a longstanding transportation industry problem of failing to match demand with available supply. As a result, we believe we provide benefits to our clients and to the carriers in our network. As a technology enabled BPO company, we are unencumbered by physical assets, meaning we do not own the transportation equipment used to transport our clients' freight or warehouse our clients' inventory. In addition, the prices we quote to our clients for their shipping needs include the market cost of fuel.

Our proprietary technology platform, Evolved Transportation Manager (ETM), allows us to analyze our clients' transportation requirements and provide recommendations that often result in cost savings of 5% to 15%. Using pricing, service and available capacity data derived from our carrier network, historical transaction information and external market sources, ETM analyzes the capabilities and pricing options of our carrier network and recommends cost-effective shipping alternatives. After the carrier is selected, either by the client or us, we use our ETM technology platform to manage all aspects of the shipping process.

Our clients gain access to our carrier network through our proprietary technology platform, which enables them to capitalize on our logistics knowledge, pricing intelligence and purchasing leverage. In some instances, our clients have eliminated their internal logistics departments altogether, allowing them to reduce overhead costs, redeploy internal resources and focus on their core businesses. Using ETM also provides our clients with the ability to track individual shipments, transfer shipment-level data to their financial management systems and create customized dashboards and reports detailing carrier activity on an enterprise-wide basis.

We procure transportation and provide logistics services for more than 4,600 clients across a wide range of industries, such as manufacturing and consumer products. Our clients fall into two categories, enterprise and transactional. We typically enter into multi-year contracts with our enterprise clients, which are often on an exclusive basis for a specific transportation mode or point of origin. As part of our value proposition, we also provide core logistics services to these clients, including the management of both freight expenditures and logistical issues surrounding freight to be transported. We provide transportation and logistics services to our transactional clients on a shipment-by-shipment basis,

typically with individual pricing. For the year ended December 31, 2007, enterprise and transactional clients accounted for 56% and 44% of our revenue, respectively.

We were formed in January 2005. In 2007, we served over 4,600 clients using approximately 3,900 different carriers. The number of our enterprise clients increased from 12 in 2005 to 62 in 2007, and we entered into contracts with seven new enterprise clients in the first quarter of 2008. Our revenue increased $88.2 million to $95.5 million in 2007 from $7.3 million in 2005, and our net income increased $2.2 million to $1.7 million in 2007 from a net loss of $0.5 million in 2005. We generate revenue by procuring transportation services on behalf of our clients through our carrier network. Typically, we generate profits on the difference between what we charge to our clients for these services and what we pay to our carriers. Our fee structure is primarily variable, although we have entered into a limited number of fixed fee arrangements that represent an insignificant amount of our total revenue.

Industry Background

The worldwide transportation and logistics market is an integral part of the global economy. According to the Council of Supply Chain Management Professionals, total transportation and logistics spend for the United States in 2006 was approximately $1.31 trillion. According to Armstrong & Associates, an independent research firm, gross revenue for third-party logistics in the United States in 2006 was approximately $113.6 billion.

Our management estimates that approximately 30% of available transportation capacity in the United States remains unused as a result of the inefficiencies in the transportation and logistics market relating to the absence of an established and automated marketplace. Without this marketplace, demand is not always matched with available supply due to constant fluctuations in transportation capacity and imperfect information, resulting in underutilized assets.

Third-party logistics providers for the transportation industry offer services such as transportation, distribution, supply chain management, customs brokerage, warehousing and freight management. Third-party logistics providers may also provide a range of ancillary services such as packaging and labeling, freight tracking and integration with client-specific planning systems to facilitate supply chain management. Although many large third-party logistics providers are asset-based providers, there is also a significant number of non-asset-based providers, which typically operate as small freight brokers with limited resources, limited carrier networks and modest or outdated information technology systems. Our management believes fewer than 5% of non-asset-based providers have more than 100 personnel and the small providers, comprising the other 95%, lack the scale to support the increasing requirements for national and global coverage across multiple modes of transportation, the ability to offer complete outsourcing and the ability to provide their clients with technology-driven logistics services.

According to Armstrong & Associates, from 1996 to 2006, the United States outsourced logistics market grew at a 13.9% compounded annual rate, from $30.8 billion to $113.6 billion in gross revenue. In addition, according to Armstrong & Associates, only 17% of logistics expenditures for the United States were outsourced in 2006. We believe that the market penetration of outsourced logistics in the United States will continue to expand over the next several years and that many companies will look to outsource their entire shipping department to third-party logistics providers rather than contracting with providers on a shipment-by-shipment basis.

Our Competitive Advantage

We believe a number of important competitive strengths will continue to drive our success in the future, including:

Innovative business model with significant value proposition for clients. We believe our technology-driven, transportation and logistics services improve on traditional transportation outsourcing models because we aggregate fragmented supply and demand information across all major modes of transportation from our network of clients and carriers. By using our proprietary technology platform and the market intelligence stored in our database, we are able to provide services more efficiently and recommend a carrier for each route, in each mode, at any given moment, often leading to cost savings. Our clients benefit from our aggregated buying power, and as a result, we are able to reduce many of our clients' total annual transportation and logistics costs by between 5% to 15%, while providing high-quality service.

Proprietary technology platform. Our proprietary ETM technology platform is a web-based system that provides cost savings, supply chain visibility and shipment execution across all major modes of transportation. Our ETM database expands and becomes more difficult to replicate as we increase the number of shipments and the amount of pricing, service and available capacity data increases. We use our ETM technology platform to analyze the capabilities of our network of over 16,000 carriers and recommend cost-effective shipping alternatives. We also use our ETM technology platform to track individual shipments and provide customized reports throughout the lifecycle of each shipment. ETM provides client-specific intelligence by giving them self-service access to carrier pricing information derived from data stored within ETM. We believe that the ability to provide these integrated transportation solutions furthers our competitive advantage.

Client interfacing technology and service. Our proprietary technology platform provides a central, scalable and configurable interface that enables our clients to cost-effectively manage their transportation and logistics costs. Our technology platform provides our clients with access to transportation market analytics and business intelligence capabilities, including the ability to obtain real-time information on individual shipments and available capacity, transfer shipment-level data to their financial management systems and create customized dashboards and reports detailing carrier activity on an enterprise-wide basis. Enterprise clients also benefit from dedicated teams of account executives and on-site support.

Multi-faceted sales strategy. We have built a multi-faceted sales strategy that effectively utilizes our enterprise sales representatives, transactional sales representatives and agent network. Our enterprise sales representatives typically have significant sales expertise and are focused on building relationships with our clients' senior management teams to execute multi-year enterprise contracts, typically with terms of one to three years. Our transactional sales representatives, with support from our account executives, are focused on building new transactional client relationships and migrating transactional accounts to enterprise accounts. Our agents are typically experienced industry sales professionals focused on building relationships with client department level transportation managers. Our multi-faceted sales strategy enables us to engage clients on a shipment-by-shipment basis (transactional) or a fully or partially outsourced basis (enterprise), which we believe enhances our ability to attract new clients and increase our revenue from existing clients.

Access to our carrier network. Our carrier network consists of over 16,000 carriers that have been selected based on their ability to effectively serve our clients on the basis of price, capabilities, geographic coverage and quality of service. We regularly monitor our carriers' pricing, shipment track record, capacity and financial stability using a system in which carriers are graded based on their performance against other carriers, giving our clients an enhanced level of quality control. By using our

visibility into carrier capacity, we are also able to negotiate favorable rates, manage our clients' transportation spend and identify cost-effective shipping alternatives.

Experienced management team. We have a highly experienced management team with extensive industry knowledge. Our Chief Executive Officer, Douglas R. Waggoner, is the former President and CEO of USF Bestway, a regional carrier based in Scottsdale, Arizona, and Daylight Transport, an LTL carrier based in Long Beach, California. Our Chief Financial Officer, David B. Menzel, is the former Chief Financial Officer of G2 SwitchWorks Corp., a travel technology company. Our non-executive Chairman, Samuel K. Skinner, is the former Chairman, President and Chief Executive Officer of USF Corporation, and the former Secretary of Transportation of the United States of America.

Our Strategy

Our objective is to become the premier provider of transportation and logistics services to corporate clients in the United States. Our business model and technological advantage have been the main drivers of our historical results and have positioned us for continued growth. The key elements of our strategy include:

Expand our client base. We intend to develop new long-term client relationships by using our industry experience and expanding our sales and marketing activities. As of March 31, 2008, we had contracts with 65 enterprise clients, including 35 new enterprise contracts executed in 2007 and seven new enterprise contracts executed in the first quarter of 2008. We seek to attract new enterprise clients by targeting companies with substantial transportation needs and demonstrating our ability to reduce their transportation costs by using our ETM technology platform. In addition, we plan to continue to hire additional sales representatives to build our transactional business across all major modes.

Further penetrate our established client base. As we increase the services we provide and demonstrate our ability to deliver cost savings, we are able to strengthen our relationships with our clients, penetrate incremental modes and geographies and generate more shipments. In 2007, 33% of our clients increased their business with us by more than 10%. In addition, as we become more fully integrated into the businesses of our transactional clients and are able to identify additional opportunities for efficiencies, we seek to further penetrate our client base by selling our enterprise services to those clients. Of our 65 enterprise clients as of March 31, 2008, 10 began as transactional clients.

Continue to make strategic acquisitions. We intend to continue to make strategic acquisitions that complement our relationships and domain expertise and expand our business into new geographic markets. Our objective is to increase our presence and capabilities in major commercial freight markets in the United States. We may also evaluate opportunities to access attractive markets outside the United States from time to time, or selectively consider strategic relationships that add new long-term client relationships, enhance our services or complement our business strategy.

Further invest in our proprietary technology platform. We intend to continue to improve and develop Internet and software-based information technologies that are compatible with our ETM platform. In order to continue to meet our clients' transportation requirements, we intend to invest in specific technology applications and personnel in order to improve and expand our offering.

Risk Factors

Our business is subject to numerous risks, as discussed more fully in the section entitled "Risk Factors" beginning on page 10. In particular, the following risks, among others, may have an adverse effect on our strategy, which could cause a decrease in the price of our common stock and result in a loss of all or a portion of your investment:

- If our carriers do not meet our needs or expectations, or those of our clients, our business would suffer.

- Competition could substantially impair our business and our operating results.

- A significant portion of our revenue is derived from a relatively limited number of large clients and any loss of, or decrease in sales to, these clients could harm our results of operations.

- If we are unable to expand the number of our sales representatives and agents, or if a significant number of our sales representatives and agents leave us, our ability to increase our revenues could be negatively impacted.

Except where the context requires otherwise, in this prospectus the terms "Company," "Echo," "we," "us" and "our" refer to Echo Global Logistics, Inc., a Delaware corporation, and, where appropriate, its subsidiaries.

Our principal executive offices are located at 600 West Chicago Avenue, Suite 725, Chicago, IL 60610, and our telephone number at this address is (800) 354-7993. Our website is www.echo.com. Information contained on our website is not a part of this prospectus.

