RADIANT LOGISTICS, INC
Form SB-2
April 06, 2006
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AS FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ON APRIL 6, 2006

REGISTRATION NO. 333-_____

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

FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

RADIANT LOGISTICS, INC.
(Name of small business issuer in its charter)

Delaware	**4731**	**04-3625550**
(State or other jurisdiction of incorporation or organization)	(primary standard industrial classification code number)	(I.R.S. Employer Identification No.)

1227 120th Avenue N.E
Bellevue, WA 98005
(425) 943-4599
(Address and telephone number of principal executive offices and principal place of business)

Bohn H. Crain
Chief Executive Officer
Radiant Logistics, Inc.
1227 120th Avenue N.E
Bellevue, WA 98005
(425) 943-4599
(Name, address and telephone number of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

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.

If this form is a post-effective amendment filed pursuant to Rule 462I under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering.

If this form is a post-effective amendment filed 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.

If the delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

Title of each class of securities to be registered	**Amount to be registered[(1)]**	**Proposed maximum offering price per share[(2)]**	**Proposed maximum aggregate offering price**	**Amount of registration fee**
Common stock, par value $0.001 per share	14,847,461[(3)]	$ 1.00	$ 14,847,461	$ 1,596

(1) In accordance with Rule 416(a) of the Securities Act of 1933, the registrant is also registering hereunder an indeterminate number of additional shares that may be issued upon stock splits, stock dividends or similar transactions.
(2) Estimated in accordance with Rule 457(c) of the Securities Act of 1933 solely for the purpose of computing the amount of the registration fee based on the average of the bid and asked price per share of the registrant’s common stock reported on the OTC Bulletin Board on April 3, 2006.
(3) Represents shares of the registrant’s common stock being registered for resale that have been issued to the selling shareholders named in this registration statement.

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, as amended, or until the registration statement shall become effective on such date as the United States Securities and Exchange Commission, acting pursuant to said section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. The selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 6, 2006

PRELIMINARY PROSPECTUS

RADIANT LOGISTICS, INC.

14,847,461 shares of common stock

The 14,847,461 shares of our common stock, $0.001 par value per share, are being offered by the selling shareholders identified in this prospectus. All of the shares were previously issued by us in private placement transactions.

We are not selling any shares of our common stock in this offering and, therefore, will not receive any proceeds from this offering. We will bear all costs associated with this registration. The selling shareholders may offer the shares covered by this prospectus at fixed prices, at prevailing market prices at the time of sale, at varying prices or negotiated prices, in negotiated transactions, or in trading markets for our common stock.

Our common stock trades on the OTC Bulletin Board under the symbol "RLGT.OB" The closing price of our common stock on the OTC Bulletin Board on April 4, 2006, was $.95 per share.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 3 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved these securities or determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is April ___, 2006.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. WE ARE NOT MAKING AN OFFER OF THESE SECURITIES IN ANY STATE WHERE THE OFFER IS NOT PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION PROVIDED IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THIS PROSPECTUS.

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PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. It is not complete and may not contain all of the information that is important to you. To understand this offering fully, you should read the entire prospectus carefully. Investors should carefully consider the information set forth under the heading “Risk Factors.” In this prospectus, the terms “the Company,” “we,” “us,” and “our” refer to Radiant Logistics, Inc.

Our Company

We are a global non asset based supply chain management company. We offer domestic and international air, ocean and ground freight forwarding for shipments. Our primary operations involve obtaining shipment or material orders from customers, creating and delivering a wide range of logistics solutions to meet customers’ specific requirements for transportation and related services, and arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. Our principal source of income is derived from freight forwarding services. As a freight forwarder, we arrange for the shipment of our customers’ freight from point of origin to point of destination. Generally, we quote our customers a turn key cost for the movement of their freight. In turn, we assume the responsibility for arranging and paying for the underlying means of transportation.

As a non-asset based provider of third-party logistics services, we seek to limit our investment in equipment, facilities and working capital through contracts and preferred provider arrangements with various transportation providers who generally provide us with favorable rates, minimum service levels, capacity assurances and priority handling status. Our non-asset based approach is designed to allow us to maintain a high level of operating flexibility and leverage a cost structure that is highly variable in nature while the volume of our flow of freight enables us to negotiate attractive pricing with our transportation providers.

Our Strategy

Through the strategic acquisition of regional best-of-breed non-asset based transportation and logistics service providers, we intend to build a leading global transportation and supply-chain management company offering a full range of domestic and international freight forwarding and other value added supply chain management services, including order fulfillment, inventory management and warehousing.

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

Our strategy relies upon two primary factors: first, our ability to identify and acquire target businesses that fit within our general acquisition criteria and, second, the continued availability of capital and financing resources sufficient to complete these acquisitions. As to our first factor, effective January 1 2006, we acquired Airgroup Corporation (“Airgroup”), a non-asset based logistics company located in the Seattle, Washington area. Airgroup provides domestic and international freight forwarding services through a network of 34 exclusive agent offices across North America. It services a diversified account base including manufacturers, distributors and retailers using a network of independent carriers and over 100 international agents positioned strategically around the world. We have also identified a number of additional companies that may be suitable acquisition candidates and are in preliminary discussions with a select number of them. As to our second factor, our ability to secure additional financing will rely upon the sale of debt or equity securities, and the development of an active trading market for our securities, neither of which can be assured.

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Our strategy also relies upon our ability to efficiently integrate the businesses of the companies we acquire, generate the anticipated economies of scale from the integration, and maintain the historic sales growth of the acquired businesses in order to generate continued organic growth.

There are a variety of risks associated with our ability to achieve our strategic objectives, including our ability to finance and locate candidates for acquisition, to profitably manage additional businesses, once acquired, and to compete in our industry for customers and for the acquisition of additional businesses. The business risks associated with these factors are identified or referred to later in this prospectus.

Background

We were formed under the laws of the state of Delaware on March 15, 2001 as "Golf Two, Inc." From inception through the third quarter of 2005, our principal business strategy focused on the development of retail golf stores. In October 2005, our management team consisting of Bohn H. Crain and Stephen M. Cohen, completed a change of control transaction when they acquired a majority of the Company's outstanding securities from the Company's former officers and directors in privately negotiated transactions. In conjunction with the change of control transaction, we: (i) elected to discontinue the Company's former business model; (ii) repositioned ourselves as a global transportation and supply chain management company; and (iii) changed our name to "Radiant Logistics, Inc." to, among other things, better align our name with our new business focus.

Our principal executive offices are located at 1227 120th Avenue N.E., Bellevue, WA 98005, and our telephone number is (425) 943-4599. We maintain a web site at www.radiant-logistics.com. Information contained on our web site does not constitute part of this prospectus.

The Offering

Common stock outstanding:	33,611,639 shares as of March 24, 2006
Common stock that may be offered by selling shareholders:	Up to 14,847,461 shares that were previously issued to the selling shareholders in private placement transactions. This prospectus includes 7,243,182 shares being offered by certain of our principal shareholders and 113,637 shares offered by one of our executive officers.
Total proceeds raised by offering:	We will not receive any proceeds from the resale or other disposition of the shares covered by this prospectus by any selling shareholder.
Risk factors:	There are significant risks involved in investing in our Company. For a discussion of risk factors you should consider before buying our common stock, see "Risk Factors" beginning on page 3.

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RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following risk factors in addition to other information in this prospectus before purchasing our common stock. The risks and uncertainties described below are those that we currently deem to be material and that we believe are specific to our company and our industry. In addition to these risks, our business may be subject to risks currently unknown to us. If any of these or other risks actually occurs, our business may be adversely affected, the trading price of our common stock may decline and you may lose all or part of your investment.

RISKS PARTICULAR TO OUR BUSINESS

We are implementing a new business plan.

We have recently discontinued our former business model involving the development of retail golf stores, and adopted a new model involving the development of non-asset based third-party logistics services. We have only recently completed our platform acquisition under our new business model. As a result, we have a very limited operating history under our current business model. Even though we are being managed by senior executives with significant experience in the industry, our limited operating history makes it difficult to predict trends that may affect our business and the longer-term success of our business model.

Our present levels of capital may limit the implementation of our business strategy.

The objective of our business strategy is to build a global logistics services organization. Critical to this strategy is an aggressive acquisition program which will require the acquisition of a number of diverse companies within the logistics industry covering a variety of geographic regions and specialized service offerings. As a result of our recently completed acquisition of Airgroup, we have a limited amount of cash resources and our ability to make additional acquisitions without securing additional financing from outside sources will be limited. This may limit or slow our ability to achieve the critical mass we need to achieve our strategic objectives.

Risks related to acquisition financing.

In order to pursue our acquisition strategy in the longer term, we will require additional financing. We intend to obtain such financing through a combination of traditional debt financing or the placement of debt and equity securities. We may finance some portion of our future acquisitions by either issuing equity or by using shares of our common stock for all or a substantial portion of the purchase price for such businesses. In the event that our common stock does not attain or maintain a sufficient market value, or potential acquisition candidates are otherwise unwilling to accept common stock as part of the purchase price for the sale of their businesses, we may be required to utilize more of our cash resources, if available, in order to maintain our acquisition program. If we do not have sufficient cash resources, we will not be able to complete acquisitions and our growth could be limited unless we are able to obtain additional capital through debt or equity financings.

We have used a significant amount of our available capital to finance the acquisition of Airgroup.

We expect to structure our acquisitions with certain amounts paid at closing, and the balance paid over a number of years in the form of earn-out installments which would be payable based upon the future earnings of the acquired businesses payable in cash, Company stock or some combination thereof. As we execute our acquisition strategy, we expect that we will be required to make significant payments in the future if the earn-out installments under prospective acquisitions become due. While we believe that a portion of any required cash payments will be generated by the acquired businesses, we may have to secure additional sources of capital to fund the remainder of any cash-based earn-out payments as they become due. This presents us with certain business risks relative to the availability of capacity under our existing credit facility, the availability and pricing of future fund raising, as well as the potential dilution to our stockholders to the extent the earn-outs are satisfied directly, or indirectly from the sale of equity.

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Our credit facility places certain limits on the type and number of acquisitions we may make.

We have obtained a $10 million credit facility from Bank of America, N.A. to provide additional funding for acquisitions and for our on-going working capital requirements. Under the terms of the credit facility, we are subject to a number of financial and operational covenants which may limit the number of additional acquisitions we make without the lender's consent. In the event that we were not able to satisfy the conditions of the credit facility in connection with a proposed acquisition, we would have to forego the acquisition unless we either obtained the lender's consent or retired the credit facility. This may prevent us from completing acquisitions which we determine are desirable from a business perspective and limit or slow our ability to achieve the critical mass we need to achieve our strategic objectives.

Our credit facility contains financial covenants that may limit its current availability.

The terms of our credit facility are subject to certain financial covenants which may limit the amount otherwise available under that facility. Principal among these are financial covenants that limits funded debt to a multiple of our consolidated earnings before interest, taxes, depreciation and amortization, or "EBITDA". Under this covenant, our funded debt is limited to a multiple of 3.25 of our EBITDA measured on a rolling four quarter basis. Our ability to generate EBITDA will be critical to our ability to use the full amount of the credit facility.

Due to our acquisition strategy, our earnings will be adversely affected by non-cash charges relating to the amortization of intangibles which may cause our stock price to decline .

Under applicable accounting standards, purchasers are required to allocate the total consideration paid in a business combination to the identified acquired assets and liabilities based on their fair values at the time of acquisition. The excess of the consideration paid to acquire a business over the fair value of the identifiable tangible assets acquired must be allocated among identifiable intangible assets and goodwill. The amount allocated to goodwill is not subject to amortization. However, it is tested at least annually for impairment. The amount allocated to identifiable intangibles, such as customer relationships and the like, is amortized over the life of these intangible assets. We expect that this will subject us to periodic charges against our earnings to the extent of the amortization incurred for that period. Because our business strategy focuses on growth through acquisitions, our future earnings will be subject to greater non-cash amortization charges than a company whose earnings are derived organically. As a result, we will experience an increase in non-cash charges related to the amortization of intangible assets acquired in our acquisitions. This will create the appearance, based on our financial statements that our intangible assets are diminishing in value, when in fact they may be increasing because we are growing the value of our intangible assets (e.g. customer relationships). Because of this discrepancy, we believe our earnings before interest, taxes, depreciation and amortization, otherwise known as "EBITDA", a non GAAP measure of financial performance, provides a meaningful measure of our financial performance. However, the investment community generally measures a public company's performance by its net income. Thus, while we believe EBITDA provides a meaningful measure of our financial performance, should the investment community elect to place more emphasis on our net income, the future price of our common stock could be adversely affected.

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We are not obligated to follow any particular criteria or standards for identifying acquisition candidates.

Even though we have developed general acquisition guidelines, we are not obligated to follow any particular operating, financial, geographic or other criteria in evaluating candidates for potential acquisitions or business combinations. We will target companies which we believe will provide the best potential long-term financial return for our stockholders and we will determine the purchase price and other terms and conditions of acquisitions. Our stockholders will not have the opportunity to evaluate the relevant economic, financial and other information that our management team will use and consider in deciding whether or not to enter into a particular transaction.

There is a scarcity of and competition for acquisition opportunities.

