Risk Factors Comparison 2024-03-13 to 2023-03-10 Form: 10-K

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Set forth below, and elsewhere in this Report and in other documents we file with the SEC, are risks and uncertainties that could cause our actual results to differ materially from the results contemplated by the forward- looking statements contained in this Report. Risks Related to Our Industry Our business is subject to general economic and business factors that are largely beyond our control, any of which could have a material adverse effect on our operating results. Our business is dependent upon a number of general economic and business factors that may adversely affect our results of operations. These factors include significant increases or rapid fluctuations in fuel prices, excess capacity in the trucking industry, surpluses in the market for used equipment, interest rates, fuel taxes, license and registration fees, insurance premiums, self- insurance levels, and difficulty in attracting and retaining qualified drivers, independent contractors, and third- party carriers. We operate in a highly competitive and fragmented industry, and our business may suffer if we are unable to adequately address any downward pricing pressures or other factors that may adversely affect our ability to compete with other carriers. Further, we are affected by recessionary economic cycles and downturns in customers' business cycles, particularly in market segments and industries, such as the automotive industry, where we have a significant concentration of customers. Economic conditions may also adversely affect our customers and their ability to pay for our services. ~~- 8-~~ Deterioration in the United States and / or world economies could exacerbate any difficulties experienced by our customers and suppliers in obtaining financing, which, in turn, could materially and adversely impact our business, financial condition, results of operations and cash flows. **- 7-** We may be adversely impacted by fluctuations in the price and availability of diesel fuel. Diesel fuel represents a significant operating expense for the Company and we do not currently hedge against the risk of diesel fuel price increases. An increase in diesel fuel prices or diesel fuel taxes, or any change in federal or state regulations that results in such an increase, could have a material adverse effect on our operating results to the extent we are unable to recoup such increases from customers in the form of increased freight rates or through fuel surcharges. Historically, we have been able to offset, to a certain extent, diesel fuel price increases through fuel surcharges to our customers, but we cannot be certain that we will be able to do so in the future. We continuously monitor the components of our pricing, including base freight rates and fuel surcharges, and address individual account profitability issues with our customers when necessary. Difficulty in attracting drivers and independent contractors could affect our profitability and ability to grow. The transportation industry often experiences significant difficulty in attracting and retaining qualified drivers and independent contractors. This shortage is exacerbated by several factors, including demand from competing industries, such as manufacturing, construction and farming, demand from other transportation companies, and the impact of regulations, including CSA and hours of service rules and other difficulties attracting and training new drivers. Economic conditions affecting operating costs such as fuel, insurance, equipment and maintenance costs can negatively impact the number of qualified independent contractors available to us. We have occasionally experienced under- utilization and increased expenses due to a shortage of qualified drivers. If we are unable to attract drivers or contract with independent contractors when needed, we could be required to further adjust our driver compensation packages, increase driver recruiting efforts, or let trucks sit idle, any of which could adversely affect our growth and profitability. Purchase price increases for new revenue equipment, decreases in the value of used revenue equipment and / or disruptions in the availability of new revenue equipment could have an adverse effect on our results of operations, cash flows and financial condition. Over the past decade, the purchase price of new revenue equipment has increased significantly as equipment manufacturers recover increased materials and engine design costs resulting from compliance with increasingly stringent EPA engine emission standards, government tariffs on raw materials and other factors beyond the Company' s control. Additional EPA emission mandates, tariff increases on raw materials, or other factors that increase material or manufacturing costs of new equipment in the future could increase the purchase price paid by the Company for new revenue equipment and could result in higher than anticipated depreciation expenses. If we ~~were~~ **are** unable to offset any such increase in expenses with freight rate increases, our cash flows and results of operations could be adversely affected. If the market price for used revenue equipment declines, we could incur substantial losses upon disposition of our revenue equipment which could adversely affect our results of operations and financial condition. ~~Additionally, supply chain disruptions resulting from the COVID- 19 pandemic and the related global shortage of microprocessors and other computer chips has caused significant production slowdowns at the North American Class 8 truck manufacturers and has substantially limited the availability of new revenue equipment available for delivery. Should such disruptions continue or worsen, it could significantly disrupt our equipment replacement cycle, further increase the prices for new revenue equipment and cause us to incur increased maintenance and operating expenses due to having to utilize existing equipment for longer time periods, and of which could have a material adverse effect on our business and profitability.