"Echo Global Logistics," "Evolved Transportation Manager," "ETM," "Echo Trak," "eConnect," "EchoPak," "RateIQ," "LaneIQ," "EchoIQ," and the Echo Global Logistics logo are trademarks of Echo. All other trademarks appearing in this prospectus are the property of their respective owners.

You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with additional information or information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of our common stock only under circumstances and in jurisdictions where those offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

We operate in an industry in which it is difficult to obtain precise industry and market information. Although we have obtained some industry data from third-party sources that we believe to be reliable, in certain cases we have based certain statements contained in this prospectus regarding our industry and our position in the industry on our estimates concerning our customers and competitors. These estimates are based on our experience in the industry, conversations with our principal carriers and our own investigation of market conditions. Unless otherwise noted, the statistical data contained in this prospectus regarding the third-party logistics industry is based on data we obtained from Armstrong & Associates, an independent research firm.

THE OFFERING

Common Stock offered by Echo	shares
Common Stock offered by the selling stockholders	shares
Total	shares
Common Stock to be outstanding after this offering	shares
Underwriters' option to purchase additional shares from the selling stockholders	shares
Use of proceeds	We expect our net proceeds from this offering will be approximately $. We intend to use our net proceeds from this offering primarily to expand our sales force, to enhance our technology, to acquire or make strategic investments in complementary businesses and for working capital and other general corporate purposes. In addition, we intend to use approximately $2.3 million of our net proceeds from this offering to make required accrued dividend payments to the holders of our Series B and D preferred shares, which holders include certain of our directors or entities controlled or owned by them. See "Use of Proceeds."
Risk factors	See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
Nasdaq Global Market symbol	"ECHO"

Unless otherwise indicated, the number of shares of common stock to be outstanding after this offering excludes:

- 1,221,667 shares of issued unvested common stock;
- 2,735,500 shares of common stock issuable upon the exercise of outstanding stock options at a weighted average exercise price of $2.49 per share;
- shares of common stock underlying stock options that we intend to grant to certain employees prior to the completion of this offering under our stock incentive plan at an exercise price equal to the initial public offering price; and
- 1,419,500 shares of common stock available for additional grants under our stock incentive plan.

Prior to the completion of this offering, we intend to recapitalize all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock into newly issued shares of our common stock on approximately a one-for-one basis. The purpose of the recapitalization is to recapitalize all of our outstanding shares of capital stock into shares of the same class of common stock that will be sold in this offering. See "Certain Relationships and Related Party Transactions Recapitalization." Unless otherwise indicated, all share amounts:

- assume the underwriters' option to purchase additional shares from the selling stockholders is not exercised; and
- give effect to our recapitalization prior to the completion of this offering.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents summary consolidated financial and other data as of and for the periods indicated. Financial information for periods prior to 2005 has not been presented because we were formed in January 2005. You should read the following information together with the more detailed information contained in "Selected Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes. The pro forma consolidated statement of operations data for the year ended December 31, 2007 gives effect to the May 17, 2007 acquisition of Mountain Logistics as if this acquisition had occurred on January 1, 2007, and reflects the elimination of preferred dividends accrued during the period presented as a result of the recapitalization of all outstanding shares of our Series B preferred stock and Series D preferred stock into shares of our common stock as if the recapitalization had occurred on January 1, 2007. The pro forma consolidated statements of operations data do not necessarily indicate the results that would have actually occurred if the acquisition of Mountain Logistics had occurred on January 1, 2007 or that may occur in the future. You should read the pro forma consolidated statements of operations data together with the more detailed information contained in Unaudited Pro Forma Condensed Consolidated Financial Statements and the accompanying notes.

	Years ended December 31,			Pro forma year ended December 31,	Three months ended March 31,	
	2005	2006	2007	2007	2007	2008
				(unaudited)	(unaudited)	(unaudited)
	(dollars in thousands, except per share data)					
Consolidated statements of operations data:						
Revenue:						
Transportation	$ 7,228	$ 32,417	$ 93,932	$ 101,427	$ 12,694	$ 38,388
Fee for services	94	778	1,529	1,529	195	541
Total revenue	7,322	33,195	95,461	102,956	12,889	38,929
Transportation costs	6,152	27,704	74,576	80,133	10,373	30,175
Gross profit	1,170	5,491	20,885	22,823	2,516	8,754
Operating expenses:						
Commissions	156	866	4,291	5,001	314	1,922
General and administrative	1,472	4,387	12,037	12,886	1,730	4,625
Depreciation and amortization	67	691	1,845	2,102	257	705
Total operating expenses	1,695	5,944	18,173	19,989	2,301	7,252
Income (loss) from continuing operations	(525)	(453)	2,712	2,834	215	1,502
Other income (expense)	12	201	191	121	91	(1)
Income (loss) before income taxes and discontinued operations	(513)	(252)	2,903	2,955	306	1,501
Income tax benefit (expense)		220	(1,174)	(1,192)	(122)	(595)
Income (loss) before discontinued operations	(513)	(32)	1,729	1,763	184	906
Loss from discontinued operations		(214)				
Net income (loss)	(513)	(246)	1,729	1,763	184	906
Dividends on preferred shares	(154)	(749)	(1,054)		(262)	(262)
Net income (loss) applicable to common stockholders	$ (667)	$ (995)	$ 675	$ 1,763	$ (78)	$ 644

	Years ended December 31,			Pro forma year ended December 31,	Three months ended March 31,	
Net income (loss) per share of common stock:						
Basic	$ (0.03)	$ (0.04)	$ 0.03	$ 0.06	$	$ 0.03
Diluted	$ (0.03)	$ (0.04)	$ 0.03	$ 0.06	$	$ 0.03
Shares used in per share calculations:						
Basic	21,548	22,388	23,425	29,809	22,836	24,114
Diluted	21,548	22,388	24,905	31,289	22,836	25,416

	Years ended December 31,			Pro forma year ended December 31,	Three months ended March 31,	
	2005	2006	2007	2007	2007	2008
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(dollars in thousands, except per share data)					
Pro forma income tax benefit (expense)(1)	$ 205	$ (34)	$	$	$	$
Pro forma net loss(1)	$ (308)	$ (280)	$	$	$	$
Pro forma net income (loss) per share of common stock(2):						
Basic	$	$	$	$	$	$
Diluted	$	$	$	$	$	$
Shares used in unaudited pro forma per share calculations:						
Basic						
Diluted						
Other data:						
Enterprise clients(3)	12	27	62		33	65
Transactional clients served in period(4)	202	650	4,566		626	3,993
Total clients(5)	214	677	4,628		659	4,058
Employees and independent contractors(6)	44	105	344		138	433

(1) Unaudited pro forma data presented gives effect to our conversion on June 7, 2006 into a corporation as if it occurred at the beginning of the period presented. Unaudited pro forma income tax benefit (expense) represents a combined federal and state effective tax rate of 40% and does not consider potential tax loss carrybacks, carryforwards or realizability of deferred tax assets. Unaudited pro forma net loss represents our net loss for the periods presented as adjusted to give effect to the pro forma income tax benefit (expense) prior to our conversion to a C corporation, as we were not subject to income tax due to our treatment as a partnership for tax purposes.

(2) Unaudited pro forma net income (loss) per share of common stock (i) reflects the recapitalization of all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock on approximately a one-for-one basis and (ii) includes shares of our common stock to be sold by us in this offering assuming an initial public offering price of $ per share, the midpoint of the filing range set forth on the cover of this prospectus, the proceeds of which will be used to make approximately $2.3 million of required dividend payments to the holders of our Series B and D preferred shares.

(3) Reflects number of enterprise clients on the last day of the applicable period.

(4) Reflects number of transactional clients served in the applicable period.

(5) Reflects total number of enterprise clients determined on the last day of the applicable period and number of transactional clients served in the applicable period.

(6) Reflects number of employees, agents and independent contractors on the last day of the applicable period.

The pro forma as adjusted balance sheet data in the table below reflects (i) the recapitalization of all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock into newly issued shares of our common stock on approximately a one-for-one basis, (ii) approximately $2.3 million of required accrued dividend payments to the holders of our Series B and D preferred stock and (iii) the sale of shares of our common stock offered by us in this offering assuming an initial public offering price of $ per share,

the midpoint of the filing range set forth on the cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

	As of March 31, 2008	
	Actual	Pro forma as adjusted
	(unaudited) (in thousands)	
Consolidated balance sheet data:		
Cash and cash equivalents	$ 2,836	$
Working capital	4,996	
Total assets	34,215	
Total liabilities	17,648	
Convertible preferred shares	18,955	
Cash dividends per common share		
Total stockholders' equity (deficit)	(2,388)	

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risks and other information in this prospectus before you decide to buy our common stock. Our business, financial condition and operating results may suffer if any of the following risks are realized. If any of these risks or uncertainties occurs, the trading price of our common stock could decline and you might lose all or part of your investment.

Risks Related to Our Business

If our carriers do not meet our needs or expectations, or those of our clients, our business would suffer.

The success of our business depends to a large extent on our relationships with clients and our reputation for providing high-quality technology enabled transportation and logistics services. We do not own or control the transportation assets that deliver our clients' freight, and we do not employ the people directly involved in delivering the freight. We rely on independent third-parties to provide TL, LTL, small parcel, inter-modal, domestic air, expedited and international services and to report certain information to us, including information relating to delivery status and freight claims. This reliance could cause delays in providing our clients with important service data and in the financial reporting of certain events, including recognizing revenue and recording claims. If we are unable to secure sufficient transportation services to meet our commitments to our clients, our operating results could be adversely affected, and our clients could switch to our competitors temporarily or permanently. Many of these risks are beyond our control and difficult to anticipate, including:

- changes in rates charged by transportation providers;
- supply shortages in the transportation industry, particularly among truckload carriers;
- interruptions in service or stoppages in transportation as a result of labor disputes; and
- changes in regulations impacting transportation.

If any of the third-parties we rely on do not meet our needs or expectations, or those of our clients, our professional reputation may be damaged and our business would be harmed. For international shipments, we currently rely on one carrier to provide substantially all of our transportation. If this carrier fails to meet our needs or expectations, our ability to offer international shipping services could be delayed or disrupted, and our costs may increase. In 2006 and 2007, international shipments accounted for 0% and 3% of our revenue, respectively.

Competition could substantially impair our business and our operating results.

Competition in the transportation services industry is intense. We compete against other non-asset-based logistics companies as well as asset-based logistics companies; freight forwarders that dispatch shipments via asset-based carriers; carriers offering logistics services; internal shipping departments at companies that have substantial transportation requirements; large business process outsourcing (BPO) service providers; and smaller, niche service providers that provide services in a specific geographic market, industry segment or service area. We also compete against carriers' internal sales forces and shippers' transportation departments. At times, we buy transportation services from our competitors. Historically, competition has created a downward pressure on freight rates, and continuation of this rate pressure may adversely affect the Company's revenue and income from operations.