There are a limited number of operating companies available for acquisition which we deem to be desirable targets. In addition, there is a very high level of competition among companies seeking to acquire these operating companies. We are and will continue to be a very minor participant in the business of seeking acquisitions of these types of companies. A large number of established and well-financed entities are active in acquiring interests in companies which we may find to be desirable acquisition candidates. Many of these entities have significantly greater financial resources, technical expertise and managerial capabilities than us. Consequently, we will be at a competitive disadvantage in negotiating and executing possible acquisitions of these businesses. Even if we are able to successfully compete with these entities, this competition may affect the terms of completed transactions and, as a result, we may pay more than we expected for potential acquisitions. We may not be able to identify operating companies that complement our strategy, and even if we identify a company that complements our strategy, we may be unable to complete an acquisition of such a company for many reasons, including:

- a failure to agree on the terms necessary for a transaction, such as the amount of the purchase price;
- incompatibility between our operational strategies and management philosophies and those of the potential acquiree;
- competition from other acquirers of operating companies;
- a lack of sufficient capital to acquire a profitable logistics company; and
- the unwillingness of a potential acquiree to work with our management.

If we are unable to successfully compete with other entities in identifying and executing possible acquisitions of companies we target, then we will not be able to successfully implement our business plan.

We may be required to incur a significant amount of indebtedness in order to successfully implement our acquisition strategy.

We may be required to incur a significant amount of indebtedness in order to complete future acquisitions. If we are not able to generate sufficient cash flow from the operations of acquired companies to make scheduled payments of principal and interest on the indebtedness, then we will be required to use our capital for such payments. This will restrict our ability to make additional acquisitions. We may also be forced to sell an acquired company in order to satisfy indebtedness. We cannot be certain that we will be able to operate profitably once we incur this indebtedness or that we will be able to generate a sufficient amount of proceeds from the ultimate disposition of such acquired companies to repay the indebtedness incurred to make these acquisitions.

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Risks related to our acquisition strategy.

We intend to continue to build our business through a combination of organic growth, and to a greater extent, through additional acquisitions. Growth by acquisitions involve a number of risks, including possible adverse effects on our operating results, diversion of management resources, failure to retain key personnel, and risks associated with unanticipated liabilities, some or all of which could have a material adverse effect on our business, financial condition and results of operations.

Dependence on key personnel.

For the foreseeable future our success will depend largely on the continued services of our Chief Executive Officer, Bohn H. Crain, as well as certain of the other key executives of Airgroup, because of their collective industry knowledge, marketing skills and relationships with major vendors and customers. We have secured employment arrangements with each of these individuals, which contain non-competition covenants which survives their actual term of employment. Nevertheless, should any of these individuals leave the Company, it could have a material adverse effect on our future results of operations.

We may experience difficulties in integrating the operations, personnel and assets of companies that we acquire which may disrupt our business, dilute stockholder value and adversely affect our operating results.

A core component of our business plan is to acquire businesses and assets in the transportation and logistics industry. We have only made one such acquisition and, therefore, our ability to complete such acquisitions and integrate any acquired businesses into our Company is unproven. Increased competition for acquisition candidates may develop, in which event there may be fewer acquisition opportunities available to us as well as higher acquisition prices. There can be no assurance that we will be able to identify, acquire or profitably manage businesses or successfully integrate acquired businesses into the Company without substantial costs, delays or other operational or financial problems. Such acquisitions also involve numerous operational risks, including:

- difficulties in integrating operations, technologies, services and personnel;
- the diversion of financial and management resources from existing operations;
- the risk of entering new markets;
- the potential loss of key employees; and
- the inability to generate sufficient revenue to offset acquisition or investment costs.

As a result, if we fail to properly evaluate and execute any acquisitions or investments, our business and prospects may be seriously harmed.

We are largely dependent on the efforts of our exclusive agents to generate our revenue and service our customers.

We currently sell principally all of our services through a network of 34 exclusive agents stationed throughout the United States. Although we have exclusive and long-term relationships with these agents, the agency agreements are terminable by either party on 10-day's notice. Although we have no customers that account for more than 5% of our revenues, there are five agency locations that each account for more than 5% of our revenues. The loss of one or more of these exclusive agents could negatively impact our ability to retain and service our customers. We will need to expand our existing relationships and enter into new relationships in order to increase our current and future market share and revenue. We cannot be certain that we will be able to maintain and expand our existing relationships or enter into new relationships, or that any new relationships will be available on commercially reasonable terms. If we are unable to maintain and expand our existing relationships or enter into new relationships, we may lose customers, customer introductions and co-marketing benefits and our operating results may suffer.

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We face intense competition in the freight forwarding, logistics and supply chain management industry.

The freight forwarding, logistics and supply chain management industry is intensely competitive and is expected to remain so for the foreseeable future. We face competition from a number of companies, including many that have significantly greater financial, technical and marketing resources. There are a large number of companies competing in one or more segments of the industry, although the number of firms with a global network that offer a full complement of freight forwarding and supply chain management services is more limited. Depending on the location of the customer and the scope of services requested, we must compete against both the niche players and larger entities. In addition, customers increasingly are turning to competitive bidding situations involving bids from a number of competitors, including competitors that are larger than us.

Our industry is consolidating and if we cannot gain sufficient market presence in our industry, we may not be able to compete successfully against larger, global companies in our industry.

There currently is a marked trend within our industry toward consolidation of the niche players into larger companies which are attempting to increase global operations through the acquisition of regional and local freight forwarders. If we cannot gain sufficient market presence or otherwise establish a successful strategy in our industry, we may not be able to compete successfully against larger companies in our industry with global operations.

Provisions of our charter, bylaws and Delaware law may make more difficult a contested takeover of our Company.

Certain provisions of our certificate of incorporation, bylaws and the General Corporation Law of the State of Delaware (the “DGCL”) could deter a change in our management or render more difficult an attempt to obtain control of us, even if such a proposal is favored by a majority of our stockholders. For example, we are subject to the provisions of the DGCL that prohibit a public Delaware corporation from engaging in a broad range of business combinations with a person who, together with affiliates and associates, owns 15% or more of the corporation’s outstanding voting shares (an “interested stockholder”) for three years after the person became an interested stockholder, unless the business combination is approved in a prescribed manner. Our certificate of incorporation provides that directors may only be removed for cause by the affirmative vote of 75% of our outstanding shares and that amendments to our bylaws require the affirmative vote of holders of two-thirds of our outstanding shares. Our certificate of incorporation also includes undesignated preferred stock, which may enable our Board of Directors to discourage an attempt to obtain control of us by means of a tender offer, proxy contest, merger or otherwise. Finally, our bylaws include an advance notice procedure for stockholders to nominate directors or submit proposals at a stockholders meeting.

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RISKS RELATED TO OUR COMMON STOCK

Trading in our common stock has been limited and there is no significant trading market for our common stock.

Our common stock is currently eligible to be quoted on the OTC Bulletin Board, however, trading to date has been limited. Trading on the OTC Bulletin Board is often characterized by low trading volume and significant price fluctuations. Because of this limited liquidity, stockholders may be unable to sell their shares. The trading price of our shares may from time to time fluctuate widely. The trading price may be affected by a number of factors including events described in the risk factors set forth in this Prospectus as well as our operating results, financial condition, announcements, general conditions in the industry, and other events or factors. In recent years, broad stock market indices, in general, and smaller capitalization companies, in particular, have experienced substantial price fluctuations. In a volatile market, we may experience wide fluctuations in the market price of our common stock. These fluctuations may have a negative effect on the market price of our common stock.

The influx of additional shares of our common stock onto the market may create downward pressure on the trading price of our common stock.

We completed the private placement of approximately 15.4 million shares of our common stock between October 2005 and February 2006. This prospectus covers the public resale of 14,847,461 of these shares. The availability of a substantial number of additional shares for sale to the public and sale of such shares in the public markets, could have an adverse effect on the market price of our common stock. Such an adverse effect on the market price would make it more difficult for us to sell our equity securities in the future at prices which we deem appropriate or to use our shares as currency for future acquisitions which will make it more difficult to execute our acquisition strategy.

Additional dilution associated with our acquisition strategy.

We will require additional financing to fund our acquisition strategy. At some point this may entail the issuance of additional shares of common stock or common stock equivalents, which would have the effect of further increasing the number of shares outstanding. In connection with future acquisitions, we may undertake the issuance of more shares of common stock without notice to our then existing stockholders. We may also issue additional shares in order to, among other things, compensate employees or consultants or for other valid business reasons in the discretion of our board of directors, and could have the result of diluting the interests of our existing stockholders.

We may issue shares of preferred stock with greater rights than our common stock.

Although we have no current plans or agreements to issue any preferred stock, our certificate of incorporation authorizes our board of directors to issue shares of preferred stock and to determine the price and other terms for those shares without the approval of our shareholders. Any such preferred stock we may issue in the future could rank ahead of our common stock, in terms of dividends, liquidation rights, and voting rights.

As we do not anticipate paying dividends, investors in our shares will not receive any dividend income.

We have not paid any cash dividends on our common stock since our inception and we do not anticipate paying cash dividends in the foreseeable future. Any dividends that we may pay in the future will be at the discretion of our Board of Directors and will depend on our future earnings, any applicable regulatory considerations, covenants of our debt facility, our financial requirements and other similarly unpredictable factors. For the foreseeable future, we anticipate that we will retain any earnings which we may generate from our operations to finance and develop our growth and that we will not pay cash dividends to our stockholders. Accordingly, investors seeking dividend income should not purchase our stock.

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We are not subject to certain of the corporate governance provisions of the Sarbanes-Oxley Act of 2002

Since our common stock is not listed for trading on a national securities exchange, we are not subject to certain of the corporate governance requirements established by the national securities exchanges pursuant to the Sarbanes-Oxley Act of 2002. These include rules relating to independent directors, and independent director nomination, audit and compensation committees. Unless we voluntarily elect to comply with those obligations, investors in our shares will not have the protections offered by those corporate governance provisions. As of the date of this prospectus, we have not elected to comply with any regulations that do not apply to us. While we may make an application to have our securities listed for trading on a national securities exchange, which would require us to comply with those obligations, we can not assure that we will do so or that such application will be approved.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding future operating performance, events, trends and plans. All statements other than statements of historical facts included or incorporated by reference in this prospectus, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected revenues, projected costs and plans and objective of management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “expects,” “intends,” “plans,” “projects,” “estimates,” “anticipates,” or “ or the negative thereof or any variation thereon or similar terminology or expressions. We have based these forward-looking statements on our current expectations, projections and assumptions about future events. These forward-looking statements are not guarantees and are subject to known and unknown risks, uncertainties and assumptions about us that, if not realized, may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. While it is impossible to identify all of the factors that may cause our actual operating performance, events, trends or plans to differ materially from those set forth in such forward-looking statements, such factors include the inherent risks associated with: (i) our belief that Airgroup will be able to serve as a platform acquisition under our business strategy; (ii) our ability to use Airgroup as a “platform” upon which we can build a profitable global transportation and supply chain management company, which itself relies upon securing significant additional funding, as to which we have no present assurances; (iii) our ability to at least maintain historical levels of transportation revenue, net transportation revenue (gross profit margins) and related operating expenses at Airgroup; (iv) competitive practices in the industries in which we compete, (v) our dependence on current management; (vi) the impact of current and future laws and governmental regulations affecting the transportation industry in general and our operations in particular; and (vii) other factors which may be identified from time to time in our Securities and Exchange Commission (SEC) filings and other public announcements. Furthermore, the general business assumptions used for purposes of the forward-looking statements included within this Prospectus represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. Except as required by law, we undertake no obligation to publicly release the result of any revision of these forward-looking statements to reflect events or circumstances after the date they are made or to reflect the occurrence of unanticipated events.

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USE OF PROCEEDS

We will not receive any proceeds from sale of the shares of common stock covered by this prospectus by the selling shareholders.

MARKET FOR COMMON STOCK AND RELATED SHAREHOLDER MATTERS

Market Information

Our common stock currently trades on the OTC Bulletin Board under the symbol "RLGT.OB." The first reported trade in our common stock occurred on December 27, 2005. The following table states the range of the high and low bid-prices per share of our common stock for each of the calendar quarters since the first reported trade, as reported by the OTC Bulletin Board. These quotations represent inter-dealer prices, without retail mark-up, markdown, or commission, and may not represent actual transactions. The last price of our common stock as reported on the OTC Bulletin Board on April 3, 2006, was $.95 per share.

	High	Low
YEAR ENDED December 31, 2005		
Quarter ended December 31, 2005	$ 1.05	$ .95
YEAR ENDING December 31, 2006		
Quarter ended March 31, 2006	$ 1.05	$ .95

Holders

As of March 24, 2006, the number of stockholders of record of our common stock was 89**.** We believe that there are additional beneficial owners of our common stock who hold their shares in street name.

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Dividend Policy

We have not paid any cash dividends on our common stock to date, and we have no intention of paying cash dividends in the foreseeable future. Whether we declare and pay dividends will be determined by our board of directors at their discretion, subject to certain limitations imposed under Delaware law. The timing, amount and form of dividends, if any, will depend on, among other things, our results of operations, financial condition, cash requirements and other factors deemed relevant by our Board of Directors. Our ability to pay dividends is limited by the terms of our Bank of America, N.A. credit facility.

Transfer Agent

We have retained Pacific Stock Transfer Company, 500 East Warm Springs, Suite 240, Las Vegas, Nevada 89119, as our transfer agent.

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

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

Overview

In conjunction with a change of control transaction completed during October 2005 and discussed under the "Business" section of this Prospectus, we: (i) discontinued our former business model; (ii) adopted a new business strategy focused on building a global transportation and supply chain management company; (iii) changed our name to "Radiant Logistics, Inc." to, among other things, better align our name with our new business focus; and (iv) completed our first acquisition within the logistics industry.

We accomplished the first step in our new business strategy by completing the acquisition of Airgroup effective as of January 1, 2006. Airgroup is a Seattle-Washington based non-asset based logistics company providing domestic and international freight forwarding services through a network of 34 exclusive agent offices across North America. Airgroup services a diversified account base including manufacturers, distributors and retailers using a network of independent carriers and over 100 international agents positioned strategically around the world.

