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

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2011

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-32172

XPO Logistics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**03-0450326**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

429 Post Road
Buchanan, MI 49107
(Address of principal executive offices)

(269) 695-2700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒

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

The registrant had 8,269,141 shares of its common stock outstanding as of November 8, 2011.

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Part I — Financial Information

Item 1. ***Financial Statements.***

XPO Logistics, Inc.
Condensed Consolidated Balance Sheets

	(Unaudited) September 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash	$ 71,473,000	$ 561,000
Accounts receivable, net of allowances of $113,000 and $136,000, respectively	26,332,000	24,272,000
Prepaid expenses	607,000	257,000
Deferred tax asset, current	0	314,000
Income tax receivable	869,000	1,348,000
Other current assets	246,000	813,000
Total current assets	99,527,000	27,565,000
Property and equipment, net of $3,768,000 and $3,290,000 in accumulated depreciation, respectively	2,868,000	2,960,000
Goodwill	16,959,000	16,959,000
Identifiable intangible assets, net of $3,211,000 and $2,827,000 in accumulated amortization, respectively	8,162,000	8,546,000
Loans and advances	115,000	126,000
Other long-term assets	399,000	516,000
Total long-term assets	28,503,000	29,107,000
Total assets	$ 128,030,000	$ 56,672,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,130,000	$ 8,756,000
Accrued salaries and wages	912,000	1,165,000
Accrued expenses, other	4,729,000	2,877,000
Deferred tax liability, current	94,000	0
Current maturities of long-term debt and capital leases	1,674,000	1,680,000
Other current liabilities	746,000	773,000
Total current liabilities	15,285,000	15,251,000
Line of credit	0	2,749,000
Long-term debt and capital leases, net of current maturities	873,000	2,083,000
Deferred tax liability, long-term	2,412,000	2,032,000
Other long-term liabilities	477,000	544,000
Total long-term liabilities	3,762,000	7,408,000
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; 75,000 shares and none issued and outstanding, respectively	42,794,000	0
Common stock, $0.001 par value; 150,000,000 shares authorized; 8,297,891 and 8,171,881 shares issued, respectively; and 8,252,891 and 8,126,881 shares outstanding, respectively	8,000	8,000
Additional paid-in capital	101,399,000	27,233,000
Treasury stock, at cost, 45,000 shares held	(107,000)	(107,000)
Accumulated (deficit) earnings	(35,111,000)	6,879,000
Total stockholders' equity	108,983,000	34,013,000
Total liabilities and stockholders' equity	$ 128,030,000	$ 56,672,000

The accompanying notes are an integral part of the condensed consolidated financial statements.

XPO Logistics, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Revenues				
Operating revenue	$ 47,389,000	$ 44,448,000	$ 132,991,000	$ 116,430,000
Expenses				
Direct expense	39,169,000	36,309,000	110,384,000	95,453,000
Gross margin	8,220,000	8,139,000	22,607,000	20,977,000
Selling, general and administrative expense	7,750,000	5,219,000	18,494,000	13,892,000
Operating income	470,000	2,920,000	4,113,000	7,085,000
Other expense	0	48,000	62,000	102,000
Interest expense	49,000	32,000	145,000	140,000
Income before income tax provision	421,000	2,840,000	3,906,000	6,843,000
Income tax provision	231,000	1,110,000	1,685,000	2,775,000
Net income	190,000	1,730,000	2,221,000	4,068,000
Preferred stock beneficial conversion charge and dividends	(44,586,000)	0	(44,586,000)	0
Net (loss) income available to common shareholders	$ (44,396,000)	$ 1,730,000	$ (42,365,000)	$ 4,068,000
Basic earnings per common share				
Net (loss) income	$ (5.38)	$ 0.21	$ (5.15)	$ 0.51
Diluted earnings per common share				
Net (loss) income	$ (5.38)	$ 0.21	$ (5.15)	$ 0.50
Weighted average common shares outstanding				
Basic weighted average common shares outstanding	8,252,891	8,095,376	8,227,375	8,038,723
Diluted weighted average common shares outstanding	8,252,891	8,252,186	8,227,375	8,185,456

The accompanying notes are an integral part of the condensed consolidated financial statements.

XPO Logistics, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended	
	September 30, 2011	September 30, 2010
Operating activities		
Net income	$ 2,221,000	$ 4,068,000
Adjustments to reconcile net income to net cash from operating activities		
(Recovery) provisions for allowance for doubtful accounts	(23,000)	77,000
Depreciation and amortization expense	944,000	1,026,000
Stock compensation expense	297,000	156,000
(Gain) loss on disposal of equipment	(9,000)	4,000
Changes in assets and liabilities		
Accounts receivable	(2,037,000)	(8,790,000)
Deferred tax expense	788,000	658,000
Income tax receivable	479,000	0
Other current assets	568,000	(95,000)
Prepaid expenses	(351,000)	(272,000)
Other long-term assets and advances	101,000	89,000
Accounts payable	(1,625,000)	2,011,000
Accrued expenses	1,653,000	2,105,000
Other liabilities	301,000	(834,000)
Cash provided by operating activities	3,307,000	203,000
Investing activities		
Payment of acquisition earn-out	(450,000)	0
Payment for purchases of property and equipment	(442,000)	(482,000)
Proceeds from sale of property and equipment	9,000	2,000
Cash flows used by investing activities	(883,000)	(480,000)
Financing activities		
Line of credit, net	(2,749,000)	(2,457,000)
Proceeds from issuance of long-term debt	0	5,000,000
Payments of long-term debt and capital leases	(1,215,000)	(2,244,000)
Excess tax benefit from stock options	97,000	0
Proceeds from issuance of preferred stock and warrants	71,628,000	0
Proceeds from exercise of options	727,000	434,000
Cash flows provided by financing activities	68,488,000	733,000
Net increase in cash	70,912,000	456,000
Cash, beginning of period	561,000	495,000
Cash, end of period	$ 71,473,000	$ 951,000
Supplemental disclosure of noncash activities:		
Cash paid during the period for interest	$ 166,000	$ 153,000
Cash paid during the period for income taxes, net	$ 201,000	$ 2,534,000

The accompanying notes are an integral part of the condensed consolidated financial statements.

XPO Logistics, Inc.
Condensed Consolidated Statement of Changes in Stockholders' Equity
Nine Months Ended September 30, 2011
(Unaudited)

	Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	(Deficit) Earnings	Total
Balance, December 31, 2010		$ 0	8,171,882	$8,000	(45,000)	$(107,000)	$ 27,233,000	$ 6,879,000	$ 34,013,000
Issuance of common stock for option exercise			125,365	0			727,000		727,000
Issuance of ESOP shares			645	0			0		0
Issuance of preferred stock and warrants, net of issuance costs	75,000	42,794,000					28,834,000		71,628,000
Deemed distribution for recognition of beneficial conversion feature on preferred stock							44,211,000	(44,211,000)	0
Stock compensation expense							297,000		297,000
Excess tax benefit from stock options							97,000		97,000
Net income								2,221,000	2,221,000
Balance, September 30, 2011	75,000	$42,794,000	8,297,891	$8,000	(45,000)	$(107,000)	$101,399,000	$ (35,111,000)	$108,983,000

The accompanying notes are an integral part of the condensed consolidated financial statements.

XPO Logistics, Inc.
Notes to Condensed Consolidated Financial Statements
Three and Nine Months Ended September 30, 2011 and 2010
(Unaudited)

1. Recent Developments

Equity Investment

On September 2, 2011, pursuant to the Investment Agreement, dated as of June 13, 2011 (the "Investment Agreement"), by and among Jacobs Private Equity, LLC ("JPE"), the other investors party thereto (collectively with JPE, the "Investors") and XPO Logistics, Inc. (formerly Express-1 Expedited Solutions, Inc.), a Delaware corporation (the "Company", "we", "our" or "us"), the Company issued to the Investors, for $75,000,000 in cash: (i) an aggregate of 75,000 shares of Series A Convertible Perpetual Preferred Stock of the Company (the "Series A Preferred Stock"), which are initially convertible into an aggregate of 10,714,286 shares of common stock, and (ii) warrants initially exercisable for an aggregate of 10,714,286 shares of common stock at an initial exercise price of $7.00 per common share (the "Warrants"). The Company's stockholders approved the issuance of the Series A Preferred Stock and the Warrants at the special meeting of the Company's stockholders on September 1, 2011. We refer to this investment as the "Equity Investment." See Notes 6 and 7.

Change of Company Name

In connection with the closing of the Equity Investment, the name of the Company was changed from "Express-1 Expedited Solutions, Inc." to "XPO Logistics, Inc." on September 2, 2011. The Company's stockholders approved the amendment to the Company's certificate of incorporation effecting the name change at the special meeting of the Company's stockholders on September 1, 2011.

Reverse Stock Split

In connection with the closing of the Equity Investment, the Company effected a 4-for-1 reverse stock split on September 2, 2011. The Company's stockholders approved the amendment to the Company's certificate of incorporation effecting the reverse stock split at the special meeting of the Company's stockholders on September 1, 2011. Unless otherwise noted, all share-related amounts herein reflect the reverse stock split.

In connection with the reverse stock split, stockholders received one new share of common stock for every four shares of common stock held at the effective time. The reverse stock split reduced the number of shares of outstanding common stock from 33,011,561 to 8,252,891. Proportional adjustments were made to the number of shares issuable upon the exercise of outstanding options to purchase shares of common stock and the per share exercise price of those options.

Increase in Authorized Shares of Common Stock

In connection with the closing of the Equity Investment, the number of authorized shares of common stock was increased from 100,000,000 shares to 150,000,000 shares on September 2, 2011. The Company's stockholders approved the amendment to the Company's certificate of incorporation effecting the increase in the number of authorized shares of common stock at the special meeting of the Company's stockholders on September 1, 2011.

2. Significant Accounting Policies

Nature of Operations and Basis of Presentation

The Company is a third party logistics provider of freight transportation services to thousands of customers primarily through its three wholly owned subsidiaries: (1) Express-1, Inc. ("Express-1"), which provides time critical expedited transportation to its customers; (2) Concert Group Logistics, Inc. ("CGL"), which provides freight forwarding services through a chain of independently owned stations located throughout the United States; and (3) Bounce Logistics, Inc. ("Bounce"), which provides premium truck brokerage transportation services to customers throughout the United States. For specific financial information relating to these subsidiaries refer to Note 8 – Operating Segments.

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and in accordance with the instructions to Form 10-Q. Certain information and note disclosures normally included in annual financial statements have been condensed or omitted pursuant to those rules and regulations. However, we believe that the disclosures contained herein are adequate to make the information presented not misleading.

These unaudited condensed consolidated financial statements reflect, in our opinion, all material adjustments (which include only normal recurring adjustments) necessary to fairly present our financial position as of September 30, 2011 and December 31, 2010, and results of operations for the three- and nine-month periods ended September 30, 2011 and 2010. The preparation of the condensed consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Estimates have been prepared on the basis of the most current and best available information and actual results could differ materially from those estimates.

These unaudited condensed consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto for the fiscal year ended December 31, 2010 included in Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 15, 2011 and available on the SEC's website (www.sec.gov). Results of operations for interim periods are not necessarily indicative of results to be expected for a full year.

Revenue Recognition

The Company recognizes revenue at the point in time when delivery is completed on the freight shipments it handles, with related costs of delivery being accrued as incurred and expensed within the same period in which the associated revenue is recognized. The Company uses the following supporting criteria to determine that revenue has been earned and should be recognized:

- Persuasive evidence of an arrangement exists;
- Services have been rendered;
- The sales price is fixed and determinable; and
- Collectability is reasonably assured.

The Company reports revenue on a gross basis in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standard Codification ("ASC") Topic 605, "*Reporting Revenue Gross as Principal Versus Net as an Agent*", and, as such, presentation on a gross basis is required as:

- The Company is the primary obligor and is responsible for providing the service desired by the customer.
- The customer holds the Company responsible for fulfillment; including the acceptability of the service (requirements may include, for example, on-time delivery, handling freight loss and damage claims, establishing pick-up and delivery times, and tracing shipments in transit).
- For Express-1 and Bounce, the Company has complete discretion to select its drivers, contractors or other transportation providers (collectively, "service providers"). For CGL, the Company enters into agreements with significant service providers that specify the cost of services, among other things, and has ultimate authority in providing approval for all service providers that can be used by CGL independently owned stations. Independently owned stations may further negotiate the cost of services with CGL approved service providers for individual customer shipments.
- Express-1 and Bounce have complete discretion to establish sales prices. Independently owned stations within CGL have the discretion to establish sales prices.

- The Company bears credit risk for all receivables. In the case of CGL, the independently owned stations reimburse CGL for a portion (typically 70-80%) of credit losses. CGL retains the risk that the independent station owners will not meet this obligation.

Stock-Based Compensation

At the special meeting of the Company's stockholders on September 1, 2011, the Company's stockholders approved the adoption of the 2011 Omnibus Incentive Compensation Plan (the "2011 Plan"), which previously had been approved by the Company's board of directors. As of September 1, 2011, the 2011 Plan replaced the previously existing Amended and Restated 2001 Stock Option Plan (the "2001 Plan"). All options outstanding under the 2001 Plan as of September 1, 2011 remained in effect pursuant to the same terms as when originally granted. Certain outstanding options that were granted prior to June 13, 2011 and held by the Company's executive officers and certain directors vested and became immediately exercisable on September 2, 2011. The Company accounted for this acceleration of vesting under the 2001 Plan by recognizing stock compensation expense of $81,000.

The 2011 Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance compensation awards, performance units, cash incentive awards, deferred share units and other equity-based and equity-related awards for up to 839,622 shares of common stock, of which 814,622 shares of common stock remained available as of September 30, 2011, to eligible employees and directors of the Company.

Stock Appreciation Rights and Restricted Stock

There was no stock appreciation right or restricted stock activity for the three- and nine-month periods ended September 30, 2011, and there were no such awards outstanding at September 30, 2011.

Restricted Stock Units

In September 2011, the Company granted 87,500 restricted stock units ("RSUs"). The RSUs expire 10 years from the grant date. The RSUs vest in equal annual installments over a four-year period from the date of grant. The Company intends to settle vested RSUs through the issuance of one share of common stock per RSU. The RSUs are reported as equity and valued based on the market price of the common stock at the grant date of the RSUs. The stock-based compensation expense for RSUs for the nine months ended September 30, 2011 was not material. As of September 30, 2011, the Company had approximately $657,000 of unrecognized compensation cost related to non-vested RSUs that is anticipated to be recognized over a weighted average period of four years.

Stock Options

During the nine-month period ended September 30, 2011, the Company granted 218,750 options to purchase shares of its common stock while cancelling or retiring 2,750 options in the same period. During the nine-month period ended September 30, 2010, the Company granted 158,750 options to purchase shares of its common stock while cancelling or retiring 75,250 options in the same period. As of September 30, 2011 and September 30, 2010, the Company had 842,000 and 782,500 options outstanding, respectively. During the life of the 2001 Plan, 243,500 stock options have been exercised. Options granted under the 2001 Plan generally become fully vested three to five years from the date of grant and expire five to 10 years from the grant date. Options granted under the 2011 Plan generally become fully vested four years from the date of grant and expire 10 years from the grant date.

The weighted-average fair value of each stock option recorded in expense for the nine-month period ended September 30, 2011 was estimated on the date of grant using the Black-Scholes option pricing model and was amortized over the requisite service period of the option. The Company has used one grouping for the assumptions, as its option grants have similar characteristics. The expected term of options granted has been derived based upon the Company's history of actual exercise behavior and represents the period of time that options granted are expected to be outstanding. Historical data was also used to estimate option exercises and employee terminations. Estimated volatility is based upon the Company's historical market price at consistent points in a period equal to the expected life of the options. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant and the dividend yield is zero.

The following table summarizes the option activity for the nine-month periods ended September 30, 2011 and 2010:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding at December 31, 2010	751,250	$ 4.72	6.2
Granted	218,750	14.84	
Expired	(2,750)	6.08	
Exercised	(125,250)	5.80	
Outstanding at September 30, 2011	842,000	7.18	7.2
Outstanding Exercisable at September 30, 2011	580,000	$ 4.41	5.8
Outstanding at December 31, 2009	785,750	$ 4.56	5.0
Granted	158,750	5.64	
Expired	(75,250)	5.12	
Exercised	(86,750)	5.00	
Outstanding at September 30, 2010	782,500	4.68	6.2
Outstanding Exercisable at September 30, 2010	587,000	$ 4.56	5.4

For the nine months ended September 30, 2011 and 2010, the Company recognized $297,000 and $156,000, respectively, in stock-based compensation related to outstanding stock options.

As of September 30, 2011, the Company had approximately $1,443,000 of unrecognized compensation cost related to non-vested outstanding stock options that is anticipated to be recognized over a weighted average period of approximately 2.7 years. Estimated remaining compensation expense related to existing stock-based plans is $140,000 for the fourth quarter of 2011 and $536,000, $462,000, $279,000 and $26,000 for the years ended December 31, 2012, 2013, 2014 and 2015, respectively.

As of September 30, 2011, the aggregate intrinsic value of options outstanding was $2.0 million and the aggregate intrinsic value of options exercisable was $1.9 million. As of September 30, 2010, the aggregate intrinsic value of options outstanding was $2.2 million and the aggregate intrinsic value of options exercisable was $1.7 million.

125,250 options were exercised during the nine-month period ended September 30, 2011, and 86,750 options were exercised during the nine-month period ended September 30, 2010. Cash proceeds received from the exercise of options for the nine months ended September 30, 2011 and 2010 were $727,000 and $434,000, respectively.

Use of Estimates

The Company prepares its condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. These principles require management to make estimates and assumptions that impact the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company reviews its estimates, including but not limited to: accrued revenue, purchased transportation, recoverability of long-lived assets, accrual of acquisition earn-outs, estimated legal accruals, valuation allowances for deferred taxes, reserve for uncertain tax positions, and allowance for doubtful accounts, on a regular basis and makes adjustments based on historical experiences and existing and expected future conditions. These evaluations are performed and adjustments are made as information is available. Management believes that these estimates are reasonable and these estimates have been discussed with the audit committee; however, actual results could differ from these estimates.

Income Taxes

Taxes on income are provided in accordance with ASC Topic 740, "*Income Taxes*". Deferred income tax assets and liabilities are recognized for the expected future tax consequences of events that have been reflected in the condensed consolidated financial statements. Deferred tax assets and liabilities are determined based on the differences between the book values and the tax basis of particular assets and liabilities, and the tax effects of net operating loss and capital loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rate is recognized as income or expense in the period that included the enactment date. A valuation allowance is provided to offset the net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company has evaluated its tax position and concluded no valuation allowance on its deferred tax assets is required, as of September 30, 2011.

Accounting for uncertainty in income taxes is determined based on ASC Topic 740, which clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and provides guidance on the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. The Company had accrued $250,000 and $135,000 for uncertain tax positions related to certain potential state income taxes as of September 30, 2011 and December 31, 2010, respectively.

Goodwill and Intangible Assets with Indefinite Lives

Goodwill consists of the excess of cost over the fair value of net assets acquired in business combinations. Intangible assets with indefinite lives consist principally of the Express-1 and CGL trade names. The Company follows the provisions of ASC Topic 350, "*Intangibles – Goodwill and Other"*, which requires an annual impairment test for goodwill and intangible assets with indefinite lives. If the carrying value of intangibles with indefinite lives exceeds their fair value, an impairment loss is recognized in an amount equal to that excess. Goodwill is evaluated using a two-step impairment test at the reporting unit level. The first step compares the book value of a reporting unit, including goodwill, with its fair value. If the book value of a reporting unit exceeds its fair value, we complete the second step in order to determine the amount of goodwill impairment loss that we should record. In the second step, we determine an implied fair value of the reporting unit's goodwill by allocating the fair value of the reporting unit to all of the assets and liabilities other than goodwill. The amount of impairment is equal to the excess of the book value of goodwill over the implied fair value of that goodwill. The Company performs the annual impairment testing during the third quarter unless events or circumstances indicate impairment of the goodwill may have occurred before that time. For the periods presented, we did not recognize any goodwill impairment as the estimated fair value of our reporting units with goodwill significantly exceeded the book value of these reporting units.

The Company's trade name intangible assets with indefinite lives totaled $6.4 million as of September 30, 2011 and December 31, 2010, and represented 5.0% of total assets as of September 30, 2011 and 11.3% of total assets as of December 31, 2010.