In addition, a software platform and database similar to ETM could be created over time by a competitor with sufficient financial resources and comparable experience in the transportation services industry. If our competitors are able to offer comparable services, we could lose clients, and our market share and profit margin could decline. Our competitors may also establish cooperative relationships to

increase their ability to address client needs. Increased competition may lead to revenue reductions, reduced profit margins or a loss of market share, any one of which could harm our business.

A significant portion of our revenue is derived from a relatively limited number of large clients and any loss of, or decrease in sales to, these clients could harm our results of operations.

A significant portion of our revenue is derived from a relatively limited number of large clients. Specifically, we have derived and are likely to continue to derive a significant portion of our revenue from Archway Marketing Services and Cenveo Corporation. Revenue from Archway Marketing Services and Cenveo Corporation accounted for 16% and 11% of our revenue in 2007. Revenue from our five largest clients, collectively, accounted for 44% of our revenue in 2007, and revenue from our 10 largest clients, collectively, accounted for 48% of our revenue in 2007. We are likely to continue to experience ongoing customer concentration, particularly if we are successful in attracting large enterprise clients. It is possible that revenue from these clients, either individually or as a group, may not reach or exceed historical levels in any future period. The loss or significant reduction of business from one or more of our major clients would adversely affect our results of operations.

If we are unable to expand the number of our sales representatives and agents, or if a significant number of our sales representatives and agents leaves us, our ability to increase our revenue could be negatively impacted.

Our ability to expand our business will depend, in part, on our ability to attract additional sales representatives and agents with established client relationships. Competition for qualified sales representatives and agents can be intense, and we may be unable to hire such persons. Any difficulties we experience in expanding the number of our sales representatives and agents could have a negative impact on our ability to expand our client base, increase our revenue and continue our growth.

In addition, we must retain our current sales representatives and agents and properly incentivize them to obtain new clients and maintain existing client relationships. If a significant number of our sales representatives and agents leaves us, our revenue could be negatively impacted. We have entered into agreements with our sales representatives and agents that contain non-compete provisions to mitigate this risk, but we may need to litigate to enforce our rights under these agreements, which could be time-consuming, expensive and ineffective. A significant increase in the turnover rate among our current sales representatives and agents could also increase our recruiting costs and decrease our operating efficiency, which could lead to a decline in the demand for our services.

If our services do not achieve widespread commercial acceptance, our business will suffer.

Many companies coordinate the procurement and management of their logistics needs with their own employees using a combination of telephone, facsimile, e-mail and the Internet. Growth in the demand for our services depends on the adoption of our technology enabled transportation and logistics services. We may not be able to persuade prospective clients to change their traditional transportation management processes. Our business could suffer if our services are not accepted by the marketplace.

We may not be able to develop or implement new systems, procedures and controls that are required to support the anticipated growth in our operations.

Our revenue increased to $95.5 million in 2007 from $7.3 million in 2005, representing an annual growth rate of 353% from 2005 to 2006 and 188% from 2006 to 2007. Between January 1, 2005 and December 31, 2007, the number of our employees and independent contractors increased from 44 to 344. Continued growth could place a significant strain on our ability to:

- recruit, motivate and retain qualified sales representatives and agents, carrier representatives and management personnel;

- develop and improve our internal administrative infrastructure and execution standards; and

- expand and maintain the operation of our technology infrastructure in a manner that preserves a quality customer experience.

To manage our growth, we must implement and maintain proper operational and financial controls and systems. Further, we will need to manage our relationships with various clients and carriers. We cannot give any assurance that we will be able to develop and implement, on a timely basis, the systems, procedures and controls required to support the growth in our operations or effectively manage our relationships with various clients and carriers. If we are unable to manage our growth, our business, operating results and financial condition could be adversely affected.

If we are unable to maintain ETM, our proprietary software, demand for our services and our revenue could decrease.

We rely heavily on ETM, our proprietary software, to track and store externally and internally generated market data, analyze the capabilities of our carrier network and recommend cost-effective carriers in the appropriate transportation mode. To keep pace with changing technologies and client demands, we must correctly interpret and address market trends and enhance the features and functionality of our proprietary technology platform in response to these trends, which may lead to significant ongoing research and development costs. We may be unable to accurately determine the needs of our clients and the trends in the transportation services industry or to design and implement the appropriate features and functionality of our technology platform in a timely and cost-effective manner, which could result in decreased demand for our services and a corresponding decrease in our revenue. Despite testing, we may be unable to detect defects in existing or new versions of our proprietary software, or errors may arise in our software. Any failure to identify and address such defects or errors could result in loss of revenue or market share, liability to clients or others, diversion of resources, injury to our reputation, and increased service and maintenance costs. Correction of such errors could prove to be impossible or very costly, and responding to resulting claims or liability could similarly involve substantial cost.

We have not registered any patents nor trademarks to date, and our inability to protect our intellectual property rights may impair our competitive position.

Our failure to adequately protect our intellectual property and other proprietary rights could harm our competitive position. We rely on a combination of copyright, trademark, and trade secret laws, as well as license agreements and other contractual provisions to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring all of our employees and independent contractors to enter into confidentiality and invention assignment agreements. To date we have not pursued patent protection for our technology. We also have not registered trademarks to protect our brands. We have one application for trademark registration pending at the United States Patent and Trademark Office, but it has not yet been examined, and there is no guarantee that the mark will be registered. We cannot be certain that the steps we have taken to protect our intellectual property rights will be adequate or will prevent third-parties from infringing or misappropriating our rights; imitating or duplicating our technology, services or methodologies, including ETM; or using trademarks similar to ours. Should we need to resort to litigation to enforce our intellectual property rights or to determine the validity and scope of the rights of others, such litigation could be time-consuming and costly, and the result of any litigation is subject to uncertainty. In addition, ETM incorporates open source software components that are licensed to us under various public domain licenses. Although we believe that we have complied with our obligations under the various applicable licenses for the open source software that we use, there is little or no legal precedent governing the interpretation of many of the terms of these licenses, and the potential impact of such terms on our business is, therefore, difficult to predict.

We may be sued by third-parties for alleged infringement of their intellectual or proprietary rights.

Our use of ETM or other technologies could be challenged by claims that such use infringes, misappropriates or otherwise violates the intellectual property rights of third-parties. Any intellectual property claims, with or without merit, could be time-consuming and costly to resolve, could divert management's attention from our business and could require us to pay substantial monetary damages. Any settlement or adverse judgment resulting from such a claim could require us to enter into a licensing agreement to continue using the technology that is the subject of the claim, or could otherwise restrict or prohibit our use of such technology. There can be no assurance that we would be able to obtain a license on commercially reasonable terms, if at all, from the party asserting an infringement claim, or that we would be able to develop or license a suitable alternative technology to permit us to continue offering the affected services to our clients. Our insurance coverage for claims of infringement, misappropriation, or other violation of the intellectual property rights of third-parties may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims against us, and our insurers may disclaim coverage as to any future claims. An uninsured or underinsured claim could result in unanticipated costs thereby reducing operating results.

We have a long selling cycle to secure a new enterprise contract and a long implementation cycle, which require significant investments of resources.

We typically face a long selling cycle to secure a new enterprise contract, which requires significant investment of resources and time by both our clients and us. Before committing to use our services, potential clients require us to spend time and resources educating them on the value of our services and assessing the feasibility of integrating our systems and processes with theirs. Our clients then evaluate our services before deciding whether to use them. Therefore, our enterprise selling cycle, which can take up to six months, is subject to many risks and delays over which we have little control, including our clients' decisions to choose alternatives to our services (such as other providers or in-house resources) and the timing of our clients' budget cycles and approval processes.

Implementing our enterprise services, which can take from one to six months, involves a significant commitment of resources over an extended period of time from both our clients and us. Depending on the scope and complexity of the processes being implemented, these time periods may be significantly longer. Our clients and future clients may not be willing or able to invest the time and resources necessary to implement our services, and we may fail to close sales with potential clients to which we have devoted significant time and resources, which could have a material adverse effect on our business, results of operations, financial condition and cash flows, as we do not recognize significant revenue until after we have completed the implementation phase.

Our clients may terminate their relationships with us on short notice with limited or no penalties, and our clients are not obligated to spend a minimum amount with us.

Our transactional clients, which accounted for approximately 22% and 44% of our revenue in 2006 and 2007, respectively, use our services on a shipment-by-shipment basis rather than under long-term contracts. These clients have no obligation to continue using our services and may stop using them at any time without penalty or with only limited penalties. Our contracts with enterprise clients typically have terms of one to three years and are subject to termination provisions negotiated on a contract-by-contract basis. These termination provisions typically provide the client with the ability to terminate upon 30 days' advance written notice in the event of a material breach. Included as a material breach is the Company's failure to provide the negotiated level of cost savings. In some cases, the enterprise contracts may be terminated by providing written notice within 60 days of execution or may be terminated upon 60 to 90 days' advanced written notice for any reason. Enterprise contracts accounting for 3% and 18% of our revenue in 2007 are scheduled to expire (subject to possible renewal) in 2008 and 2009, respectively.

The volume and type of services we provide each client may vary from year to year and could be reduced if the client were to change its outsourcing or shipping strategy. Our enterprise clients generally are not obligated to spend any particular amount with us, although our enterprise contracts are typically exclusive with respect to point of origin or one or more modes of transportation, meaning that the client is obligated to use us if it ships from the point of origin or uses those modes. These contractual exclusivity provisions help ensure, but do not guarantee, that we receive a significant portion of the amount that our enterprise clients spend on transportation in the applicable mode or modes or from the applicable point of origin. In our experience, compliance with such provisions varies from client to client and over time. Failure to comply with these exclusivity provisions may adversely affect our revenue.

If a significant number of our transactional or enterprise clients elect to terminate or not to renew their engagements with us, or if the volume of their shipping orders decreases, our business, operating results and financial condition could suffer. If we are unable to renew our enterprise contracts at favorable rates, our revenue may decline.

If we are unable to deliver agreed upon cost savings to our enterprise clients, we could lose those clients and our results could suffer.

Our contracts with enterprise clients typically commit us to deliver a negotiated level of cost savings compared to our clients' historical shipping expenditures over a fixed period of time. We then estimate cost savings periodically during the term of our engagement and if the negotiated amount is not achieved, the client has the right to terminate the contract. Any number of factors, including a downturn in the economy, increases in costs, or decreases in the availability of transportation capacity, could impair our ability to provide the agreed cost savings. Even if our enterprise clients do not terminate their contracts with us as a result, our results of operations will suffer, and it may become more difficult to attract new enterprise clients.

A significant or prolonged economic downturn, particularly within the transportation services industry, or a substantial downturn in our clients' business cycles, could adversely affect our revenue and results of operations.

The transportation industry has historically experienced cyclical fluctuations in financial results due to, among other things, economic recession, downturns in business cycles, fuel shortages or fluctuations in energy prices generally, price increases by carriers, changes in regulatory standards, interest rate fluctuations and other economic factors beyond our control. Carriers may charge higher prices to cover higher operating expenses, and our gross profits and income from operations may decrease if we are unable to pass through to our clients the full amount of higher transportation costs. If an economic recession or a downturn in our clients' business cycles causes a reduction in the volume of freight shipped by those clients, our operating results could also be adversely affected.