Through the strategic acquisition of regional best-of-breed non-asset based transportation and logistics service providers, we intend to build a leading global transportation and supply-chain management company offering a full range of domestic and international freight forwarding and other value added supply chain management services, including order fulfillment, inventory management and warehousing.

As a non-asset based provider of third-party logistics services, we seek to limit our investment in equipment, facilities and working capital through contracts and preferred provider arrangements with various transportation providers who generally provide us with favorable rates, minimum service levels, capacity assurances and priority handling status. Our non-asset based approach allows us to maintain a high level of operating flexibility and leverage a cost structure that is highly variable in nature while the volume of our flow of freight enables us to negotiate attractive pricing with our transportation providers.

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

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

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

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

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

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Critical Accounting Policies

Accounting policies, methods and estimates are an integral part of the consolidated financial statements prepared by management and are based upon management's current judgments. Those judgments are normally based on knowledge and experience with regard to past and current events and assumptions about future events. Certain accounting policies, methods and estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ from management's current judgments. While there are a number of accounting policies, methods and estimates that affect our financial statements, the areas that are particularly significant include the assessment of the recoverability of long-lived assets, specifically goodwill, acquired intangibles, and revenue recognition.

We follow the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142, Goodwill and Other Intangible Assets. SFAS No. 142 requires an annual impairment test for goodwill and intangible assets with indefinite lives. Under the provisions of SFAS No. 142, the first step of the impairment test requires that we determine the fair value of each reporting unit, and compare the fair value to the reporting unit's carrying amount. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and we must perform a second more detailed impairment assessment. The second impairment assessment involves allocating the reporting unit's fair value to all of its recognized and unrecognized assets and liabilities in order to determine the implied fair value of the reporting unit's goodwill as of the assessment date. The implied fair value of the reporting unit's goodwill is then compared to the carrying amount of goodwill to quantify an impairment charge as of the assessment date. In the future, we will perform our annual impairment test during our fiscal fourth quarter unless events or circumstances indicate an impairment may have occurred before that time.

Acquired intangibles consist of customer related intangibles and non-compete agreements arising from our acquisitions. Customer related intangibles will be amortized using accelerated methods over approximately 4.5 years and non-compete agreements will be amortized using the straight line method over a 5 year period.

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

As a non-asset based carrier, we do not own transportation assets. We generate the major portion of our air and ocean freight revenues by purchasing transportation services from direct (asset-based) carriers and reselling those services to our customers. In accordance with Emerging Issues Task Force ("EITF") 91-9 "Revenue and Expense Recognition for Freight Services in Process", revenue from freight forwarding and export services is recognized at the time the freight is tendered to the direct carrier at origin, and direct expenses associated with the cost of transportation are accrued concurrently. These accrued purchased transportation costs are estimates based upon anticipated margins, contractual arrangements with direct carriers and other known factors. The estimates are routinely monitored and compared to actual invoiced costs. The estimates are adjusted as deemed necessary to reflect differences between the original accruals and actual costs of purchased transportation.

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We recognize revenue on a gross basis, in accordance with EITF 99-19, "Reporting Revenue Gross versus Net", as a result of the following: We are the primary obligor responsible for providing the service desired by the customer and are responsible for fulfillment, including the acceptability of the service(s) ordered or purchased by the customer. We, at our sole discretion, set the prices charged to our customers, and are not required to obtain approval or consent from any other party in establishing our prices. We have multiple suppliers for the services we sell to our customers, and have the absolute and complete discretion and right to select the supplier that will provide the product(s) or service(s) ordered by a customer, including changing the supplier on a shipment-by-shipment basis. In most cases, we determine the nature, type, characteristics, and specifications of the service(s) ordered by the customer. We also assume credit risk for the amount billed to the customer.

Results of Operation

Basis of Presentation

Due to the significance of the effects on our consolidated financial statements of: (i) the change in business strategy; (ii) recently completed equity offerings; and (iii) the acquisition of Airgroup, our Management's Discussion and Analysis is presented below in a manner that is intended to provide a more meaningful discussion of our results of operations, financial condition and current business in recognition of these developments. Accordingly, pro forma statements of income for fiscal years ended June 30, 2005 and 2004, have been presented as if we had completed our equity offerings and acquired Airgroup as of July 1, 2003 and are provided in the Financial Statements included within this prospectus. Similarly, the pro forma statements of income for the three months ended September 30, 2005 and 2004, have been presented as if we had completed our equity offering and acquired Airgroup as of July 1, 2004 and are provided in the Financial Statements included within this prospectus. The pro forma results are also adjusted to reflect a consolidation of the historical results of operations of Airgroup and Radiant as adjusted to reflect: (i) contractual reduction of officers' and related family members' compensation at Airgroup; (ii) amortization of acquired intangibles; and (iii) interest expense associated with acquisition financing. No analysis of the historic operations of Radiant on a stand-alone basis will be presented as prior to the acquisition of Airgroup Radiant was an inactive development stage company under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 7 and such presentation would provide no meaningful information about our ongoing operations.

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

Year ended June 30, 2005 compared to year ended June 30, 2004 (pro forma and unaudited)

We generated transportation revenue of $51.5 million and $43.0 million, and net transportation revenue of $21.6 million and $20.1 million for the fiscal years ended June 30, 2005 and 2004, respectively. Net income remained relatively unchanged at approximately $0.9 million for each of the fiscal years ended June 30, 2005 and 2004.

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We had earnings before interest, taxes, depreciation and amortization (EBITDA) of approximately $2.3 million for each of the fiscal years ended June 30, 2005 and 2004. EBITDA, is a non-GAAP measure of income and does not include the effects of interest and taxes, and excludes the "non-cash" effects of depreciation and amortization on current assets. Companies have some discretion as to which elements of depreciation and amortization are excluded in the EBITDA calculation. We exclude all depreciation charges related to property, plant and equipment, and all amortization charges, including amortization of goodwill, leasehold improvements and other intangible assets. While management considers EBITDA useful in analyzing our results, it is not intended to replace any presentation included in our consolidated financial statements.

The following table provides a reconciliation of EBITDA to net income, the most directly comparable GAAP measure in accordance with SEC Regulation G (in thousands):

	Year ended June 30,		Change	
	2005	2004	Amount	Percent
Net income	$ 942	$ 917	$ 25	2.7%
Income tax expense	486	472	14	3.0%
Interest expense	162	163	(1)	-0.6%
Depreciation and amortization	688	760	(72)	-9.5%
EBITDA (Earnings before interest, taxes, depreciation and amortization)	$ 2,278	$ 2,312	$ (34)	-1.5%

The following table summarizes pro forma transportation revenue, cost of transportation and net transportation revenue (in thousands):

	Year ended June 30,		Change	
	2005	2004	Amount	Percent
Transportation revenue	$ 51,521	$ 42,972	$ 8,549	19.9%
Cost of transportation	29,957	22,832	7,125	31.2%
Net transportation revenue	$ 21,564	$ 20,140	$ 1,424	7.1%
Net transportation margins	41.9%	46.9%		

Transportation revenue was $51.5 million for the year ended June 30, 2005, an increase of 19.9% over total transportation revenue of $43.0 million for the year ended June 30 2004. Domestic transportation revenue increased by 7.0% to $38.4 million for the year ended June 30, 2005 from $35.9 million for the prior fiscal year as a result of organic growth across the network. International transportation revenue increased by 84.5% to $13.1 million for the 2005 fiscal year from $7.1 million for the 2004 fiscal year, due mainly to increased air and ocean import freight volume.

Cost of transportation increased to 58.1% of transportation revenue for the year ended June 30, 2005 from 53.1% of transportation revenue for the 2004 fiscal year. This increase was primarily due to increased international ocean import freight volume which historically reflects a higher cost of transportation as a percentage of sales.

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Net transportation margins decreased to 41.9% of transportation revenue for the fiscal year ended June 30, 2005 from 46.9% of transportation revenue for the 2004 fiscal year as a result of the factors described above.

The following table compares certain pro forma consolidated statement of income data as a percentage of our net transportation revenue (in thousands):

	Year ended June 30,					
	2005		2004		Change	
	Amount	Percent	Amount	Percent	Amount	Percent
Net transportation revenue	$ 21,564	100.0%	$ 20,140	100.0%	$ 1,424	7.1%
Agent commissions	15,988	74.1%	14,912	74.0%	1,076	7.2%
Personnel costs	1,956	9.1%	1,740	8.7%	216	12.4%
Other selling, general and administrative	1,342	6.2%	1,176	5.8%	166	14.1%
Depreciation and amortization	688	3.2%	760	3.8%	(72)	-9.5%
Total operating costs	19,974	92.6%	18,588	92.3%	1,386	7.5%
Income from operations	1,590	7.4%	1,552	7.7%	38	2.4%
Other expense	162	-0.8%	163	-0.8%	1	-0.6%
Income before income taxes	1,428	6.6%	1,389	6.9%	39	2.8%
Income tax expense	486	2.3%	472	2.3%	14	3.0%
Net income	$ 942	4.4%	$ 917	4.6%	$ 25	278%

Agent commissions were $16.0 million for the year ended June 30, 2005, an increase of 7.2% over $14.9 million for the year ended June 30 2004. Agent commissions as a percentage of net revenue remained relatively unchanged at approximately 74.0%.

Personnel costs were $2.0 million for the fiscal year ended June 30, 2005, an increase of 12.4% over $1.7 million for the 2004 fiscal year. Personnel costs as a percentage of net revenue increased to 9.1% for the 2005 fiscal year from 8.7% for the 2004 fiscal year. This increase resulted primarily from of the hiring of a senior operating officer in November of 2004. For the comparable prior year period, headcount decreased by 4 to a total of 34 individuals who primarily provide finance and administrative services for the benefit of the agent offices.

Other selling, general and administrative costs were $1.3 million for the fiscal year ended June 30, 2005, an increase of 14.1% over $1.2 million for the 2004 fiscal year. This increase was primarily the result of increased costs associated with updating our web-site. As a percentage of net revenue, other selling, general and administrative costs increased to 6.2% for the fiscal year ended 2005 from 5.8% for the 2004 fiscal year.

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Depreciation and amortization was $0.7 million for the fiscal year ended June 30, 2005, a decrease of 9.5% over $0.8 million for the 2004 fiscal year. Depreciation and amortization as a percentage of net revenue decreased to 3.2% for the fiscal year ended June 30, 2005 from 3.8% for the 2004 fiscal year.

Income from operations remained relatively unchanged at $1.6 million for fiscal years ended June 30, 2005 and 2004.

Net income remained relatively unchanged at approximately $0.9 million for fiscal years ended June 30, 2005 and 2004.

Three months ended September 30, 2005 compared to three months ended September 30, 2004 (pro forma and unaudited)

We generated transportation revenue of $13.4 million and $11.3 million and net transportation revenue of $4.8 million and $4.8 million for the three months ended September 30 2005 and 2004, respectively. Net income was $0.3 million and $0.1 million for the three months ended September 30, 2005 and 2004, respectively.

We had earnings before interest, taxes, depreciation and amortization (EBITDA) of approximately $0.6 million and $0.3 million for three months ended September 30, 2005 and 2004.

The following table provides a reconciliation of EBITDA to net income, the most directly comparable GAAP measure in accordance with SEC Regulation G (in thousands):

	Three months ended September 30,		Change	
	2005	2004	Amount	Percent
Net income	$ 252	$ 66	$ 186	282.0%
Income tax expense	130	34	96	282.0%
Interest expense	44	45	(1)	-2.2%
Depreciation and amortization	174	174	—	—
EBITDA (Earnings before interest, taxes, depreciation and amortization)	$ 600	$ 319	$ 281	88.1%

The following table summarizes pro forma transportation revenue, cost of transportation and net transportation revenue (in thousands):

	Three months ended September 30,		Change	
	2005	2004	Amount	Percent
Transportation revenue	$ 13,433	$ 11,275	$ 2,158	19.1%
Cost of transportation	8,664	6,487	2,177	33.6%
Net transportation revenue	$ 4,769	$ 4,788	$ (19)	-0.4%
Net transportation margins	35.5%	42.5%		

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Transportation revenue was $13.4 million for the three months ended September 30, 2005, an increase of 19.1% over total transportation revenue of $11.3 million for the three months ended September 30, 2004. Domestic transportation revenue decreased by 17.7% to $7.9 million for the three months ended September 30, 2005 from $9.6 million for the three months ended September 30, 2004. The decrease was due primarily to the loss of one of our west coast agents in December of 2004. International transportation revenue increased by 223.5% to $5.5 million for the three months ended September 30, 2005 from $1.7 million for the comparable prior year period, due mainly to increased air and ocean import freight volume.

Cost of transportation increased to 64.5% of transportation revenue for the three months ended September 30, 200 from 57.5% of transportation revenue for the three months ended September 30, 2004. This increase was primarily due to increased international ocean import freight volume which historically reflects a higher cost of transportation as a percentage of sales.

Net transportation margins decreased to 35.5% of transportation revenue for the three months ended September 30, 2005 from 42.5% of transportation revenue for the three months ended September 30, 2004 as a result of the factors described above.