- 9-~~ We have significant ongoing capital requirements that could affect our liquidity and profitability if we are unable to generate sufficient cash from operations or obtain sufficient financing on favorable terms. The trucking industry is capital intensive. If we are unable to generate sufficient cash from operations in the future, we may have to limit our growth, enter into unfavorable financing arrangements, or operate our revenue equipment for longer periods, any of which could have a material adverse effect on our profitability. We operate in a highly regulated industry and increased costs of compliance with, or liability for violation of, existing or future regulations could have a material adverse effect on our business. Our operations are authorized and regulated by various federal and state agencies in the United States, Mexico and Canada that generally govern such activities as authorization to engage in motor carrier operations, safety, and financial reporting. Specific standards and regulations such as equipment dimensions, engine emissions, maintenance, drivers' hours of service, drug and alcohol testing, and hazardous materials are regulated by the

Department of Transportation, Federal Motor Carrier Safety Administration, the Environmental Protection Agency and various other state and federal agencies. We may become subject to new or more restrictive regulations imposed by these authorities **,** which could significantly impair equipment and driver productivity and increase operating expenses. **- 8-** The FMCSA administers carrier safety compliance and enforcement through its CSA program, which places carriers in peer groups and assigns each carrier a relative ranking compared to their peers in various categories. Carriers that exceed allowable thresholds in a particular category are placed in " intervention " status by the FMCSA until the score improves to a level below the threshold. ~~If~~ **While the Company has not exceeded allowable thresholds to date, if** future roadside inspections or crashes were to result in the Company being placed in intervention status, we may incur additional operating costs to improve our safety program in deficient categories, experience increased roadside inspections, or have onsite visits by the FMCSA. If the intervention category is not remedied, it could affect our ability to attract and retain drivers and customers as they seek competitive carriers with scores below intervention thresholds. In addition, the CSA program could increase competition and related compensation and recruitment costs for drivers and independent contractors by reducing the pool of qualified drivers if existing drivers exit the profession, become disqualified due to low scores or as carriers focus recruiting efforts on drivers with the best relative safety scores. The EPA and the NHTSA jointly developed new standards for various vehicles, including heavy duty trucks, that were adopted in August 2011 and cover model years 2014 through 2018. The standard adopted for heavy duty trucks was intended to achieve a reduction in CO2 and fuel consumption ranging from 7 % to 20 % by model year 2017. In August 2016, the EPA and NHTSA finalized the second phase of these standards which will further reduce greenhouse gas emissions and fuel consumption for heavy duty trucks through model year 2027. In December of 2022, the EPA finalized an additional phase of standards which is intended to reduce nitrous oxide (NOx) emissions to 0. 035 grams per horsepower- hour during normal operation, 0. 05 grams at low load and 10. 0 grams at idle for vehicles with model years 2027 and above. Compliance with these federal and state requirements has increased the cost of our equipment and may further increase the cost of replacement equipment in the future. The Regulation section in Item 1 of Part I of this Annual Report on Form 10- K discusses several proposed and final regulations that could materially impact our business and operations. A determination that independent contractors are employees could expose us to various liabilities and additional costs. Federal and state legislation as well as tax and other regulatory authorities often seek to assert that independent contractors in the transportation service industry are employees rather than independent contractors. ~~An example of such legislation recently~~ **Recently** ~~enacted in~~ **issued rulemaking by the U. S. Department of Labor, which is effective March 11, 2024, and the laws of several states, including** California **, apply stricter tests for determining whether** ~~is currently under a judicial stay with respect to trucking companies while a legal challenge to the law is pending. There can~~ - **an** ~~be no assurance that interpretations that support the~~ independent contractor ~~status will not change~~ **should be classified as an employee. We believe we are in compliance with all applicable independent contractor classification requirements. However** , **it is possible** that other federal or state legislation ~~will not~~ **or regulations could** be enacted or that various authorities **could** ~~will not successfully~~ assert a position that re- classifies independent contractors **as** ~~to be~~ employees. If our independent contractors are determined to be ~~our~~ **properly classified as** employees, that determination could materially increase our exposure under a variety of federal and state tax, workers' compensation, unemployment benefits, labor, employment and tort laws, as well as our potential liability for employee benefits. In addition, such