Identified Intangible Assets

The Company follows the provisions of ASC Topic 360, "*Property, Plant and Equipment*", which establishes accounting standards for the impairment of long-lived assets such as property, plant and equipment and intangible assets subject to amortization. The Company reviews long-lived assets to be held-and-used for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the undiscounted expected future cash flows over the remaining useful life of a long-lived asset group 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 group exceeds the fair value of the asset. The Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset. During the nine-month periods ended September 30, 2011 and 2010, there was no impairment of the identified intangible assets.

The Company's intangible assets subject to amortization consist of employee contracts, non-compete agreements, customer relationships and other intangibles that are amortized on a straight-line basis over the estimated useful lives of the related intangible asset. The estimated useful lives of the respective intangible assets range from four to 12 years.

Other Long-Term Assets

Other long-term assets consist primarily of balances representing various deposits, and notes receivable from various CGL independent station owners. Also included within this account classification are incentive payments to independent station owners within the CGL network. These payments are made by CGL to certain station owners as an incentive to join the network. These amounts are amortized over the life of each independent station contract and the unamortized portion is recoverable in the event of default under the terms of the agreements.

Fair Value Measurements

FASB ASC Topic 820, "*Fair Value Measurements and Disclosures*", defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and classifies the inputs used to measure fair value into the following hierarchy:

- Level 1 – Quoted prices for identical instruments in active markets;
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and
- Level 3 – Valuations based on inputs that are unobservable, generally utilizing pricing models or other valuation techniques that reflect management's judgment and estimates.

Estimated Fair Value of Financial Instruments

The aggregate net fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain financial instruments approximated their fair values. These financial instruments include cash, accounts receivable, notes receivable, accounts payable, accrued expenses and short-term borrowings. Fair values approximate carrying values for these financial instruments since they are short-term in nature and they are receivable or payable on demand. The fair value of the Company's long-term debt and CGL notes receivable approximated their respective carrying values based on the interest rates associated with these instruments.

Earnings per Share

Earnings per common share are computed in accordance with ASC Topic 260, "*Earnings per Share*", which requires companies to present basic earnings per share and diluted earnings per share.

Basic earnings per common share are computed by dividing net income available to common shareholders by the weighted average number of shares of common stock outstanding during the period. Net income available to common shareholders for the three- and nine-month periods ended September 30, 2011 included a reduction of $44,586,000 as a result of a beneficial conversion charge and dividend with respect to the Series A Preferred Stock. See Notes 6 and 7.

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Basic weighted average common shares outstanding	8,252,891	8,095,376	8,227,375	8,038,723
Net income	$ 190,000	$ 1,730,000	$ 2,221,000	$ 4,068,000
Less:				
Undeclared cumulative preferred dividends	(375,000)	—	(375,000)	—
Deemed dividends from amortization of beneficial conversion feature	(44,211,000)	—	(44,211,000)	—
Net (loss) income available to common shareholders	$ (44,396,000)	$ 1,730,000	$ (42,365,000)	$ 4,068,000
Basic earnings per share	$ (5.38)	$ 0.21	$ (5.15)	$ 0.51

Diluted earnings per common share are computed by dividing net income by the combined weighted average number of shares of common stock outstanding and the potential dilution of stock options, warrants and convertible preferred stock outstanding during the period, if dilutive. For the three- and nine-month periods ended September 30, 2010, diluted weighted average common shares outstanding included 156,810 and 146,733 shares, respectively, related to the assumed exercise of stock options outstanding. Potentially dilutive securities are excluded from the computation if their effect is anti-dilutive. For the three- and nine-month periods ended September 30, 2011, the weighted average of potentially dilutive securities excluded from the computation of diluted earnings per share was as follows:

	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
Shares underlying the conversion of preferred stock to common stock	3,260,870	1,098,901
Shares underlying warrants to purchase common stock	4,564,303	3,634,255
Shares underlying stock options to purchase common stock	402,819	360,693
Shares underlying restricted stock units	559	186
	8,228,551	5,094,035

Please also refer to Note 1 of the “Notes to Consolidated Financial Statements” in the audited consolidated financial statements included in Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 15, 2011 for a more complete discussion of our significant accounting policies.

3. Commitments and Contingencies

Litigation

In the ordinary course of business, the Company may be a party to a variety of legal actions. The Company does not currently expect any of these matters or any of these matters in the aggregate to have a material adverse effect on the Company’s business or its financial position or results of operations.

The Company carries liability and excess umbrella insurance policies that it deems sufficient to cover potential legal claims arising in the normal course of conducting its operations as a transportation company. In the event the Company is required to satisfy a legal claim in excess of the coverage provided by this insurance, the cash flows and earnings of the Company could be negatively impacted.

4. Debt

Long-Term Debt and Capital Leases

The Company enters into long-term debt and capital leases with various third parties from time to time to finance certain operational equipment and other assets used in its business operations. The Company also uses financing for acquisitions and business start-ups, among other things. Generally, these loans and capital leases bear interest at market rates, and are collateralized with accounts receivable, equipment and certain other assets of the Company.

The following table outlines the Company's debt obligations as of September 30, 2011 and December 31, 2010.

	Interest rates	Term (months)	As of September 30, 2011	As of December 31, 2010
Total long-term debt	2.5%	36	$ 2,500,000	$ 3,750,000
Capital leases	10%	12 - 63	47,000	13,000
Total long-term debt and capital leases			2,547,000	3,763,000
Less: current maturities of long-term debt and capital leases			1,674,000	1,680,000
Non-current maturities of long-term debt and capital leases			$ 873,000	$ 2,083,000

The Company entered into a $5.0 million term loan on March 31, 2010. Commencing April 30, 2010, the term loan is payable in 36 consecutive monthly installments consisting of $139,000 in monthly principal payments plus the unpaid interest accrued on the loan. Interest is payable at the one-month LIBOR plus 225 basis points (2.47% as of September 30, 2011).

5. Revolving Credit Facility

Line of Credit

On March 31, 2011, the Company amended the credit agreement governing the Company's revolving credit facility and the term loan described in Note 4 above to extend the maturity date of the revolving credit facility to March 31, 2013 and to eliminate the receivables borrowing base limitation previously applicable to the revolving credit facility. The revolving credit facility continues to provide for a line of credit of up to $10.0 million. The Company may draw upon this line of credit up to $10.0 million, less amounts outstanding under letters of credit. The proceeds of the line of credit will be used exclusively for working capital purposes.

Substantially all of the assets of the Company are pledged as collateral securing the Company's performance under the revolving credit facility and term loan. The revolving credit facility bears interest at the one-month LIBOR plus a current increment of 175 basis points (1.97% as of September 30, 2011).

The credit agreement governing the revolving credit facility and the term loan contains certain covenants related to the Company's financial performance. Included among the covenants are a fixed charge coverage ratio and a total funded debt to earnings before interest, taxes, depreciation and amortization ratio. As of September 30, 2011, the Company was in compliance with all terms under the credit agreement and no events of default existed under the terms of this agreement.

The Company had outstanding standby letters of credit of $410,000 at each of September 30, 2011 and December 31, 2010 related to insurance policies either continuing in force or recently cancelled. Amounts outstanding for letters of credit reduce the amount available under the revolving credit facility on a dollar-for-dollar basis.

Available capacity in excess of outstanding borrowings under the line of credit was approximately $9.6 million and $6.8 million as of September 30, 2011 and December 31, 2010, respectively. As of September 30, 2011 and December 31, 2010, the line of credit balance was $0 and $2,749,000, respectively.

6. Stockholders' Equity

On June 13, 2011, the Company entered into the Investment Agreement described in Note 1. On September 2, 2011, upon the closing of the Equity Investment, the Company issued to the Investors, for $75,000,000 in cash, the Series A Preferred Stock and the Warrants.

The Series A Preferred Stock has an initial liquidation preference of $1,000 per share and is convertible at any time in whole or in part at the option of the holder thereof into shares of common stock at an initial conversion price of $7.00 per common share (subject to customary anti-dilution adjustments), for an effective initial aggregate conversion rate of 10,714,286 shares of common stock. The Series A Preferred Stock pays and or accrues quarterly cash dividends equal to the greater of (i) the as-converted dividends on the underlying common stock for the relevant quarter and (ii) 4% of the then-applicable liquidation preference per annum. Accrued and unpaid dividends for any quarter accrete to liquidation preference for all purposes. The liquidation preference of the Series A Preferred Stock at September 30, 2011 was $75,000,000. The Series A Preferred Stock votes together with the common stock on an as-converted basis on all matters, except as otherwise required by law, and separately as a class with respect to certain matters involving Series A Preferred Stock holder rights.

The Warrants are initially exercisable at any time in whole or in part until September 2, 2021 at the option of the holder thereof for one share of common stock per Warrant at an initial exercise price of $7.00 in cash per common share (subject to customary anti-dilution adjustments), for an effective initial aggregate number of shares of common stock subject to Warrants of 10,714,286.

After deducting $3,372,000 of direct incremental issuance costs, the Company received net proceeds of $71,628,000 for the Series A Preferred Stock and the Warrants, which was recorded in equity based on the relative fair values of the Series A Preferred Stock and the Warrants, resulting in $42,794,000 allocated to the Series A Preferred Stock and $28,834,000 allocated to the Warrants.

The conversion feature of the Series A Preferred Stock was determined to be a beneficial conversion feature ("BCF") based on the effective initial conversion price and the market value of the Company's common stock at the commitment date for the issuance of the Series A Preferred Stock. ASC Topic 470, "*Debt*", requires recognition of the BCF related to the Series A Preferred Stock as a discount on the Series A Preferred Stock and amortization of such amount as a deemed distribution through the earliest conversion date. The calculated value of the BCF was in excess of the relative fair value of net proceeds allocated to the Series A Preferred Stock. The Company therefore recorded a discount on the Series A Preferred Stock of $44,211,000 with immediate recognition of this amount as a deemed distribution as the Series A Preferred Stock is convertible at any time.

7. Related Party Transactions

Pursuant to the terms of the Investment Agreement, on September 2, 2011, the Company paid JPE $1,000,000 as reimbursement for certain expenses incurred by JPE in connection with the transactions contemplated by the Investment Agreement, which reduced the net proceeds received for the Series A Preferred Stock and the Warrants. With the approval of the audit committee of the Company's board of directors, the Company also agreed to pay an incremental $261,000 of expenses incurred by JPE in connection with the transactions contemplated by the Investment Agreement. In addition, with the approval of the Company's board of directors, the Company agreed to pay JPE $297,000 as reimbursement for certain executive search firm expenses incurred by JPE on behalf of the Company.

In January 2008, in conjunction with the acquisition of CGL, the Company entered into a lease for approximately 6,000 square feet of office space located within an office complex at 1430 Branding Avenue, Downers Grove, Illinois 60515. The building is owned by an Illinois limited liability company, which has within its ownership group Daniel Para, who continued to be employed by the Company as of September 30, 2011. On June 11, 2011, the Company amended this lease to extend the term of the lease by one year, through December 31, 2013. On August 1, 2011, the Company amended this lease to expand the office space to approximately 7,425 square feet. The amended lease calls for rent payments of $114,000, $132,000 and $133,000 for the years ending December 31, 2011, 2012 and 2013, respectively.

In March 2010, the Company issued a promissory note to an employee for $150,000. The note accrues interest at 5.5% per annum, and is collateralized by a mortgage on real property. The note has no stated maturity; however, the note and accrued interest are payable in full to the Company upon termination of the employee's employment. The note and accrued interest will be paid by the employee in the form of performance bonuses in the future. As of September 30, 2011, the note had an outstanding balance of $140,000, of which approximately $25,000 was classified as a current note receivable based on the expected bonus to be paid to the employee in 2012, and approximately $115,000 was classified as a long-term note receivable.

The above transactions are not necessarily indicative of amounts, terms and conditions that the Company may have received in transactions with unrelated third parties.

8. Operating Segments

The Company has three reportable operating segments based on the type of service provided to its customers:

Express-1, Inc. provides time-critical expedited transportation to its customers, most typically via carrier arrangements that assign one truck to a load, with a specified delivery time requirement. Most of the services provided by Express-1 are completed via a fleet of exclusive-use vehicles that are owned and operated by independent contract drivers.

Concert Group Logistics, Inc. (CGL) provides freight forwarding services through a network of independently owned stations and Company-owned branches located throughout the United States. These stations and branches are responsible for selling and operating freight forwarding transportation services within their geographic area under the authority of CGL. In October 2009, certain assets and liabilities of LRG International Inc. (now known as CGL International) were purchased to complement the operations of CGL through two Florida branches that primarily provide international freight forwarding services. The financial reporting of this operation has been included with CGL.

Bounce Logistics, Inc. provides premium truck brokerage transportation services to customers in North America through a centralized service center and a field sales team responsible for establishing and managing customer relations.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies included in Note 2. The Company evaluates performance based on operating income of the respective reportable segments.

The following schedule identifies select financial data for each of our operating segments.

XPO Logistics, Inc.
Segment Data
Three and Nine Months Ended September 30, 2011 and 2010

	Express-1	CGL	Bounce	Corporate	Eliminations	Total
Three Months Ended September 30, 2011						
Revenues	$23,419,000	$16,918,000	$ 8,246,000	$ —	$ (1,194,000)	$ 47,389,000
Operating income (loss)	2,453,000	639,000	499,000	(3,121,000)	—	470,000
Depreciation and amortization	144,000	145,000	11,000	5,000	—	305,000
Interest expense	3,000	38,000	8,000	—	—	49,000
Tax provision	660,000	145,000	144,000	(718,000)	—	231,000
Goodwill	7,737,000	9,222,000	—	—	—	16,959,000
Total assets	25,061,000	23,561,000	5,066,000	94,067,000	(19,725,000)	128,030,000
Three Months Ended September 30, 2010						
Revenues	$21,407,000	$18,586,000	$ 5,696,000	$ —	$ (1,241,000)	$ 44,448,000
Operating income (loss)	2,532,000	552,000	280,000	(444,000)	—	2,920,000
Depreciation and amortization	172,000	140,000	8,000	5,000	—	325,000
Interest expense	—	23,000	9,000	—	—	32,000
Tax provision	980,000	193,000	109,000	(172,000)	—	1,110,000
Goodwill	7,737,000	9,222,000	—	—	—	16,959,000
Total assets	26,505,000	26,247,000	3,694,000	24,179,000	(22,873,000)	57,752,000
Nine Months Ended September 30, 2011						
Revenues	$67,221,000	$48,379,000	$20,916,000	$ —	$ (3,525,000)	132,991,000
Operating income (loss)	6,368,000	1,510,000	809,000	(4,574,000)	—	4,113,000
Depreciation and amortization	465,000	431,000	32,000	16,000	—	944,000
Interest expense	3,000	116,000	25,000	1,000	—	145,000
Tax provision	1,774,000	346,000	227,000	(662,000)	—	1,685,000
Goodwill	7,737,000	9,222,000	—	—	—	16,959,000
Total assets	25,061,000	23,561,000	5,066,000	94,067,000	(19,725,000)	128,030,000
Nine Months Ended Septmeber 30, 2010						
Revenues	$58,176,000	$47,598,000	$13,494,000	$ —	$ (2,838,000)	116,430,000
Operating income (loss)	6,663,000	1,363,000	518,000	(1,459,000)	—	7,085,000
Depreciation and amortization	505,000	484,000	23,000	14,000	—	1,026,000
Interest expense	—	116,000	23,000	1,000	—	140,000
Tax provision	2,741,000	510,000	204,000	(680,000)	—	2,775,000
Goodwill	7,737,000	9,222,000	—	—	—	16,959,000
Total assets	26,505,000	26,247,000	3,694,000	24,179,000	(22,873,000)	57,752,000

9. Subsequent Events

On October 7, 2011, the Company's board of directors approved the declaration of the initial dividend payable to holders of the Series A Preferred Stock. The initial declared dividend equaled $5 per share of Series A Preferred Stock as specified in the Certificate of Designation of the Series A Preferred Stock. The total declared dividend equaled $375,000 and was paid on October 17, 2011. Future quarterly dividends on the Series A Preferred Stock will equal 1% of the then-applicable liquidation preference of the Series A Preferred Stock.

In connection with entering into certain employment agreements, the Company has agreed to make guaranteed payments to certain members of our executive leadership team as long as the applicable employee remains continuously employed by the Company through the applicable payment date. The aggregate amount of the guaranteed payments is $588,000, and the amounts, frequency and timing of payments to be made to each employee were individually negotiated under each employee's employment agreement. The first payment was made on October 6, 2011, and the last payment is expected to be made on July 2, 2012.

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

Forward-Looking Statements. This Quarterly Report on Form 10-Q 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. All statements, other than statements of historical facts, included in this Quarterly Report on Form 10-Q which address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), finding suitable merger or acquisition candidates, expansion and growth of the Company's business and operations and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. In some cases, readers can identify forward-looking statements by the use of forward-looking terms such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "predict", "potential" or "continue" or the negative of these terms or other comparable terms.

Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements. Factors that could adversely affect actual results and performance include, among others, potential fluctuations in quarterly operating results and expenses, government regulation, technology change, competition and the potential inability to identify and consummate acquisitions and arrange adequate financing. All of the forward-looking statements included in this Quarterly Report on Form 10-Q speak only as of the date hereof. All of the forward-looking statements included in this Quarterly Report on Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligation to update any such forward-looking statements.

Critical Accounting Policies

The preparation of condensed consolidated financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions. In certain circumstances, those estimates and assumptions can affect amounts reported in the accompanying condensed consolidated financial statements. We have made our best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts will be reported related to the accounting policies described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. Note 1 of the "Notes to Consolidated Financial Statements" in the audited consolidated financial statements included in Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 15, 2011 includes a summary of the significant accounting policies and methods used in the preparation of our consolidated financial statements. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2010 includes a summary of our critical accounting policies. For the period ended September 30, 2011, there were no significant changes to our critical accounting policies.

New Pronouncements

The Company's management does not believe that any recent codified pronouncements by the FASB will have a material impact on the Company's current or future consolidated financial statements.

Executive Summary

XPO Logistics, Inc. (the "Company", "we", "our" or "us"), a Delaware corporation, is a third party logistics provider of freight transportation services through three non-asset based or asset-light business units: Express-1, Inc. ("Express-1"), Concert Group Logistics, Inc. ("CGL") and Bounce Logistics, Inc. ("Bounce"). These wholly owned subsidiaries provide services complementary to each other, effectively giving the Company a platform for expansion in three distinct areas of the transportation industry.

Business Unit	Primary Office Location	Industry Segment	Initiated
Express-1	Buchanan, Michigan	Expedited Transportation	August 2004
CGL	Downers Grove, Illinois	Freight Forwarding	January 2008
Bounce	South Bend, Indiana	Premium Truck Brokerage	March 2008

Express-1, Inc. was founded in 1989 and acquired in 2004. Express-1 provides time-critical expedited transportation to its customers, most typically through carrier arrangements that assign one truck to a load, with a specified delivery time requirement. Most of the services provided by Express-1 are completed via a fleet of exclusive-use vehicles that are owned and operated by independent contract drivers.

Concert Group Logistics, Inc. (CGL) was founded in 2001 and acquired in 2008. CGL provides freight forwarding services through a network of independently owned stations and Company-owned branches located throughout the United States. These stations and branches are responsible for selling and operating freight forwarding transportation services within their geographic area under the authority of CGL. In October 2009, certain assets and liabilities of LRG International Inc. (now known as CGL International) were purchased to complement the operations of CGL through two Florida branches that primarily provide international freight forwarding services. The financial reporting of this operation has been included with CGL.

Bounce Logistics, Inc. was founded as a start-up operation by the Company in 2008. Bounce provides premium truck brokerage transportation services to customers in North America through a centralized service center and a field sales team responsible for establishing and managing customer relationships.

Strategy for Growth

The Company generally does not own its own trucks, ships or planes; instead we use a network of relationships with ground, ocean and air carriers to find the best transportation solutions for our customers. This allows capital to be invested primarily in expanding the Company's workforce of talented people who are adept in the critical areas of competitive selling, price negotiation, carrier relations and customer service.

Following a significant investment by JPE in the Company in September 2011, the Company began to implement a growth strategy that will leverage its strengths – including management expertise, substantial liquidity and potential access to additional capital – in pursuit of profitable growth. Our strategy anticipates that this will be facilitated by a highly experienced executive team recently put in place, and by new technology that will integrate the Company's operations on a shared platform for cross-company benchmarking and analysis.

Our growth strategy focuses on the following three key areas:

Targeted acquisitions — The Company intends to make selective acquisitions of non-asset based logistics truck brokerage businesses that would benefit from our greater scale and potential access to capital, and may make similar acquisitions of freight forwarding, expedited and intermodal service businesses, among others. We believe that the Company is in a position to make the first phase of acquisitions by using existing cash balances, together with the funds expected to be generated from operations and funds available under our revolving credit facility, and potentially by expanding our credit facilities.