The following table compares certain pro forma consolidated statement of income data as a percentage of our net transportation revenue (in thousands):

	Three months ended September 30,					
	2005		2004		Change	
	Amount	Percent	Amount	Percent	Amount	Percent
Net transportation revenue	$ 4,769	100.0%	$ 4,788	100.0%	$ (19)	-0.4%
Agent commissions	3,466	72.7%	3,793	79.3%	(327)	-8.6%
Personnel costs	423	8.9%	396	8.3%	27	6.8%
Other selling, general and administrative	280	5.9%	280	5.8%	—	0.0%
Depreciation and amortization	174	3.6%	174	3.6%	—	0.0%
Total operating costs	4,343	91.1%	4,643	97.0%	(300)	-6.5%
Income from operations	426	8.9%	145	3.0%	281	193.8%
Other expense	44	-0.9%	45	-0.9%	(1)	-2.2%
Income before income taxes	382	8.0%	100	2.1%	282	282.0%
Income tax expense	130	2.7%	34	0.7%	96	282.0%
Net income	$ 252	5.3%	$ 66	1.4%	$ 186	282.0%

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Agent commissions were $3.5 million for the three months ended September 30, 2005, a decrease of 8.6% from $3.8 million for the three months ended September 30, 2004. Agent commissions as a percentage of net revenue decreased to 72.7% for three months ended September 30, 2005 from 79.3% for the comparable prior year period as a result of increased international ocean import freight volume at reduced margins which reduced amounts paid as commissions.

Personnel costs remained relatively flat at $0.4 million for the three months ended September 30, 2005 and 2004. Personnel costs as a percentage of net revenue increased modestly to 8.9% for the three months ended September 30, 2005 from 8.3% for the comparable period in 2004.

Other selling, general and administrative costs remained relatively unchanged at $0.3 million for the three months ended September 30, 2005 and 2004 as a percentage of net revenue, other selling, general and administrative costs also remained relatively unchanged at approximately 5.9% for the three months ended September 30, 2005 and 2004.

Depreciation and amortization costs remained relatively unchanged at $0.2 million for the three months ended September 30, 2005 and 2004. Depreciation and amortization as a percentage of net revenue remained relatively unchanged at approximately 3.6%.

Income from operations was $0.4 million for the three months ended September 30, 2005, an increase of 193.8% over income from operations of $0.1 million for the three months ended September 30, 2004.

Net income was $0.3 million for the three months ended September 30, 2005, an increase of 282.0% over net income of $0.1 million for the three months ended September 30, 2004.

Liquidity and Capital Resources

Prior to the acquisition of Airgroup, we remained an inactive company. In preparation of the Airgroup transaction, we secured financing proceeds through several private placements. In October 2005, we issued an aggregate of 2,272,728 shares of our common stock to a limited number of accredited investors for gross cash consideration of $1.0 million. In December, 2005, we issued 10,098,934 shares of our common stock to a limited number of accredited investors for gross cash proceeds of $4,440,000. In January 2006, we issued 1,009,093 shares of our common stock to certain Airgroup shareholders and employees who are accredited investors for gross proceeds of $444,000. In February 2006, we issued 1,466,697 shares of our common stock to a limited number of accredited investors for gross cash proceeds of $645,000. Each of these private placements was completed at a purchase price of $0.44 per share.

In January 2006, we entered into a $10.0 million secured credit facility with Bank of America, N.A with a term of two years (the “Facility”). The Facility is collateralized by our accounts receivable and other assets of the Company and our subsidiaries. Advances under the Facility are available to fund future acquisitions, capital expenditures or for other corporate purposes. Borrowings under the facility bear interest, at our option, at prime (7.25% at December 31, 2005) minus 1.00% or LIBOR (4.39% at December 31, 2005) plus 1.55% and can be adjusted up or down during the term of the Facility based on our performance relative to certain financial covenants. The Facility provides for advances of up to 75% of our eligible accounts receivable.

As of March 4**,** 2006, we had no amounts outstanding under the Facility and we had eligible accounts receivable sufficient to support approximately $4.0 million in borrowings. The terms of our Facility are subject to certain financial and operational covenants which may limit the amount otherwise available under the Facility. The first covenant limits our funded debt to a multiple of 3.00 times our consolidated EBITDA measured on a rolling four quarter basis (or a multiple of 3.25 at a reduced advance rate of 70.0%). The second financial covenant requires that we maintain a basic fixed charge coverage ratio of at least 1.1 to 1.0. The third financial covenant is a minimum profitability standard that requires us not to incur a net loss before taxes, amortization of acquired intangibles and extraordinary items in any two consecutive quarterly accounting periods.

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Under the terms of the Facility, we are permitted to make additional acquisitions without the lender's consent only if certain conditions are satisfied. The conditions imposed by the Facility include the following: (i) the absence of an event of default under the Facility; (ii) the company to be acquired must be in the transportation and logistics industry; (iii) the purchase price to be paid must be consistent with our historical business and acquisition model; (iv) after giving effect for the funding of the acquisition, we must have undrawn availability of at least $2.0 million under the Facility; (v) the lender must be reasonably satisfied with projected financial statements we provide covering a 12 month period following the acquisition; (vi) the acquisition documents must be provided to the lender and must be consistent with the description of the transaction provided to the lender; and (vii) the number of permitted acquisitions is limited to three per calendar year and shall not exceed $7.5 million in aggregate purchase price financed by funded debt. In the event that we are not able to satisfy the conditions of the Facility in connection with a proposed acquisition, we would have to either forego the acquisition, obtain the lender's consent or retire the Facility. This may limit or slow our ability to achieve the critical mass we need to achieve our strategic objectives.

In October, 2005, and in conjunction with the change in control transaction, stockholders agreed to discharge $78,409 in notes and accumulated interest.

The foregoing represents our principal sources of capital during the previous twelve months.

In January 2006, we acquired 100 percent of the outstanding stock of Airgroup. The transaction was valued at up to $14.0 million. This consisted of: (i) $9.5 million payable in cash at closing; (ii) an additional base payment of $0.6 million payable in cash on the one-year anniversary of the closing, provided at least 90% of Airgroup's locations remain operational through the first anniversary of the closing (the "Additional Base Payment"); (iii) a subsequent cash payment of $0.5 million in cash on the two-year anniversary of the closing; (iv) a base earn-out payment of up to $1.9 million payable in Company common stock over a three-year earn-out period based upon Airgroup achieving income from continuing operations of not less than $2.5 million per year; and (v) as additional incentive to achieve future earnings growth, an opportunity to earn up to an additional $1.5 million payable in Company common stock at the end of a five-year earn-out period (the "Tier-2 Earn-Out"). Under Airgroup's Tier-2 Earn-Out, the former shareholders of Airgroup are entitled to receive 50% of the cumulative income from continuing operations in excess of $15,000,000 generated by Airgroup during the five-year earn-out period up to a maximum of $1,500,000. With respect to the base earn-out payment of up to $1.9 million, in the event there is a shortfall in income from continuing operations, the earn-out payment will be reduced on a dollar-for-dollar basis to the extent of the shortfall. Shortfalls may be carried over or carried back to the extent that income from continuing operations in any other payout year exceeds the $2.5 million level.

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The following table summarizes our contingent base earn-out payments for the fiscal years indicated based on results of the prior year (in thousands)[1]:

	Fiscal Year Ended June 30,					
	2007	2008	2009	2010	2011	Total
Earn-out payments:						
Cash	$ 600(2)	$ 500	$ —	$ —	$ —	$ 1,100
Equity		633	633	634		1,900
Total earn-out Payments	$ 600	$ 1,133	$ 633	$ 634	$ —	$ 3,000
Prior year earnings targets (income from continuing operations) (3)						
Total earnings targets	$ —	$ 2,500	$ 2,500	$ 2,500	$ —	$ 7,500
Earn-outs as a percentage of prior year earnings targets:						
Total	—	45.3%	25.3%	25.3%	—	40.0%

(1) During the fiscal year 2007-2011 earn-out period, there is an additional contingent obligation related to Tier-2 Earn-Outs that could be as much as $1.5 million if Airgroup generates at least $18.0 million in income from continuing operations during the period.

(2) Payable in cash on the one-year anniversary of the closing, so long as at least 31 of Airgroup's agent operations remain operational through the first anniversary of the closing.

(3) Income from continuing operations as presented here identifies the uniquely defined earnings targets of Airgroup and should not be interpreted to be the consolidated income from continuing operations of the Company which would give effect for, among other things, amortization or impairment of intangible assets or various other expenses which may not be charged to Airgroup for purposes of calculating earn-outs.

We believe that our current working capital and anticipated cash flow from operations are adequate to fund existing operations. However, our ability to finance further acquisitions is limited by the availability of additional capital. We may, however, finance acquisitions using our common stock as all or some portion of the consideration. In the event that our common stock does not attain or maintain a sufficient market value or potential acquisition candidates are otherwise unwilling to accept our securities as part of the purchase price for the sale of their businesses, we may be required to utilize more of our cash resources, if available, in order to continue our acquisition program. If we do not have sufficient cash resources through either operations or from debt facilities, our growth could be limited unless we are able to obtain such additional capital. In this regard and in the course of executing our acquisition strategy, we expect to pursue an additional equity offering within the next twelve months.

We have used a significant amount of our available capital to finance the acquisition of Airgroup. We expect to structure acquisitions with certain amounts paid at closing, and the balance paid over a number of years in the form of earn-out installments which are payable based upon the future earnings of the acquired businesses payable in cash, stock or some combination thereof. As we execute our acquisition strategy, we will be required to make significant payments in the future if the earn-out installments under our various acquisitions become due. While we believe that a portion of any required cash payments will be generated by the acquired businesses, we may have to secure additional sources of capital to fund the remainder of any cash-based earn-out payments as they become due. This presents us with certain business risks relative to the availability of capacity under our Facility, the availability and pricing of future fund raising, as well as the potential dilution to our stockholders to the extent the earn-outs are satisfied directly, or indirectly from the sale of equity.

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Recent Accounting Pronouncements

In November 2004, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standard (“SFAS”) No. 151 “Inventory Costs, an amendment of ARB No. 43, Chapter 4”. The amendments made by Statement 151 clarify that abnormal amounts of idle facility expense, freight, handling costs, and wasted materials (spoilage) should be recognized as current-period charges and require the allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. The guidance is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. Earlier application is permitted for inventory costs incurred during fiscal years beginning after November 23, 2004. This pronouncement will not affect us as we do not engage in these types of transactions.

In December 2004, the FASB issued SFAS No.153, “Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions.” The amendments made by Statement 153 are based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. Further, the amendments eliminate the narrow exception for nonmonetary exchanges of similar productive assets and replace it with a broader exception for exchanges of nonmonetary assets that do not have commercial substance. Previously, Opinion 29 required that the accounting for an exchange of a productive asset for a similar productive asset or an equivalent interest in the same or similar productive asset should be based on the recorded amount of the asset relinquished. Opinion 29 provided an exception to its basic measurement principle (fair value) for exchanges of similar productive assets. The Statement is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. Earlier application is permitted for nonmonetary asset exchanges occurring in fiscal periods beginning after the date of issuance. The pronouncement will not affect us as we do not engage in these types of transactions.

In December 2004, the FASB issued SFAS No.123 (revised 2004), “Share-Based Payment”. Statement 123I will provide investors and other users of financial statements with more complete and neutral financial information by requiring that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. Statement 123I covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. Statement 123I replaces FASB Statement No. 123, Accounting for Stock-Based Compensation, and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees. Statement 123, as originally issued in 1995, established as preferable a fair-value-based method of accounting for share-based payment transactions with employees. However, that Statement permitted entities the option of continuing to apply the guidance in Opinion 25, as long as the footnotes to financial statements disclosed what net income would have been had the preferable fair-value-based method been used. Non-public entities will be required to apply Statement 123I as of the first annual reporting period that begins after December 15, 2005. We adopted SFAS 123 I which resulted in an incremental $29,238 of compensation expense included in our results for the year ended December 31, 2005.

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In December 2004, the FASB issued two Staff Positions, FSP 109-1 "Accounting for Income Taxes" to the tax deduction on "Qualified Production Activities Provided by the American Job Creation Act of 2004", and FSP FAS 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision with the American Jobs Creation Act of 2004." Neither of these pronouncements had an effect on us as we do not participate in the related activities.

In March 2005, the staff of the SEC issued Staff Accounting Bulletin No. 107 ("SAB 107"). The interpretations in SAB 107 express views of the staff regarding the interaction between SFAS 123I and certain SEC rules and regulations and provide the staff's views regarding the valuation of share-based payment arrangements for public companies. In particular SAB 107 provides guidance related to share-based payment transactions with nonemployees, the transition from public entity status, valuation methods (including assumptions such as expected volatility and expected term), the accounting for certain redeemable financial instruments issued under share-based payment arrangements, the classification of compensation expense, non-GAAP financial measures, first-time adoption of SFAS 123I in an interim period, capitalization of compensation cost related to share-based payment arrangements, the accounting for income tax effects of share-based payment arrangements upon adoption of SFAS 123I and the modification of employee share options prior to adoption of SFAS 123I. Management is currently evaluating the impact SAB 107 will have on our consolidated financial statements.

In March 2005, the FASB issued FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"). FIN 47 provides guidance relating to the identification of and financial reporting for legal obligations to perform an asset retirement activity. The Interpretation requires recognition of a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. FIN 47 also defines when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. The provision is effective no later than the end of fiscal years ending after December 15, 2005. We will adopt FIN 47 beginning the first quarter of fiscal year 2006 and do not believe the adoption will have a material impact on our financial position or results of operations or cash flows.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" which replaces Accounting Principles Board Opinion No. 20 "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements-An Amendment of APB Opinion No. 28." SFAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005 and is required to be adopted in the first quarter of fiscal 2006.

In February of 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments", which is intended to simplify the accounting and improve the financial reporting of certain hybrid financial instruments (i.e., derivatives embedded in other financial instruments). The statement amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", and SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities—a replacement of FASB Statement No. 125." SFAS No. 155 is effective for all financial instruments issued or acquired after the beginning of an entity's first fiscal year that begins after September 15, 2006. Management is currently evaluating the impact SFAS No. 155 will have on our consolidated financial statements, if any.