changes may be applied retroactively, and if so, we may be required to pay additional amounts to compensate **individuals** for prior **time** periods. Any of the above increased costs would adversely affect our business and operating results. ~~- 10-~~ We may incur additional operating expenses or liabilities as a result of potential future requirements to address climate change issues. As ~~global warming~~ issues **related to climate change** become more prevalent, federal, state and local governments, as well as some of our customers, have made efforts to respond to these issues. This increased focus on sustainability may result in new legislation or regulations and customer requirements that could negatively affect us as we may incur additional costs or be required to make changes to our operations in order to comply with any new regulations or customer requirements. Legislation or regulations that potentially impose restrictions, caps, taxes, or other controls on emissions of greenhouse gases such as carbon dioxide, a by- product of burning fossil fuels such as those used in the Company' s trucks, could adversely affect our operations and financial results. More specifically, legislative or regulatory actions relating to climate change could adversely impact the Company by increasing our fuel costs and reducing fuel efficiency and could result in the creation of substantial additional capital expenditures and operating costs in the form of taxes, emissions allowances, or required equipment upgrades. Any of these factors could impair our operating efficiency and productivity and result in higher operating costs. In addition, revenues could decrease if we are unable to meet regulatory or customer sustainability requirements. These additional costs, changes in operations, or loss of revenues could have a material adverse effect on our business, financial condition and results of operations. **- 9-** Risks Related to Our Business The ongoing impact of the COVID-...... and long- term financial obligations. Numerous competitive factors could impair our ability to operate at an acceptable profit. These factors include, but are not limited to, the following: · we compete with many other truckload carriers of varying sizes and, to a lesser extent, with less- than- truckload carriers and railroads, some of which have more equipment and greater capital resources than we do; · some of our competitors periodically reduce their freight rates to gain business, especially during times of reduced growth rates in the economy, which may limit our ability to maintain or increase freight rates, maintain our margins or maintain significant growth in our business; · many customers reduce the number of carriers they use by selecting so- called " core carriers " as approved service providers, and in some instances we may not be selected; ~~- 11-~~ · many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress freight rates or result in the loss of some of our business to competitors; · the trend toward consolidation in the trucking industry may create other large carriers with greater financial resources and other competitive advantages relating to their size and with whom we may have difficulty competing; · advances in technology require increased investments to remain competitive, and our customers may not be willing to accept higher freight rates to cover the cost of these investments; · competition from Internet- based and other logistics and freight brokerage companies may adversely affect our customer relationships and freight rates; and · economies of scale that may be passed on to smaller carriers by procurement aggregation providers may improve their ability to compete with us. We are highly dependent on our major customers, the loss of one or more of which could have a material adverse effect on our business. A significant portion of our revenue is generated from our major customers. For ~~2022~~ **2023** , our top five customers, based on revenue, accounted for approximately ~~39~~ **34** % of our revenue. Our largest customer, General Motors Company, accounted for approximately ~~13~~ **12** % of our revenue. We also provide transportation services to other manufacturers who are suppliers for automobile manufacturers. As a result, the concentration of our business within the automobile industry is greater than the concentration in a single customer. Approximately ~~31~~ **30** % of our revenues for ~~2022~~ **2023** were derived from transportation services provided to the automobile industry. Generally, we do not have long- term contractual relationships with our major customers, and we cannot assure that our customer relationships will continue as presently in effect. ~~Our business and profitability was materially and adversely affected by the closure of North American automotive manufacturing facilities during the spring of 2020 due to the COVID- 19 outbreak and is currently being adversely impacted by similar production slowdowns and closures within the automotive manufacturing industry due to shortages of microprocessors and other computer chips essential for new vehicle production.