High fuel prices may increase carrier prices, which may impair our operating results.

Currently, fuel prices are at historically high levels. In the event fuel prices continue to rise, carriers can be expected to charge higher prices to cover higher operating expenses, and our gross profits and income from operations may decrease if we are unable to continue to pass through to our clients the full amount of these higher costs. In addition, higher fuel costs could cause material shifts in the percentage of our revenue by transportation mode, as our clients may elect to utilize alternative transportation modes, such as inter-modal. Any material shifts to transportation modes with respect to which we realize lower gross profit margins could impair our operating results.

A decrease in levels of excess capacity in the U.S. transportation services industry could have an adverse impact on our business.

We believe that, historically, the U.S. transportation services industry has experienced significant levels of excess capacity. Our business seeks to capitalize on imbalances between supply and demand in the transportation services industry by obtaining favorable pricing terms from carriers in our network through a competitive bid process. Reduced excess capacity in the transportation services industry generally, and in our carrier network specifically, could have an adverse impact on our ability to execute our business strategy and on our business results and growth prospects.

A decrease in the number of carriers participating in our system could adversely affect our business.

We use our proprietary technology platform to compile freight and logistics data from over 16,000 TL carriers and 50 LTL carriers and from six small parcel carriers, 18 inter-modal carriers, 12 domestic air carriers and 10 international carriers as of December 31, 2007. We expect to continue to rely on these carriers to fulfill our shipping orders in the future. However, these carriers are not contractually required to continue to accept orders from us. If shipping capacity at a significant number of these carriers becomes unavailable, we will be required to use fewer carriers, which could significantly limit our ability to serve our clients on competitive terms. The transportation industry has also experienced consolidation among carriers in recent years and further consolidations could result in a decrease in the number of carriers, which may impact our ability to serve our clients on competitive terms. In addition, we rely on price bids provided by our carriers to populate our database. If the number of our carriers decreases significantly, we may not be able to obtain sufficient pricing information for ETM, which could affect our ability to obtain favorable pricing for our clients.

Our obligation to pay our carriers is not contingent upon receipt of payment from our clients, and we extend credit to certain clients as part of our business model.

In most cases, we take full risk of credit loss for the transportation services we procure from carriers. Our obligation to pay our carriers is not contingent upon receipt of payment from our clients. In 2006 and 2007, our revenue was $33.2 million and $95.5 million, respectively, and our top 10 clients accounted for 76% and 48% of our revenue, respectively. If any of our key clients fail to pay for our services, our profitability would be negatively impacted.

We extend credit to certain clients in the ordinary course of business as part of our business model. By extending credit, we increase our exposure to uncollected receivables. If we fail to monitor and manage effectively the resulting credit risk, our immediate and long-term liquidity may be adversely affected. In addition, if one of our key clients defaults in paying us, our profitability would be negatively impacted.

A prolonged outage of our ETM database could result in reduced revenue and the loss of clients.

The success of our business depends upon our ability to deliver time-sensitive, up-to-date data and information. We rely on our internet access, computer equipment, software applications, database storage facilities and other office equipment, which are mainly located in our Chicago headquarters. Our operations and those of our carriers and clients are vulnerable to interruption by fire, earthquake, power loss, telecommunications failure, terrorist attacks, wars, computer viruses, hacker attacks, equipment failure, physical break-ins and other events beyond our control, including disasters affecting Chicago. We attempt to mitigate these risks through various means, including system backup and security measures, but our precautions will not protect against all potential problems. We maintain fully redundant off-site backup facilities for our internet access, computer equipment, software applications, database storage and network equipment, but these facilities could be subject to the same interruptions that could affect our headquarters. If we suffer a database or network facility outage, our business could experience disruption, and we could suffer reduced revenue and the loss of clients.

Our ETM technology platform relies heavily on our telecommunication service providers, our electronic delivery systems and the Internet, which exposes us to a number of risks over which we have no control, including risks with respect to increased prices, termination, failures and disruptions of essential services.

Our ability to deliver our services depends upon the capacity, reliability and security of services provided to us by our telecommunication service providers, our electronic delivery systems and the Internet. We have no control over the operation, quality or maintenance of these services or whether the vendors will improve their services or continue to provide services that are essential to our business. In addition, our telecommunication service providers may increase their prices at which they provide services, which would increase our costs. If our telecommunication service providers were to cease to provide essential services or to significantly increase their prices, we could be required to find alternative vendors for these services. With a limited number of vendors, we could experience significant delays in obtaining new or replacement services, which could significantly harm our reputation and could cause us to lose clients and revenue. Moreover, our ability to deliver information using the Internet may be impaired because of infrastructure failures, service outages at third-party Internet providers or increased government regulation. If disruptions, failures or slowdowns of our electronic delivery systems or the Internet occur, our ability to provide technology enabled BPO services effectively and to serve our clients may be impaired.

We are subject to claims arising from our transportation operations.

We use the services of thousands of transportation companies and their drivers in connection with our transportation operations. From time to time, these drivers are involved in accidents or goods carried by these drivers are lost or damaged and the carriers may not have adequate insurance coverage. Although these drivers are not our employees and all of these drivers are employees or independent contractors working for carriers or are owner-operators, from time to time, claims may be asserted against us for their actions, or for our actions in retaining them. Claims against us may exceed the amount of our insurance coverage, or may not be covered by insurance at all. If a shipment is lost or damaged during the delivery process, a client may file a claim for the damaged shipment with us and we will bear the risk of recovering the claim amount from the carrier. If we are unable to recover all or any portion of the claim amount from the carrier, and to the extent each claim exceeds the amount which may be recovered from the Company's own insurance, we may bear the financial loss. A material increase in the frequency or severity of accidents, claims for lost or damaged goods, liability claims or workers' compensation claims, or unfavorable resolutions of claims, could materially adversely affect our operating results. Significant increases in insurance costs or the inability to purchase insurance as a result of these claims could also reduce our profitability.

Our industry is subject to seasonal sales fluctuations. If our business experiences seasonality, it could have an adverse effect on our operating results and financial condition.

Our industry is subject to some degree of seasonal sales fluctuations as shipments generally are lower during and after the winter holiday season because many of our retail clients ship goods and stock inventories prior to the winter holiday season. If we were to experience lower-than-expected revenue during any such period, whether from a general decline in economic conditions or other factors beyond our control, our expenses may not be offset, which would have a disproportionately adverse impact on our operating results and financial condition for that period.

Our limited operating history makes it difficult to evaluate our business, prospects and future financial performance.

We formed our business in January 2005 and have a limited operating history, which makes evaluating our current business and prospects difficult. The revenue and income potential of our business is uncertain, which makes it difficult to accurately predict our future financial performance.

We incurred net losses of $0.5 million in 2005 and $0.2 million in 2006, and we may incur net losses in the future. We may also face periods where our financial performance falls below investor expectations. As a result, the price of our common stock may decline.

Because many of the members of our management team have been employed with us for a short period of time, we cannot be certain that they will be able to manage our business successfully.

We are dependent on our management team for our business to be successful. Because of our limited operating history, many of our key management personnel have been employed by us for less than two years. Therefore, we cannot be certain that we will be able to allocate responsibilities appropriately and that the new members of our management team will succeed in their roles. Our inability to integrate recent additions to our current management team with our business model would make it difficult for us to manage our business successfully and to pursue our growth strategy.

We may not be able to identify suitable acquisition candidates, effectively integrate newly acquired businesses or achieve expected profitability from acquisitions.

Part of our growth strategy is to increase our revenue and the market regions that we serve through the acquisition of complementary businesses. There can be no assurance that suitable candidates for acquisitions can be identified or, if suitable candidates are identified, that acquisitions can be completed on acceptable terms, if at all. Even if suitable candidates are identified, any future acquisitions may entail a number of risks that could adversely affect our business and the market price of our common stock, including the integration of the acquired operations, diversion of management's attention, risks of entering new market regions in which we have limited experience, adverse short-term effects on our reported operating results, the potential loss of key employees of acquired businesses and risks associated with unanticipated liabilities.

We may use our common stock to pay for acquisitions. If the owners of potential acquisition candidates are not willing to receive our common stock in exchange for their businesses, our acquisition prospects could be limited. Future acquisitions could also result in accounting charges, potentially dilutive issuances of equity securities and increased debt and contingent liabilities, including liabilities related to unknown or undisclosed circumstances, any of which could have a material adverse effect on our business and the market price of our common stock.

We may face difficulties as we expand our operations into countries in which we have limited operating experience.

We provide transportation services within and between continents on an increasing basis. In 2006 and 2007, international transportation accounted for 0% and 3% of revenue, respectively. We intend to continue expanding our global footprint, specifically in international-air and ocean modes, in order to maintain an appropriate cost structure and meet our clients' delivery needs. This may involve expanding into countries other than those in which we currently operate. Our business outside of the United States is subject to various risks, including:

- changes in economic and political conditions in the United States and abroad;
- changes in compliance with international and domestic laws and regulations;
- wars, civil unrest, acts of terrorism and other conflicts;
- natural disasters;
- changes in tariffs, trade restrictions, trade agreements and taxations;
- difficulties in managing or overseeing foreign operations;
- limitations on the repatriation of funds because of foreign exchange controls;

- less developed and less predictable legal systems than those in the United States; and

- intellectual property laws of countries which do not protect our intellectual property rights to the same extent as the laws of the United States.

The occurrence or consequences of any of these factors may restrict our ability to operate in the affected region and/or decrease the profitability of our operations in that region.

As we expand our business in foreign countries we will become exposed to increased risk of loss from foreign currency fluctuations and exchange controls as well as longer accounts receivable payment cycles. We have limited control over these risks, and if we do not correctly anticipate changes in international economic and political conditions, we may not alter our business practices in time to avoid adverse effects.

If we are unable to manage the risks and challenges associated with our operations in India, the growth of our business could be impacted.

In 2005, we expanded our business operations to include facilities in Kolkata and Pune, India. These facilities, which provide customer support and administrative services, accounted for approximately 8% of our workforce as of March 31, 2008. We are subject to a number of risks and challenges that specifically relate to our operations in India, including the following:

- wages in India are increasing at a faster rate than in the North America, which may result in increased costs for our Indian workforce;

- the exchange rate between the Indian rupee and the U.S. dollar has changed substantially in recent years and may fluctuate substantially in the future. An appreciation of the Indian rupee against the U.S. dollar or a fluctuation in interest rates in India may have an adverse effect on our cost of revenue, gross profit margin and net income, which may in turn have a negative impact on our business, operating results and financial condition; and

- we do not currently employ our Indian workforce directly but rather contract with an independent third-party to provide and train workers through our build, operate, transfer (BOT) arrangements. Although additional hiring may be necessary, we are able to provide all of the services performed by our Indian workforce through our domestic operations. In addition, we believe that we could replace our BOT arrangement over time with other arrangements in India or in another low cost foreign labor market. However, a significant failure by our independent contractor to provide and train Indian workers under our existing BOT arrangement could result in increased costs and disruptions or delays in the provision of our services and could distract our management from operating and growing our business.