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BUSINESS

Background

Radiant Logistics, Inc. (formerly known as “Golf Two, Inc”) (the “Company”) was formed under the laws of the state of Delaware on March 15, 2001. From inception through the third quarter of 2005, the Company’s principal business strategy focused on the development of retail golf stores. In October 2005, our management team consisting of Bohn H. Crain and Stephen M. Cohen completed a change of control transaction when they acquired a majority of the Company’s outstanding securities from the Company’s former officers and directors in privately negotiated transactions. In conjunction with the change of control transaction, we: (i) elected to discontinue the Company’s former business model; (ii) repositioned ourselves as a global transportation and supply chain management company; and (iii) changed our name to “Radiant Logistics, Inc.” to, among other things, better align our name with our new business focus.

General

Through the strategic acquisition of regional best-of-breed non-asset based transportation and logistics service providers, we intend to build a leading global transportation and supply-chain management company offering a full range of domestic and international freight forwarding and other value added supply chain management services, including order fulfillment, inventory management and warehousing.

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

Our acquisition strategy relies upon two primary factors: first, our ability to identify and acquire target businesses that fit within our general acquisition criteria and, second, the continued availability of capital and financing resources sufficient to complete these acquisitions. As to our first factor, following our recent acquisition of Airgroup Corporation (“Airgroup”), we have identified a number of additional companies that may be suitable acquisition candidates and are in preliminary discussions with a select number of them. As to our second factor, our ability to secure additional financing will rely upon the sale of debt or equity securities, and the development of an active trading market for our securities, neither of which can be assured.

Our growth strategy relies upon a number of factors, including our ability to efficiently integrate the businesses of the companies we acquire, generate the anticipated economies of scale from the integration, and maintain the historic sales growth of the acquired businesses in order to generate continued organic growth. There are a variety of risks associated with our ability to achieve our strategic objectives, including our ability to acquire and profitably manage additional businesses and the intense competition in our industry for customers and for the acquisition of additional businesses. Certain of these business risks are identified or referred to later in this section and under the section captioned “Risk Factors” beginning on page 3 of this prospectus.

We accomplished the first step in our strategy by completing the acquisition of Airgroup effective as of January 1, 2006. Airgroup is a Seattle, Washington based non-asset based logistics company that provides domestic and international freight forwarding services through a network of 34 exclusive agent offices across North America. Airgroup services a diversified account base including manufacturers, distributors and retailers using a network of independent carriers and over 100 international agents positioned strategically around the world.

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Industry Overview

As business requirements for efficient and cost-effective logistics services have increased, so has the importance and complexity of effectively managing freight transportation. Businesses increasingly strive to minimize inventory levels, perform manufacturing and assembly operations in lowest cost locations and distribute their products in numerous global markets. As a result, companies are increasingly looking to third-party logistics providers to help them execute their supply chain strategies.

Customers have two principal third-party alternatives: a freight forwarder or a fully-integrated carrier. A freight forwarder, such as Airgroup, procures shipments from customers and arranges the transportation of the cargo on a carrier. A freight forwarder may also arrange pick-up from the shipper to the carrier and delivery of the shipment from the carrier to the recipient. Freight forwarders often tailor shipment routing to meet the customer's price and service requirements. Fully-integrated carriers, such as FedEx Corporation, DHL Worldwide Express, Inc. and United Parcel Service ("UPS"), provide pick up and delivery service, primarily through their own captive fleets of trucks and aircraft. Because freight forwarders select from various transportation options in routing customer shipments, they are often able to serve customers less expensively and with greater flexibility than integrated carriers. Freight forwarders, generally handle shipments of any size and can offer a variety of customized shipping options.

Most freight forwarders, like Airgroup, focus on heavier cargo and do not generally compete with integrated shippers of primarily smaller parcels. In addition to the high fixed expenses associated with owning, operating and maintaining fleets of aircraft, trucks and related equipment, integrated carriers often impose significant restrictions on delivery schedules and shipment weight, size and type. On occasion, integrated shippers serve as a source of cargo space to forwarders. Additionally, most freight forwarders do not generally compete with the major commercial airlines, which, to some extent, depend on forwarders to procure shipments and supply freight to fill cargo space on their scheduled flights.

Based on management's experience in the logistics industry, we believe there are several factors that are increasing demand for global logistics solutions. The primary factors consist of:

- Outsourcing of non-core activities. Companies increasingly outsource freight forwarding, warehousing and other supply chain activities to allow them to focus on their respective core competencies. From managing purchase orders to the timely delivery of products, companies turn to third party logistics providers to manage these functions at a lower cost and greater efficiency.

- Globalization of trade. As barriers to international trade are reduced or substantially eliminated, international trade is increasing. In addition, companies increasingly are sourcing their parts, supplies and raw materials from the most cost competitive suppliers throughout the world. Outsourcing of manufacturing functions to, or locating company-owned manufacturing facilities in, low cost areas of the world also results in increased volumes of world trade.

- Increased need for time-definite delivery. The need for just-in-time and other time-definite delivery has increased as a result of the globalization of manufacturing, greater implementation of demand-driven supply chains, the shortening of product cycles and the increasing value of individual shipments. Many businesses recognize that increased spending on time-definite supply chain management services can decrease overall manufacturing and distribution costs, reduce capital requirements and allow them to manage their working capital more efficiently by reducing inventory levels and inventory loss.

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- Consolidation of global logistics providers. Companies are decreasing the number of freight forwarders and supply chain management providers with which they interact. We believe companies want to transact business with a limited number of providers that are familiar with their requirements, processes and procedures, and can function as long-term partners. In addition, there is strong pressure on national and regional freight forwarders and supply chain management providers to become aligned with a global network. Larger freight forwarders and supply chain management providers benefit from economies of scale which enable them to negotiate reduced transportation rates and to allocate their overhead over a larger volume of transactions. Globally integrated freight forwarders and supply chain management providers are better situated to provide a full complement of services, including pick-up and delivery, shipment via air, sea and/or road transport, warehousing and distribution, and customs brokerage.

- Increasing influence of e-business and the internet. Technology advances have allowed businesses to connect electronically through the Internet to obtain relevant information and make purchase and sale decisions on a real-time basis, resulting in decreased transaction times and increased business-to-business activity. In response to their customers' expectations, companies have recognized the benefits of being able to transact business electronically. As such, businesses increasingly are seeking the assistance of supply chain service providers with sophisticated information technology systems who can facilitate real-time transaction processing and web-based shipment monitoring.

Our Business Strategy

Our objective is to provide customers with comprehensive value-added logistics solutions. Initially, we plan to achieve this goal through the basic services offered by Airgroup, which will establish our baseline of service offerings. Thereafter, we expect to grow our business organically and by completing acquisitions of other companies with complementary geographical and logistics service offerings. These acquisitions are generally expected to have earnings of $1.0 to $5.0 million. Companies in this range of earnings may be receptive to our acquisition program since they are often too small to be identified as acquisition targets of larger public companies or to independently attempt their own public offerings.

Our Acquisition Strategy

We believe there are many attractive acquisition candidates in our industry because of the highly fragmented composition of the marketplace, the industry participants' need for capital and their owners' desire for liquidity. We intend to pursue an aggressive acquisition program to consolidate and enhance our position in our current market and to acquire operations in new markets.

We believe we can successfully implement our acquisition strategy due to the following factors:

- the highly fragmented composition of our market;
- our strategy for creating an organization with global reach should enhance an acquired company's ability to compete in its local and regional markets through an expansion of offered services and lower operating costs;

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- the potential for increased profitability as a result of our centralization of certain administrative functions, greater purchasing power and economies of scale;
- our centralized management capabilities should enable us to effectively manage our growth and integration of acquired companies;
- our status as a public corporation may ultimately provide us with a liquid trading currency for acquisitions; and
- the ability to utilize our experienced management to identify, acquire and integrate acquisition opportunities.

Initially, we intend to expand our business through acquisitions in key gateway locations such as Los Angeles, New York, Chicago, Seattle, Miami, Dallas and Houston. We also intend to expand our international base of operations. Once our expansion objectives are achieved, we believe that our domestic and expanded international capabilities, when taken together, will provide significant competitive advantage in the marketplace.

Our Operating Strategy

Leverage the People, Process and Technology Available through Airgroup. A key element of our operating strategy is to maximize our operational efficiencies by integrating general and administrative functions into the back-office of our platform acquisition and reducing or eliminating redundant functions and facilities at acquired companies. This is designed to enable us to quickly realize potential savings and synergies, efficiently control and monitor operations of acquired companies and allow acquired companies to focus on growing their sales and operations.

Develop and Maintain Strong Customer Relationships. We seek to develop and maintain strong interactive customer relationships by anticipating and focusing on our customers' needs. We emphasize a relationship-oriented approach to business, rather than the transaction or assignment-oriented approach used by many of our competitors. To develop close customer relationships, we and our network of exclusive agents regularly meet with both existing and prospective clients to help design solutions for, and identify the resources needed to execute, their supply chain strategies. We believe that this relationship-oriented approach results in greater customer satisfaction and reduced business development expense.

Operations

Through our acquisition of Airgroup, we offer domestic and international air, ocean and ground freight forwarding for shipments that are generally larger than shipments handled by integrated carriers of primarily small parcels such as Federal Express Corporation and United Parcel Service. As we execute our acquisition strategy, our revenues will ultimately be generated from a number of diverse services, including air freight forwarding, ocean freight forwarding, customs brokerage, logistics and other value-added services.

Our primary business operations involve obtaining shipment or material orders from customers, creating and delivering a wide range of logistics solutions to meet customers' specific requirements for transportation and related services, and arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. These logistics solutions will include domestic and international freight forwarding and door-to-door delivery services using a wide range of transportation modes, including air, ocean and truck. As a non-asset based provider we do not own the transportation equipment used to transport the freight. We expect to neither own nor operate any aircraft and, consequently, place no restrictions on delivery schedules or shipment size. We arrange for transportation of our customers' shipments via commercial airlines, air cargo carriers, and other assets and non-asset based third-party providers. We select the carrier for a shipment based on route, departure time, available cargo capacity and cost. We charter cargo aircraft from time to time depending upon seasonality, freight volumes and other factors. We make a profit or margin on the difference between what we charge to our customers for the totality of services provided to them, and what we pay to the transportation provider to transport the freight.

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Information Services

The regular enhancement of our information systems and ultimate migration of acquired companies to a common set of back-office and customer facing applications is a key component of our acquisition and growth strategy. We believe that the ability to provide accurate real-time information on the status of shipments will become increasingly important and that our efforts in this area will result in competitive service advantages. In addition, we believe that centralizing our transportation management system (rating, routing, tender and financial settlement processes) will drive significant productivity improvement across our network.

We utilize a web-enabled third-party freight forwarding software (Cargowise) which we have integrated to our third-party accounting system (SAP) which combine to form the foundation of our supply-chain technologies which we call “Globalvision”. Globalvision provides us with a common set of back-office operating, accounting and customer facing applications used across the network. We have and will continue to assess technologies obtained through our acquisition strategy and expect to develop a “best-of-breed” solution set using a combination of owned and licensed technologies. This strategy will result in the investment of significant management and financial resources to deliver these enabling technologies.

Our Competitive Advantages

As a non-asset based third-party logistics provider with an expanding global presence, we believe that we will be well-positioned to provide cost-effective and efficient solutions to address the demand in the marketplace for transportation and logistics services. We believe that the most important competitive factors in our industry are quality of service, including reliability, responsiveness, expertise and convenience, scope of operations, geographic coverage, information technology and price. We believe our primary competitive advantages are: (i) our low cost; non-asset based business model; (ii) our information technology resources; and (iii) our diverse customer base.

- Non-asset based business model. With relatively no dedicated or fixed operating costs, we are able to leverage our network and offer competitive pricing and flexible solutions to our customers. Moreover, our balanced product offering provides us with revenue streams from multiple sources and enables us to retain customers even as they shift from priority to deferred shipments of their products. We believe our model allows us to provide low-cost solutions to our customers while also generating revenues from multiple modes of transportation and logistics services.

- Global network. We intend to focus on expanding our network on a global basis. Once accomplished, this will enable us to provide a closed-loop logistics chain to our customers worldwide. Within North America, our capabilities consist of our pick up and delivery network, ground and air networks, and logistics capabilities. Our ground and pick up and delivery networks enable us to service the growing deferred forwarding market while providing the domestic connectivity for international shipments once they reach North America. In addition, our heavyweight air network provides for competitive costs on shipments, as we have no dedicated charters or leases and can capitalize on available capacity in the market to move our customers’ goods.

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- Information technology resources. A primary component of our business strategy is the continued development of advanced information systems to continually provide accurate and timely information to our management and customers. Our customer delivery tools enable connectivity with our customers' and trading partners' systems, which leads to more accurate and up-to-date information on the status of shipments.

- Diverse customer base. We have a well diversified base of customers that includes manufacturers, distributors and retailers. As of the date of this Prospectus, no single customer represented more than 5% of our business reducing risks associated with any particular industry or customer concentration.

Sales and Marketing

We principally market our services through the senior management teams in place at each of our 34 exclusive agent offices located strategically across the United States. Each office is staffed with operational employees of the agent to provide support for the sales team, develop frequent contact with the customer's traffic department, and maintain customer service. Through the agency relationship, the agent has the ability to focus on the operational and sales support aspects of the business without diverting costs or expertise to the structural aspect of its operations and provides the agent with the regional, national and global brand recognition that they would not otherwise be able to achieve by serving their local markets.