Organic growth — The Company is planning to add a significant number of new truck brokerage offices throughout North America, and is actively recruiting managers with a track record of building successful broker operations. We expect the new brokerage offices to generate revenue growth by developing customer and carrier relationships in new territories.

Optimized operations — The Company intends to accelerate the earnings performance of its existing operations, acquired companies and greenfield locations by investing in an expanded sales and service workforce, implementing an advanced IT infrastructure, incorporating industry best practices, and leveraging scale to share capacity more efficiently and increase buying power.

Leadership Team

The following recent appointments have been made:

Bradley S. Jacobs, Chief Executive Officer and Chairman

Bradley Jacobs, 55, is Chief Executive Officer and Chairman of the board of directors of the Company, and managing director of Jacobs Private Equity, LLC. He has led two public companies: United Rentals, Inc. (NYSE: URI), which he co-founded in 1997, and United Waste Systems, Inc., founded in 1989. Mr. Jacobs served as Chairman and Chief Executive Officer of United Rentals for its first six years and as Executive Chairman for an additional four years. He served eight years as Chairman and Chief Executive Officer of United Waste Systems. Previously, Mr. Jacobs founded Hamilton Resources (UK) Ltd. and served as its Chairman and Chief Operating Officer. This followed the co-founding of his first venture, Amerex Oil Associates, Inc., where he was Chief Executive Officer. Mr. Jacobs is a member of the board of directors of the Beck Institute for Cognitive Behavior Therapy.

J. Thomas Connolly, Senior Vice President–Acquisitions

J. Thomas Connolly, 40, is responsible for executing the Company's growth strategy related to the acquisition of transportation logistics operations. He most recently served as managing director of EVE Partners, LLC, a leading financial advisory firm whose practice is focused exclusively on the transportation logistics industry. While with EVE Partners, Mr. Connolly executed buy-side and sell-side transactions in the logistics sector. He holds a master of business administration degree from the Goizueta Business School at Emory University and a bachelor's degree in business administration from the College of Charleston (SC).

Troy Cooper, Vice President–Finance

Troy Cooper, 42, is responsible for providing financial support to the Company's business units to align performance with strategic objectives. Mr. Cooper was most recently with United Rentals, where he served as Vice President–Group Controller responsible for field finance functions. Previously, he held controller positions with United Waste Systems, Inc. and OSI Specialties, Inc. (formerly a division of Union Carbide, Inc.). Mr. Cooper is a certified public accountant who began his career in public accounting with Arthur Andersen and Co. He holds a bachelor's degree in accounting from Marietta College.

Gordon E. Devens, Senior Vice President and General Counsel

Beginning November 14, 2011, Gordon Devens, 43, will be responsible for all corporate legal matters, governance and compliance, as well as the company's legal interests relating to acquisitions and other growth initiatives. He was most recently Vice President–Corporate Development with AutoNation, Inc., where he previously held positions as Vice President–Associate General Counsel and Senior Counsel for its retail automotive group. Earlier, he was an associate at the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, where he specialized in mergers and acquisitions and securities law. He holds a doctorate of jurisprudence and a bachelor's degree in business administration from the University of Michigan.

M. Sean Fernandez, Chief Operating Officer

Sean Fernandez, 48, is responsible for the day-to-day operations and P&L performance of the Company. Mr. Fernandez has more than 20 years of leadership experience with global companies in industries that include distribution, consumer goods manufacturing, trucking and transportation. He most recently served as Senior Vice President and General Manager–Consumables for NCR Corporation, and earlier held positions as Vice President–New Growth Platforms with Avery Dennison Corporation; Chief Operating Officer with SIRVA, Inc.; group President with Esselte Corporation; Chief Operating Officer–Asia Pac Operations and divisional President with Arrow Electronics, Inc.; and Senior Engagement Manager with McKinsey & Company, Inc. He holds a master of business administration degree from Harvard Business School and a bachelor's degree in business administration from Boston College.

Mario A. Harik, Chief Information Officer

Beginning November 14, 2011, Mario Harik, 31, will be responsible for the design and implementation of the Company's integrated technology infrastructure. Mr. Harik has consulted to *Fortune 100* firms, and is experienced in building comprehensive IT organizations and proprietary platforms. His prior positions include Chief Information Officer and Senior Vice President–Research and Development with Oakleaf Waste Management; Chief Technology Officer with Tallan, Inc.; co-founder of G3 Analyst, where he served as Chief Architect of Web and Voice Applications; and architect and consultant with Adea Solutions. Mr. Harik holds a master of engineering degree in information technology from Massachusetts Institute of Technology, and a degree in engineering, computer and communications from the American University of Beirut, Lebanon.

Scott B. Malat, Senior Vice President–Strategic Planning

Scott Malat, 35, is responsible for advising on the Company's strategy and capital structure; analyzing potential acquisitions and other growth opportunities; and managing investor relations. Mr. Malat was most recently with Goldman Sachs Group, Inc., where he served as senior equity research analyst covering the air, rail, trucking and shipping sectors. Prior to Goldman Sachs, Mr. Malat was an equity research analyst with UBS, and a strategy manager with JPMorgan Chase & Co. He serves on the board of directors of the non-profit PSC Partners Seeking a Cure. He is a CFA® charterholder and has a degree in statistics with a concentration in business management from Cornell University.

Richard M. Metzler, Senior Vice President–Acquisitions

Richard Metzler, 58, is responsible for acquisitions and business development. Mr. Metzler most recently served as Chief Commercial Officer for Greatwide Logistics Services, LLC, with prior positions as Executive Vice President of Marketing–Americas for DHL Express, Inc.; and Senior Vice President—Marketing and Customer Service, Transport International Pool for GE Capital (now GE Trailer Fleet Services). Previously, he held numerous senior positions with Federal Express Corporation, including Vice President and General Manager, FedEx Logistics–Americas. Mr. Metzler is a member of the boards of directors of EcoSquid, Inc., Flash Global Logistics, Inc. and the Transportation Marketing and Sales Association.

Gregory W. Ritter, Senior Vice President–Brokerage Operations

Gregory Ritter, 53, is responsible for opening and developing new truck brokerage operations in North America; due diligence related to acquisitions; and recruitment of an expanded sales and carrier procurement workforce. Mr. Ritter has more than three decades of sales and management experience in multi-modal transportation logistics. He most recently served as the president of a brokerage subsidiary that he established for one of the top 10 transportation logistics providers in North America. Previously, Mr. Ritter spent 22 years with C.H. Robinson Worldwide, and worked with Allen Lund Company, Inc. on territory development.

Board of Directors

Bradley S. Jacobs, Chairman and Chief Executive Officer

See above.

G. Chris Andersen

G. Chris Andersen, 73, is the founder and a managing partner of G.C. Andersen Partners, LLC. Previously, Mr. Andersen served as Vice Chairman of PaineWebber, and as head of the Investment Banking Group at Drexel Burnham Lambert Incorporated. Mr. Andersen is the lead director for Terex Corporation (NYSE: TEX). He is a founder of the Garn Institute of Finance at the University of Utah; a member of the International Advisory Council of the Guanghua School of Management at Peking University; and sits on the advisory board of the RAND Corporation's Center for Asia Pacific Policy. Mr. Andersen holds a master's degree from the Kellogg School of Management and is a CFA® charterholder.

Michael G. Jesselson

Michael Jesselson, 59, is the president of Jesselson Capital Corporation. He is a longstanding director of American Eagle Outfitters, Inc. (NYSE: AEO), and serves as American Eagle's lead independent director. Additionally, Mr. Jesselson is a member of the board of directors of U*tique, Inc., and he has numerous non-profit affiliations, including Chairman of American Friends of Bar-Ilan University; trustee of Yeshiva University; board member of SAR Academy; Co-Chairman of Shaare Zedek Medical Center Board of Directors in Jerusalem; board member of the Center for Jewish History; trustee of the American Jewish Historical Society; board member of the National Museum of American Jewish History; and board member of the Leo Baeck Institute.

Adrian P. Kingshott

Adrian Kingshott, 51, is the Chief Executive Officer of AdSon LLC, and an affiliated managing director of The Bank Street Group LLC. Previously, with Goldman Sachs, he served as co-head of the firm's Leveraged Finance business, among other positions. More recently, Mr. Kingshott was a managing director of Amaranth Advisors, LLC. He is an adjunct professor of

Global Capital Markets at Fairfield University's Dolan School of Business; and an adjunct professor of International Corporate Financial Management at Fordham University's School of Business. He holds a master of business administration degree from Harvard Business School and a master of jurisprudence degree from Oxford University. Mr. Kingshott is a member of the board of directors of Centre Lane Investment Corp.

James J. Martell

James Martell, 57, is an independent operating executive with Welsh, Carson, Anderson & Stowe, for companies in the transportation logistics sector and related industries. Previously, he was Chief Executive Officer of SmartMail Services, Inc.; Executive Vice President of Americas for UTi Worldwide Inc.; and Chief Executive Officer of Burlington Air Express Canada. Earlier, Mr. Martell held management positions with Federal Express Corporation and United Parcel Service, Inc. He currently serves as a director of Mobile Mini, Inc., and is a past Chairman of the board of directors of the Company. Additionally, Mr. Martell is lead director for Ozburn-Hessey Logistics LLC, Chairman of the board of directors of Vision Logistics Holding Corp., lead director for 3PD, Inc. and Chairman of the board of directors of ProTrans International. He holds a degree in business administration from Michigan Technological University.

Jason D. Papastavrou

Jason Papastavrou, Ph.D., 48, is the founder and Chief Investment Officer of ARIS Capital Management, LLC, and is the co-founder of Empiric Asset Management, LLC. Previously, Dr. Papastavrou was the founder and managing director of the Fund of Hedge Funds Strategies Group of Banc of America Capital Management (BACAP); President of BACAP Alternative Advisors; and a Senior Portfolio Manager with Deutsche Asset Management. He was a tenured professor at Purdue University School of Industrial Engineering, and holds a doctorate in electrical engineering and computer science from the Massachusetts Institute of Technology. Dr. Papastavrou serves on the board of directors of United Rentals, Inc.

Oren G. Shaffer

Oren Shaffer, 69, was most recently Vice Chairman and Chief Financial Officer of Qwest Communications International, Inc. (now CenturyLink, Inc.). Previously, Mr. Shaffer was President and Chief Operating Officer of Sorrento Networks, Inc. and Executive Vice President and Chief Financial Officer of Ameritech Corporation, and held senior executive positions with Goodyear Tire & Rubber Company, where he also served on the board of directors. Mr. Shaffer is a director on the boards of Terex Corporation (NYSE: TEX); Belgacom S.A. (BCOM.BR); and Intermec, Inc. (NYSE: IN). He holds a master's degree in management from the Sloan School of Management, Massachusetts Institute of Technology, and a degree in finance and business administration from the University of California, Berkeley.

Other Reporting Disclosures

Throughout our reports, we refer to the impact of fuel on our business. For purposes of these references, we have considered the impact of fuel surcharge revenues and the related fuel surcharge expenses only as they relate to our Express-1 business unit. The expedited transportation industry commonly negotiates both fuel surcharges charged to customers as well as fuel surcharges paid to carriers. Therefore, we feel that this approach most readily conveys the impact of fuel revenues, costs and the resulting gross margin within this business unit. Our fuel surcharges are determined on a negotiated customer-by-customer basis and are primarily based on a fuel matrix driven by the Department of Energy fuel price index. Fuel surcharge revenues are charged to our customers to provide for variable costs associated with changing fuel prices. Independent contractors and brokered carriers are responsible for the cost of fuel, and therefore are paid a fuel surcharge by the Company to offset their variable cost of fuel. The fuel surcharge payment is expensed as paid and included in the Company's cost of transportation. Fuel surcharge payments are consistently applied based on the Department of Energy fuel price index and the type of truck utilized. Because fuel surcharge revenues vary based on negotiated customer rates and the overall mix of business, and because our fuel surcharge expense is applied on a consistent basis, gross margin and our gross margin percentage attributable to fuel surcharges will vary from period to period. The impact of fuel surcharge revenue and expense is discussed within management's discussion and analysis of Express-1.

Within our other two business units, CGL and Bounce, fuel charges to our customers are not commonly negotiated and identified separately from total revenue and the associated cost of transportation. Although fuel costs are factored into overall pricing of these services, they are not typically separately identified between carriers and therefore we have not included an analysis of fuel surcharges for these two operating segments. We believe this is a common practice within the freight forwarding and freight brokerage business sectors.

This discussion and analysis refers from time to time to Express-1's international operations. These operations consist of freight shipments that originate in or are delivered to either Canada or Mexico. In all cases, these freight shipments either originate in or are delivered to the United States, and therefore only a portion of the freight movement actually takes place in Canada or Mexico. This freight is carried for domestic customers who pay in U.S. dollars. We discuss this freight separately because Express-1 has developed an expertise in cross-docking freight at the border through the utilization of Canadian and Mexican carriers, and this portion of our business has seen significant growth.

This discussion and analysis also refers from time to time to CGL's international operations. These freight movements also originate in or are delivered to the United States and are primarily paid for in U.S. dollars. We discuss this freight separately because of CGL's more recent focus on international freight through its purchase of LRG International, Inc. (now known as CGL International), and because we believe that international freight has significant upside potential for the future.

We often refer to the costs of our board of directors, our executive team and certain operating costs associated with operating as a public company as "corporate" charges. In addition to the aforementioned items, we also record items such as our income tax provision and other charges that are reported on a consolidated basis within the corporate line items of the following tables.

The three months ended September 30, 2011 compared to the three months ended September 30, 2010

The following tables are provided to allow users to review quarterly results within our major operating segments.

XPO Logistics, Inc.
Summary Financial Table
For the Three Months Ended September 30, 2011 and 2010
(Unaudited)

	Three Months Ended September 30,		Quarter to Quarter Change		Percent of Business Unit Revenue	
	2011	2010	In Dollars	In Percentage	2011	2010
Revenues						
Express-1	$ 23,419,000	$ 21,407,000	$ 2,012,000	9.4%	49.4%	48.2%
CGL	16,918,000	18,586,000	(1,668,000)	-9.0%	35.7%	41.8%
Bounce	8,246,000	5,696,000	2,550,000	44.8%	17.4%	12.8%
Intercompany eliminations	(1,194,000)	(1,241,000)	47,000	-3.8%	-2.5%	-2.8%
Total revenues	47,389,000	44,448,000	2,941,000	6.6%	100.0%	100.0%
Direct expenses						
Express-1	18,411,000	16,096,000	2,315,000	14.4%	78.6%	75.2%
CGL	15,064,000	16,699,000	(1,635,000)	-9.8%	89.0%	89.8%
Bounce	6,888,000	4,755,000	2,133,000	44.9%	83.5%	83.5%
Intercompany eliminations	(1,194,000)	(1,241,000)	47,000	-3.8%	100.0%	100.0%
Total direct expenses	39,169,000	36,309,000	2,860,000	7.9%	82.7%	81.7%
Gross margin						
Express-1	5,008,000	5,311,000	(303,000)	-5.7%	21.4%	24.8%
CGL	1,854,000	1,887,000	(33,000)	-1.7%	11.0%	10.2%
Bounce	1,358,000	941,000	417,000	44.3%	16.5%	16.5%
Total gross margin	8,220,000	8,139,000	81,000	1.0%	17.3%	18.3%
Selling, general & administrative						
Express-1	2,555,000	2,779,000	(224,000)	-8.1%	10.9%	13.0%
CGL	1,215,000	1,335,000	(120,000)	-9.0%	7.2%	7.2%
Bounce	859,000	661,000	198,000	30.0%	10.4%	11.6%
Corporate	3,121,000	444,000	2,677,000	602.9%	6.6%	1.0%
Total selling, general & administrative	7,750,000	5,219,000	2,531,000	48.5%	16.4%	11.7%
Operating income						
Express-1	2,453,000	2,532,000	(79,000)	-3.1%	10.5%	11.8%
CGL	639,000	552,000	87,000	15.8%	3.8%	3.0%
Bounce	499,000	280,000	219,000	78.2%	6.1%	4.9%
Corporate	(3,121,000)	(444,000)	(2,677,000)	-602.9%	-6.6%	-1.0%
Operating income	470,000	2,920,000	(2,450,000)	-83.9%	1.0%	6.6%
Interest expense	49,000	32,000	17,000	53.1%	0.1%	0.1%
Other expense	—	48,000	(48,000)	-100.0%	0.0%	0.1%
Income before tax	421,000	2,840,000	(2,419,000)	-85.2%	0.9%	6.4%
Tax provision	231,000	1,110,000	(879,000)	-79.2%	0.5%	2.5%
Net income	$ 190,000	$ 1,730,000	$(1,540,000)	-89.0%	0.4%	3.9%

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XPO Logistics, Inc.
Summary of Selling, General & Administrative Expenses
For the Three Months Ended September 30, 2011 and 2010
(Unaudited)

	Three Months Ended September 30,		Quarter to Quarter Change	
	2011	2010	In Dollars	In Percentage
Express-1				
Salaries & benefits	$ 1,732,000	$ 1,919,000	$ (187,000)	-9.7%
Purchased services	365,000	339,000	26,000	7.7%
Depreciation & amortization	93,000	123,000	(30,000)	-24.4%
Other	365,000	398,000	(33,000)	-8.3%
Total selling, general & administrative	2,555,000	2,779,000	(224,000)	-8.1%
CGL				
Salaries & benefits	696,000	789,000	(93,000)	-11.8%
Purchased services	123,000	64,000	59,000	92.2%
Depreciation & amortization	144,000	140,000	4,000	2.9%
Other	252,000	342,000	(90,000)	-26.3%
Total selling, general & administrative	1,215,000	1,335,000	(120,000)	-9.0%
Bounce				
Salaries & benefits	681,000	472,000	209,000	44.3%
Purchased services	38,000	34,000	4,000	11.8%
Depreciation & amortization	11,000	8,000	3,000	37.5%
Other	129,000	147,000	(18,000)	-12.2%
Total selling, general & administrative	859,000	661,000	198,000	30.0%
Corporate				
Salaries & benefits	311,000	118,000	193,000	163.6%
Purchased services	2,470,000	191,000	2,279,000	1193.2%
Depreciation & amortization	5,000	5,000	—	0.0%
Other	335,000	130,000	205,000	15.2%
Total selling, general & administrative	3,121,000	444,000	2,677,000	602.9%
Total SG&A expenses				
Total salaries & benefits	3,420,000	3,298,000	122,000	3.7%
Total purchased services	2,996,000	628,000	2,368,000	377.1%
Total depreciation & amortization	253,000	276,000	(23,000)	-8.3%
Total other	1,081,000	1,017,000	64,000	6.3%
Total selling, general & administrative	$ 7,750,000	$ 5,219,000	$2,531,000	48.5%

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XPO Logistics, Inc.
Summary of Direct Expenses
For the Three Months Ended September 30, 2011 and 2010
(Unaudited)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Quarter to Quarter Change In Dollars	Quarter to Quarter Change In Percentage
Express-1				
Transportation services	$ 17,634,000	$ 15,590,000	$ 2,044,000	13.1%
Insurance	371,000	208,000	163,000	78.4%
Other	406,000	298,000	108,000	36.2%
Total Express-1 direct expense	18,411,000	16,096,000	2,315,000	14.4%
CGL				
Transportation services	12,231,000	13,889,000	(1,658,000)	-11.9%
Station commissions	2,798,000	2,785,000	13,000	0.5%
Insurance	35,000	25,000	10,000	40.0%
Other	—	—	—	0.0%
Total CGL direct expense	15,064,000	16,699,000	(1,635,000)	-9.8%
Bounce				
Transportation services	6,868,000	4,754,000	2,114,000	44.5%
Insurance	20,000	2,000	18,000	900.0%
Other	—	(1,000)	1,000	—
Total Bounce direct expense	6,888,000	4,755,000	2,133,000	44.9%
Total direct expenses				
Transportation services	36,733,000	34,233,000	2,500,000	7.3%
Station commissions	2,798,000	2,785,000	13,000	0.5%
Insurance	426,000	235,000	191,000	81.3%
Other	406,000	297,000	109,000	36.7%
Intercompany eliminations	(1,194,000)	(1,241,000)	47,000	-3.8%
Total direct expenses	$ 39,169,000	$ 36,309,000	$ 2,860,000	7.9%

Consolidated Results

In total, the Company's consolidated revenue for the third quarter was 6.6% greater than in the same period in 2010. This growth was driven primarily by increased international revenue at Express-1 and continued strong growth at Bounce.