Our operations are subject to various environmental laws and regulations, the violation of which could result in substantial fines or penalties.

From time to time, we arrange for the movement of hazardous materials at the request of our clients. As a result, we are subject to various environmental laws and regulations relating to the handling, transport and disposal of hazardous materials. If our clients or carriers are involved in a spill or other accident involving hazardous materials, or if we are found to be in violation of applicable laws or regulations, we could be subject to substantial fines or penalties, response or remediation costs, and civil and criminal liability, any of which could have an adverse effect on our business and results of operations. In addition, current and future national laws and multilateral agreements relating to carbon emissions and the effects of global warming can be expected to have a significant impact on the transportation sector generally and the operations and profitability of some of our carriers in particular, which could adversely affect our business and results of operations.

Our business depends on compliance with many government regulations.

International and domestic transportation of goods is subject to a number of governmental regulations, including licensing and financial security requirements, import and export regulations, security requirements, packaging regulations and notification requirements. These regulations and requirements are subject to change based on new legislation and regulatory initiatives, which could affect the economics of the transportation industry by requiring changes in operating practices or influencing the demand for, and the cost of providing, transportation services.

We are licensed by the U.S. Department of Transportation as a broker authorized to arrange for the transportation of general commodities by motor vehicle. We must comply with certain insurance and surety bond requirements to act in this capacity. Prior to the completion of this offering, we expect to obtain an ocean transportation intermediary license from the Federal Maritime Commission to act as an ocean freight forwarder and as a non-vessel operating common carrier. The application for our ocean transportation intermediary license has been approved, and we expect to be issued the license upon the completion of certain compliance requirements.

We are currently providing customs broker services through contacts with licensed customs brokers. We are in the process of obtaining a license as a customs broker, and as a licensed customs broker we will be required to comply with applicable customs and customs broker regulations. We intend to register as an indirect air carrier with the Transportation Security Administration, and as a registered indirect air carrier we will be required to comply with air security regulations imposed by the Transportation Security Administration.

We may experience an increase in operating costs, such as security costs, as a result of governmental regulations that have been and will be adopted in response to terrorist activities and potential terrorist activities. No assurances can be given that we will be able to pass these increased costs on to our clients in the form of rate increases or surcharges.

If the key members of our management team do not remain with us in the future, our business, operating results and financial condition could be adversely affected.

Our future success may depend to a significant extent on the continued services of Douglas R. Waggoner, our Chief Executive Officer; David B. Menzel, our Chief Financial Officer; and Samuel K. Skinner, our non-executive Chairman. The loss of the services of any of these or other individuals could adversely affect our business, operating results and financial condition and could divert other senior management time in searching for their replacements.

Our management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day-to-day management of our business.

The individuals who now constitute our management team have limited experience managing a publicly-traded company and limited experience complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition into a public company that will be subject to significant regulatory oversight and reporting obligations under federal securities laws. In particular, these new obligations will require substantial attention from our senior management and divert their attention away from the day-to-day management of our business, which could materially and adversely impact our business operations.

We will incur increased costs as a result of being a public company.

We will face increased legal, accounting, administrative and other costs and expenses as a public company that we do not incur as a private company. The Sarbanes-Oxley Act of 2002, including the requirements of Section 404, as well as new rules and regulations subsequently implemented by the Securities and Exchange Commission (the SEC), the Public Company Accounting Oversight Board and

the Nasdaq Global Market, imposes additional reporting and other obligations on public companies. We expect that compliance with these public company requirements will increase our costs and make some activities more time-consuming. A number of those requirements will require us to carry out activities we have not done previously. For example, we will create new board committees and adopt new internal controls and disclosure controls and procedures. In addition, we will incur additional expenses associated with our SEC reporting requirements. For example, under Section 404 of the Sarbanes-Oxley Act, for our annual report on Form 10-K for our fiscal year ending December 31, 2009, we will need to document and test our internal control procedures, our management will need to assess and report on our internal control over financial reporting and our independent accountants will need to issue an opinion on the effectiveness of those controls. Furthermore, if we identify any issues in complying with those requirements (for example, if we or our accountants identified a material weakness or significant deficiency in our internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect us, our reputation or investor perceptions of us. We also expect that it will be difficult and expensive to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers. Advocacy efforts by stockholders and third-parties may also prompt even more changes in governance and reporting requirements. We expect that the additional reporting and other obligations imposed on us by these rules and regulations will increase our legal and financial compliance costs and the costs of our related legal, accounting and administrative activities by approximately $1.4 million per year. These increased costs will require us to divert a significant amount of money that we could otherwise use to expand our business and achieve our strategic objectives.

Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from growing.

We may in the future be required to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could harm our business. Additional equity financing may dilute the interests of our common stock holders, and debt financing, if available, may involve restrictive covenants and could reduce our profitability. If we cannot raise funds on acceptable terms, we may not be able to grow our business or respond to competitive pressures.

Risks Related to this Offering and Ownership of Our Common Stock

Because a limited number of stockholders will control the majority of the voting power of our common stock, investors in this offering will not be able to determine the outcome of stockholder votes.

Upon the completion of this offering, Eric P. Lefkofsky, Richard A. Heise, Jr., family members of Bradley A. Keywell, affiliates of the Nazarian family and affiliates of New Enterprise Associates will, directly or indirectly, beneficially own and have the ability to exercise voting control over, in the aggregate, % of our outstanding common stock. As a result, these stockholders will be able to exercise significant control over all matters requiring stockholder approval, including the election of directors, any amendments to our certificate of incorporation and significant corporate transactions. These stockholders may exercise this control even if they are opposed by our other stockholders. Without the consent of these stockholders, we could be delayed or prevented from entering into transactions (including the acquisition of our company by third-parties) that may be viewed as beneficial to us or our other stockholders. In addition, this significant concentration of stock ownership may adversely affect the trading price of our common stock if investors perceive disadvantages in owning stock in a company with controlling stockholders.

The future sale of our common stock could negatively affect our stock price after this offering.

After this offering, we will have shares of common stock outstanding, of which will be available for immediate public sale. The remaining shares of common stock outstanding after this offering, including an aggregate of shares beneficially owned, directly or indirectly, by Eric P. Lefkofsky, Richard A. Heise, Jr., Bradley A. Keywell, affiliates of the Nazarian family and affiliates of New Enterprise Associates, will be available for sale 180 days after the date of this prospectus, subject (in the case of shares held by our affiliates) to volume, manner of sale and other limitations under Rule 144. Additional sales of our common stock in the public market after this offering, or the perception that these sales could occur, could cause the market price of our common stock to decline.

Our directors, officers and stockholders have agreed to enter into "lock up" agreements with the underwriters, in which they will agree to refrain from selling their shares for a period of 180 days after this offering. of our shares will become available for sale 180 days after this offering upon the expiration of these agreements. Increased sales of our common stock in the market could exert significant downward pressure on our stock price. These sales also may make it more difficult for us to sell equity or equity-related securities in the future at a time and price we deem appropriate.

In addition, of our shares of common stock, including shares beneficially owned, directly or indirectly, by Eric P. Lefkofsky, Richard A. Heise, Jr., family members of Bradley A. Keywell, affiliates of the Nazarian family and affiliates of New Enterprise Associates, will be entitled to registration rights with respect to these shares after this offering. Such holders may require us to register the resale of all or substantially all of these shares upon demand. These holders include certain individuals and entities that will be selling shares of our common stock in this offering.

We will have broad discretion in using our net proceeds from this offering, and the benefits from our use of the proceeds may not meet investors' expectations.

Our management will have broad discretion over the allocation of our net proceeds from this offering as well as over the timing of their expenditure without stockholder approval. We have not yet determined the specific amounts of the $ million of our net proceeds to be used to expand our sales force, to enhance our technology, to acquire or make strategic investments in complementary businesses and for working capital and other general corporate purposes. As a result, investors will be relying upon management's judgment with only limited information about our specific intentions for the use of the balance of our net proceeds from this offering. Our failure to apply these proceeds effectively could cause our business to suffer.

Our stock price may be volatile, and you may not be able to resell your shares at or above the initial public offering price.

Prior to this offering, there has been no public market for shares of our common stock. An active public trading market for our common stock may not develop or, if it develops, may not be maintained after this offering, and the market price could fall below the initial public offering price. If no trading market develops, securities analysts may not initiate or maintain research coverage of our company, which could further depress the market for our common stock. Some of the factors that may cause the market price of our common stock to fluctuate include:

- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in market valuations of similar companies;
- success of competitive products or services;

- changes in our capital structure, such as future issuances of debt or equity securities;
- announcements by us, our competitors, our clients or our carriers of significant products or services, contracts, acquisitions or strategic alliances;
- regulatory developments in the United States or foreign countries;
- litigation involving our company, our general industry or both;
- additions or departures of key personnel;
- investors' general perception of us; and
- changes in general economic, industry and market conditions.

In addition, if the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to class action lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management. As a result, you could lose all or part of your investment. Our company, the selling stockholders and the representatives of the underwriters have negotiated to determine the initial public offering price. The initial public offering price may be higher than the trading price of our common stock following this offering.

Our quarterly results are difficult to predict and may vary from quarter to quarter, which may result in our failure to meet the expectations of investors and increased volatility of our stock price.

The continued use of our services by our clients depends, in part, on the business activity of our clients and our ability to meet their cost saving needs, as well as their own changing business conditions. In addition, a significant percentage of our revenue is subject to the discretion of our transactional clients, who may stop using our services at any time, and the transportation industry in which we operate is subject to some degree of seasonal sales fluctuations as shipments generally are lower during and after the winter holiday season because many of our retail clients ship goods and stock inventories prior to the winter holiday season. Therefore, the number, size and profitability of shipments may vary significantly from quarter to quarter. As a result, our quarterly operating results are difficult to predict and may fall below the expectations of current or potential investors in some future quarters, which could lead to a significant decline in the market price of our stock and volatility in our stock price.

If equity research analysts do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock will rely in part on the research and reports that equity research analysts publish about us and our business. We do not control these analysts. The price of our stock could decline if one or more equity analysts downgrade our stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

Because our existing investors paid substantially less than the initial public offering price when they purchased their shares, new investors will incur immediate and substantial dilution in their investment.

Investors purchasing shares in this offering will incur immediate and substantial dilution in net tangible book value per share because the price that new investors pay will be substantially greater than the net tangible book value per share of the shares acquired. This dilution is due in large part to the fact that our existing investors paid substantially less than the initial public offering price when they

purchased their shares. In addition, there will be options to purchase shares of common stock outstanding upon the completion of this offering. To the extent such options are exercised in the future, there will be further dilution to new investors.

The initial public offering price for the shares sold in this offering was determined by negotiations among us, the selling stockholders and the representatives of the underwriters and may not be indicative of prices that will prevail in the trading market. See "Underwriting" for a discussion of the determination of the initial public offering price.

We do not currently intend to pay dividends, which may limit the return on your investment in us.

We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future.