Sales are primarily generated by our exclusive agents on a localized basis. However, to better utilize our available network of agents, we are in the process of implementing a national accounts program which is intended to increase our emphasis on obtaining high-revenue national accounts with multiple shipping locations. These accounts typically impose numerous requirements on those competing for their freight business, including electronic data interchange and proof of delivery capabilities, the ability to generate customized shipping reports and a nationwide network of terminals. These requirements often limit the competition for these accounts to very small number of logistics providers. We believe that our anticipated future growth and development will enable us to more effectively compete for and obtain these accounts.

Competition and Business Conditions

The logistics business is directly impacted by the volume of domestic and international trade. The volume of such trade is influenced by many factors, including economic and political conditions in the United States and abroad, major work stoppages, exchange controls, currency fluctuations, acts of war, terrorism and other armed conflicts, United States and international laws relating to tariffs, trade restrictions, foreign investments and taxation.

The global logistics services and transportation industries are intensively competitive and are expected to remain so for the foreseeable future. We will compete against other integrated logistics companies, as well as transportation services companies, consultants, information technology vendors and shippers' transportation departments. This competition is based primarily on rates, quality of service (such as damage-free shipments, on-time delivery and consistent transit times), reliable pickup and delivery and scope of operations. Most of our competitors will have substantially greater financial resources than we do.

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Regulation

There are numerous transportation related regulations. Failure to comply with the applicable regulations or to maintain required permits or licenses could result in substantial fines or revocation of operating permits or authorities. We cannot give assurance as to the degree or cost of future regulations on our business. Some of the regulations affecting our current and prospective operations are described below.

Air freight forwarding businesses are subject to regulation, as an indirect air cargo carrier, under the Federal Aviation Act by the U.S. Department of Transportation. However, air freight forwarders are exempted from most of the Federal Aviation Act's requirements by the Economic Aviation Regulations. The air freight forwarding industry is subject to regulatory and legislative changes that can affect the economics of the industry by requiring changes in operating practices or influencing the demand for, and the costs of providing, services to customers.

Surface freight forwarding operations are subject to various federal statutes and are regulated by the Surface Transportation Board. This federal agency has broad investigatory and regulatory powers, including the power to issue a certificate of authority or license to engage in the business, to approve specified mergers, consolidations and acquisitions, and to regulate the delivery of some types of domestic shipments and operations within particular geographic areas.

The Surface Transportation Board and U.S. Department of Transportation also have the authority to regulate interstate motor carrier operations, including the regulation of certain rates, charges and accounting systems, to require periodic financial reporting, and to regulate insurance, driver qualifications, operation of motor vehicles, parts and accessories for motor vehicle equipment, hours of service of drivers, inspection, repair, maintenance standards and other safety related matters. The federal laws governing interstate motor carriers have both direct and indirect application to the Company. The breadth and scope of the federal regulations may affect our operations and the motor carriers which are used in the provisioning of the transportation services. In certain locations, state or local permits or registrations may also be required to provide or obtain intrastate motor carrier services.

The Federal Maritime Commission, or FMC, regulates and licenses ocean forwarding operations. Indirect ocean carriers (non-vessel operating common carriers) are subject to FMC regulation, under the FMC tariff filing and surety bond requirements, and under the Shipping Act of 1984, particularly those terms proscribing rebating practices.

United States customs brokerage operations are subject to the licensing requirements of the U.S. Treasury and are regulated by the U.S. Customs Service. As we broaden our capabilities to include customs brokerage operations, we will be subject to regulation by the Customs Service. Likewise, any customs brokerage operations would also be licensed in and subject to the regulations of their respective countries.

In the United States, we are subject to federal, state and local provisions relating to the discharge of materials into the environment or otherwise for the protection of the environment. Similar laws apply in many foreign jurisdictions in which we may operate in the future. Although current operations have not been significantly affected by compliance with these environmental laws, governments are becoming increasingly sensitive to environmental issues, and we cannot predict what impact future environmental regulations may have on our business. We do not anticipate making any material capital expenditures for environmental control purposes.

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Personnel

As of the date of this prospectus, we have approximately 35 employees. None of these employees are currently covered by a collective bargaining agreement. We have experienced no work stoppages and consider our relations with our employees to be good.

LEGAL PROCEEDINGS

We are not a party to any pending material legal proceeding.

DESCRIPTION OF PROPERTY

Our offices are located at 1227 120th Avenue N.E., Bellevue, Washington 98005 and consist of approximately 14,500 feet of office space which we lease for approximately $11,300 per month pursuant to lease that expires April 30, 2007. We also maintain approximately 8,125 feet of office space at 19320 Des Moines Memorial Drive South, SeaTac, Washington which we lease for approximately $5,300 per month pursuant to lease that expires December 31, 2010. In addition, we own a small parcel of undeveloped acreage located at Grays Harbor, Washington which is not material to our business. We believe our current offices are adequately covered by insurance and are sufficient to support our operations for the foreseeable future.

DIRECTORS AND EXECUTIVE OFFICERS

Below is certain information regarding our directors and executive officers.

The following table sets forth information concerning our executive officers and directors. Each of the executive officers will serve until his or her successor is appointed by our Board of Directors or such executive officer's earlier resignation or removal. Each of the directors will serve until the next annual meeting of stockholders or such director's earlier resignation or removal.

Name	**Age**	**Position**
Bohn H. Crain	42	Chief Executive Officer, Chief Financial Officer and Chairman
Stephen M. Cohen	49	General Counsel, Secretary and Director
William H. Moultrie	64	President and Chief Operating Officer of Airgroup

Bohn H. Crain. Mr. Crain has served as our Chief Executive Officer, Chief Financial Officer and Chairman of our Board of Directors since October 10, 2005. Mr. Crain brings over 15 years of industry and capital markets experience in transportation and logistics. Since January 2005, Mr. Crain has served as the Chief Executive Officer of Radiant Capital Partners, LLC, an entity he formed to execute a consolidation strategy in the transportation/logistics sector. Prior to founding Radiant, Mr. Crain served as the executive vice president and the chief financial officer of Stonepath Group, Inc. from January 2002 until December 2004. Stonepath is a global non-asset based provider of third party logistics services listed on the American Stock Exchange. In 2001, Mr. Crain served as the executive vice president and chief financial officer of Schneider Logistics, Inc., a third-party logistics company, and from 2000 to 2001, he served as the vice president and treasurer of Florida East Coast Industries, Inc., a public company engaged in railroad and real estate businesses listed on the New York Stock Exchange. Between 1989 and 2000, Mr. Crain held various vice president and treasury positions for CSX Corp., and several of its subsidiaries, a Fortune 500 transportation company listed on the New York Stock Exchange. Mr. Crain earned a Bachelor of Science in Accounting from the

University of Texas.

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Stephen M. Cohen. Mr. Cohen has served as our General Counsel, Secretary and member of our Board of Directors since October 10, 2005. In 2004, Mr. Cohen founded SMC Capital Advisors, Inc. which provides business and legal consulting services focusing on corporate finance and federal securities matters. From 2000 until 2004, Mr. Cohen served as senior vice president, general counsel and secretary of Stonepath Group, Inc., a global non-asset based provider of third party logistics services listed on the American Stock Exchange, where he helped transition that company from a venture investor in early stage technology businesses to a global logistics company and assisted in the acquisition of domestic and international logistics companies in the United States, Asia and South America. Prior to 2000, Mr. Cohen practiced law, including having been a shareholder of Buchanan Ingersoll P.C., from 1996 to 2000, and a partner at Clark, Ladner, Fortenbaugh & Young from 1990 to 1996. Mr. Cohen earned a Bachelor of Science in Accounting from the School of Commerce and Finance of Villanova University in 1977, a Juris Doctor from Temple University in 1980, and an LLM in Taxation from Villanova University School of Law. Mr. Cohen is licensed to practice law in Pennsylvania.

William H. Moultrie. Mr. Moultrie serves as the President and Chief Operating Officer of Airgroup Corporation. Mr. Moultrie co-founded Airgroup in March of 1987. Over the past 18 years, he built Airgroup into a non-asset based logistics company providing domestic and international freight forwarding to a diversified account base of manufacturers, distributors and retailers using a network of independent carriers and over 100 international agents positioned strategically around the world with over $50.0 million in annual revenues, and 34 agent offices across North America. Mr. Moultrie has over thirty-five years of logistics experience in the both the domestic and international markets. Mr. Moultrie received a Bachelor of Science from Eastern Washington University.

Directors' Term of Office

Directors hold office until the next annual meeting of shareholders and the election and qualification of their successors. Officers are elected annually by our board of directors and serve at the discretion of the board of directors.

Audit Committee and Audit Committee Financial Expert

Our Board of Directors acts as our audit committee. No member of our Board of Directors has been designated as an "audit committee financial expert," as that term is defined in Item 401(e) of Regulation S-B promulgated under the Securities Act. Although Bohn H. Crain, our Chief Executive Officer, has the requisite background and professional experience to qualify as an Audit Committee Financial Expert, he has not been designated as such by our Board of Directors since: (i) we have no Audit Committee; and (ii) Mr. Crain does not satisfy the "independence" standards adopted by the American Stock Exchange.

Our Board of Directors consists of only two members, both of whom are executive officers of the Company. In addition, to date, we have conducted limited operations, having only concluded our first acquisition during January 2006. In light of the foregoing, and upon evaluating the Company's internal controls, our Board of Directors determined that our internal controls are adequate to insure that financial information is recorded, processed, summarized and reported in a timely and accurate manner in accordance with applicable rules and regulations of the Securities and Exchange Commission. Accordingly, our Board of Directors concluded that the benefits of retaining an individual who qualifies as an "audit committee financial expert" would be outweighed by the costs of retaining such a person.

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EXECUTIVE COMPENSATION

The following table sets forth a summary of the compensation paid or accrued for the three fiscal years ended December 31, 2005 to or for the benefit of our Chief Executive Officer and our four most highly compensated executive officers whose total annual salary and bonus compensation exceeded $100,000 (the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

Name and Principal Position		Annual Compensation: Salary	Annual Compensation: Bonus	Long-Term Compensation Awards: Restricted Stock Awards	Long-Term Compensation Awards: Number of Options	All Other Compensation
Bohn H. Crain, Chief [(1)] Chief Executive Officer	2005	$ 20,833	—	—	2,000,000	—
Stephen M. Cohen[(2)] General Counsel and Secretary	2005	—	—	—	—	—

(1) Mr. Crain has served as our Chief Executive Officer since October 18, 2005. During the fiscal years ended December 31, 2003 and 2004 and from January 1, 2005 until October 17, 2005, we did not pay any compensation to any of our executive officers, except that in 2003 we issued shares of common stock to our former president valued at $90,000.

(2) Mr. Cohen serves as our General Counsel, Secretary and Director. SMC Capital Advisors, a legal and financial advisory firm owned by Mr. Cohen, provides outside legal services to the Company. Please see "Certain Relationships and Related Transactions" below.

The following table sets forth information concerning options granted during our fiscal year ended December 31, 2005 for each of the Named Executive Officers.

OPTION GRANTS IN LAST FISCAL YEAR

Name	Number of Options Granted	% of Total Options Granted to Employees in Fiscal-Year	Exercise Price	Market Price on Date of Grant	Expiration Date
Bohn H. Crain	1,000,000[(1)]	50%	$ 0.50	$ 0.44[(2)]	October 20, 2015
Bohn H. Crain	1,000,000[(1)]	50%	$ 0.75	$ 0.44[(2)]	October 20, 2015

(1) These options vest in equal annual installments over a five year period commencing on the date of grant.

(2) As of the date of grant, there was no established trading market for our common stock and there was no trading of our shares on or around the date the options were granted. On or about the date the options were granted, we completed an offering of our common stock at a price of $0.44 per share

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The following table sets forth information concerning year-end option values for fiscal 2005 for the Named Executive Officers.

FISCAL YEAR END OPTION VALUES

Name	Shares Acquired on Exercise	Value Realized	Number of Unexercised Options at Fiscal Year End		Value of Unexercised In-The-Money Options at Fiscal Year End (1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Bohn H. Crain	—	—	—	2,000,000	$ —	$ 0

(1) As of December 31, 2005, there was no established trading market for our common stock with only a single trade of our shares in late December of 2005. The table has been prepared based on a market value of $0.44 per share, the price at which we sold shares of common stock to independent third party accredited investors in arm's length transactions between October 2005 and January 2006.

Employment and Option Agreements

On January 13, 2006, we entered into an employment agreement with Bohn H. Crain to serve as our Chief Executive Officer. The agreement has an initial employment term of five years and automatically renews for consecutive one-year terms thereafter, subject to certain notice provision. The agreement provides for an annual base salary of $250,000, a performance bonus of up to 50% of the base salary based upon the achievement of certain target objectives, and discretionary merit bonus that can be awarded at the discretion of our Board of Directors. Mr. Crain will also be entitled to certain severance benefits upon his death, disability or termination of employment, as well as fringe benefits including participation in pension, profit sharing and bonus plans as applicable, and life insurance, hospitalization, major medical, paid vacation and expense reimbursement. The employment agreement contains standard and customary non-solicitation, non-competition, work made for hire, and confidentiality provisions.

On October 20, 2005, we issued an option to Mr. Crain to purchase 2,000,000 shares of common stock, 1,000,000 of which are exercisable at $0.50 per share and the balance of which are exercisable at $0.75 per share. The options have a term of 10 years and vest in equal annual installments over the five year period commencing on the date of grant.