Direct expenses represent expenses attributable to freight transportation. Our "asset-light" operating model provides transportation capacity through variable cost transportation alternatives, and therefore enables us to control our operating costs as our volumes fluctuate. Our primary means of providing capacity are through our fleet of independent contractors at Express-1 and brokerage relationships at CGL and Bounce. We continue to view this operating model as a strategic advantage, particularly in uncertain economic conditions. Our overall gross margin for the third quarter of 2011 was 17.3%, a decrease when compared to 18.3% in the third quarter of 2010. The decrease in gross margin can be attributed primarily to the following items:

- International shipments at Express-1 tend to be higher revenue transactions, but historically have generated a lower gross margin percentage. As international revenue becomes a larger component of revenue, it is expected to continue to impact the gross margin percentage.
- Bounce continues to grow at a higher rate than Express-1 and CGL. Bounce's historically lower gross margin percentage compared with Express-1 will decrease the Company's overall margin to the extent it becomes a larger percentage of our total revenue.
- Express-1 results in the third quarter of 2010 were positively impacted by floods in Mexico that generated significantly higher margins than normal.

Selling, general and administrative ("SG&A") expenses as a percentage of revenue were 16.4% in the third quarter of 2011, an increase from 11.7% in the same period last year. Overall, SG&A expenses increased by $2.5 million for the third quarter of 2011 compared to the same period in 2010, resulting primarily from an increase of $2.4 million in purchased services, of which approximately $700,000 represented indirect expenses associated with the Equity Investment and $1.6 million represented recruiting and other costs related to new executive team appointments. Additionally, salary and benefits increased by $122,000.

The Company finished the three-months ended September 30, 2011 with $190,000 in net income, which is an 89.0% decrease when compared to $1.7 million in the third quarter of 2010. Lower gross margins, indirect transaction costs related to the Equity Investment and professional search fees contributed to the reduction in net income.

Express-1

Express-1 generated third quarter revenue of $23.4 million, reflecting growth of 9.4% compared to the same period in 2010. As Express-1 continued to increase its international operations, its Mexican and Canadian cross-border freight represented 22.6% of revenue for the quarter ended September 30, 2011, compared to 20.2% of revenue for the same period in 2010.

For the quarter ended September 30, 2011, fuel surcharge revenue represented 16.5% of revenue as compared to 12.1% in the same period in 2010. Rising fuel prices positively impacted gross margin percentage in the quarter as our fuel charge revenue mix with our customers became more favorable.

Express-1's gross margin percentage was 21.4% for the three months ended September 30, 2011, compared to 24.8% for the same quarter in 2010. Reasons for the decrease in gross margin percentage include:

- The increase in international transactions, which are typically higher revenue shipments at a lower gross margin percentage than our domestic transactions;
- A higher percentage of shipments placed through brokered carriers, associated mainly with the growth in international business. All cross-border moves are handled by brokered carriers; and
- Express-1 results in the third quarter of 2010 were positively impacted by floods in Mexico that generated significantly higher margins than normal.

Historically, the utilization of brokered carriers has enabled Express-1 to handle peak volume periods for its customers while building its fleet of owner operators. Brokered carriers are also utilized to more efficiently handle freight that crosses into Canada or Mexico. This component of Express-1's purchased transportation costs is critical to our ongoing success; however, gross margin percentages relating to this business are typically lower than margins associated with our own fleet of independent contractors. During the quarter ended September 30, 2011, 34.2% of Express-1's revenue was carried by brokered carriers as compared to 32.6% in the same quarter in 2010. The increase was due primarily to the growth of our international business.

SG&A expenses decreased by $224,000 for the three-month period ended September 30, 2011, compared to the same period in 2010. Of the decrease in SG&A, $115,000 of the decrease relates to a reduction in costs associated with the change from self-funded insurance to a traditional plan, which has stabilized expenses. Salaries, purchased services and depreciation and amortization remained relatively flat between these comparable periods.

Operating income was consistent between the quarters ended September 30, 2011 and September 30, 2010, with $2.5 million in operating income for both periods.

Management's growth strategy for Express-1 is based on:

- Targeted investments to expand the sales and service workforce, in order to capture key opportunities in specialized areas (e.g., refrigeration and defense);
- An increased focus on carrier recruitment and retention, as well as improved utilization of the current carrier fleet;
- Technology upgrades to improve efficiency in sales and carrier procurement; and
- Selective acquisitions of non-asset based expedited businesses that would benefit from our scale and potential access to capital.

CGL

CGL's revenue for the quarter ended September 30, 2011 decreased to $16.9 million from revenue of $18.6 million for the same period in 2010. The decrease was primarily the result of certain lost revenue from larger customers and specific project work from 2010 that was not offset by revenue gains in other areas.

Direct expenses consisted primarily of payments for purchased transportation and payments to CGL's independent offices that control the overall operation of our customers' shipments. As a percentage of revenue, direct expenses improved to 89.0% for the quarter ended September 30, 2011, compared to 89.8% for the same period in 2010. The gross margin percentage in the third quarter of 2011 increased to 11.0%. The improvement reflects a favorable change in service mix, specifically an increase in international business and a decrease in lower-margin deferred shipments.

SG&A expenses as a percentage of revenue remained constant at 7.2% of revenue for the quarters ended September 30, 2011 and 2010. Overall, SG&A expenses decreased in the third quarter of 2011 by $120,000 as compared to the same period in 2010.

Primarily as a result of the factors discussed above, CGL's second quarter operating income increased 15.8% to $639,000 in 2011 compared to $552,000 for the same period in 2010.

As of September 30, 2011, the Company maintained a network of 23 independent offices and two Company-owned branches. The amount of stations was similar to the same period in 2010.

Management's growth strategy for CGL is based on:

- Plans to open new offices in key U.S. markets, which will consist of both Company-owned and independently operated stations;
- Increased international growth, with a focus on Asia and Latin America;
- Technology upgrades to improve efficiency in sales and carrier procurement; and
- Selective acquisitions of complementary, non-asset based freight forwarding businesses.

Bounce

Bounce continues to see significant growth, with revenue for the quarter ended September 30, 2011 increasing by 44.8% to $8.2 million, compared to revenue of $5.7 million for the quarter ended September 30, 2010. Revenue growth was largely driven by expansion of the Bounce customer base resulting from a year-over-year headcount increase of eight salespeople in the quarter.

For the quarter ended September 30, 2011, Bounce's direct transportation expenses remained constant at 83.5% as a percentage of revenue, compared to the same period in 2010. Additional volume coupled with gross margin of 16.5% added an additional $417,000 of gross margin, compared to the same period last year.

As a percentage of revenue, SG&A costs decreased to 10.4% for the third quarter of 2011, compared to 11.6% for the third quarter of 2010. Overall SG&A expenses increased by $198,000 for the quarter compared to the same period in 2010. Salaries and benefits increased by $209,000, due primarily to an increase in head count. Purchased services, other expenses and depreciation and amortization remained relatively unchanged for the quarters ended September 30, 2011 and 2010.

The above items resulted in operating income of $499,000 for the quarter ended September 30, 2011, an increase of 78.2% from $280,000 for the same period last year.

Management's growth strategy for Bounce is based on:

- Investment in an expanded sales and service workforce;
- Technology upgrades to improve efficiency in sales and carrier procurement; and
- The integration of industry best practices, with specific focus on better leveraging our scale and lowering administrative overhead.

Management's growth strategy for the broader truck brokerage segment is based on:

- Selective acquisitions of non-asset based truck brokerage firms that would benefit from our scale and potential access to capital;
- The opening of a significant number of new truck brokerage offices in the U.S.; and
- Investments in an expanded sales and service workforce, supported by sophisticated technology for sales, freight tracking and carrier procurement.

Corporate

Corporate costs for the quarter ended September 30, 2011 increased by $2.7 million as compared to the same period in 2010. As a percentage of revenue, corporate costs increased to 6.6% for the quarter ended September 30, 2011, compared with 1.0% in the same period in 2010. This increase was primarily due to approximately $700,000 of indirect expenses related to the Equity Investment, and $1.6 million of recruiting and other costs related to new executive team appointments. Additionally, salary and benefits increased by $193,000.

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The nine months ended September 30, 2011 compared to the nine months ended September 30, 2010

The following tables are provided to allow users to review year-to-date results within our major operating segments.

XPO Logistics, Inc.
Summary Financial Table
For the Nine Months Ended September 30, 2011 and 2010
(Unaudited)

	Nine Months Ended September 30,		Year to Year Change		Percent of Business Unit Revenue	
	2011	2010	In Dollars	In Percentage	2011	2010
Revenues						
Express-1	$ 67,221,000	$ 58,176,000	$ 9,045,000	15.5%	50.5%	50.0%
CGL	48,379,000	47,598,000	781,000	1.6%	36.4%	40.9%
Bounce	20,916,000	13,494,000	7,422,000	55.0%	15.7%	11.6%
Intercompany eliminations	(3,525,000)	(2,838,000)	(687,000)	24.2%	-2.6%	-2.5%
Total revenues	132,991,000	116,430,000	16,561,000	14.2%	100.0%	100.0%
Direct expenses						
Express-1	53,173,000	44,358,000	8,815,000	19.9%	79.1%	76.2%
CGL	43,128,000	42,653,000	475,000	1.1%	89.1%	89.6%
Bounce	17,608,000	11,280,000	6,328,000	56.1%	84.2%	83.6%
Intercompany eliminations	(3,525,000)	(2,838,000)	(687,000)	24.2%	100.0%	100.0%
Total direct expenses	110,384,000	95,453,000	14,931,000	15.6%	83.0%	82.0%
Gross margin						
Express-1	14,048,000	13,818,000	230,000	1.7%	20.9%	23.8%
CGL	5,251,000	4,945,000	306,000	6.2%	10.9%	10.4%
Bounce	3,308,000	2,214,000	1,094,000	49.4%	15.8%	16.4%
Total gross margin	22,607,000	20,977,000	1,630,000	7.8%	17.0%	18.0%
Selling, general & administrative						
Express-1	7,680,000	7,155,000	525,000	7.3%	11.4%	12.3%
CGL	3,741,000	3,582,000	159,000	4.4%	7.7%	7.5%
Bounce	2,499,000	1,696,000	803,000	47.3%	11.9%	12.6%
Corporate	4,574,000	1,459,000	3,115,000	213.5%	3.4%	1.3%
Total selling, general & administrative	18,494,000	13,892,000	4,602,000	33.1%	13.9%	11.9%
Operating income						
Express-1	6,368,000	6,663,000	(295,000)	-4.4%	9.5%	11.5%
CGL	1,510,000	1,363,000	147,000	10.8%	3.1%	2.9%
Bounce	809,000	518,000	291,000	56.2%	3.9%	3.8%
Corporate	(4,574,000)	(1,459,000)	(3,115,000)	-213.5%	-3.4%	-1.3%
Operating income	4,113,000	7,085,000	(2,972,000)	-41.9%	3.1%	6.1%
Interest expense	145,000	140,000	5,000	3.6%	0.1%	0.1%
Other expense	62,000	102,000	(40,000)	-39.2%	0.0%	0.1%
Income before tax	3,906,000	6,843,000	(2,838,000)	-42.9%	2.9%	5.9%
Tax provision	1,685,000	2,775,000	(1,090,000)	-39.3%	1.3%	2.4%
Net income	$ 2,221,000	$ 4,068,000	$ (1,847,000)	-45.4%	1.7%	3.5%

XPO Logistics, Inc.
Summary of Selling, General & Administrative Expenses
For the Nine Months Ended September 30, 2011 and 2010
(Unaudited)

	Nine Months Ended September 30,		Year to Year Change	
	2011	2010	In Dollars	In Percentage
Express-1				
Salaries & benefits	$ 5,209,000	$ 5,075,000	$ 134,000	2.6%
Purchased services	1,066,000	866,000	200,000	23.1%
Depreciation & amortization	317,000	362,000	(45,000)	-12.4%
Other	1,088,000	852,000	236,000	27.7%
Total selling, general & administrative	7,680,000	7,155,000	525,000	7.3%
CGL				
Salaries & benefits	2,123,000	2,002,000	121,000	6.0%
Purchased services	310,000	154,000	156,000	101.3%
Depreciation & amortization	430,000	484,000	(54,000)	-11.2%
Other	878,000	942,000	(64,000)	-6.8%
Total selling, general & administrative	3,741,000	3,582,000	159,000	4.4%
Bounce				
Salaries & benefits	1,779,000	1,216,000	563,000	46.3%
Purchased services	113,000	60,000	53,000	88.3%
Depreciation & amortization	32,000	23,000	9,000	39.1%
Other	575,000	397,000	178,000	44.8%
Total selling, general & administrative	2,499,000	1,696,000	803,000	47.3%
Corporate				
Salaries & benefits	598,000	421,000	177,000	42.0%
Purchased services	3,423,000	695,000	2,728,000	392.5%
Depreciation & amortization	16,000	14,000	2,000	14.3%
Other	537,000	329,000	208,000	63.2%
Total selling, general & administrative	4,574,000	1,459,000	3,115,000	213.5%
Total SG&A expenses				
Total salaries & benefits	9,709,000	8,714,000	995,000	11.4%
Total purchased services	4,912,000	1,775,000	3,137,000	176.7%
Total depreciation & amortization	795,000	883,000	(88,000)	-10.0%
Total other	3,078,000	2,520,000	558,000	22.1%
Total selling, general & administrative	$ 18,494,000	$ 13,892,000	$4,602,000	33.1%

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XPO Logistics, Inc.
Summary of Direct Expenses
For the Nine Months Ended September 30, 2011 and 2010
(Unaudited)

	Nine Months Ended September 30,		Year to Year Change	
	2011	2010	In Dollars	In Percentage
Express-1				
Transportation services	$ 50,888,000	$42,929,000	$ 7,959,000	18.5%
Insurance	1,038,000	724,000	314,000	43.4%
Other	1,247,000	705,000	542,000	76.9%
Total Express-1 direct expense	53,173,000	44,358,000	8,815,000	19.9%
CGL				
Transportation services	34,643,000	34,767,000	(124,000)	-0.4%
Station commissions	8,387,000	7,798,000	589,000	7.6%
Insurance	99,000	87,000	12,000	13.8%
Other	(1,000)	1,000	(2,000)	-200.0%
Total CGL direct expense	43,128,000	42,653,000	475,000	1.1%
Bounce				
Transportation services	17,562,000	11,273,000	6,289,000	55.8%
Insurance	45,000	8,000	37,000	462.5%
Other	1,000	(1,000)	2,000	-200.0%
Total Bounce direct expense	17,608,000	11,280,000	6,328,000	56.1%
Total direct expenses				
Transportation services	103,093,000	88,969,000	14,124,000	15.9%
Station commissions	8,387,000	7,798,000	589,000	7.6%
Insurance	1,182,000	819,000	363,000	44.3%
Other	1,247,000	705,000	542,000	76.9%
Intercompany eliminations	(3,525,000)	(2,838,000)	(687,000)	24.2%
Total direct expenses	$110,384,000	$95,453,000	$14,931,000	15.6%

Consolidated Results

For the nine months ended September 30, 2011, revenue for each of the business units increased when compared to the same period in 2010. In total, our revenue for the first nine months of 2011 was 14.2% greater than for the comparable period in 2010. This organic growth comes primarily from our international revenue at Express-1 and continued growth at Bounce.

Direct expenses represent expenses attributable to freight transportation. Our "asset-light" operating model provides transportation capacity through variable cost transportation alternatives, and therefore enables us to control our operating costs as our volumes fluctuate. Our primary means of providing capacity are through our fleet of independent contractors at Express-1 and brokerage relationships at CGL and Bounce. We continue to view this operating model as a strategic advantage, particularly in uncertain economic conditions. Our overall gross margin for the nine months ended September 30, 2011 was 17.0%, a decrease when compared to 18.0% in the comparable nine months of 2010. The decrease in gross margin as a percentage of revenue can be attributed to the fact that international shipments tend to provide higher revenue, but at a lower gross margin percentage. As international revenue becomes a larger component of our revenue, it is expected that the gross margin percentage will decrease. In addition, Bounce continues to grow at a higher rate than Express-1 and CGL, and Bounce's historically lower margin percentage will decrease the Company's overall margin percentage. Market conditions remain highly competitive, which also can contribute to a lower gross margin percentage.

SG&A expenses as a percentage of revenue increased from 11.9% during the nine months ended September 30, 2010 to 13.9% for the same period in 2011. Overall, SG&A expenses increased by $4.6 million for the first nine months of 2011 compared to the same period in 2010, reflecting increases of $1.0 million in salaries and benefits, $3.1 million in purchased services and $470,000 in total other expenses. $1.0 million of the SG&A increase represented indirect costs including accounting, attorney and various other expenses related to the Equity Investment, and $1.6 million represented recruiting and other costs related to new executive team appointments.

For the nine months ended September 30, 2011, the Company's net income decreased by $1.8 million to $2.2 million when compared to the nine months ended September 30, 2010, primarily due to the factors noted above.

Express-1

For the nine month period ended September 30, 2011, Express-1 generated $67.2 million in revenue, which represented an increase of 15.5% compared to the same period in 2010. As Express-1 continued to increase its international operations, revenue related to Mexican and Canadian cross-border freight transactions increased by $5.0 million compared to the nine months ended September 30, 2010. Express-1's customer base continues to diversify both geographically and by industry, and we believe that growth will come from both existing customers who will increase their shipping volumes, and additional freight moved for new customers.

Fuel prices have remained higher for the nine months ended September 30, 2011, compared to the nine months ended September 30, 2010. This has resulted in a corresponding increase in fuel surcharge revenue as a percentage of total revenue. For the nine month period ended September 30, 2011, fuel surcharge revenue represented 16.6% of revenue as compared to 12.1% for the same period in 2010. This increase in fuel surcharge positively impacted gross margin percentage for the nine months ended September 30, 2011.

Express-1's gross margin percentage was 20.9% for the nine months ended September 30, 2011, compared to 23.8% for the same period in 2010. One reason for the significant decrease in gross margin percentage is the mixture of international revenue and revenue from large customers, who tend to carry lower gross margin percentages. In addition, brokered carriers are utilized by Express-1 to more efficiently handle freight that crosses into Canada or Mexico. This component of Express-1's purchased transportation cost is critical to our ongoing success; however, gross margin percentages relating to this business are typically lower than gross margin percentages associated with our own fleet of independent contractors. During the nine months ended September 30, 2011, 32.6% of Express-1's revenue was associated with brokered carriers as compared to 29.6% in the same period in 2010.

SG&A as a percentage of revenue for the nine months ended September 30, 2011 decreased to 11.4%, compared to 12.3% for the same period in 2010. SG&A expenses increased by $525,000 for the nine months ended September 30, 2011, compared to the same period in 2010. Of the increase in SG&A, $236,000 related to other expenses. An increase of $80,000 in travel, meals and entertainment was the largest component of this difference. Purchased services increased by $200,000 during the period, the largest component relating to custom software improvements. Additionally, salaries and benefits increased by $134,000 related to an increase in headcount at Express-1.

Operating income for the nine-month period ended September 30, 2011 was $6.4 million, compared to $6.7 million for the same period in 2010, representing a decrease of $300,000. This decrease was due primarily to the decrease in gross margin percentage.

CGL

CGL experienced slight growth during the nine months ended September 30, 2011. Revenue of $48.4 million compared favorably to revenue of $47.6 million for the same period in 2010, representing a 1.6% increase.

Direct expenses consisted primarily of payments for purchased transportation and payments to CGL's independent offices that control the overall operation of our customers' shipments. As a percentage of revenue, direct expenses represented 89.1% for the nine months ended September 30, 2011, compared to 89.6% for the same period in 2010. CGL's gross margin percentage improved to 10.9%, compared to 10.4% for the same period in 2010.

SG&A stayed relatively consistent for the nine months ended September 30, 2011. SG&A expenses represented 7.7% of revenue for the period, compared to 7.5% of revenue for the same period in 2010. Overall expenses increased for the nine months ended September 30, 2011 by $159,000 as compared to the same period in 2010, due primarily to increased salaries and benefits relating to additional staff employed during the period.

For the nine months ended September 30, 2011, CGL's operating income was $1.5 million, compared to $1.4 million for the same period in 2010. This increase of 10.8% was due primarily to improved margins and SG&A efficiency.

As of September 30, 2011, the Company maintained a network of 23 independent offices and two Company-owned branches. The number of stations was similar to the same period in 2010.

Bounce

Bounce continues to see significant growth, with revenue for the nine months ended September 30, 2011 increasing by 55.0% to $20.9 million compared to revenue of $13.5 million for the same period in 2010. The revenue growth can be attributed in part to a focus on increasing our customer base through investments in sales headcount and marketing.