If our board of directors authorizes the issuance of preferred stock, holders of our common stock could be diluted and harmed.

Our board of directors has the authority to issue up to million shares of preferred stock in one or more series and to establish the preferred stock's voting powers, preferences and other rights and qualifications without any further vote or action by the stockholders. The issuance of preferred stock could adversely affect the voting power and dividend liquidation rights of the holders of common stock. In addition, the issuance of preferred stock could have the effect of making it more difficult for a third-party to acquire, or discouraging a third-party from acquiring, a majority of our outstanding voting stock or otherwise adversely affect the market price of our common stock. It is possible that we may need, or find it advantageous, to raise capital through the sale of preferred stock in the future.

FORWARD-LOOKING STATEMENTS

Many of the statements included in this prospectus contain forward-looking statements and information relating to our company. We generally identify forward-looking statements by the use of terminology such as "may," "will," "could," "should," "potential," "continue," "expect," "intend," "plan," "estimate," "anticipate," "believe," or similar phrases or the negatives of such terms. We base these statements on our beliefs as well as assumptions we made using information currently available to us. Such statements are subject to risks, uncertainties and assumptions, including those identified in "Risk Factors," as well as other matters not yet known to us or not currently considered material by us. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this prospectus. Forward-looking statements do not guarantee future performance and should not be considered as statements of fact.

Factors that may cause actual results to differ from expected results include, among others:

- general economic conditions, including an increase in fuel prices and a downturn in the transportation services and business process outsourcing industry;
- competition in our industry and innovation by our competitors;
- our failure to anticipate and adapt to future changes in our industry;
- uncertainty regarding our product and service innovations;
- our inability to successfully identify and manage our acquisitions or hire qualified account executives;

adverse developments concerning our relationships with certain key clients or carriers;

our inability to adequately protect our intellectual property and litigation regarding intellectual property;

the increased expenses and administrative workload associated with being a public company; and

failure to maintain an effective system of internal controls necessary to accurately report our financial results and prevent fraud.

All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

See the section entitled "Risk Factors" for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of the shares of our common stock we are offering will be approximately $ million, assuming an initial public offering price of $ per share, the midpoint of the filing range set forth on the cover of this prospectus, and after deducting the underwriting discounts and estimated expenses payable by us. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.

We intend to use our net proceeds from this offering primarily to expand our sales force, to enhance our technology, to acquire or make strategic investments in complementary businesses and for working capital and other general corporate purposes. As of the date of this prospectus, we have no binding commitment or agreement relating to any acquisition or investment. We have not yet determined the amount of our net proceeds to be used specifically for any of the foregoing purposes. Accordingly, management will have significant flexibility in applying our net proceeds of this offering. In addition to the foregoing purposes, we intend to use approximately $2.3 million of our net proceeds from this offering to make required accrued dividend payments to the holders of our Series B and D preferred shares, which holders include certain of our directors or entities owned or controlled by them. Pending their use, we intend to invest the balance of our net proceeds from this offering in short-term, investment grade interest-bearing instruments.

DIVIDEND POLICY

Historically, we have not paid dividends on our common stock, and we currently do not intend to pay any dividends on our common stock after the completion of this offering. We intend to retain all available funds and any future earnings for use in the operation and expansion of our business. Any determination in the future to pay dividends will depend upon our financial condition, capital requirements, operating results and other factors deemed relevant by our board of directors, including any contractual or statutory restrictions on our ability to pay dividends.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2008:

- on an actual basis;

- on a pro forma as adjusted basis to give effect to (i) the recapitalization of all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock into newly issued shares of our common stock on approximately a one-for-one basis, (ii) approximately $2.3 million of required accrued dividend payments to the holders of our Series B and D preferred shares and (iii) the sale of shares of our common stock offered by us in this offering assuming an initial public offering price of $ per share, the midpoint of the filing range set forth on the cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Capital Stock," and our consolidated financial statements and related notes, which are included elsewhere in this prospectus.

	As of March 31, 2008	
	Actual	**Pro forma as adjusted**
	(unaudited) (dollars in thousands)	
Cash and cash equivalents	$ 2,836	$
Long-term debt, including current portion and capital leases(1)	474	
Series D Preferred Stock, par value $0.0001 per share, 6,258,993 shares authorized, 6,258,993 shares issued and outstanding, actual; no shares authorized, no shares issued and outstanding, pro forma as adjusted	18,955	
Stockholders' equity:		
Series B Preferred Stock, par value $0.0001 per share, 125,000 shares authorized, 125,000 shares issued and outstanding, actual; no shares authorized, no shares issued and outstanding, pro forma as adjusted	22	
Series A Common Stock, par value $0.0001 per share, 35,000,000 shares authorized, 24,125,038 shares issued and outstanding, actual; no shares authorized, no shares issued and outstanding, pro forma as adjusted	2	
Common Stock, par value $0.0001 per share, no shares authorized, no shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma as adjusted		
Preferred Stock, par value $0.0001 per share, no shares authorized, no shares issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma as adjusted		
Stockholder receivable(2)	(2)	
Additional paid-in capital	(2,938)	
Accumulated equity (deficit)	528	
Total stockholders' equity (deficit)	(2,388)	

	As of March 31, 2008	
Total capitalization	$ 17,041	$

(1) Reflects the amount outstanding as of March 31, 2008, pursuant to capital lease obligations related to the acquisition of office furniture.

(2) This receivable was paid subsequent to March 31, 2008.

DILUTION

If you invest in our common stock, your interest will be diluted immediately to the extent of the difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock after this offering.

Our pro forma net tangible book value as of March 31, 2008 was approximately $, or $ per share of common stock. Pro forma net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities, divided by the number of shares of our common stock outstanding, on a pro forma basis after giving effect to the recapitalization of all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock into newly issued shares of our common stock approximately on a one-for-one basis to be effectuated prior to the completion of this offering and approximately $2.3 million of required accrued dividend payments to the holders of our Series B and D preferred shares.

After giving effect to the sale of the shares of common stock offered by us assuming an initial public offering price of $ per share, the midpoint of the filing range set forth on the cover of this prospectus, and after deducting the underwriting discounts and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2008 would have been approximately $, or $ per share. This represents an immediate increase in pro forma net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to new investors. The following table illustrates this dilution:

Initial public offering price per share	$
Pro forma net tangible book value per share as of March 31, 2008	$
Increase in pro forma net tangible book value per share attributable to this offering	$
Pro forma as adjusted net tangible book value per share as of March 31, 2008, as adjusted for this offering	$
Dilution per share to new investors	$

After this offering and assuming the exercise in full of all options outstanding and exercisable as of March 31, 2008, pro forma as adjusted net tangible book value per share as of March 31, 2008 would have been $, representing an immediate increase in pro forma net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to new investors.

We will not receive any proceeds from the sale of the shares to be sold by the selling stockholders or the shares that may be sold by the selling stockholders pursuant to the underwriters' option to purchase additional shares from the selling stockholders.

The following table sets forth on a pro forma as adjusted basis as of March 31, 2008:

- the number of shares of our common stock purchased by existing stockholders and the total consideration and the average price per share paid for those shares; and

- the number of shares of our common stock purchased by new investors and the total consideration and the average price per share paid for those shares (assuming an initial public offering price of $ per share, the midpoint of the filing range set forth on the cover of this prospectus).

These pro forma numbers give effect to the recapitalization of all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock into newly issued shares of our common stock on approximately a one-for-one basis to be effectuated prior to the completion of this offering.

	Number of shares purchased	Total consideration	Average price per share
Existing stockholders	29,713,672	$ 22,871,138.25	$ 0.78
New investors			
Total			

As of March 31, 2008, we had 30,509,031 shares of capital stock outstanding. The share information shown in the table above excludes from that amount:

- 495,359 shares of common stock issued to certain of our employees as partial consideration for their employment with us;
- 100,000 shares of common stock issued to one of our stockholders as partial consideration for the service of one of its affiliates on our board of directors;
- 200,000 shares of common stock issued as partial consideration for our acquisitions of SelecTrans LLC and Bestway Solutions, LLC;

Of the 29,713,672 shares of our capital stock purchased, 29,638,672 were purchased by our director, officers and 5% or greater stockholders, and their respective affiliates, in private transactions for $22,870,388.25 and 75,000 were purchased upon the exercise of stock options by certain of our employees for $750.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents selected consolidated financial and other data as of and for the periods indicated. Financial information for periods prior to 2005 has not been presented because we were formed in January 2005. You should read the following information together with the more detailed information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes.

	Years ended December 31,			Three months ended March 31,	
	2005	2006	2007	2007	2008
				(unaudited)	(unaudited)
	(dollars in thousands, except per share data)				
Consolidated statements of operations data:					
Revenue:					
Transportation	$ 7,228	$ 32,417	$ 93,932	$ 12,694	$ 38,388
Fee for services	94	778	1,529	195	541
Total revenue	7,322	33,195	95,461	12,889	38,929
Transportation costs	6,152	27,704	74,576	10,373	30,175
Gross profit	1,170	5,491	20,885	2,516	8,754
Operating expenses:					
Commissions	156	866	4,291	314	1,922
General and administrative	1,472	4,387	12,037	1,730	4,625
Depreciation and amortization	67	691	1,845	257	705
Total operating expenses	1,695	5,944	18,173	2,301	7,252
Income (loss) from continuing operations	(525)	(453)	2,712	215	1,502
Other income (expense)	12	201	191	91	(1)
Income (loss) before income taxes and discontinued operations	(513)	(252)	2,903	306	1,501
Income tax benefit (expense)		220	(1,174)	(122)	(595)
Income (loss) before discontinued operations	(513)	(32)	1,729	184	906
Loss from discontinued operations		(214)			
Net income (loss)	(513)	(246)	1,729	184	906
Dividends on preferred shares	(154)	(749)	(1,054)	(262)	(262)
Net income (loss) applicable to common stockholders	$ (667)	$ (995)	$ 675	$ (78)	$ 644
Net income (loss) per share of common stock:					
Basic	$ (0.03)	$ (0.04)	$ 0.03	$	$ 0.03
Diluted	$ (0.03)	$ (0.04)	$ 0.03	$	$ 0.03
Shares used in per share calculations:					
Basic	21,548	22,388	23,425	22,836	24,114

	Years ended December 31,			Three months ended March 31,	
Diluted	21,548	22,388	24,905	22,836	25,416
Unaudited pro forma income tax benefit (expense)(1)	$ 205	$ (34)	$		
Unaudited pro forma net loss(1)	$ (308)	$ (280)	$		
Unaudited pro forma net income (loss) per share of common stock(2):					
Basic	$	$	$	$	$
Diluted	$	$	$	$	$
Shares used in unaudited pro forma per share calculations:					
Basic					
Diluted					
Other data:					
Enterprise clients(3)	12	27	62	33	65
Transactional clients served in period(4)	202	650	4,566	626	3,993
Total clients(5)	214	677	4,628	659	4,058
Employees and independent contractors(6)	44	105	344	138	433

(1) Unaudited pro forma data presented gives effect to our conversion on June 7, 2006 into a corporation as if it occurred at the beginning of the period presented. Unaudited pro forma income tax benefit (expense) represents a combined federal and state effective tax rate of 40% and does not consider potential tax loss carrybacks, carryforwards or realizability of deferred tax assets. Unaudited pro forma net loss represents our net loss for the periods presented as adjusted to give effect to the pro forma income tax benefit (expense) prior to our conversion to a C corporation, as we were not subject to income tax due to our treatment as a partnership for tax purposes.