In connection with our acquisition of Airgroup, on January 11, 2006 Airgroup entered into an employment agreement with William H. Moultrie to serve as the President of Airgroup. The agreement expires on June 30, 2009, provides for an annual base salary of $120,000, and an annual performance bonus equal to up to 25% of the annual base salary payable at the discretion of the board of directors of Airgroup. Mr. Moultrie is entitled to certain severance payments in the event he is terminated without cause and to certain fringe benefits including, participation in pension, profit sharing and bonus plans, as applicable, life insurance, hospitalization and major medical as are in effect, as well as paid vacation, and expense reimbursement. The agreement contains non competition and non solicitation covenants which prohibit Mr. Moultrie from participating in any activity that is competitive with our business or from soliciting any of our customers, employees or consultants until October 11, 2011. The agreement also contains standard and customary confidentiality and work made for hire provisions.

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On January 11, 2005, we issued an option to Mr. Moultrie to purchase 50,000 shares of common stock exercisable at $0.44 per share. The options have a term of 10 years, vest in equal annual installments over the five year period commencing on the date of grant, and are otherwise subject to the terms of the Radiant Logistics, Inc. 2005 Stock Incentive Plan, the material terms of which are described below.

Change in Control Arrangements

The options granted to Mr. Crain contain a change in control provision which is triggered in the event that we are acquired by merger, share exchange or otherwise, sell all or substantially all of our assets, or all of the stock of the Company is acquired by a third party (each, a “Fundamental Transaction”). In the event of a Fundamental Transaction, all of the options will vest and Mr. Crain shall have the full term of such Options in which to exercise any or all of them, notwithstanding any accelerated exercise period contained in any such Option.

The employment agreement with Mr. Crain contains a change in control provision. If his employment is terminated following a change in control (other than for cause), then we must pay him a termination payment equal to 2.99 times his base salary in effect on the date of termination of his employment, any bonus to which he would have been entitled for a period of three years following the date of termination, any unpaid expenses and benefits, and for a period of three years provide him with all fringe benefits he was receiving on the date of termination of his employment or the economic equivalent. In addition, all of his unvested stock options shall immediately vest as of the termination date of his employment due to a change in control. A change in control is generally defined as the occurrence of any one of the following:

· any “Person” (as the term “Person” is used in Section 13(d) and Section 14(d) of the Securities Exchange Act of 1934), except for our chief executive officer, becoming the beneficial owner, directly or indirectly, of our securities representing 50% or more of the combined voting power of our then outstanding securities;

· a contested proxy solicitation of our stockholders that results in the contesting party obtaining the ability to vote securities representing 50% or more of the combined voting power of our then-outstanding securities;

· a sale, exchange, transfer or other disposition of 50% or more in value of our assets to another Person or entity, except to an entity controlled directly or indirectly by us;

· a merger, consolidation or other reorganization involving us in which we are not the surviving entity and in which our stockholders prior to the transaction continue to own less than 50% of the outstanding securities of the acquiror immediately following the transaction, or a plan involving our liquidation or dissolution other than pursuant to bankruptcy or insolvency laws is adopted; or

· during any period of twelve consecutive months, individuals who at the beginning of such period constituted the Board unless the election, or the nomination for election by our stockholders, of each new director was approved by a vote of at least a majority of the directors then still in office who were directors at the beginning of the period.

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Notwithstanding the foregoing, a "change of control" is not deemed to have occurred (i) in the event of a sale, exchange, transfer or other disposition of substantially all of our assets to, or a merger, consolidation or other reorganization involving, us and any entity in which our chief executive officer has, directly or indirectly, at least a 25% equity or ownership interest; or (ii) in a transaction otherwise commonly referred to as a "management leveraged buy-out."

Directors' Compensation

We do not have any standard arrangements regarding payment of any cash or other compensation to our current directors for their services as directors, as members of any committee of our board of directors or for any special assignments, other than to reimburse them for their cost of travel and other out-of-pocket costs incurred to attend board or committee meetings or to perform any special assignment on behalf of the Company.

Stock Incentive Plan

The Radiant Logistics, Inc. 2005 Stock Incentive Plan, (the "Stock Incentive Plan") covers 5,000,000 shares of common stock. Under its terms, employees, officers and directors of the Company and its subsidiaries are currently eligible to receive non-qualified stock options, restricted stock awards and, at such time as the Plan is approved by our stockholders, incentive stock options within the meaning of Section 422 of the Code. In addition, advisors and consultants who perform services for the Company or its subsidiaries are eligible to receive non-qualified stock options under the Stock Incentive Plan. The Stock Incentive Plan is administered by the Board of Directors or a committee designated by the Board of Directors.

All stock options granted under the Stock Incentive Plan are exercisable for a period of up to ten years from the date of grant and are subject to vesting as determined by the Board upon grant. We may not grant incentive stock options pursuant to the Stock Incentive Plan at exercise prices which are less than the fair market value of the common stock on the date of grant. The term of an incentive stock option granted under the Stock Incentive Plan to a stockholder owning more than 10% of the issued and outstanding common stock may not exceed five years and the exercise price of an incentive stock option granted to such stockholder may not be less than 110% of the fair market value of the common stock on the date of grant. The Stock Incentive Plan contains certain limitations on the maximum number of shares of the common stock that may be awarded in any calendar year to any one individual for the purposes of Section 162(m) of the Code.

As of the date of this Prospectus, there are outstanding options to purchase 2,425,000 shares of common stock, 1,000,000 of which are exercisable at $0.50 per share, 1,000,000 of which are exercisable at $0.75 per share, and 425,000 of which are exercisable at $0.44 per share.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

On January 11, 2006, Bohn H. Crain, our Chief Executive Officer and Chairman of the Board of Directors, and Stephen M. Cohen, our Secretary General Counsel and a Director, surrendered 5,712,500 and 1,904,166 shares of common stock, respectively, to the Company for cancellation.

On January 13, 2006 we entered into a five year employment agreement with Bohn H. Crain to serve as our Chief Executive Officer. On October 20, 2005 we issued options to Mr. Crain to purchase 2,000,000 shares of common stock. See "EXECUTIVE COMPENSATION-Employment and Option Agreements" above.

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On February 10, 2006, the Company reimbursed Radiant Capital Partners LLC ("Radiant Capital"), an affiliate of Bohn H. Crain, $75,000 for amounts Radiant Capital had paid on behalf of the Company for financial advisory services paid to a financial advisor.

SMC Capital Advisors, Inc., a legal and financial advisory firm owned by Stephen Cohen, our Secretary, General Counsel and Director, provided approximately $50,000 of outside legal services to the Company in connection with the acquisition of Airgroup.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table indicates how many shares of our common stock were beneficially owned as of March **24**, 2006, by (1) each person known by us to be the owner of more than 5% of our outstanding shares of common stock, (2) our directors, (3) our executive officers, and (4) all of our directors and executive officers as a group. The address of each of the directors and executive officers listed below is c/o Airgroup, 1227 120th Avenue N.E., Bellevue, Washington 98005.

Name of Beneficial Owner	Amount(1)	Percent of Class
Bohn H. Crain	7,500,000(2)	22.3%
Stephen M. Cohen	2,500,000(3)	7.4%
William H. Moultrie	113,637(4)	(*)
Millenium Global High Yield Fund Limited 64 St. James Street London, U.K. SQ1A 1NF	2,875,000	8.5%
Michael Garnick 1528 Walnut Street Philadelphia, PA 19102	2,300,000	6.8%
SPH Investments, Inc. 111 Presidential Blvd., Suite 165 Bala Cynwyd, PA 19004	2,068,182	6.2%
All officers and directors as a group (3 persons)	10,113,637	30.0%

(*) Less than one percent

(1) The securities "beneficially owned" by a person are determined in accordance with the definition of "beneficial ownership" set forth in the rules and regulations promulgated under the Securities Exchange Act of 1934, and accordingly, may include securities owned by and for, among others, the spouse and/or minor children of an individual and any other relative who has the same home as such individual, as well as other securities as to which the individual has or shares voting or investment power or which such person has the right to acquire within 60 days of March 24, 2006 pursuant to the exercise of options, or otherwise. Beneficial ownership may be disclaimed as to certain of the securities. This table has been prepared based on 33,611,639 shares of common stock outstanding as of March 24, 2006.

(2) Consists of shares held by Radiant Capital Partners, LLC over which Mr. Crain has sole voting and dispositive power. Does not include 2,000,000 shares issuable upon exercise of options which are subject to vesting.

(3) Consists of shares held of record by Mr. Cohen's wife over which he has sole voting and dispositive power.

(4) Does not include 50,000 shares issuable upon exercise of options which are subject to vesting.

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DETERMINATION OF OFFERING PRICE

The prices at which the shares of common stock covered by the Prospectus may actually be sold will be determined by the prevailing public market price for shares of common stock or by negotiations in private transactions.

SELLING SHAREHOLDERS

The table below sets forth the name of each person who is offering for resale shares of common stock covered by this prospectus, the number of shares of common stock beneficially owned by each person, the number of shares of common stock that may be sold in this offering, and the number of shares of common stock each person will own after the offering, assuming they sell all of the shares offered.

The shares of common stock included in this Prospectus were issued in the following private placement transactions, each of which was exempt from the registration requirements of the Securities Act of 1933, as amended, as follows:

In October 2005, we issued an aggregate of 2,272,728 shares of our common stock to a limited number of accredited investors for gross cash consideration of $1.0 million.

In December, 2005, we issued 10,098,943 shares of our common stock to a limited number of accredited investors for gross cash proceeds of $4,440,000.

In January 2006, we issued 1,009,093 shares of our common stock to certain Airgroup shareholders and employees who are accredited investors for gross proceeds of $444,000.

In February 2006, we issued 1,466,697 shares of our common stock to a limited number of accredited investors for gross cash proceeds of $645,000.

Each of the foregoing private placements was completed at a purchase price of $0.44 per share.

Because the selling shareholders may offer all, some, or none of their shares of our common stock, we cannot provide a definitive estimate of the number of shares that the selling shareholders will hold after this offering.

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Except as otherwise disclosed in the table below, none of the selling shareholders has at any time during the past three years acted as one of our employees, officers, or directors or otherwise had a material relationship with us, although up to 7,243,182 shares are being offered by a principal stockholders and 113,637 shares are being offered by the president of our Airgroup subsidiary. In addition, to our knowledge, none of the selling shareholders is associated with a broker-dealer. Why do you note the president, but none of the other employees of Airgroup? The January offering was to employees and shareholders of Airgroup. If you include the president, even if he technically was not employed during the previous 3 years, why not the other employees?

For purposes of the following table, beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a selling shareholder and the percentage of ownership of that selling shareholder, shares of common stock issuable on exercise of options or warrants held by that selling shareholder that are convertible or exercisable, as the case may be, within 60 days of March 24, 2006, are included. Those shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other selling shareholder. The following table is based on 33,611,639 shares of common stock outstanding as of March 24, 2006.

	Shares beneficially owned prior to the offering		Number of common common shares registered in this	Shares beneficially owned after the offering	
Selling Shareholder	**Number**	**Percent**	**prospectus**	**Number**	**Percent**
Capital Growth Investment Trust	568,182	1.7%	568,182	0	--
SPH Investments, Inc.(1)	2,068,182	6.2%	1,568,182	0	--
David Stevenson	1,136,364	3.4%	1,136,364	0	--
Stellar Capital Fund LLC	1,136,363	3.4%	1,136,363	0	--
Strand Inc	1,200,000	3.6%	1,200,000	0	--
Timothy Tatum	159,091	*	159,091	0	--
Leon Frankel	568,182	1.7%	568,182		
Michael Garnick(1)	2,300,000	6.8%	1,800,000	0	--

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The increase related to amortization from the businesses acquired in Decem
2013.

Interest Expense, Net

Interest expense (net of interest income) for the quarter was $3.1 million, compared with $4.1 million in the same period of 2013. Interest expense for the quarter was comprised of interest on the credit facility of $2.8 million and amortization of capitalized loan costs of $0.3 million. The decrease in interest expense related to lower interest rates under the credit facility as a result of refinancings in May 2013 and February 2014.

Write-Off of Loan Costs

Write-off of loan costs was $15.0 million for the quarter ended June 30, 2013 and related to the refinancing of our credit facility in May 2013. The refinancing in May 2013 was treated as an early extinguishment of debt resulting in a full write-off of the unamortized loan costs associated with the previous facility.

Provision for Income Taxes

The provision for income taxes was $14.8 million for the quarter, compared with $5.5 million for the same period in 2013. The effective tax rate for the quarter was 41.8 percent, compared with 43.1 percent for the same period in 2013. This lower effective tax rate was due to higher pre-tax income with a lower mix of non-deductible expenses.

Discontinued Operations

We sold our Nurse Travel division in February 2013 for $33.7 million and our Allied Healthcare division in December 2013 for $28.7 million. These units formerly comprised the majority of our Healthcare segment. As a result of these sales, operating results and the gain on sale of these divisions, net of income tax, are presented as discontinued operations in our Condensed Consolidated Statements of Operations and Comprehensive Income for all periods presented. Income from discontinued operations, net of income taxes, was $90,000 for the quarter ended June 30, 2014, compared with $96,000 in the same period of 2013.

CHANGES IN RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2014
COMPARED WITH THE SIX MONTHS ENDED JUNE 30, 2013

Revenues by Segment (dollars in thousands):

	Six Months Ended June 30,		Change		
	2014	2013	$	%	
Apex	$576,301	$502,112	$74,189	14.8	%
Oxford	243,504	211,841	31,663	14.9	%
Physician	65,448	52,768	12,680	24.0	%
Life Sciences Europe	22,639	20,187	2,452	12.1	%
	$907,892	$786,908	$120,984	15.4	%

Revenues were $907.9 million, up 15.4 percent year-over-year on a reported basis, and 9.2 percent on a pro forma basis. The increase in revenues is due to year-over-year organic growth of 8.8 percent and the acquisitions of Whitaker and CyberCoders, which contributed $51.6 million of revenues for the six months ended June 30, 2014. Direct hire and conversion fee revenues for the six months ended June 30, 2014, were $43.0 million, or 4.7 percent of total revenues, up from $13.4 million, or 1.7 percent of revenues for the prior year period. The increase is primarily related to CyberCoders, which accounted for $29.3 million of direct hire and conversion fee revenues for the period.