For the nine months ended September 30, 2011, Bounce's direct transportation expenses increased to 84.2% as a percentage of revenue, as compared to 83.6% for the same period in 2010. We believe that this increase reflects a tightening of truck capacity in the marketplace as growth in demand has outpaced supply. The impact on the gross margin percentage has been more than offset by additional business in the period, as an additional $1.1 million in gross margin was generated for the nine months ended September 30, 2011 compared to the same period in 2010. We continue to have confidence in Bounce's ability to grow and access truck capacity for the remainder of 2011.

As a percentage of revenue, SG&A costs fell to 11.9% for the nine months ended September 30, 2011, compared to 12.6% in the same period in 2010. Overall SG&A expenses increased by $803,000 for the nine months ended September 30, 2011 compared to the same period in 2010. Salaries and benefits increased by $563,000 resulting from the addition of employees between September 30, 2010 and September 30, 2011. Other expenses increased by $178,000 during the nine months ended September 30, 2011, primarily as a result of increases in advertising of approximately $60,000, and travel, meals and entertainment expense increases of approximately $30,000. Bounce is also investing resources in the area of capacity management, which we believe will generate more capacity moving forward.

The above items have resulted in Bounce generating operating income of $809,000 for the nine months ended September 30, 2011, compared to $518,000 for the nine months ended September 30, 2010.

Corporate

Corporate SG&A costs for the nine months ended September 30, 2011 increased by $3.1 million or 213.5% as compared to the same period in 2010. This increase relates to $1.0 million in accounting, legal, financial consulting and other costs associated with the Equity Investment as mentioned above. In addition the Company has incurred $1.6 million of recruiting and other costs related to new executive team appointments.

Non-GAAP Financial Measures

Earnings before interest, taxes, depreciation and amortization, or EBITDA, is a non-GAAP financial measure as defined under the rules and regulations of the SEC. "EBITDA" is defined as net income increased by the sum of interest expense, income taxes, depreciation and amortization. We believe EBITDA is a useful measure of operating performance because it allows management, investors and others to evaluate and compare our core operating results from period to period by removing the impact of our capital structure (interest expense from our outstanding debt), asset base (depreciation and amortization) and tax consequences. In addition to its use by management, we believe EBITDA is a measure widely used by securities analysts, investors and others to evaluate the financial performance of companies in our industry. Other companies may calculate EBITDA differently, and therefore our EBITDA may not be comparable to similarly titled measures of other companies. EBITDA is not a measure of financial performance or liquidity under United States generally accepted accounting principles and should not be considered in isolation or as an alternative to net income, cash flows from operating activities and other measures determined in accordance with United States generally accepted accounting principles. Items excluded from EBITDA are significant and necessary components of the operations of our business, and, therefore, EBITDA should only be used as a supplemental measure of our operating performance. The following is a reconciliation of EBITDA to net income for the three-month periods ended September 30, 2011 and 2010 and the nine-month periods ended September 30, 2011 and 2010:

	Three Months Ended		Nine Months Ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Net income	$ 190,000	$ 1,730,000	$ 2,221,000	$ 4,068,000
Interest expense	49,000	32,000	145,000	140,000
Income tax provision	231,000	1,110,000	1,685,000	2,775,000
Depreciation and amortization	305,000	325,000	944,000	1,026,000
EBITDA	$ 775,000	$ 3,197,000	$ 4,995,000	$ 8,009,000

Liquidity and Capital Resources

General

As of September 30, 2011, we had $84.2 million of working capital with associated cash of $71.5 million compared with working capital of $12.3 million and cash of $561,000 as of December 31, 2010. This represents an increase of $71.9 million or 584.1% in working capital during the nine-month period ended September 30, 2011, primarily due to the net proceeds of cash received relating to the Equity Investment which closed on September 2, 2011. The Company does not have any material commitments that have not been disclosed elsewhere. We continually evaluate our liquidity requirements, capital needs and availability of capital resources based on our operating needs. We believe that our existing cash balances, together with the funds expected to be generated from operations and funds available under our revolving credit facility, will be sufficient to finance our existing operations for the next 12 months.

Cash Flow

During the nine months ended September 30, 2011, $3.3 million was generated in cash from operations compared to the generation of $203,000 for the comparable period in 2010. The primary source of cash for the nine-month period ended September 30, 2011 was our trucking revenue, while the primary use of cash for the period was payment for transportation services.

Cash generated from revenue equaled $131.0 million for the nine months ended September 30, 2011 as compared to $107.6 million for the same period in 2010 and correlates directly with revenue increases between the two periods. Cash flow increases are related primarily to volume increases and a decrease in our average days outstanding in accounts receivable by eight days between the nine-month periods ended September 30, 2011 and September 30, 2010.

Cash used for payment of transportation services for the nine months ended September 30, 2011 equaled $111.2 million as compared to $92.2 million for the same period in 2010. The increase in cash outflows between the two periods also directly correlates to the increase in business between the two years. Our average days outstanding in accounts payable and accrued expenses decreased by eight days between the nine-month periods ended September 30, 2011 and September 30, 2010.

Other operating uses of cash included SG&A items, which equaled $16.0 million and $12.3 million for the nine months ended September 30, 2011 and 2010, respectively. Significant SG&A items include payroll and purchased services. For the nine-month period ended September 30, 2011, payroll expenses equaled $9.7 million as compared to $8.7 million for the same period in 2010. Included in the $9.7 million in payroll expenses is $294,000 of increased payroll incentives accrued during the period, which will be paid in future periods.

Investing activities used approximately $883,000 during the nine months ended September 30, 2011 compared to a use of $480,000 from these activities during the comparable period in 2010. During this period, cash was used to purchase fixed assets of $442,000 in addition to our initial earn-out payment of $450,000 to the former owners of LRG International. During the same period in 2010 the Company used $482,000 to purchase fixed assets.

Financing activities generated approximately $68.5 million for the nine months ended September 30, 2011, compared to $733,000 for the same period in 2010. Sources of cash from financing activities during the nine months ended September 30, 2011 included $71.6 million of net proceeds from the issuance of the Series A Preferred Stock and the Warrants and $727,000 in proceeds from the exercise of options. The primary uses of cash for the nine months ended September 30, 2011 were payments on our line of credit of $2.7 million and payments on our term loan of $1.2 million. During the same period in 2010, sources of cash from financing activities included $5.0 million of proceeds from our term loan, in addition to $434,000 in proceeds associated with the exercise of stock options during the period. Uses of cash for financing activities for the nine months ended September 30, 2010 included payments on term debt of $2.2 million and net payments on the line of credit of $2.5 million.

Long-Term Debt and Line of Credit

The Company entered into a $5.0 million term loan on March 30, 2010. Commencing April 30, 2010, the term loan is payable in 36 consecutive monthly installments consisting of $139,000 in monthly principal payments plus the unpaid interest accrued on the loan. Interest is payable at the one-month LIBOR plus 225 basis points (2.47% as of September 30, 2011).

On March 31, 2011, the Company amended the credit agreement governing the Company’s revolving credit facility and the term loan described above to extend the maturity date of the revolving credit facility to March 31, 2013 and to eliminate the receivables borrowing base limitation previously applicable to the revolving credit facility. The revolving credit facility continues to provide for a line of credit of up to $10.0 million. The Company may draw upon this line of credit up to $10.0 million, less amounts outstanding under letters of credit. The proceeds of the line of credit will be used exclusively for working capital purposes.

Substantially all of the assets of the Company are pledged as collateral securing the Company’s performance under the revolving credit facility and the term loan. The revolving credit facility bears interest based upon the one-month LIBOR plus a current increment of 175 basis points (1.97% as of September 30, 2011).

The credit agreement governing the revolving credit facility and the term loan contains certain covenants related to the Company’s financial performance. Included among the covenants are a fixed charge coverage ratio and a total funded debt to earnings before interest, taxes, depreciation and amortization ratio. As of September 30, 2011, the Company was in compliance with all terms under the credit agreement and no events of default existed under the terms of this agreement.

The Company had outstanding standby letters of credit as of September 30, 2011 of $410,000 related to insurance policies either continuing in force or recently cancelled. Amounts outstanding for letters of credit reduce the amount available under our line of credit on a dollar-for-dollar basis.

Available capacity in excess of outstanding borrowings under the line of credit was approximately $9.6 million as of September 30, 2011. The revolving credit facility matures on March 31, 2013.

Contractual Obligations

The following table reflects contractual obligations of the Company as of September 30, 2011.

	Payments Due by Period				
Contractual Obligations	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Long-term debt	$ 2,500,000	$1,666,000	$ 834,000	$ —	$ —
Capital leases payable	47,000	8,000	19,000	20,000	—
Total long-term debt and capital leases	2,547,000	1,674,000	853,000	20,000	—
Line of credit	—	—	—	—	—
Operating/real estate leases	799,000	427,000	329,000	43,000	—
Earnout obligation — LRG International	450,000	450,000	—	—	—
Employment contracts	6,393,000	2,380,000	3,181,000	832,000	—
Total contractual cash obligations	$10,189,000	$4,931,000	$4,363,000	$895,000	$ —

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as of September 30, 2011.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk.*

Not required.

Item 4. *Controls and Procedures.*

Evaluation of disclosure controls and procedures. Under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, the Company conducted an evaluation of the effectiveness of the design and operations of its disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on their evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of such time such that the material information required to be included in our SEC reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to the Company, including our consolidated subsidiaries, and was made known to them by others within those entities, particularly during the period when this report was being prepared.

Changes in internal controls. There were no changes in our internal controls over financial reporting during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Part II — Other Information

Item 1. *Legal Proceedings.*

From time to time, the Company is involved in various civil actions as part of its normal course of business. The Company is not a party to any litigation that is material to ongoing operations as defined in Item 103 of Regulation S-K as of September 30, 2011.

Item 1A. *Risk Factors.*

Not required.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.*

As previously reported in our Current Report on Form 8-K filed with the SEC on September 6, 2011, the Company issued to the Investors, for $75,000,000 in cash, the Series A Preferred Stock and the Warrants on September 2, 2011. The Series A Preferred Stock and the Warrants were sold to the Investors in a transaction exempt from the registration requirements of the Securities Act of 1933 pursuant to Section 4(2) thereof, as an offering not involving any public offering.

Item 3. *Defaults upon Senior Securities.*

The credit agreement governing the Company's revolving credit facility and term loan contains various covenants pertaining to the maintenance of certain financial ratios. As of September 30, 2011, the Company was in compliance with the ratios required under this agreement. No events of default exist on this agreement as of the filing date.

Item 4. *Removed and Reserved.*

Item 5. *Other Information.*

None.

Item 6. ***Exhibits.***

Exhibit No.	Description
2.1	Investment Agreement, dated as of June 13, 2011, by and among Jacobs Private Equity, LLC, each of the other investors party thereto and XPO Logistics, Inc.* (1)
4.1	Certificate of Designation of Series A Convertible Perpetual Preferred Stock of XPO Logistics, Inc. (2)
4.2	Form of Warrant Certificate. (2)
4.3	Registration Rights Agreement, dated as of September 2, 2011, by and among Jacobs Private Equity, LLC, each of the other holders and designated secured lenders party thereto and XPO Logistics, Inc. (2)
10.1	Amendment No. 1 to Employment Agreement with John D. Welch, dated July 18, 2011. (3)
10.2	Amendment No. 4 to Employment Agreement with Michael R. Welch, dated July 18, 2011. (3)
10.3	Amendment No. 1 to Employment Agreement with Daniel Para, dated July 18, 2011.
10.4	Employment Agreement, dated as of September 20, 2011, by and between XPO Logistics, Inc. and Scott Malat.
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)
32.2	Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)
101	Interactive Data Files.

* The schedules to this agreement have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish supplementally a copy of any such omitted schedules to the SEC upon request.

(1) Incorporated by reference from Exhibit 2.1 of the registrant’s Current Report on Form 8-K filed with the SEC on June 14, 2011.

(2) Incorporated by reference from Exhibits 4.1, 4.2 and 4.3 of the registrant’s Current Report on Form 8-K filed with the SEC on September 6, 2011.

(3) Incorporated by reference from Exhibits 10.1 and 10.2 of the registrant’s Current Report on Form 8-K filed with the SEC on July 22, 2011.

SIGNATURES

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

XPO Logistics, Inc.

/s/ Bradley S. Jacobs
Bradley S. Jacobs
Chief Executive Officer
(Principal Executive Officer)

/s/ John D. Welch
John D. Welch
Chief Financial Officer
(Principal Financial Officer)

Date: November 10, 2011

Exhibit Index

Exhibit No.	Description
10.3	Amendment No. 1 to Employment Agreement with Daniel Para, dated July 18, 2011.
10.4	Employment Agreement, dated as of September 20, 2011, by and between XPO Logistics, Inc. and Scott Malat.
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
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32.2	Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)
101	Interactive Data Files.

Express-1 Expedited Solutions, Inc.
3399 South Lakeshore Drive, Suite 225
Saint Joseph, Michigan 49085

July 18, 2011

Daniel Para
1430 Branding Avenue, Suite 155
Downers Grove, IL 60515

Re: Amendment of Employment Agreement

Dear Mr. Para,

As you know, Jacobs Private Equity LLC, a Delaware limited liability company (the “Investor Representative”), certain other investors (such investors, together with the Investor Representative, the “Investors”), and Express-1 Expedited Solutions, Inc., a Delaware corporation (“Parent”), have entered into an investment agreement, dated June 13, 2011 (the “Signing Date”), as amended, modified or supplemented from time to time (the “Investment Agreement”), that will, subject to the satisfaction of the terms and conditions of the Investment Agreement, result in the Investors making an investment in Parent as contemplated by the Investment Agreement (the “Investment”).

In connection with the Investment, the Investors have requested that Parent amend the Executive Employment Agreement, dated June 1, 2010, between you and Concert Group Logistics, Inc., a wholly owned subsidiary of Parent (“CGL”) (the “Employment Agreement”). Therefore, you, Parent and CGL hereby agree to amend the Employment Agreement as set forth in this letter amendment. You acknowledge and agree that a material aspect of the Investors’ decision to enter into the Investment Agreement is your agreement to abide by the restrictive covenants set forth in this letter amendment and in the Employment Agreement and that such covenants represent a material element of the Investors’ valuation of Parent, including its goodwill.

This letter amendment will become effective immediately upon its execution by all parties hereto; provided, however, that this letter amendment will be null and void ab initio and of no further force or effect if the Investment Agreement is terminated prior to the closing of the Investment (the “Closing”) (it being understood that, except to the extent provided with respect to the New Options (as defined below), neither Parent nor any of its subsidiaries will have any liabilities hereunder unless and until the Closing occurs). All capitalized terms used in this letter amendment but not otherwise defined herein will have the same meaning as defined in the Employment Agreement.

In consideration for entering into this letter amendment, Parent has agreed (i) that all of your stock options granted by Parent to you prior to the Signing Date (the “Legacy

Options") that are outstanding and unvested immediately prior to the Closing, shall become fully vested and exercisable upon the Closing and (ii) to grant to you options (the "New Options") to purchase 200,000 shares of Parent's common stock, par value $0.001 per share ("Shares"), on July 22, 2011 (the "Grant Date"), with an exercise price equal to the closing price per Share as reported by the NYSE Amex LLC on the Grant Date; provided, however, that the New Options shall be forfeited and you shall have no further rights with respect thereto if the Investment Agreement is terminated prior to Closing. The New Options will be granted under, and generally subject to the terms and conditions of, Parent's Amended and Restated 2001 Stock Option Plan (the "2001 Plan"); provided, however, that, notwithstanding anything to the contrary in the 2001 Plan or any other agreement between you and Parent or any of its subsidiaries, the New Options will not vest as a result of the Investment, the Closing or any of the transactions contemplated by the Investment Agreement. The New Options will vest, subject to your continued employment with Parent or its subsidiaries, in three equal installments on each of the first three anniversaries of the date of the Closing (the "Closing Date"). Notwithstanding Section 6(f) of the Employment Agreement or any other agreement between you and Parent or any of its subsidiaries to the contrary, in the event that your employment with Parent and its subsidiaries terminates for any reason prior to the date that any New Options have become vested, any New Options that are unvested as of the date of termination of your employment shall be immediately forfeited. In addition, the New Options will be subject to the terms and conditions of an award agreement, substantially in the form attached hereto as Exhibit A, evidencing the grant thereof.

Notwithstanding anything to the contrary set forth in the Employment Agreement or any other plan, policy, arrangement or agreement of or with Parent, any of its subsidiaries or any of their respective affiliates:

1. Duties and Responsibilities. You hereby agree that Section 3(a) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"a. Duties and Responsibilities. During the term of this Agreement, the Executive shall focus a majority of his business time and attention on potential acquisitions and shall retain certain general management authority of the business operations of the Company, in each case, as may be assigned to the Executive by the Chief Executive Officer of Express-Expedited Solutions, Inc. (the "Parent") from time to time."

2. Term. You hereby agree that Section 4 of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"4. Term. The Term of employment hereunder will commence on the Effective Date and will terminate on the third anniversary of the date of the closing of the Investment (as hereinafter defined) (the "Closing Date"), unless earlier terminated pursuant to the terms of this Agreement (the "Term")."

3. Salary. You hereby agree that Section 5(a) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"a. Salary. The Executive shall be paid a base salary at an annual rate of $240,000. The Base Salary shall be reviewed annually throughout the Term by the Company's Compensation Committee and may be raised in its sole discretion (such base salary as it may be increased from time to time, the "Base Salary")."

4. Termination by the Company Other than for Cause. You hereby agree that the last sentence of Section 6(d) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"In the event of a termination under this Section 6(d), the Executive shall receive any Bonus that the Company has determined in writing has been earned as of the date of termination, plus Base Salary only (i.e., no fringe benefits, additional Bonus, or other compensation) for the 18-month period following termination, payable in accordance with the Company's normal payroll practices."

5. Change in Control Severance Period. You hereby agree that Section 6(f)(1) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"(1) An amount equal to the sum of (A) Executive's aggregate Base Salary (at the rate most recently determined) for a period equal to 18 months (the "Severance Period"), and (B) an amount equal to the greater of (i) Executive's Bonus payments for the year preceding the date of termination, and (ii) the annual average of Executive's Bonus payments during the two (2) years immediately preceding the date of termination, shall be paid to, or in trust for, Executive pursuant to Section 6(f)(7) in a lump sum within 30 days after the date of termination."

6. Treatment of Options upon Change in Control. You hereby agree that the following Section 6(f)(8)(C) shall be added as the last subsection to Section 6(f)(8) of the Employment Agreement:

"(C) Notwithstanding anything to the contrary set forth in this Agreement or any other plan, policy, arrangement or agreement between the Company and the Executive, in the event of a Change in Control, the Board of Directors of the Company (or a committee thereof) (the "Administrator"), is hereby authorized, if deemed appropriate or desirable by the Administrator, in its sole and plenary discretion, to make adjustments in the terms and conditions of, and the criteria included in, any Options granted prior to the Signing Date, (i) by providing for a cash payment to the Executive in consideration for the cancelation of such Option in an amount equal to the excess, if any, of the fair market value (as of a date specified by the Administrator) of a share of Common Stock subject to such Option over the aggregate exercise price of such Option and (ii) by canceling and terminating any such Option having a per share exercise price equal to, or in excess of, the fair market value of a share of Common Stock subject to such Option without any payment or consideration therefor; provided that, such adjustments will only be made to the same extent as adjustments made to any Options granted prior to the Signing Date held by other employees of the Company."

7. Good Reason Rights. You hereby agree that Section 6(f)(10)(C)(i) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"(i) The Company shall assign Executive to a position or assign to Executive duties that, in each case, the Company does not consider to be at the managerial level;"

8. Definitions. You hereby agree that the following Sections 6(f)(10)(E) and (F) are hereby added immediately following Section 6(f)(10)(D) of the Employment Agreement:

"(E) "Investment" shall mean the investment in Parent as contemplated by the Investment Agreement.

(F) "Investment Agreement" shall mean the investment agreement, dated June 13, 2011 (the "Signing Date"), among Jacobs Private Equity LLC, certain other investors and Parent, as amended, modified or supplemented from time to time."