(2) Unaudited pro forma net income (loss) per share of common stock (i) reflects the recapitalization of all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock on approximately a one-for-one basis and (ii) includes shares of our common stock to be sold by us in this offering assuming an initial public offering price of $ per share, the midpoint of the filing range set forth on the cover of this prospectus, the proceeds of which will be used to make approximately $2.3 million of required dividend payments to the holders of our Series B and D preferred shares.

(3) Reflects number of enterprise clients on the last day of the applicable period.

(4) Reflects number of transactional clients served in the applicable period.

(5) Reflects total number of enterprise clients determined on the last day of the applicable period and number of transactional clients served in the applicable period.

(6) Reflects number of employees, agents and independent contractors on the last day of the applicable period.

	As of December 31,		As of March 31,
	2006	2007	2008
			(unaudited)
	(in thousands)		
Consolidated balance sheet data:			
Cash and cash equivalents	$ 8,853	$ 1,568	$ 2,836
Working capital	7,891	4,600	4,996
Total assets	17,048	27,564	34,215
Total liabilities	5,602	12,322	17,648
Convertible preferred shares	17,648	18,695	18,955
Cash dividends per common share			
Total stockholders' deficit	$ (6,202)	$ (3,453)	$ (2,388)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes and the information contained in other sections of this prospectus, particularly under the headings "Risk Factors," "Selected Consolidated Financial and Other Data" and "Business." It contains forward-looking statements that involve risks and uncertainties, and is based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Our actual results could differ materially from those anticipated by our management in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this prospectus, particularly under the heading "Risk Factors."

Overview

We are a leading provider of technology enabled business process outsourcing (BPO) serving the transportation and logistics needs of our clients. Our proprietary technology platform compiles and analyzes data from our network of over 16,000 transportation providers to efficiently serve our clients' shipping and freight management needs. Our technology enables us to identify excess transportation capacity and obtain preferential rates, service terms and cost savings for our clients. We arrange transportation across all major modes, including truckload (TL), less than truck load (LTL), small parcel, inter-modal (which involves moving a shipment by rail and truck), domestic air, expedited services and international.

We procure transportation and provide logistics services for more than 4,600 clients across a wide range of industries, such as manufacturing and consumer products. Our clients fall into two categories, enterprise and transactional. We typically enter into multi-year contracts with our enterprise clients, which are often on an exclusive basis for a specific transportation mode or point of origin. As part of our value proposition, we also provide core logistics services to these clients. We provide transportation and logistics services to our transactional clients on a shipment-by-shipment basis, typically with individual, or spot market, pricing.

Acquisition of Mountain Logistics, Inc.

On May 17, 2007, we acquired Mountain Logistics, Inc. (which was doing business as Transportation Management Group but now operates under the Echo name), a third-party logistics provider with offices in Park City, Utah and Los Angeles, California. As a result of the acquisition, we believe we have established a significant presence in the West Coast market by gaining over 200 West Coast clients and 43 sales agents. The purchase price was $4.3 million, consisting of approximately $4.25 million in cash paid in May 2007 and expenses incurred directly related to the acquisition.

In addition, the former owners of Mountain Logistics may receive up to an additional aggregate amount of $6.45 million in cash and 550,000 unvested shares of our common stock issued to Mountain Logistics may vest as follows:

- $250,000 if the adjusted gross profit generated by Mountain Logistics from June 1, 2007 to May 31, 2008 equals or exceeds $2.6 million,

- $350,000 if the adjusted gross profit generated by Mountain Logistics from June 1, 2008 to May 31, 2009 equals or exceeds $2.6 million,

- $350,000 if the adjusted gross profit generated by Mountain Logistics from June 1, 2009 to May 31, 2010 equals or exceeds $2.6 million,

- $1 million or $2 million if the cumulative adjusted gross profit generated by Mountain Logistics from May 17, 2007 to May 31, 2010 equals or exceeds $10 million or $12 million, respectively,

and $1.5 million if the cumulative adjusted gross profit generated by Mountain Logistics from May 17, 2007 to October 31, 2010 equals or exceeds $15 million,

$1 million if the adjusted gross profit generated by Mountain Logistics from June 1, 2010 to May 31, 2011 equals or exceeds $8.3 million,

$1 million if the adjusted gross profit generated by Mountain Logistics from June 1, 2011 to May 31, 2012 equals or exceeds $8.3 million, and

550,000 shares of vested common stock if the adjusted gross profit generated by Mountain Logistics from June 1, 2007 to May 31, 2010 equals or exceeds $8.3 million, subject to certain conditions relating to profit margins.

Our 2007 results of operations include the results of operations of Mountain Logistics beginning May 1, 2007. In 2006, Mountain Logistics generated revenues of $12.0 million.

Acquisition of Bestway Solutions LLC

On October 15, 2007, we acquired Bestway Solutions LLC, a third-party logistics provider located in Vancouver, Washington. As a result of the acquisition, we believe we have established a Pacific Northwest presence. The purchase price was $1.1 million, consisting of $834,200 in cash, 50,000 shares of restricted common stock with a fair value of $214,500 and expenses incurred directly related to the acquisition.

In addition, the former owners of Bestway will, subject to certain exceptions, receive up to an additional aggregate amount of $303,300 in cash as follows:

up to $101,100 if the gross profit generated by Bestway from October 1, 2007 to September 30, 2008 equals or exceeds $1.71 million,

up to $101,100 if the gross profit generated by Bestway from October 1, 2008 to September 30, 2009 equals or exceeds $1.98 million, and

up to $101,100 if the gross profit generated by Bestway from October 1, 2009 to September 30, 2010 equals or exceeds $2.25 million.

Our 2007 results of operations include the results of operations of Bestway beginning October 1, 2007. In 2006, Bestway generated revenues of approximately $6.0 million.

Revenue

We generate revenue through the sale of transportation and logistics services to our clients. Since our inception, our growth rates have decreased as our revenue has grown, and we expect this trend to continue. Our total revenue was $7.3 million, $33.2 million and $95.5 million in 2005, 2006 and 2007, respectively, reflecting growth rates of 353% and 188% in 2006 and 2007, respectively, as compared to the corresponding prior year.

Our revenue is generated from two different types of clients: enterprise and transactional. Our enterprise accounts typically generate higher dollar amounts and volume than our transactional relationships. We categorize a client as an enterprise client if we have a contract with the client for the provision of services on a recurring basis. Our contracts with enterprise clients typically have a multi-year term and are often exclusive for a certain transportation mode or point of origin. In several cases, we provide substantially all of a client's transportation and logistics requirements. We categorize all other clients as transactional clients. We provide services to our transactional clients on a shipment-by-shipment basis. As of December 31, 2007, we had 62 enterprise clients and, in 2007, we served 4,566 transactional clients. In the first quarter of 2008, we entered into contracts with seven new enterprise clients. In 2005, 2006 and 2007, enterprise clients accounted for 45%, 78% and 56% of our

revenue, respectively, and transactional clients accounted for 55%, 22% and 44% of our revenue, respectively. The increase in our revenue attributable to enterprise clients in 2006 was due to the addition of several significant enterprise clients. In 2007, we experienced significant sales growth in our transactional client base because we increased the number of our transactional sales representatives and sales agents. We expect to continue to grow both our enterprise and transactional client base in the future, although the rate of growth for each type of client will vary depending on strategic opportunities in the marketplace.

Revenue is recognized when the client's product is delivered by a third-party carrier or when services have been rendered. We recognize revenue either on a gross basis or on a net basis depending on the specific terms of the shipment and the underlying agreement with our client. Revenue recorded on a gross basis for shipments is reported as transportation revenue. Revenue recorded on a net basis, including revenue for other services performed on behalf of our clients, is reported as fee for service revenue. In 2007, we had two enterprise clients and a portion of our small parcel shipments recorded on a net basis. In 2007, we recorded $93.9 million of transportation revenue and $1.5 million of fee for service revenue. See " Critical Accounting Policies Revenue Recognition."

Revenue recognized per shipment will vary depending on the transportation mode, shipment density and mileage of the product shipped. The primary modes of shipment that we transact in are TL, LTL and small parcel. Other transportation modes include inter-modal, domestic air, expedited services and international. Typically, our revenue is lower for an LTL shipment than for a TL shipment, and revenue per shipment is higher for shipments in modes other than TL, LTL and small parcel. Material shifts in the percentage of our total revenue by transportation mode could have a significant impact on our revenue growth. In 2007, LTL accounted for 42% of our total revenue, TL accounted for 36% of our total revenue, small parcel accounted for 14% of our total revenue and other transportation modes accounted for 8% of our total revenue.

The transportation industry has historically been subject to seasonal sales fluctuations as shipments generally are lower during and after the winter holiday season because many of our retail clients ship goods and stock inventories prior to the winter holiday season. While we have experienced some seasonality, differences in our revenue between periods have been driven primarily by growth in our client base.

Transportation costs and gross profit

We act primarily as a service provider to add value and expertise in the procurement and execution of transportation and logistics services for our clients. Our fee structure is primarily variable, although we have entered into a limited number of fixed fee arrangements that represent an insignificant portion of our revenue. The fixed fee arrangements that we have entered into are in the form of long-term enterprise contracts and are fixed in terms of fees earned per shipment. These arrangements are recorded as fee for services. The vast majority of our enterprise contracts have fee structures that are variable, and all of our transactional relationships have variable fee structures. The amount of transaction costs we record for each shipment depends on the qualification of the shipment as either gross or net. If the shipment is recorded at gross, our gross profit consists of transportation revenue minus transportation cost. Our transportation costs consists primarily of the direct cost of transportation paid to the carrier. If the shipment is recorded at net, our gross profit is our fee for service revenue, and no transportation cost is recorded for that shipment.

Gross profit is the primary indicator of our ability to procure services provided by carriers and other third-parties and is considered by management to be the primary measurement of our growth. Although our transportation cost is typically lower for an LTL shipment than for a TL shipment, our gross profit margin is typically higher for an LTL shipment than for a TL shipment. Material shifts in the percentage of our revenue by transportation mode, including small parcel, could have a significant impact on our gross profit. The discussion of results of operations below focuses on changes in our

gross profits and expenses as a percentage of gross profit margin. In 2005, 2006 and 2007, our gross profit was $1.2 million, $5.5 million and $20.9 million, respectively, reflecting growth rates of 369% and 280% in 2006 and 2007, respectively, compared to the corresponding prior year.

Operating expenses

Our operating expenses consist of commissions paid to our sales personnel, general and administrative expenses, including stock-based compensation expenses, to run our business and depreciation and amortization.