Apex, our largest segment, reported revenues for the six months ended June 30, 2014 of $576.3 million, or 63.5 percent of total revenues. Revenues from Apex were up 14.8 percent year-over-year, reflecting a 13.1 percent increase in the average number of contract professionals on assignment.

Oxford reported revenues of $243.5 million, up 14.9 percent year-over-year on a reported basis and up 20 basis points on a pro forma basis. Revenues for the period included $37.3 million in revenues from CyberCoders, which was acquired in December 2013. Excluding the contribution from CyberCoders, revenues were down approximately 2.7 percent year-over-year primarily due to the completion of a large project in 2013, which accounted for $11.3 million for the six months ended June 30, 2013.

Physician reported revenues of $65.4 million, up 24.0 percent, due to the inclusion of Whitaker, which accounted for $14.3 million of the Physician segment’s revenues in the first half of 2014, partially offset by a decrease in average bill rate of 6.2 percent compared to the prior year period. Excluding the contribution from Whitaker, revenues were down 3.0 percent year-over-year.

Life Sciences Europe reported revenues of $22.6 million, up 12.1 percent, due to a 10.0 percent increase in the average number of contract professionals in the first half of 2014. The growth relates to an improved operating environment across all core industries and new project awards within targeted accounts, with biotechnology and pharmaceuticals leading demand for contract and direct hire services in Europe.

Gross Profit and Gross Margin by Segment (dollars in thousands):

	Six Months Ended June 30,					
	2014			2013		
	Gross Profit	Gross Margin		Gross Profit	Gross Margin	
Apex	$160,183	27.8	%	$136,893	27.3	%
Oxford	102,637	42.2	%	71,937	34.0	%

Physician	19,136	29.2	%	15,123	28.7	%
Life Sciences Europe	8,359	36.9	%	7,490	37.1	%
	$290,315	32.0	%	$231,443	29.4	%

Gross profit for the six months ended June 30, 2014 was $290.3 million, up 25.4 percent, over the prior year period as a result of the increase in revenues and expansion in gross margin. Gross margin was 32.0 percent, up approximately 260 basis points year-over-year. The increase in gross margin was primarily due to the higher mix of direct hire and conversion fee revenues (4.7 percent of revenues up from 1.7 percent year-over-year) and higher contract gross margins in each segment. The improvement in mix of direct hire and conversion fee revenues is due to $29.3 million in contribution from CyberCoders, which was acquired in December 2013.

Apex's gross profit was $160.2 million, up 17.0 percent, as a result of the year-over-year increase in revenues and expansion in its gross margin. Gross margin for the six months ended June 30, 2014 was 27.8 percent, up approximately 50 basis points year-over-year. The expansion in gross margin is due to a 2.6 percent increase in bill/pay spread and a slightly higher mix of permanent placement revenues.

Oxford's gross profit was $102.6 million, up 42.7 percent on a reported basis, as a result of growth in revenues and expansion in gross margin primarily due to a higher mix of direct hire and conversion fee revenues. Oxford's gross margin for the six months ended June 30, 2014 was 42.2 percent, up from 34.0 percent year-over-year. The year-over-year increase in revenues and the higher mix of direct hire and conversion fee revenues are related to the inclusion of CyberCoders.

Physician's gross profit was $19.1 million, up 26.5 percent primarily due to revenues from Whitaker, which was acquired in December 2013, and expansion in gross margin. The expansion in gross margin reflected a $0.6 million reduction in the medical malpractice reserve during the period.

Life Sciences Europe's gross profit was $8.4 million, up 11.6 percent, as a result of the 12.1 percent increase in revenues. Gross margin for the period was 36.9 percent, comparable to the 37.1 percent in the prior year period.

Selling, General and Administrative Expenses

For the six months ended June 30, 2014, SG&A expenses were $212.1 million (23.4 percent of revenues), up from $166.2 million (21.1 percent of revenues) for the same period of 2013. The increase in the SG&A expense margin was due to the inclusion of CyberCoders, which has higher gross margin and expense margin than our other business units. SG&A expenses for the period also included acquisition, integration and strategic planning expenses of $2.9 million. Most of these expenses related to severance of management personnel terminated during the quarter, whose positions were eliminated in connection with the realignment of our segments.

Amortization of Intangible Assets

Amortization of intangible assets for the six months ended June 30, 2014 was $12.3 million, compared with $10.7 million in the same period of 2013. The increase related to amortization from the businesses acquired in December 2013.

Interest Expense, Net

Interest expense (net of interest income) for the six months ended June 30, 2014 was $6.4 million, compared with $9.2 million in the same period of 2013. Interest expense in the current six month period was comprised of interest on the credit facility of $5.8 million and amortization of capitalized loan costs of $0.6 million. The decrease in interest expense related to lower interest rates under the credit facility as a result of refinancings in May 2013 and February 2014.

In February 2014, we amended our credit facility resulting in an increase in borrowings under our term A loan facility of $82.5 million to $175.0 million and a pay down on the term B loan facility by the same amount. This amendment is estimated to have an annual interest expense savings of approximately $1.0 million.

Write-Off of Loan Costs

Write-off of loan costs was $15.0 million for the six months ended June 30, 2013 related to the refinancing of our credit facility in May 2013. The refinancing in May 2013 was treated as an early extinguishment of debt resulting in a full write-off of the loan costs associated with the previous facility.

Provision for Income Taxes

The provision for income taxes was $24.8 million for the six months ended June 30, 2014, compared with $13.0 million for the same period in 2013. The effective tax rate for the current six month period was 41.6 percent, compared with 42.7 percent for the same period in 2013. This lower effective tax rate was due to higher pre-tax income with a lower mix of non-deductible expenses.

Discontinued Operations

We sold our Nurse Travel division in February 2013 for $33.7 million and our Allied Healthcare division in December 2013 for $28.7 million. These units formerly comprised the majority of our Healthcare segment. As a result of these sales, operating results and the gain on sale of these divisions, net of income tax, are presented as discontinued operations in our Condensed Consolidated Statements of Operations and Comprehensive Income for all periods presented. Income (loss) from discontinued operations, net of income taxes, was $(41,000) for the six months ended June 30, 2014, compared with $81,000 in the same period of 2013.

Liquidity and Capital Resources

Our working capital as of June 30, 2014 was $203.1 million and our cash and cash equivalents were $30.8 million, of which $9.3 million was held in foreign countries. Cash held in foreign countries is not available to fund domestic operations unless repatriated, which would require the accrual and payment of taxes. We do not intend to repatriate cash held in foreign countries. Our operating cash flows and borrowings under our credit facilities have been our primary source of liquidity and have been sufficient to fund our working capital and capital expenditure needs. Our working capital requirements consist primarily of the financing of accounts receivable, payroll expenses and debt service payments on our credit facilities. We believe that our working capital as of June 30, 2014, availability under our revolving credit facility and expected operating cash flows will be sufficient to meet our future debt obligations, working capital requirements and capital expenditures for the next 12 months.

Net cash provided by operating activities was $25.0 million for the six months ended June 30, 2014, compared with $30.3 million for the same period in 2013. The decrease of $5.3 million was primarily due to a $10.4 million tax payment made in the current six month period related to the gain on the sale of our Allied Healthcare division and a decrease in cash flow provided by net operating assets, primarily from changes in accounts receivable and accrued payroll and contract professional pay. These decreases in cash flow were partially offset by higher cash flow provided by net income (as adjusted for non-cash items such as amortization, depreciation, stock-based compensation, provision for workers' compensation and medical malpractice, write-down of deferred loan costs, and gain on sale of discontinued operations) in the current six month period as compared to the same period in 2013.

Net cash used in investing activities was $9.2 million for the six months ended June 30, 2014, compared with $22.7 million provided by investing activities for the same period in 2013. The year-over-year change was primarily due to $31.9 million net proceeds included in 2013 related to the sale of our Nurse Travel division. We estimate that capital expenditures for the full year 2014 will be approximately $19.7 million.

Net cash used in financing activities was $22.3 million for the six months ended June 30, 2014, compared with $66.3 million for the same period in 2013. The decrease was primarily due to higher net repayments under our credit facility in 2013 out of the proceeds from the sale of our Nurse Travel division.

Under terms of our credit facility, we will be required to make quarterly payments of $4.6 million on the term A loan facility. We are also required to make mandatory prepayments from excess cash flow and the proceeds of asset sales, debt issuances and specified other events. The maximum ratio of consolidated funded debt to consolidated EBITDA steps down from 3.75 to 1.00 as of June 30, 2014 to 3.25 to 1.00 as of June 30, 2015. As of June 30, 2014, the leverage ratio was 1.98 to 1.00. Additionally, the credit facility, which is secured by substantially all of our assets, provides for certain limitations on our ability to, among other things, incur additional debt, offer loans, and declare dividends. As of June 30, 2014, we had $93.6 million of borrowings available under our revolving credit facility.

Our Board of Directors approved a $100.0 million share repurchase program on July 21, 2014. The authorization is in effect beginning on August 4, 2014 and continues for two years thereafter.

Recent Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity ("ASU 2014-08"). ASU 2014-08 amends the definition of a discontinued operation and requires entities to provide additional disclosures for both discontinued operations and disposal transactions that do not meet the discontinued-operations criteria. It is effective for annual periods beginning on or after December 15, 2014. We do not expect the adoption of this guidance to have a material effect on our consolidated financial statements.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). ASU 2014-09 improves comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets, and requires entities to provide additional disclosures. It is effective for annual reporting periods beginning after December 15, 2016. We do not expect the adoption of this guidance to have a material effect on our consolidated financial statements.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-12, Compensation-Stock Compensation (Topic 718) Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period ("ASU 2014-12"). ASU 2014-12 requires that a performance target that affects vesting, and which could be achieved after the requisite service period, be treated as a performance condition. It is effective for annual reporting periods beginning after December 15, 2015. We do not expect the adoption of this guidance to have a material effect on our consolidated financial statements.

Critical Accounting Policies

There have been no significant changes to our critical accounting policies and estimates during the six months ended June 30, 2014 compared with those disclosed in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2013 10-K.

Commitments

In connection with certain acquisitions, we are subject to contingent consideration agreements. If the acquired businesses meet predetermined targets, we are obligated to make additional cash payments in accordance with the terms of such contingent consideration agreements. As of June 30, 2014, we have potential future contingent consideration of approximately $16.0 million through 2015.

Other than those described above, we have not entered into any significant commitments or contractual obligations that have not been previously disclosed in our 2013 10-K.

Item 3 - Quantitative and Qualitative Disclosures about Market Risk

With respect to our quantitative and qualitative disclosures about market risk, there have been no material changes to the information included in our 2013 10-K. We are exposed to certain market risks arising from transactions in the normal course of business, principally risks associated with foreign currency fluctuations and changes in interest rates. We are exposed to foreign currency risk from the translation of foreign operations into U.S. dollars. Based on the relative size and nature of our foreign operations, we do not believe that a 10 percent change in the value of foreign currencies relative to the U.S. dollar would have a material impact on our financial statements. Our primary exposure to market risk is interest rate risk associated with our debt instruments. See the Notes to the Condensed Consolidated Financial Statements for further description of our debt instruments. Excluding the effect of our interest rate caps, a hypothetical 100 basis point change in interest rates on variable rate debt would have resulted in interest expense fluctuating approximately $3.8 million based on $376.8 million of debt outstanding for any 12 month period. We have not entered into any market risk sensitive instruments for trading purposes.

Item 4 - Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our CEO and Principal Financial and Accounting Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based on this evaluation, our CEO and Principal Financial and Accounting Officer have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report. The term “disclosure controls and procedures” means controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within required time periods. We have established disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including our CEO and Principal Financial and Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting that occurred during the six months ended June 30, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1 – Legal Proceedings

We are involved in various legal proceedings, claims and litigation arising in the ordinary course of business. However, based on the facts available, we do not believe that the disposition of matters that are pending or asserted will have a material effect on our financial position, results of operations or cash flows.

Item 1A – Risk Factors

Information regarding risk factors affecting our business is discussed in our 2013 10-K.

Item 6 - Exhibits

INDEX TO EXHIBITS

Number	Footnote	Description
3.1	(1)	Amended and Restated Certificate of Incorporation of On Assignment, Inc., effective June 23, 2014
3.2	(1)	Amended and Restated Bylaws of On Assignment, Inc., effective June 23, 2014
10.1	*	On Assignment, Inc. 2010 Incentive Award Plan Form of Tranche A and B Award Notice and Agreement for Peter T. Dameris
10.2	*	On Assignment, Inc. 2010 Incentive Award Plan Form of Additional Performance Award Notice and Agreement for Peter T. Dameris
31.1	*	Certification of Peter T. Dameris, President and Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a)
31.2	*	Certification of Edward L. Pierce, Executive Vice President and Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a)
32.1	*	Certification of Peter T. Dameris, President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	*	Certification of Edward L. Pierce, Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS	*	XBRL Instance Document
101.SCH	*	XBRL Taxonomy Extension Schema Document
101.CAL	*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

(1) Incorporated by reference from an exhibit filed with the SEC on our Current Report on Form 8-K on June 25, 2014.

SIGNATURE

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

		ON ASSIGNMENT, INC.
Date: August 8, 2014	By:	/s/ Edward L. Pierce Edward L. Pierce Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

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