9. Covenant Not to Compete, Not to Solicit and Not to Disparage. You hereby agree that Section 7(a) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"a. Covenant Not to Compete, Not to Solicit and Not to Disparage. The Executive acknowledges and recognizes the highly competitive nature of the Company's business and that the goodwill, continued patronage, business reputation and specifically the names and addresses of the Company's Clients (as hereinafter defined) constitute a substantial asset of the Company having been acquired through considerable time, money and effort. Accordingly, in consideration of the execution of this Agreement, the acceleration of your outstanding unvested Options granted by the Company prior to the Signing Date, the grant of 200,000 Options, extension of the Term until the third anniversary of the Closing Date, increasing the Base Salary, increasing severance payments to 18 months of Base Salary and the commitment with respect to a 2011 Bonus, the Executive agrees to the following:

The Executive will not, individually or in conjunction with others, directly or indirectly, as an owner, partner, joint venturer, stockholder, officer, director, employee, independent contractor, agent, licensee or franchisee, for any person, firm, partnership, corporation or other entity:

(1) during the Restricted Period (as hereinafter defined) and within the Restricted Area (as hereinafter defined), engage in any Business Activities (as hereinafter defined); provided that, it will not be a violation of this Section 7(a)(1) if Executive (A) acquires or holds less than 1% of the outstanding capital stock of a publicly traded corporation or (B) engages in activities in connection with Dan Para Investments, LLC, including investments in real estate and other businesses; provided further that, such activities (i)

are completely unrelated to any third-party logistics service providers, including but not limited to freight brokers, expeditors, domestic and international freight forwarders, or intermodal providers, and (ii) do not interfere with the performance of Executive's duties and responsibilities to the Company;

(2) during the Restricted Period, solicit, encourage, advise or influence any of the Company's Clients that have a business relationship with the Company during the Restricted Period to discontinue or reduce the extent of such relationship with the Company or to obtain or seek products or services the same as or similar to the Company's from any other source not affiliated with the Company;

(3) during the Nonsolicit Period, solicit, recruit, hire or employ any employee, agent or independent contractor of the Company or persons who, during the 12-month period preceding such solicitation, recruitment, hiring or employment, have worked for, or provided services to, the Company or solicit or cause any person or entity to solicit or encourage, either directly or indirectly, any employee, agent or independent contractor of the Company to terminate his relationship with the Company or intentionally interfere with the relationship of the Company with any such employee, agent or independent contractor;

(4) during the Restricted Period, persuade or encourage another person or entity to modify, terminate, cancel, reduce the extent of or revoke any business agreement or relationship with the Company; or

(5) during the Nonsolicit Period and thereafter, defame or disparage the Company or any of its current or former affiliates, directors, officers, employees, members, partners, agents or representatives (collectively, the "Protected Parties"), or make (or cause to be made) any comment or statement, whether in writing or orally, including without limitation in the media or to the press or to any individual or entity, that could reasonably be expected to adversely affect the reputation of any of the Protected Parties or the conduct of their respective businesses."

10. Non-Disclosure of Information. You hereby agree that the following sentence is hereby added as the last sentence of Section 7(b) of the Employment Agreement:

"For the avoidance of doubt, the parties hereby agree that all information, observations and data concerning potential acquisitions by the Company shall be deemed to be Proprietary Information."

11. Restricted Period. You hereby agree that the Section 7(d) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

“d. Restricted Period and Nonsolicit Period.

(1) The “Restricted Period” shall be deemed to commence on the date of this Agreement and end on the third anniversary of termination of the Executive’s employment with the Company for any reason; provided that, the Restricted Period shall be extended by any periods of time during which the Executive is in violation of any covenant set forth in Section 7(a)(1), (2) or (4).

(2) The “Nonsolicit Period” shall be deemed to commence on the date of this Agreement and end on the fifth anniversary of termination of the Executive’s employment with the Company for any reason; provided that, the Nonsolicit Period shall be extended by any periods of time during which the Executive is in violation of any covenant set forth in Section 7(a)(3) or (5).”

12. Competitive Business Activities. You hereby agree that Section 7(e) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

“e. Competitive Business Activities. The term “Business Activities” as used herein shall be deemed to mean (1) selling, distributing, marketing, providing or otherwise disseminating products or services substantially similar to the type sold, distributed, marketed, provided or otherwise disseminated by the Company, or which the Company is actively considering selling, distributing, marketing, providing or otherwise disseminating, in each case, at any time during the period of the Executive’s employment with the Company or (2) engaging in any acquisition activities, including researching, analyzing and evaluating companies that, at any time during the period of the Executive’s employment with the Company, the Company has previously evaluated for possible investment in or acquisition by or on behalf of the Company, with the intent to acquire, make an investment in and/or dispose of such companies or assets thereof, in each case, other than as directed by the Company.”

13. Restricted Area. You hereby agree that Section 7(f) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

“f. Restricted Area. The term “Restricted Area” shall be deemed to mean Canada, Mexico, any State of the United States and any other country in which the Company does business or where any of the Company’s Clients are located during the period of the Executive’s employment with the Company.”

14. Forfeiture of Unexercised Options. You hereby agree that the following Section 7(k) is hereby added as the last subsection in Section 7 of the Employment Agreement:

“k. Forfeiture of Unexercised Options. Notwithstanding anything to the contrary set forth in this Agreement or any award agreement or notice evidencing any Options, in the event of (1) a breach of any of the provisions of Section 7, (2) the termination of Executive’s employment by the Company for Cause or (3) any financial restatements or material loss to the Company to which the Executive has materially contributed due to the Executive's fraud or willful misconduct, any unexercised Options (whether vested or unvested) that were granted on or after the Signing Date and that Executive holds at the time of such breach, termination or misconduct, as applicable, shall be forfeited immediately and the Executive shall have no further rights with respect thereto."

15. Bonus Opportunity. For the 2011 fiscal year, you shall be eligible to receive, subject to achievement of the performance goals set forth on Exhibit B attached hereto, an annual bonus with a targeted amount of $63,000 (the "Bonus Opportunity"). The Company shall attempt to pay the earned portion of such bonus opportunity to you by March 15, 2012. An amount ranging from 50% to 200% of such targeted amount may be earned by you solely based on satisfaction of goals that are determined based 20% on Parent's 2011 Operating Income, 60% on CGL's 2011 Operating Income and 20% on CGL's 2011 Revenue (each, as defined below); provided that, except as specifically set forth in the final sentence of Section 6(d) of the Employment Agreement, you are employed by the Company on the date such bonus is paid. Your entitlement to payment with respect to the 2011 fiscal year bonus shall be determined based on achievement of the performance targets set forth on Exhibit B attached hereto. For purposes of this section, (a) "Parent's 2011 Operating Income" means Parent's operating income from continuing operations for fiscal year 2011 as reported in Parent's consolidated financial statements for such fiscal year less all amounts accrued with respect to bonuses of executives of Parent and its subsidiaries with respect to such fiscal year, (b) "CGL's 2011 Operating Income" means CGL's operating income from continuing operations for fiscal year 2011 as reported in Parent's consolidated financial statements for such fiscal year less all amounts accrued with respect to bonuses of executives of the Parent and its subsidiaries with respect to such fiscal year and (c) "CGL's 2011 Revenue" means CGL's revenue for fiscal year 2011 as reported in Parent's consolidated financial statements for such fiscal year.

    The Compensation Committee is hereby authorized, in its sole and plenary discretion, to adjust or modify the performance targets relating to Parent's 2011 Operating Income, CGL's 2011 Operating Income and CGL's 2011 Revenue, each as set forth on Exhibit B with respect to the Bonus Opportunity (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development affecting Parent or any of its subsidiaries, divisions or operating units (to the extent applicable to such performance targets) or (ii) in recognition of, or anticipation of, any other unusual or nonrecurring events affecting Parent or any of its subsidiaries, divisions or operating units (to the extent applicable to such performance targets), or the financial statements of Parent or any of its subsidiaries, divisions or operating units (to the extent applicable to such performance targets) or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law.

16. You hereby agree that you will not, without the prior written consent of the Investor Representative, during the period ending on the third anniversary of the Closing Date, (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares issued or issuable upon exercise of any Legacy Options ("Locked-up Shares"), or any securities convertible into or exercisable or exchangeable for any Locked-up Shares, or publicly disclose the intention to make any such offer, sale, pledge or disposition, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any Locked-up Shares or such other securities, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (c) make any demand for or exercise any right with respect to the registration of any Locked-up Shares or any security convertible into or exercisable or exchangeable for any Locked-up Shares, in each case, other than (i) transfers of any Locked-up Shares as a result of testate or intestate succession and (ii) sales, exchanges, swaps or other transfers or dispositions of any Locked-up Shares to the Company in an amount necessary to cover the exercise price in connection with the exercise of Legacy Options or to satisfy the applicable tax withholding in connection with the exercise thereof; provided, however, that, (x) the number of Shares subject to clauses (a), (b) or (c) above shall not exceed 60,000 (the "Locked-up Amount") and (y) notwithstanding the exception in clause (ii), the number of Shares subject to clauses (a), (b) or (c) above shall not be reduced to less than the Locked-up Amount as a result of the payment of the aggregate exercises prices and the satisfaction of the applicable tax withholding in connection with the exercise of the Legacy Options. For the avoidance of doubt, the restrictions described in clauses (a), (b) and (c) above shall not apply to Shares that are not Locked-up Shares or Shares in excess of the Locked-up Amount.

17. You hereby agree that the following Section 24 shall be added as the last subsection of the Employment Agreement:

"24. Section 409A.

a. It is intended that the provisions of this Agreement comply with Section 409A of the Code and the Treasury Regulations thereunder as in effect from time to time ("Section 409A"), and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

b. If and to the extent required to comply with Section 409A, a Change in Control for purposes of this Agreement shall qualify as a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, in each case, within the meaning of Section 409A.

c. Neither the Executive nor any of his creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Agreement or under any other plan, policy, arrangement or agreement of or with the Company or any of its affiliates (this Agreement and such other plans, policies, arrangements and agreements, the "Company Plans") to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to the Executive or for the Executive's benefit under any Company Plan may not be reduced by, or offset against, any amount owing by the Executive to the Company or any of it affiliates.

d. If, at the time of the Executive's separation from service (within the meaning of Section 409A), (i) the Executive shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable under a Company Plan constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company (or its affiliate, as applicable) shall not pay such amount on the otherwise scheduled payment date but shall instead accumulate such amount and pay it on the first business day after such six-month period.

e. Notwithstanding any provision of this Agreement or any Company Plan to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to any Company Plan as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A, provided, however, that no such amendment shall materially and adversely impair any of the Executive's vested rights or benefits without the Executive's prior consent. In any case, the Executive is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on the Executive in connection with any Company Plan (including any taxes and penalties under Section 409A), and neither the Company nor any affiliate shall have any obligation to indemnify or otherwise hold the Executive harmless from any or all of such taxes or penalties.

f. For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii).

g. Except as specifically permitted by Section 409A, any benefits and reimbursements provided to the Executive under this Agreement during any calendar year shall not affect any benefits and reimbursements to be provided to the Executive under this Agreement in any other calendar year, and the right to such benefits and reimbursements cannot be liquidated or exchanged for any other benefit. Furthermore, reimbursement payments shall be made to the Executive as soon as practicable following the date that the applicable expense is incurred, but in no event later than the last day of the calendar year following the calendar year in the underlying expense is incurred."

18. Headings. You hereby agree that Section 7 of the Employment Agreement is hereby renamed "Restrictive Covenants". The headings of the sections of this letter amendment and the Employment Agreement are for convenience only and shall not control or affect the meaning or construction or limit the scope or intent of any of the provision of this letter amendment or the Employment Agreement.

19. Full Force and Effect. Except as specifically set forth herein, this letter amendment shall not, by implication or otherwise, alter, amend or modify in any way any terms of the Employment Agreement, all of which shall continue in full force and effect. Without limiting the generality of the foregoing, you hereby expressly acknowledge and agree that all provisions set forth in Sections 7(g), 7(h), 7(i), and 7(j), and 23 are applicable to the terms of this letter amendment.

20. Governing Law/Venue. The parties agree that this letter amendment shall be deemed made and entered into in the State of Michigan and shall be governed by and construed under and in accordance with the laws of the State of Michigan. The parties further acknowledge and agree that Berrien County, Michigan, shall be the venue and exclusive proper forum in which to adjudicate any case or controversy arising either, directly or indirectly, under or in connection with this letter amendment and the parties further agree that, in the event of litigation arising out of or in connection with this letter amendment in these courts, they will not contest or challenge the jurisdiction or venue of these courts.

21. Entire Agreement. This letter amendment, together with the Employment Agreement, contains the entire agreement between you and Parent and its subsidiaries concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between you and any Investor, Parent or its subsidiaries with respect hereto.

Please acknowledge your agreement with and acceptance to these terms by signing a copy of this letter amendment and returning it to us as soon as possible.

July 18, 2011

EXPRESS-1 EXPEDITED SOLUTIONS, INC.

by

/s/ Michael Welch

Name: Michael Welch

Title: Chief Executive Officer

CONCERT GROUP LOGISTICS, INC.

by

/s/ Daniel Para

Name: Daniel Para

Title: Chief Executive Officer

July 18, 2011

/s/ Daniel Para

DANIEL PARA

EXHIBIT A

Express-1 Expedited Solutions, Inc.
3399 South Lakeshore Drive, Suite 225
Saint Joseph, Michigan 49085

July 22, 2011

[NAME]
[ADDRESS]

Re: Grant of Stock Option under the 2001 Stock Option Plan

Dear Mr. [—],

As you know, Jacobs Private Equity LLC, a Delaware limited liability company (the "Investor Representative"), certain other investors (such investors, together with the Investor Representative, the "Investors"), and Express-1 Expedited Solutions, Inc. (the "Company"), have entered into an investment agreement, dated June 13, 2011, as amended, modified or supplemented from time to time (the "Investment Agreement"), that will, subject to the satisfaction of the terms and conditions of the Investment Agreement, result in the Investors making an investment in the Company as contemplated by the Investment Agreement (the "Investment"). In connection with the Investment, the Company and you have agreed to amend your employment agreement with [—], dated [—] (the "Employment Agreement"), which amendment contemplates, among other things, the grant of certain options to purchase shares of the Company's common stock, $0.01 par value per share (the "Stock"). Accordingly, the Board of Directors of the Company is pleased to award you an option (the "Option") pursuant to the provisions of the Company's 2001 Stock Option Plan (the "Plan"). The Option was approved and granted on the date of this letter as set forth above (the "Grant Date"); provided, however, that the Option shall be forfeited and you shall have no further rights with respect thereto if the Investment Agreement is terminated prior to the closing of the Investment (the "Closing"). This letter will describe the Option granted to you. Attached to this letter is a copy of the Plan. The terms of the Plan also set forth provisions governing the Option granted to you. Therefore, in addition to reading this letter, you should also read the Plan. Your signature on this letter is an acknowledgment to us that you have read and understand the Plan and that you agree to abide by its terms. All terms not defined in this letter shall have the same meaning set forth in the Plan. To the extent the terms in this letter differ from the terms of the Plan or any other agreement between you and us, the terms in this letter shall govern.

1. Type of Option. You are granted a nonqualified stock option.

2. Rights and Privileges. Subject to the conditions hereinafter set forth, we grant you the right to purchase [—] shares of Stock at an exercise price of $ [—] per share (the "Exercise Price"), the closing market price of a share of Stock on the Grant Date.

3. Vesting Schedule. The Option vests, subject to your continued employment with us or any of our Subsidiaries, in three equal installments on each first three anniversaries of the date of the Closing. Any portion of the Option that has vested may be exercised, from time to time, until this Option terminates pursuant to Section 5 of this letter. Notwithstanding any provision of this letter or any other agreement between you and us, the Option shall automatically terminate on the tenth anniversary of the Grant Date.

4. Method of Exercise. The Option shall be exercised by written notice to the Company, complying with the applicable procedures established by the Committee or the Company. The notice shall set forth the shares of Stock to be acquired and shall contain full payment, in accordance with Section 6.6 of the Plan, of the aggregate Exercise Price for the shares of Stock to be acquired.

5. Termination of Option. To the extent not exercised, and notwithstanding any other provision in this letter, unless the Committee determines otherwise, all vested Options shall automatically terminate upon the first to occur of the following events:

(a) termination of your employment for Cause (as such term is defined in the Employment Agreement); or

(b) the expiration of three (3) months following the date of termination of your employment with the Company and its Subsidiaries for any reason other than Cause; or

(c) breach of any restrictive covenant (which, for the avoidance of doubt, includes any non-compete, non-solicit, non-disparagement or confidentiality provision) to which you are subject; or

(d) your engaging in fraud or willful misconduct that contributes materially to any financial restatement or material loss to the Company or any of its Subsidiaries.

Notwithstanding Section 6(f) of the Employment Agreement or any other agreement between you and the Company or any of its Subsidiaries, any part of an Option that has not vested as of the date of termination for any reason shall be voided and therefore unexercisable as of said date of termination. For purposes of this Section 5, "termination of employment" shall include the termination of an employee's employment with the Company and its Subsidiaries, the termination of a director's service on the Company's Board of Directors, and the termination of services being provided to the Company or its Subsidiaries by a consultant, as applicable.

6. Binding Effect. The rights and obligations described in this letter shall inure to the benefit of and be binding upon both of us, and our respective heirs, personal representatives, successors and assigns.

7. Change of Control.

(a) Notwithstanding any provision in the Plan or your Employment Agreement to the contrary, upon the occurrence of a Change of Control (as defined in your Employment Agreement, if applicable), unless provision is made in connection with the Change of Control for (i) assumption of any outstanding portion of the Option granted pursuant to this letter or (ii) substitution for such Option of new awards covering stock of a successor corporation or its “parent corporation” (as defined in Section 424(e) of the Code) or “subsidiary corporation” (as defined in Section 424(f) of the Code), with appropriate adjustments as to the number and kinds of shares and the exercise prices, such Option shall automatically vest and be deemed exercisable as of immediately prior to such Change of Control. For the avoidance of doubt, notwithstanding any provision in the Plan or your Employment Agreement to the contrary, none of the Investment, the Closing or any of the transactions contemplated by the Investment Agreement shall constitute a Change of Control or otherwise accelerate the vesting of any portion of the Option.

(b) Notwithstanding any provision in the Plan or your Employment Agreement to the contrary, upon the occurrence of a Change of Control (as defined in your Employment Agreement, if applicable), the Committee, is hereby authorized, if deemed appropriate or desirable by the Committee, in its sole and plenary discretion, to make adjustments in the terms and conditions of, and the criteria included in, the Options, (i) by providing for a cash payment to you in consideration for the cancelation of such Option in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of a share of Stock subject to such Option over the aggregate exercise price of such Option and (ii) by canceling and terminating any Option having a per share exercise price equal to, or in excess of, the Fair Market Value of a share of Stock subject to such Option without any payment or consideration therefor.

8. Tax Withholding. The issuance of shares of Stock upon exercise and full payment of the Exercise Price for the shares of Stock to be acquired is conditioned on satisfaction of any applicable withholding taxes in accordance with Article 10 of the Plan. You may satisfy, in whole in part, any withholding tax liability that may arise in connection with the exercise of the Option by having us withhold from the shares of Stock you would be entitled to receive upon exercise of the Option a number of shares of Stock having a Fair Market Value equal to such withholding tax liability.

EXCEPT AS SPECIFICALLY STATED IN THIS LETTER, THIS LETTER AMENDS AND RESTATES ANY LETTER OR OTHER AGREEMENT OR DOCUMENT PREVIOUSLY ISSUED TO YOU BY EXPRESS-1 EXPEDITED SOLUTIONS, INC. WITH RESPECT TO THE STOCK OPTION GRANT DESCRIBED HEREIN, AND, AS SUCH, THIS LETTER, TOGETHER WITH THE ATTACHED PLAN, EMBODY THE ENTIRE AGREEMENT AND UNDERSTANDING OF THE PARTIES WITH RESPECT TO THIS GRANT, AND SUPERSEDE ALL OTHER PRIOR COMMITMENTS, ARRANGEMENTS, OR UNDERSTANDINGS, BOTH ORAL AND WRITTEN, BETWEEN THE PARTIES WITH RESPECT THERETO.

Very truly yours,

EXPRESS-1 EXPEDITED SOLUTIONS, INC.,

by

Name:
Title:

AGREED AND ACCEPTED

[NAME]

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), effective as of September 20, 2011, by and between XPO Logistics, Inc., a Delaware corporation (together with its successors and assigns, the "Company"), and Scott Malat ("Employee").

WHEREAS, the Company desires to employ Employee and Employee desires to accept such employment with the Company, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, Employee and the Company agree as follows:

1. Term and Duties. (a) Term. The term of Employee's employment hereunder (the "Term") shall begin on October 20, 2011 (the "Start Date") and end on September 2, 2016. Notwithstanding the foregoing, the Term may be earlier terminated by either party in accordance with the terms of Section 4 of this Agreement, and the Term shall automatically expire on the last day of the Term (the "Expiration Date") without notice required by any party to the other.