Commissions paid to our sales personnel are a significant component of our operating expenses. These commissions are based on the gross profit we collect from the clients for which they have primary responsibility. In 2005, 2006 and 2007, commission expense was 13.3%, 15.8% and 20.5%, respectively, as a percentage of our gross profit. The percentage of gross profit paid as commissions will vary depending on the type of client, composition of the sales team and mode of transportation. The increase in commission expense as a percentage of gross profit in 2006 and 2007 is partially attributable to the significant growth of our transactional sales during that time, which typically have higher commission rates. The increase is also attributable to our transition from early stage reliance on senior management relationships, with respect to which we generally do not pay commissions, to reliance on a dedicated sales force, to whom we do pay commissions. Commission expense, stated as a percentage of gross profit, could increase or decrease in the future depending on the composition of our revenue growth and the relative impact of changes in sales teams and service offerings.

We accrue for commission expense when we recognize the related revenue. Some of our sales personnel receive a monthly advance to provide them with a more consistent income stream. Cash paid to our sales personnel in advance of commissions earned is reflected as a prepaid expense on our balance sheet. As our sales personnel earn commissions, a portion of their commission payment is withheld and offset against their prepaid commission balance, if any. As of December 31, 2005, 2006 and 2007, our prepaid commission expense balance was $0.1 million, $0.2 million and $0.9 million, respectively.

Our general and administrative expenses primarily consist of compensation costs for our operations, information systems, finance and administrative support employees, and stock-based compensation. Historically, we have managed our business with relatively low general and administrative expenses. In 2005, 2006 and 2007, our general and administrative expenses were $1.5 million, $4.4 million and $12.0 million, respectively. In 2005, 2006 and 2007, general and administrative expenses as a percentage of gross profit were 125.8%, 79.9% and 57.6%, respectively. The decrease, as a percentage of gross profit, in 2006 and 2007 reflects our ability to add clients and sales personnel in order to increase our gross profit without incurring a corresponding increase in our general and administrative expenses during that time.

In 2006 and 2007, our stock-based compensation expense was $71,484 and $323,044, respectively. In 2006, we recorded stock-based compensation expense to comply with the requirement to expense stock options under FAS 123(R). In 2007, our stock-based compensation expense increased due to additional stock options we granted in 2007.

Our depreciation expense is primarily attributable to our depreciation of purchases of computer hardware and software, equipment and furniture and fixtures. In 2005, 2006 and 2007, our depreciation expense was $0.1 million, $0.7 million and $1.4 million, respectively.

Our amortization expense is attributable to our amortization of intangible assets acquired from Mountain Logistics in May 2007 and Bestway in October 2007, including client relationships, tradenames and non-compete agreements. In 2007, our amortization expense was $0.5 million.

Recapitalization

Prior to the completion of this offering, we intend to recapitalize all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock into newly issued shares of common stock on approximately a one-for-one basis. The purpose of the recapitalization is to recapitalize all of our outstanding shares of capital stock into shares of the same class of common stock that will be sold in this offering. For a discussion of the recapitalization, see "Certain Relationships and Related Party Transactions Recapitalization."

Income Taxes

On June 7, 2006, our company completed a conversion pursuant to which Echo Global Logistics, LLC, a limited liability company, converted to Echo Global Logistics, Inc., a corporation. As a limited liability company, we were treated as a partnership for federal income tax purposes. As a result, all items of income, expense, gain and loss of Echo were generally reportable on the tax returns of members of Echo Global Logistics, LLC. Accordingly, we made no provisions for income taxes at the company level during 2005. Our earnings are now subject to federal and state taxes at a combined rate of approximately 40%.

As a result of our conversion, we now account for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*, under which deferred assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between financial statement carrying values of assets and liabilities and their respective tax bases. In connection with our conversion, we used $9.4 million of our net proceeds from the issuance of our Series D preferred stock to redeem certain of our Series A common units. Because we redeemed the units as a limited liability company, the cash distribution was taxable to the members and our tax basis increased resulting in the recognition of a deferred tax asset of $3.8 million, for which we recorded a valuation allowance of $1.9 million and a corresponding net increase to additional paid in capital of $1.9 million.

Critical Accounting Policies

Revenue recognition

In accordance with EITF Issue 91-9, *Revenue and Expense Recognition for Freight Services in Process,* transportation revenue and related transportation costs are recognized when the shipment has been delivered by a third-party carrier. Fee for services revenue is recognized when the services have been rendered.

In accordance with EITF Issue 99-19, *Reporting Revenue Gross as a Principal versus Net as an Agent,* we recognize revenue either on a gross basis (transportation revenue) or on a net basis (fee for service revenue) depending on the specific terms of the shipment and the underlying agreement with our client. Factors influencing revenue recognition on a gross basis include the terms under which we bear the risks and benefits associated with revenue-generated activities by, among other things: (1) acting as a principal in the transaction; (2) establishing prices; (3) managing all aspects of the shipping process; and (4) taking the risk of loss for collection, delivery and returns. We recognize revenue on a gross basis (transportation revenue) if these factors are more prevalent, and we recognize revenue on a net basis (fee for service revenue) if these factors are less prevalent.

Goodwill and other intangibles

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of businesses acquired. Under SFAS No. 142, *Goodwill and other Intangible Assets*, goodwill is not amortized, but instead is tested for impairment annually, or more frequently if circumstances indicate a possible impairment may exist, in accordance with the provisions of SFAS No. 142. We evaluate recoverability of goodwill using a two-step impairment test

approach at the reporting unit level. In the first step, the fair value for the reporting unit is compared to its book value, including goodwill. If the fair value of the reporting unit is less than the book value, a second step is performed, which compares the implied fair value of the reporting unit's goodwill to the book value of the goodwill. The fair value for the goodwill is determined based on the difference between the fair values of the reporting units and the net fair values of the identifiable assets and liabilities of such reporting units. If the fair value of the goodwill is less than the book value, the difference is recognized as an impairment. As of December 31, 2007, our goodwill balance was $1.9 million.

SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to the estimated residual values, and reviewed for the impairment whenever impairment indicators exist in accordance with SFAS No. 144, *Accounting for Impairment or Disposal of Long-Lived Assets*. Our intangible assets consist of client relationships, trade names and non-compete agreements, which are amortized on a straight-line basis over their applicable useful lives. As of December 31, 2007, the net balance of our intangible assets was $2.9 million.

Stock-based compensation

Prior to January 1, 2006, we accounted for stock-based employee compensation arrangements in accordance with provisions of Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, and complied with the disclosure requirements of Financial Accounting Standards Board (FASB) No. 148, *Accounting for Stock-Based Compensation Transition and Disclosure An Amendment of FASB Statement No. 123*. Effective January 1, 2006, we adopted the fair value recognition provisions of FAS 123(R), *Share-Based Payments*, using the prospective transition method and Black-Scholes as the option valuation model. Under the prospective transition method, we will continue to account for nonvested equity awards outstanding at the date of adopting Statement 123(R) in the same manner as they had been accounted for prior to adoption. As a result, under APB No. 25, compensation expense is based on the difference, if any, on the grant date between the estimated fair value of our stock and the exercise price of options to purchase that stock. The compensation expense is then amortized over the vesting period of the stock options.

In 2005, we accounted for stock-based compensation in accordance with APB Opinion No. 25. We granted 330,000 options in 2005 at exercise prices ranging from $0.01 to $0.25 per share, which were at or above the fair market value of our common stock. As a result, there was no intrinsic value associated with these option grants. Pursuant to APB Opinion No. 25, we were not required to record any compensation expense in connection with these option grants.

In 2006, we granted 1,550,000 options at exercise prices ranging from $0.77 to $2.88 per share. The fair value of our common stock for options granted in 2006 was determined by our management contemporaneously and approved by our board of directors. Our management utilized a discounted cash flow method to determine that our common stock had a fair value per share of $0.26 as of March 31, 2006, $0.77 as of June 30, 2006, $1.06 as of September 30, 2006 and $1.08 as of December 31, 2006. Our revenue was $33.2 million in 2006, compared to $7.3 million in 2005, and the increase in the value of our common stock attributable to the growth of our business was reflected accordingly. All options granted in 2006 had exercise prices that were at or above the fair value of our common stock.

We granted 178,500 options during the six months ended June 30, 2007 at exercise prices ranging from $1.08 to $3.50 per share, which were at or above the fair value of our common stock. We granted 667,000 options between July 1, 2007 and September 30, 2007 at exercise prices ranging from $4.00 to $4.05 per share, which was at or above the fair value of our common stock. The fair values of our common stock for options granted from January 1, 2007 to September 30, 2007 were determined through the contemporaneous application of a discounted cash flow method performed by our management and approved by our board of directors. We did not obtain contemporaneous valuations by an unrelated valuation specialist because our internal resources had the necessary knowledge to

perform the valuation utilizing a methodology consistent with the AICPA Guide, *Valuation of Privately-Held Company Equity Securities*. In November 2007, a contemporaneous valuation of our common stock was performed using a discounted cash flow debt-free method under the income approach to determine that the fair value of our common stock was $4.40 per share. During the fourth quarter of 2007, we granted 230,000 options at an exercise price of $4.40 per share. Our revenue was $95.5 million in 2007, compared to $33.2 million in 2006, and the increase in the value of our common stock attributable to the growth of our business was reflected accordingly.

In the three months ended March 31, 2008, we granted 30,000 options at an exercise price of $10.00 per share, which was above the fair value of our common stock. Management determined the fair value of our common stock contemporaneously through the application of a discounted cash flow methodology. We did not obtain a contemporaneous valuation by an unrelated valuation specialist for this period because our internal resources had the necessary knowledge to perform the valuation utilizing a methodology consistent with the AICPA Guide, *Valuation of Privately-Held Company Equity Securities*.

In April 2008, we granted 165,000 options at an exercise price of $5.86 per share, of which 40,000 vested immediately and the remaining 125,000 vested ratably over five years. The $5.86 per share exercise price was equal to the fair value of our common stock as of April 2008 as determined contemporaneously by management through the application of a discounted cash flow valuation methodology. In accordance with SFAS No. 123(R), we used the Black-Scholes-Merton option valuation model to determine that compensation expense of $393,350 will be recorded for this option grant. Of that amount, $79,600 has been recognized as expense at the date of grant for the options that vested immediately, and the remaining $313,750 will be expensed ratably over the five-year vesting period.

Prior to the completion of this offering, we will grant options to purchase 90,000 shares of our common stock to each of Orazio Buzza, our Chief Operating Officer, and Vipon Sandhir, our Executive Vice President of Sales. These options will have a term of ten years and an exercise price equal to the initial public offering price. These options will vest in three equal installments on January 1, 2009, January 1, 2010 and January 1, 2011.

Additionally, prior to the completion of this offering, we intend to grant options to purchase up to   shares of our common stock under our 2008 Stock Incentive Plan to certain employees at an exercise price equal to the initial public offering price. The options will vest ratably over a   -year peiod following the completion of this offering. Assuming the shares being offered pursuant to this prospectus are offered at $ &nbs