(b) Employment Duties. Employee shall perform such duties as assigned from time to time by the Chief Executive Officer of the Company (the "CEO"), which may include without limitation: (i) advising the CEO and Board of Directors of the Company (the "Board") on the strategic direction of the Company; (ii) analysis of market trends, competitive threats and opportunities for growth; (iii) creating, building and managing an active investor relations program, which management may include, without limitation, overseeing shareholder meetings, press conferences, one-on-one investor meetings, road shows, and other investor-related matters; (iv) operations and financial planning and analysis (v) identification, research and analysis of potential acquisitions and (vi) advising and preparing recommendations on capital structure and debt and equity capital markets.

(c) Title, Full Time Service and Other Activities. During the Term, Employee shall have the title Senior Vice President, Strategic Planning and, excluding any periods of paid time-off or approved sick leave to which Employee is entitled, Employee shall devote his full working time, energy and attention to the performance of his duties and responsibilities hereunder and shall faithfully and diligently endeavor to promote the business and best interests of the Company. During the Term, Employee may not, without the prior written consent of the CEO, directly or indirectly, operate, participate in the management, operations or control of, or act as an employee, officer, consultant, partner, member, agent or representative of, any type of business or service other than as an employee and member of the Company. It shall not, however, be a violation of the foregoing provisions of this Section 1(c) for Employee to (i) serve as an officer or director or otherwise participate in non-profit, educational, social welfare, religious and civic organizations or (ii) manage his personal, financial and legal affairs, in each case so long as any such activities do not unreasonably interfere with the performance of his duties and responsibilities to the Company.

(d) Location. During the Term, Employee shall be based primarily in Greenwich, Connecticut or New York City, as mutually agreed upon between Employee and the CEO, with such travel as the performance of his duties to the Company may require.

2. Compensation. (a) Base Salary. During the Term, the Company shall pay Employee, pursuant to the Company's normal and customary payroll procedures but not less frequently than monthly, a base salary at the rate of $300,000 per annum (the "Base Salary"). The Base Salary is subject to review annually throughout the Term by the Compensation Committee of the Board (the "Compensation Committee") in its sole discretion.

(b) Annual Bonus. As additional compensation, the Employee shall have the opportunity to earn a performance-based bonus ("Annual Bonus") for each year during the Term of the Employee's employment commencing in the 2012 fiscal year targeted at 100% of the Base Salary based upon Employee's achievement of performance goals as determined by the Compensation Committee. The performance goals applicable to the Annual Bonus shall be based on one or more of the performance criteria set forth in Section 6(e)(iv) of the Company's 2011 Omnibus Incentive Compensation Plan (the "2011 Plan Performance Criteria"). In determining the Annual Bonus for the 2011 fiscal year, the Compensation Committee shall take into account and attach significant importance to the amount of Employee's foregone bonus from his immediately prior employer. Notwithstanding anything to the contrary contained herein and without limiting any other rights and remedies of the Company, if Employee has engaged in fraud or other misconduct that contributes to any financial restatements or material loss, the Company may require repayment by Employee of any cash Annual Bonus (net of Employee's income taxes) previously paid to Employee, or cancel any earned but unpaid Annual Bonus or adjust the future compensation of Employee in order to recover the amount by which any compensation paid to Employee exceeded the lower amount that would have been payable after giving effect to the restated financial results or the material loss.

(c) Benefits. During the Term, Employee shall be eligible to participate in the benefit plans and programs of the Company that are generally available to other members of the Company's senior executive team, subject to the terms and conditions of such plans and programs.

(d) Paid-Time Off. Employee shall be entitled to (i) 10 days paid-time off, (ii) three days paid-time off to be used solely in observance of religious holidays and (iii) any holidays that are generally afforded to the Company's employees, in each case, per calendar year during the Term, prorated for the portion(s) of any partial calendar year during the Term. Employee may take paid-time off only with the consent of the CEO, which consent shall not be withheld unreasonably.

(e) Business Expenses. The Company shall provide Employee a Company-owned wireless smartphone and Company-owned laptop computer during the Term and shall pay or reimburse Employee for all reasonable and necessary business expenses incurred in the performance of his duties to the Company during the Term upon the presentation of appropriate statements of such expenses.

3. Equity Awards. (a) Grant. On or as promptly as practicable following the Start Date, subject to approval by the Compensation Committee, Employee shall receive (x) 87,500 restricted stock units ("RSUs") of the Company and (y) options ("Options") to purchase 25,000 Shares, with an exercise price equal to the closing price per Share as reported by the NYSE Amex LLC on the date of grant, in each case, on the terms set forth below and on such other customary terms and conditions as the Company may require.

(b) Vesting and Cancellation. The RSUs and Options shall initially be unvested and, subject to Employee's continued employment hereunder, shall vest as follows: (i) 70,000 RSUs ("Time-Based RSUs") and all the Options shall vest, solely based on Employee's continued employment, in equal annual installments of 20% each beginning on September 2, 2012 and continuing for the next four anniversaries thereof and (ii) 17,500 RSUs ("Performance-Based RSUs") shall vest, subject to Employee's achievement of performance goals as determined by the Compensation Committee, in equal annual installments of 20% each beginning on September 2, 2012 and continuing for the next four anniversaries thereof. The performance goals applicable to the Performance-Based RSUs shall be based on one or more of the 2011 Plan Performance Criteria.

(c) Treatment upon Termination of Employment. All unvested RSUs and Options referenced in this Section 3 shall be forfeited upon the termination of Employee's employment with the Company for any reason other than (i) a termination by the Company without Cause or a termination by Employee for Good Reason and (ii) a termination due to Employee's death or Disability. In the event that Employee's employment with the Company is terminated by the Company without Cause or by Employee for Good Reason, subject to the terms and conditions of Section 5(f) of this Agreement, a portion of any unvested RSUs and Options referenced in this Section 3 outstanding as of the Date of Termination shall immediately vest as determined in accordance with the following sentence, and the balance of such RSUs and Options referenced in this Section 3 shall immediately be forfeited upon the Date of Termination. For purposes of this Section 3(c), (x) the portion of Time-Based RSUs and Options that shall vest upon a termination pursuant to Section 3(c)(i) of this Agreement shall be calculated by multiplying the number of outstanding and unvested Time-Based RSUs and Options that would otherwise have vested on the next Vesting Date by a fraction, (1) the numerator of which shall be the number of days that have elapsed between the Vesting Date immediately preceding the Date of Termination and the Date of Termination (or, if Employee's employment is terminated before the first Vesting Date, between September 2, 2011 and the Date of Termination), and (2) the denominator of which shall be 365, and (y) the portion of Performance-Based RSUs that shall be eligible to vest upon a termination pursuant to Section 3(c)(i) of this Agreement shall be determined following the last day of the applicable performance period by multiplying the number of Performance-Based RSUs that would otherwise have vested on the next Vesting Date based on the Company's actual performance during such period by the same fraction applicable to the Time-Based RSUs and Options as set forth in Section 3(c)(x). In the event that Employee's employment hereunder terminates due to his death or Disability, all unvested RSUs and Options referenced in this Section 3 shall automatically vest and be settled, as applicable, within 30 days following the Date of Termination. No amounts shall be payable by the Company at any time with respect to any unvested RSUs or Options.

(d) Change of Control. Upon the occurrence of a Change of Control while Employee is still employed by the Company, all outstanding RSUs and Options shall be 100% vested. If Employee's employment is terminated without Cause prior to a Change of Control and such termination of employment is in anticipation of the Change of Control and such Change of Control actually occurs not later than six months following the Date of Termination, then for purposes of this Section 3(d), the date immediately preceding the Date of Termination shall be treated as the date of the Change of Control, provided that for purposes of determining the timing of payments with respect to the RSUs and the vesting of Options, the date of the actual Change of Control shall be deemed to be the Date of Termination. For the purposes of this Agreement, the term "Change of Control" shall have the meaning ascribed to it in the Company's 2011 Omnibus Incentive Compensation Plan.

4. Termination. Employee's employment hereunder shall be terminated upon the earliest to occur of any one of the following events (in which case the Term shall terminate as of the applicable Date of Termination):

(a) Expiration of Term. Unless sooner terminated, Employee's employment hereunder shall terminate automatically in accordance with Section 1(a) of this Agreement on the Expiration Date, unless otherwise agreed by the parties, in which case employment will continue on an at-will basis or pursuant to the terms of any subsequent agreement between Employee and the Company.

(b) Death. Employee's employment hereunder shall terminate upon his death.

(c) Cause. The Company may terminate Employee's employment hereunder for Cause by written notice at any time. For purposes of this Agreement, the term "Cause" shall mean Employee's (i) dereliction of duties or his gross negligence or substantial failure to perform his duties hereunder or willful refusal to follow any lawful directive of the CEO or the Board; (ii) commission of any fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of money or other assets of the Company; (iii) breach of any term of this Agreement or any agreement governing any of the equity compensation referred to in Section 3 of this Agreement (the "Equity Compensation"), or breach of his fiduciary duties to the Company; (iv) any willful act, or failure to act, in bad faith to the detriment of the Company; (v) willful failure to cooperate in good faith with a governmental or internal investigation of the Company or any of its directors, managers, officers or employees, if the Company requests his cooperation; and (vi) conviction of, or plea of nolo contendere to, a felony or any serious crime; provided that the Company will provide Employee with written or oral notice describing the facts and circumstances that the Company believes constitutes Cause and, in cases where cure is possible, Employee shall first be provided a 15-day cure period. If, subsequent to Employee's termination of employment hereunder for any reason other than by the Company for Cause, it is determined in good faith by the CEO that Employee's employment could have been terminated by the Company for Cause pursuant to this Section 4(c), Employee's employment shall, at the election of the CEO, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred.

(d) Without Cause. The Company may terminate Employee's employment hereunder without Cause by written notice at any time.

(e) Good Reason. Employee may terminate his employment hereunder for Good Reason in accordance with the terms of this Section 4(e). For purposes of this Agreement, "Good Reason" shall mean, without first obtaining Employee's written consent: (i) the Company materially breaches the terms of this Agreement; (ii) the assignment of Employee to a position that is substantially inconsistent with Employee's professional skills and experience level as of the Start Date (including, for example, a change in Employee's status to a non-exempt employee for purposes of the Fair Labor Standards Act); (iii) the Company reduces the Base Salary; or (iii) the Company requires Employee to be based in a location that is more than 50 miles from Greenwich, Connecticut and New York City; provided that, the Company shall first be provided a 30-day cure period (the "Cure Period"), following receipt of written notice setting forth in reasonable detail the specific conduct of the Company that constitutes Good Reason, to cease, and to cure, any conduct specified in such written notice; provided further, that such notice shall be provided to the Company within 45 days of the occurrence of the conduct constituting Good Reason. If, at the end of the Cure Period, the circumstance that constitutes Good Reason has not been remedied, Employee will be entitled to terminate employment for Good Reason during the 30-day period that follows the end of the Cure Period. If Employee does not terminate employment during such 30-day period, Employee will not be permitted to terminate employment for Good Reason as a result of such event. If the Company disputes the existence of Good Reason, Employee shall have the burden of proof to establish that Good Reason does not exist or that the circumstances that gave rise to Good Reason have been cured. For the avoidance of doubt, a change in Employee's title or the person to whom Employee reports shall not constitute Good Reason for purposes of this Agreement, including, without limitation, pursuant to Section 4(e)(i) or 4(e)(ii).

(f) Voluntarily Resignation. Employee may voluntarily terminate his employment hereunder at any time upon at least 30 days' advance written notice to the Company.

(g) Disability. Employee's employment hereunder shall terminate in the event of Employee's Disability. For purposes of this Agreement, "Disability" shall mean the inability of Employee, due to illness, accident or any other physical or mental incapacity, to perform Employee's duties for the Company for an aggregate of 180 days within any period of 12 consecutive months, which inability is determined to be total and permanent by a board-certified physician selected by the Company, and the determination of such physician shall be binding upon Employee and the Company.

(h) "Date of Termination" shall mean: (i) the scheduled expiration of the Term in the event of termination of Employee's employment pursuant to Section 4(a) of this Agreement; (ii) the date of Employee's death in the event of termination of Employee's employment pursuant to Section 4(b) of this Agreement; (iii) the date of the Company's delivery of a notice of termination to Employee or such later date as specified in such notice in the event of termination by the Company pursuant to Section 4(c) or 4(d) of this Agreement; (iv) the 30th date following delivery of Employee's notice to the Company of his resignation in accordance with Section 4(e) or 4(f) of this Agreement (or such earlier date as selected by the Company provided that the Company continues to pay or provide to Employee the compensation and benefits specified under Sections 2 and 3 of this Agreement through such 30th date) and (v) the date of a determination of Employee's Disability in the event of a termination of Employee's employment pursuant to Section 4(g) of this Agreement.

5. Termination Payments. (a) General. Except as otherwise set forth in this Section 5, following any termination of Employee's employment hereunder, the obligations of the Company to pay or provide Employee with compensation and benefits under Section 2 of this Agreement shall cease, and the Company shall have no further obligations to provide compensation or benefits to Employee hereunder except for payment of (i) any unpaid Base Salary accrued through the Date of Termination; (ii) any unused vacation accrued through the Date of Termination, and (iii) any unpaid or unreimbursed obligations and expenses under Section 2(e) of this Agreement accrued or incurred through the Date of Termination (collectively items (a)(i) through (a)(iii) above, the "Accrued Benefits"). The payments referred to in Sections 5(a)(i) and (ii) of this Agreement shall be paid within 30 days following the Date of Termination. The payments referred to in Section 5(a)(iii) of this Agreement shall be paid at the times such amounts would otherwise be paid had Employee's services hereunder not terminated. Upon termination of Employee's employment for any reason, all unvested RSUs and Options shall be cancelled without payment therefor except as otherwise specifically provided in Section 3(c) or 3(d) of this Agreement. The payments and benefits to be provided to Employee under Sections 5(c), (d) and (e) of this Agreement, if any, shall in all events be subject to the satisfaction of the conditions of Section 5(f) of this Agreement.

(b) Automatic Expiration of the Term, Voluntary Resignation, or Cause. If Employee's employment is terminated pursuant to Section 4(a), 4(c) or 4(f) of this Agreement, the Company shall have no obligation to Employee other than with respect to the Accrued Benefits.

(c) Death or Disability. In the event of a termination by reason of Employee's death or Disability, Employee (or his estate) shall be entitled to:

(i) the Accrued Benefits;

(ii) a cash payment (the "Severance Payment") equal to the Base Salary, as in effect on the Date of Termination (payable as set forth in Section 5(f) of this Agreement), plus any Annual Bonus that the Company has notified Employee in writing that Employee has earned prior to the Date of Termination but is unpaid as of the Date of Termination, and, solely in the case of Disability, continuation of medical and dental group insurance benefits for a period of 12 months from the Date of Termination; and

(iii) accelerated vesting of any outstanding RSUs and Options to the extent set forth in Section 3(c) of this Agreement.

(iv) Notwithstanding the foregoing, whenever compensation is payable to Employee hereunder as a result of a termination due to Disability during or with respect to a time that such Disability would entitle Employee to severance, disability income or to salary continuation payments from the Company, as applicable, according to the terms of any plan now or hereafter provided by the Company or according to any policy of the Company in effect at the time of such Disability, the compensation payable to Employee hereunder shall be reduced on a dollar-for-dollar basis by any such disability income or salary continuation and shall not be in addition thereto. If disability income is payable directly to Employee by an insurance company under an insurance policy paid for by the Company, the compensation payable to Employee hereunder shall by reduced on a dollar-for-dollar basis by the amounts paid to Employee by said insurance company and shall not be in addition thereto.

(d) Without Cause or for Good Reason. In the event that, either prior to a Change of Control or more than one year following a Change of Control, the Company terminates Employee's employment hereunder without Cause or the Employee resigns for Good Reason, Employee shall be entitled to:

(i) the Accrued Benefits;

(ii) a cash payment (the "Non-CIC Severance Payment") equal to one year's Base Salary, as in effect on the Date of Termination (payable as set forth in Section 5(f) of this Agreement), plus any Annual Bonus that the Company has notified Employee in writing that Employee has earned prior to the Date of Termination but is unpaid as of the Date of Termination, and continuation of medical and dental group insurance benefits for a period of 12 months from the Date of Termination, provided that Employee shall use his best efforts to secure other employment, at the commencement of which the benefits under this Section 5(d)(ii), if any, shall cease; and

(iii) accelerated vesting of a portion of any outstanding RSUs and Options to the extent set forth in Section 3(c) of this Agreement.

(e) Without Cause or for Good Reason Following a Change of Control. In the event that, within one year following a Change of Control, the Company terminates Employee's employment hereunder without Cause or the Employee resigns for Good Reason, Employee shall be entitled to:

(i) the Accrued Benefits; and

(ii) a cash payment (the "CIC Severance Payment") equal to three times the sum of (x) the Base Salary, as in effect on the Date of Termination and (y) the target Annual Bonus, as in effect on the Date of Termination, (payable as set forth in Section 5(f) of this Agreement), plus any Annual Bonus that the Company has notified Employee in writing that Employee has earned prior to the Date of Termination but is unpaid as of the Date of Termination, and continuation of medical and dental group insurance benefits for a period of 36 months from the Date of Termination.

(f) Conditions Precedent and Subsequent. The payments and benefits provided under Sections 5(c), 5(d) and 5(e) of this Agreement (other than the Accrued Benefits and other than in the event of termination by reason of Employee's death or Disability) are subject to and conditioned upon (i) Employee having provided, within 30 days after the Date of Termination (or such greater period as required by law), an irrevocable waiver and general release agreement in a form satisfactory to the Company that has become effective and irrevocable in accordance with its terms, and (ii) Employee's compliance with Sections 6 and 7 of this Agreement. Employee shall, upon request by the Company, be required to repay to the Company (net of any taxes paid by Employee on such payments), and the Company shall have no further obligation to pay, the Severance Payment, Non-CIC Severance Payment or CIC Severance Payment, as applicable, in the event Employee receives, within six months after the occurrence of the breach, written notice from the Company that, in the reasonable judgment of the CEO, Employee has materially breached his obligations under Section 6 or 7 hereof; provided, however, that, in cases where cure is possible, Employee shall first be provided a 15-day cure period to cease, and to cure, such conduct. The Severance Payment and Non-CIC Severance Payment, if any, payable hereunder shall be paid in substantially equal installments over the 12-month period, following the Date of Termination, consistent with the Company's payroll practices, with the first installment to be paid within 15 days after the condition described in Section 5(f)(i) has been satisfied and with any installments that would otherwise have been paid prior to such date accumulated and paid in a lump sum on the first date on which payments are made in accordance with the terms of this sentence. The CIC Severance Payment, if any, payable hereunder shall be paid in one lump sum within 15 days after the condition described in Section 5(f)(i) has been satisfied; provided, however, that, unless the CIC Severance Payment relates to a transaction that satisfies the requirements of Treas. Reg. § 1.409A-3(i)(5), any portion of the CIC Severance Payment that constitutes deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), will be paid at the earliest date that is permitted in accordance with the schedule that is applicable to the Non-CIC Severance Payment.

(g) Forfeiture of RSUs and Options. Notwithstanding anything to the contrary herein and without limiting any rights and remedies available to the Company under the terms of this Agreement or otherwise at law or in equity, in the event the Company terminates Employee's employment for Cause or if Employee violates the restrictive covenants set forth in Sections 6 and 7 of this Agreement or engages in fraud or willful misconduct that contributes materially to any significant financial restatement or material loss to the Company or any of its affiliates, the Company may, at any time up to six months after such termination or learning of such conduct, as applicable, terminate or cancel the RSUs and Options, including any vested amounts thereof, and require Employee to forfeit or remit to the Company any amount payable, or the after-tax net amount paid or received by Employee, in respect of any RSUs or Options; provided, however, that, in cases where cure is possible, Employee shall first be provided a 15-day cure period to cease, and to cure, such conduct.

6. Non-Solicitation. (a) During the Term and during the Restricted Period, Employee hereby agrees not to, directly or indirectly, solicit or hire or assist any other person or entity in soliciting or hiring any employee of the Company, or any of its affiliates (the "Company Entities"), to perform services for any entity (other than a Company Entity) or attempt to induce any such employee to leave the service of a Company Entity, or solicit, hire or engage on behalf of himself or any other person, any employee of a Company Entity, or anyone who was employed by a Company Entity, during the twelve-month period preceding such hiring or engagement. "Restricted Period" means three years following termination of Employee's employment for any reason.

(b) During the Term and during the Restricted Period, Employee hereby agrees not to, directly or indirectly, solicit, encourage, advise or influence any individuals, partnerships, corporations, professional associations or other business organizations that have a business relationship with any Company Entity during the Term or for the three years thereafter (the "Company's Clients") or to discontinue or reduce the extent of the relationship between the Company Entities and the Company's Clients or to obtain or seek products or services the same as or similar to the Company Entities from any other source not affiliated with the Company Entities.

7. Confidentiality; Non-Compete; Non-Disclosure; Non-Disparagement; Cooperation. (a) Confidentiality. (i) Employee hereby agrees that, during the Term and thereafter, he will hold in strict confidence any Confidential Information related to any of the Company Entities. For purposes of this Agreement, "Confidential Information" shall mean all confidential or proprietary information of any of the Company Entities (in whatever form), including, without limitation: any information, observations and data concerning the business or affairs or operation of the Company Entities developed by Employee during the Term or which any Company Entity or any of their respective members, directors, officers, managers, partners, employees, agents, advisors, attorneys, accountants, consultants, investment bankers, investment advisors or financing sources at any time furnishes or has furnished to Employee in connection with the business of any of the Company Entities; the Company's (and any of its respective affiliates') investment methodologies or models, investment advisory contracts, fees and fee schedules or investment performance ("Track Records"); technical information or reports; brand names, trademarks, formulas; trade secrets; unwritten knowledge and "know-how"; operating instructions; training manuals; customer lists; customer buying records and habits; product sales records and documents, and product development, marketing and sales strategies; market surveys; marketing plans; profitability analyses; product cost; long-range plans; information relating to pricing, competitive strategies and new product development; information relating to any forms of compensation or other personnel-related information; contracts and supplier lists and any information relating to financial

data, strategic business plans; information about any other third parties in respect of which any Company Entity has a business relationship or owes a duty of confidentiality; and all notes, analyses, compilations, forecasts, studies or other documents prepared by Employee that contain or reflect any such information and which is not known to the public generally other than as a result of Employee's breach of this Agreement. Without limiting the foregoing, Employee acknowledges and agrees that the Track Records shall not be the work of any one individual (including Employee) and are the exclusive property of the Company and its affiliates, as applicable, and agrees that he shall in no event claim the Track Records as his own following termination of his employment with the Company.

(ii) Except as expressly set forth otherwise in this Agreement (including, without limitation, pursuant to Section 8 of this Agreement), Employee agrees that he shall not disclose the terms of this Agreement except to his immediate family and his financial and legal advisors, or as may be required by law or ordered by a court. Employee further agrees that any disclosure to his financial and legal advisors will only be made after such advisors acknowledge and agree to maintain the confidentiality of this Agreement and its terms.

(iii) Employee further agrees that he will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers of Employee or any other person to whom Employee has an obligation of confidentiality, and will not bring onto the premises of the Company or its affiliates any unpublished documents or any property belonging to any such former employer or other person to whom Employee has an obligation of confidentiality unless consented to in writing by the former employer or such other person.

(b) Non-Competition. Employee and the Company agree that Employee will occupy a high-level and unique position of trust and confidence with the Company Entities and will have access to their Confidential Information, and that they would likely suffer significant harm from Employee's competing with them during the Term and for some period of time thereafter. Accordingly, Employee agrees that he will not, during the Term and during the Non-compete Period, directly or indirectly become employed by, engage in business with, serve as an agent or consultant to, become an employee, partner, member, principal, stockholder or other owner (other than a holder of less than 1% of the outstanding voting shares of any publicly held company) of, any Competitive Business, or otherwise perform services relating to the business of any of the Company Entities, or businesses they are actively considering, at the time of the termination or during the one year prior to termination (the "Business") for any Competitive Business (whether or not for compensation). For purposes of this Agreement, "Competitive Business" shall mean any individual, employeeship, corporation, limited liability company, partnership, unincorporated organization, trust, joint venture or other entity (i) that engages in or may engage in acquisition related or mergers and acquisition activities related to the transportation or third-party logistics industry, including, without limitation, researching, analyzing and evaluating companies for possible investment in or acquisition of, for itself or clients, (ii) that engages in or may engage in the Business, including, without limitation, any providers of third-party logistics services, including, without limitation, freight brokerage, freight forwarding, expediting or intermodal providers, or firms such as CH Robinson, Expeditors International of Washington, Inc., Echo Global Logistics Inc., Roadrunner Transportation Systems and Hub Group Inc., or (iii) that otherwise competes with the Company Entities anywhere in which the Company Entities engage in or intend to engage in the Business or where any of the Company Entities' customers are located. "Non-Compete Period" means (x) one year following termination of Employee's employment by the Company without Cause or by the Employee for Good Reason and (y) three years following termination of Employee's employment for any reason not covered by clause (x) of this definition.

(c) Extended Non-Competition. In the event that Employee's employment with the Company is terminated by the Company without Cause or by the Employee for Good Reason, the Company shall have the right to extend the Non-Compete Period for up to two additional 12-month periods (each, an "Extended Non-Compete Period") beyond the completion of the Non-Compete Period. If the Company elects to extend the Non-Compete Period or the Extended Non-Compete Period, it will notify Employee in writing of such fact not later than the 90th day prior to the expiration of the Non-Compete Period or the then-current Extended Non-Compete Period, as applicable. By signing this Agreement, Employee agrees to accept and abide by the Company's election. If the Company elects to extend the Non-Compete Period, Employee agrees that, during any Extended Non-Compete Period, Employee shall be bound by the restrictions set forth in Section 7(b) in the same manner applicable during the Non-Compete Period, and the Company agrees to pay Employee subject to Section 5(f) of this Agreement during each month of the Extended Non-Compete Period, an amount equal to his monthly Base Salary as in effect on the Date of Termination. Payment for any partial month will be prorated. Payment of Employee's Base Salary during the Extended Non-Compete Period will be made pursuant to the Company's normal and customary payroll procedures. If the Company elects to extend the Non-Compete Period or the Extended Non-Compete Period, any monies Employee earns from any other work during such periods, whether as an employee or as an independent contractor, will reduce, dollar for dollar, the amount that the Company is obligated to pay Employee under this Section 7(c). Payments made by the Company under this Section 7(c) are made solely for the extension of the non-compete covenant and do not render Employee either an employee of, or a consultant to, the Company.

(d) Competitive Opportunity. If, at any time during the Term, Employee (i) acquires knowledge of a potential investment, investment opportunity or business venture which may be an appropriate for investment by the Company, or in which the Company could otherwise have an interest or expectancy (a "Competitive Opportunity"), or (ii) otherwise is then exploiting any Competitive Opportunity, Employee shall promptly bring such Competitive Opportunity to the Company. In such event, Employee shall not have the right to hold any such Competitive Opportunity for his (and his agents', employees' or affiliates') own account and benefit or to recommend, assign or otherwise transfer or deal in such Competitive Opportunity with persons other than the Company.

(e) Return of Company Property. All documents, data, recordings, or other property, including, without limitation, smartphones, computers and other business equipment, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for Employee and utilized by Employee in the course of his employment with the Company shall remain the exclusive property of the Company and Employee shall return all copies of such property upon any termination of his employment and as otherwise requested by the Company during the Term.

(f) Non-Disparagement. Employee hereby agrees not to defame or disparage any of the Company Entities or any of its officers, directors, members, partners or employees (collectively, the "Company Parties"), and to cooperate with the Company upon reasonable request, in refuting any defamatory or disparaging remarks by any third party made in respect of any of the Company Parties. Employee shall not, directly or indirectly, make (or cause to be made) any comment or statement, oral or written, including, without limitation, in the media or to the press or to any individual or entity, that could reasonably be expected to adversely affect the reputation of any of the Company Parties or the conduct of its, his or their business.

(g) Cooperation. During the Term and thereafter (including, without limitation, following the Date of Termination), Employee shall, upon reasonable notice and without the necessity of any Company Entity obtaining a subpoena or court order, provide Employee's reasonable cooperation in connection with any suit, action or proceeding (or any appeal from any suit, action or proceeding), and any investigation and/or defense of any claims asserted against any Company Entity that relates to events occurring during Employee's employment with any Company Entity as to which Employee may have relevant information (including furnishing relevant information and materials to the relevant Company Entity or its designee and/or providing testimony at depositions and at trial), provided that the Company shall reimburse the Executive for expenses reasonably incurred in connection with any such cooperation occurring after the termination of Executive's employment and provided that any such cooperation occurring after the Date of Termination shall be scheduled to the extent reasonably practicable so as not to unreasonably interfere with Employee's business or personal affairs.

8. Notification of Subsequent Employer. Employee hereby agrees that, prior to accepting employment with any other person during any period during which the Executive remains subject to any of the covenants set forth in Section 6, 7(b) or 7(c), Employee shall provide such prospective employer with written notice of such provisions of this Agreement, with a copy of such notice delivered simultaneously to the Company.

9. Injunctive Relief. Employee acknowledges that it is impossible to measure in money the damages that will accrue to the Company Parties in the event that Employee breaches any of the restrictive covenants provided in Sections 6 and 7 of this Agreement. In the event that Employee breaches any such restrictive covenant, the Company Parties shall be entitled to an injunction restraining Employee from violating such restrictive covenant (without posting any bond). If any of the Company Parties shall institute any action or proceeding to enforce any such restrictive covenant, Employee hereby waives the claim or defense that such Company Party has an adequate remedy at law and agrees not to assert in any such action or proceeding the claim or defense that there is an adequate remedy at law. The foregoing shall not prejudice the Company's

right to require Employee to account for and pay over to the Company, and Employee hereby agrees to account for and pay over, the compensation, profits, monies, accruals or other benefits derived or received by Employee as a result of any transaction constituting a breach of any of the restrictive covenants provided in Sections 6 and 7 of this Agreement or to seek any other relief to which it may be entitled.

10. Miscellaneous. (a) Notices. Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing and shall be deemed to be given when delivered personally, or four days after it is mailed by registered or certified mail, postage prepaid, return receipt requested or one day after it is sent by overnight courier service via UPS or FedEx and, in each case, addressed as follows (or if it is sent through any other method agreed upon by the parties):

If to the Company:

XPO Logistics, Inc.
429 Post Road
Buchanan, MI 49107
Attention: Chief Executive Officer

with a copy in either case to:

Cravath, Swaine & Moore LLP
825 Eighth Avenue
Worldwide Plaza
New York, NY 10019
Attention: Jennifer S. Conway, Esq.
Facsimile: (212) 474-3700

If to Employee:

During the Term, to his principal office at the Company, and after the Term, to his principal residence as listed in the records of the Company.

with a copy in either case to:

Kaye Scholer, LLP
425 Park Avenue
New York, NY 10022
Attention: John Geelan, Esq.
Facsimile: (212) 836-6421

or to such other address as any party may designate by notice to the others.

(b) Entire Agreement. This Agreement shall constitute the entire agreement and understanding among the parties hereto with respect to Employee's employment hereunder and supersedes and is in full substitution for any and all prior understandings or agreements (whether written or oral) with respect to Employee's employment. The Company does not make and has not made, and the Employee does not rely and has not relied on any statement, omission, representation or warranty, written or oral, of any kind or nature whatsoever, regarding the Company or the Equity Compensation, including, without limitation, its or their present, future, prospective or potential value, worth, prospects, performance, soundness, profit or loss potential, or any other matter or thing whatsoever relating to whether Employee should purchase or accept any Equity Compensation and/or the consideration therefor.

(c) Amendment; No Waiver. Except as expressly set forth otherwise in this Agreement (including, without limitation, pursuant to Sections 10(l)(iv) and 10(m) of this Agreement), this Agreement may be amended only by an instrument in writing signed by the parties, and the application of any provision hereof may be waived only by an instrument in writing that specifically identifies the provision whose application is being waived and that is signed by the party against whom or which enforcement of such waiver is sought. The failure of any party at any time to insist upon strict adherence to any provision hereof shall in no way affect the full right to insist upon strict adherence at any time thereafter, nor shall the waiver by any party of a breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or a waiver of the provision itself or a waiver of any other provision of this Agreement. No failure or delay by either party in exercising any right or power hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment of any steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. Termination of this Agreement shall not relieve any party of liability for any breach of this Agreement occurring prior to such termination.

(d) No Construction Against Drafter. The parties acknowledge and agree that each party has reviewed and negotiated the terms and provisions of this Agreement and has had the opportunity to contribute to its revision. Accordingly, any rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement.

(e) Employee Representations and Acknowledgements. Employee represents, warrants and covenants that as of the date hereof: (i) he has the full right, authority and capacity to enter into this Agreement, (ii) he is ready, willing and able to perform his obligations hereunder and, to his knowledge, no reason exists that would prevent him from performing his obligations hereunder, (iii) he is not bound by any agreement that conflicts with or prevents or restricts the full performance of his duties and obligations to the Company hereunder during or after the Term and (iv) the execution and delivery of this Agreement shall not result in any breach or violation of, or a default under, any existing obligation, commitment or agreement to which Employee is subject. Employee acknowledges and agrees that nothing in this Agreement shall (x) entitle Employee to any compensation or other interest in respect of any activity of Jacobs Private Equity, LLC, a Delaware limited liability company ("JPE") or Bradley S. Jacobs other than with respect to the Company; (y) restrict or prohibit the Company, Bradley S. Jacobs or any of his affiliates from having business interests and engaging in business activities in addition to those relating to the Company; or (z) restrict the investments which the Company, Bradley S. Jacobs or JPE or any of his or its affiliates may make, regardless of whether such investment opportunity or investment may be deemed to be a Competitive Opportunity. Employee acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Employee by this Agreement, and is in full accord as to the necessity of such restraints for the reasonable and proper protection of the Confidential Information, business strategies, employee and customer relationships and goodwill of the Company Entities now existing or to be developed in the future. Employee expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, industry scope, time period and geographic area. Employee agrees to comply with each of the covenants contained in Sections 6 and 7 in accordance with their terms, and Employee shall not, and hereby agrees to waive and release any right or claim to, challenge the reasonableness, validity or enforceability of any of the covenants contained in Sections 6 and 7. Employee further acknowledges that although Employee's compliance with the covenants contained in Sections 6 and 7 may prevent Employee from earning a livelihood in a business similar to the business of the Company Entities, Employee's experience and capabilities are such that Employee has other opportunities to earn a livelihood and adequate means of support for Employee and Employee's dependents. Employee acknowledges that the Company has advised him that it is in his best interest to consult with an attorney prior to executing this Agreement.

(f) Survival. Employee's obligations under Sections 6 and 7 of this Agreement shall remain in full force and effect for the entire period provided therein notwithstanding any termination of employment or other expiration of the Term or termination of this Agreement. The terms and conditions of Sections 5, 6, 7, 8 and 9 of this Agreement shall survive the Term and termination of Employee's employment.

(g) Assignment. This Agreement is binding on and is for the benefit of the parties hereto and their respective successors, assigns, heirs, executors, administrators and other legal representatives. This Agreement is personal to Employee; and neither this Agreement nor any right or obligation hereunder may be assigned by Employee without the prior written consent of the Company (or except by will or the laws of descent and distribution), and any purported assignment in violation of this Section 10(g) shall be void.

(h) Severability. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable law or public policy, all other conditions and provisions of this Agreement shall nonetheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse; provided, however, that in the event of a final, non-reviewable, non-appealable determination that any provision of Section 6 or 7 of this Agreement (whether in whole or in part) is void or constitutes an unreasonable restriction against Employee, such provision shall not be rendered void but shall be deemed to be modified to the minimum extent necessary to make such provision enforceable for the longest duration and the greatest scope as may constitute a reasonable restriction under the circumstances. Subject to the foregoing, upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

(i) Tax Withholding. The Company may withhold from any amounts payable to Employee hereunder all federal, state, city, foreign or other taxes that the Company may reasonably determine are required to be withheld pursuant to any applicable law or regulation (it being understood that Employee shall be responsible for payment of all taxes in respect of the payments and benefits provided herein).

(j) Cooperation Regarding Equity Compensation. Employee expressly agrees that he shall execute such other documents as reasonably requested by the Company to effect the terms of this Agreement and the issuance of the Equity Compensation as contemplated hereunder in compliance with applicable law.

(k) Governing Law; Arbitration; Consent to Jurisdiction; Waiver of Jury Trial. (i) This Agreement shall be governed by and construed in accordance with its express terms, and otherwise in accordance with the laws of the State of New York without reference to its principles of conflicts of law.

(ii) Any claim initiated by the Employee arising out of or relating to this Agreement, or the breach thereof, or Employee's employment, or the termination thereof, shall be resolved by binding arbitration before a single arbitrator in the City, County and State of New York administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(iii) Any claim initiated by the Company arising out of or relating to this Agreement, or the breach thereof, or Employee's employment, or the termination thereof, shall, at the election of the Company be resolved in accordance with Section 10(k)(ii) or (iv) of this Agreement.

(iv) Employee hereby irrevocably submits to the jurisdiction of any state or federal court located in the City, County and State of New York; provided, however, that nothing herein shall preclude the Company from bringing any suit, action or proceeding in any other court for the purposes of enforcing the provisions of this Section 10(k) or enforcing any judgment or award obtained by the Company. Employee waives, to the fullest extent permitted by applicable law, any objection which he now or hereafter has to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in an applicable court described in this Section 10(k)(iv), and agrees that he shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any court. Employee agrees that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any suit, action or proceeding brought in any applicable court described in this Section 10(k)(iv) shall be conclusive and binding upon Employee and may be enforced in any other jurisdiction. EMPLOYEE EXPRESSLY AND KNOWINGLY WAIVES ANY RIGHT TO A JURY TRIAL IN THE EVENT THAT ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH THEREOF, OR EMPLOYEE'S EMPLOYMENT, OR THE TERMINATION THEREOF, IS LITIGATED OR HEARD IN ANY COURT.

(v) The prevailing party shall be entitled to recover all legal fees and costs (including reasonable attorney's fees and the fees of experts) from the losing party in connection with any claim arising under this Agreement or Employee's employment hereunder.

(l) Section 409A. (i) It is intended that the provisions of this Agreement comply with Section 409A, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(ii) Neither Employee nor any of his creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Agreement or under any other plan, policy, arrangement or agreement of or with the Company or any of its affiliates (this Agreement and such other plans, policies, arrangements and agreements, the "Company Plans") to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to Employee or for Employee's benefit under any Company Plan may not be reduced by, or offset against, any amount owing by Employee to the Company or any of its affiliates.

(iii) If, at the time of Employee's separation from service (within the meaning of Section 409A), (i) Employee shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable under a Company Plan constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company (or its affiliate, as applicable) shall not pay such amount on the otherwise scheduled payment date but shall instead accumulate such amount and pay it on the first business day after such six-month period.

(iv) Notwithstanding any provision of this Agreement or any Company Plan to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to any Company Plan as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, Employee is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on Employee or for

Employee's account in connection with any Company Plan (including any taxes and penalties under Section 409A), and neither the Company nor any affiliate shall have any obligation to indemnify or otherwise hold Employee harmless from any or all of such taxes or penalties.

(v) For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii).

(vi) Except as specifically permitted by Section 409A, any benefits and reimbursements provided to Employee under this Agreement during any calendar year shall not affect any benefits and reimbursements to be provided to Employee under this Agreement in any other calendar year, and the right to such benefits and reimbursements cannot be liquidated or exchanged for any other benefit. Furthermore, reimbursement payments shall be made to the Employee as soon as practicable following the date that the applicable expense is incurred, but in no event later than the last day of the calendar year following the calendar year in which the underlying expense is incurred.

(m) Section 105(h). Notwithstanding any provision of this Agreement to the contrary, to the extent necessary to satisfy Section 105(h) of the Code, the Company will be permitted to alter the manner in which medical benefits are provided to you following termination of your employment, provided that the after-tax cost to you of such benefits shall not be greater than the cost applicable to similarly situated executives of the Company who have not terminated employment.

(n) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Signatures delivered by facsimile or electronic means (including by "pdf") shall be deemed effective for all purposes.

(o) Headings. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

XPO LOGISTICS, INC.

by

/s/ Bradley S. Jacobs

Name: Bradley S. Jacobs

Title: Chief Executive Officer

/s/ Scott Malat

SCOTT MALAT

EXHIBIT 31.1

I, Bradley S. Jacobs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of XPO Logistics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Bradley S. Jacobs
Chief Executive Officer
(Principal Executive Officer)

Date: November 10, 2011

EXHIBIT 31.2

I, John D. Welch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of XPO Logistics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John D. Welch
Chief Financial Officer
(Principal Financial Officer)

Date: November 10, 2011

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350
As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Executive Officer of XPO Logistics, Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2011 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Bradley S. Jacobs
Chief Executive Officer
(Principal Executive Officer)

Date: November 10, 2011

EXHIBIT 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350
As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Financial Officer of XPO Logistics, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2011 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ John D. Welch
Chief Financial Officer
(Principal Financial Officer)

Date: November 10, 2011