~~ Any sustained or future reduction in or termination of our services by our major customers could have a further material adverse effect on our business and operating results. ~~A~~ **- 10- Ongoing effects from recent labor disputes involving several of our customers or the impact of any future** significant labor dispute involving one or more of our customers **, or that could otherwise affect our operations,** could reduce our revenues and harm our profitability. A substantial number of the employees of our largest customers are members of industrial trade unions and are employed under the terms of collective bargaining agreements. **In September 2023, the United Auto Workers initiated a trilateral strike against Ford, General Motors, and Stellantis that lasted several weeks until each of these automotive customers was able to negotiate a new contract with the union. The strike targeted select plants at each of these automotive companies, causing prolonged plant shutdowns for these customers and ripple effects on plants and workers for other customers and automotive suppliers. The effects of these shutdowns adversely impacted our business and financial performance during the third and fourth quarters of 2023 and have continued into the first quarter of 2024. While operations at the affected customer and supplier plants have resumed, some of these customer facilities have yet to return to fully operational status, and we continue to experience reduced freight volumes as a result of the recent labor disruptions. Any sustained slowdown in operations for these customers and any** ~~Future~~ **future** labor disputes involving our customers could **further** affect our operations. If ~~the unions and~~ our automotive customers and their suppliers **are unable to return to full operations in the near future or if these customers** are unable to negotiate new contracts in the future and our customers' plants experience slowdowns or closures as a result, our revenue and profitability could be negatively impacted. A labor dispute involving another supplier to our customers that results in a slowdown or closure of our customers' plants to which we provide services could also have a material adverse effect on our business. Ongoing insurance and claims expenses could significantly reduce our earnings. Our future insurance and claims expenses might exceed historical levels, which could reduce our earnings. The Company is self-insured for a material portion of auto liability claims in excess of two million dollars and for health and workers' compensation insurance up to certain limits. The actual cost to settle self- insured claims can differ from amounts reserved due to various uncertainties, including the ultimate severity of the claims and potential amounts required to defend and settle claims. If claims costs increase, or if the severity or number of claims increase, and if we are unable to offset the resulting increases in expenses with higher freight rates, our earnings could be materially and adversely affected. Healthcare legislation and inflationary cost increases could also have a negative effect on our results. ~~- 12-~~ We may be subject to litigation claims that could result in significant expenditures. By the nature of our operations we are exposed to the potential for a variety of litigation, including personal injury claims, vehicular collisions and accidents, alleged violations of federal and state labor and employment laws, such as class- action lawsuits alleging wage and hour violations and improper pay, commercial and contract disputes, cargo loss and property damage claims. While we purchase insurance coverage at levels we deem adequate, future litigation may exceed our insurance coverage or may not be covered by insurance. We accrue a provision for a litigation matter according to applicable accounting standards based on the ongoing assessment of the strengths and weaknesses of the litigation, its likelihood of success, and an evaluation of the possible range of loss. Our inability to defend ourselves against a significant litigation claim could have a material adverse effect on our financial results. We have a substantial amount of debt, which could restrict our growth, place us at a competitive disadvantage or otherwise materially adversely affect our financial health. Our substantial debt levels could have important consequences such as the following: · impair our ability to obtain additional future financing for working capital, capital expenditures, acquisitions or general corporate expenses; · limit our ability to use operating cash flow in other areas of our business due to the necessity of dedicating a substantial portion of these funds for payments on our indebtedness; · limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; · make it more difficult for us to satisfy our obligations; · increase our vulnerability to general adverse economic and industry conditions; and · place us at a competitive disadvantage compared to our competitors. **- 11-** Our ability to make scheduled payments on, or to refinance, our debt and other obligations will depend on our financial and operating performance, which, in turn, is subject to our ability to implement our strategic initiatives, prevailing economic conditions and certain financial, business and other factors beyond our control. If our cash flow and capital resources are insufficient to fund our debt service and other obligations, we may be forced to reduce or delay expansion plans and capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. We cannot provide any assurance that our operating performance, cash flow and capital resources will be sufficient to pay our debt obligations when they become due. We also cannot provide assurance that we would be able to dispose of material assets or operations or restructure our debt or other obligations if necessary or, even if we were able to take such actions, that we could do so on terms that are acceptable to us. Disruptions in the credit markets may adversely affect our business, including the availability and cost of short- term funds for liquidity requirements and our ability to meet long- term commitments, which could adversely affect our results of operations, cash flows and financial condition. If cash from operations is not sufficient, we may be required to rely on the capital and credit markets to meet our financial commitments and short- term liquidity needs. Disruptions in the capital and credit markets could adversely affect our ability to draw on our bank revolving credit facility. Our access to funds under the credit facility is dependent on the ability of banks to meet their funding commitments. A bank may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from other borrowers within a short period of time. Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives, or failures of significant financial institutions could adversely affect our access to liquidity needed for our business. Any disruption could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged, which could adversely affect our growth and profitability. ~~- 13-~~ We are subject to certain risks arising from doing business in Mexico. As we continue to grow our business in Mexico, we are subject to greater risks of doing business internationally, including fluctuations in foreign currencies, changes in the economic strength of Mexico, difficulties in enforcing contractual obligations and intellectual property rights, burdens of complying with a wide variety of international and U. S. export and import laws, and social, political, and economic instability. We also face additional risks associated with our Mexico business, including potential restrictive trade policies and imposition of any import or export taxes, duties, fees, etc. If we are unable to address business concerns related to our international operations in a timely and cost efficient manner, our financial position, results of operations or cash flows could be adversely affected. Additionally, approximately ~~34~~ **37** % of the freight we haul crosses the border between the United States and Mexico. In past years, we have experienced delays in Mexico border- crossings due to weather events, immigration- related issues and the reallocation of border agents to other border areas. Any future shutdowns or disruptions of Mexico border- crossings, particularly at the Laredo, Texas border, could materially and adversely impact our operations, cash flows and profitability. The agreement permitting cross- border movements for both United States and Mexican- based carriers in the United States and Mexico presents additional risks in the form of potential increased competition and the potential for increased congestion in our lanes that cross the border between countries. On April 23, 2021, a decree was published that reforms various laws in Mexico regarding labor outsourcing. Under this new decree, operating companies are no longer able to source their labor resources used to carry out core business functions from service entities or third- party providers and could be subject to the loss of tax deductions and value- added tax credits on payments to outsourced personnel and certain penalties for failing to comply with the new requirements. The passage of this decree ~~did~~ **has** not ~~have~~ **had** a material adverse impact on our business and financial results **to date** . Our results of operations may be affected by seasonal factors. Our productivity may decrease during the winter season when severe winter weather impedes operations. Also, some shippers may reduce their shipments after the winter holiday season. At the same time, operating expenses may increase and fuel efficiency may decline due to engine idling during periods of inclement weather. Harsh weather conditions generally also result in higher accident frequency, increased freight claims, and higher equipment repair expenditures. In addition, automobile plants for which we transport a large amount of freight typically undergo scheduled shutdowns in July and December, which reduces the volume of automotive freight we ship during these plant shutdowns. **- 12-** Our business may be disrupted by natural disasters and severe weather conditions causing supply chain disruptions. Natural disasters such as earthquakes, tsunamis, hurricanes, tornadoes, floods or other adverse weather and climate conditions, whether occurring in the United States or abroad, could disrupt our operations or the operations of our customers or could damage or destroy infrastructure necessary to transport products as part of the supply chain. Specifically, these events may damage or destroy our assets, disrupt fuel supplies, increase fuel costs, disrupt freight shipments or routes, and affect regional economies. As a result, these events could make it difficult or impossible for us to provide logistics and transportation services; disrupt or prevent our ability to perform functions at the corporate level; and / or otherwise impede our ability to continue business operations in a continuous manner consistent with the level and extent of business activities prior to the occurrence of the unexpected event, which could adversely affect our business and results of operations or make our results more volatile. Our operations are subject to various environmental laws and regulations, the violation of which could result in substantial fines or penalties. We are subject to various environmental laws and regulations dealing with the handling of hazardous materials, underground fuel storage tanks, and discharge and retention of stormwater. We operate in industrial areas, where truck terminals and other industrial activities are located, and where groundwater or other forms of environmental contamination could occur. ~~We also maintain bulk fuel storage and fuel islands at one of our facilities.~~ Our operations may involve the risks of fuel spillage or seepage, environmental damage, and hazardous waste disposal, among others. If we are involved in a spill or other accident involving hazardous substances, or if we are found to be in violation of applicable laws or regulations, it could have a materially adverse effect on our business and operating results. If we should fail to comply with applicable environmental regulations, we could be subject to substantial fines or penalties and to civil and criminal liability. ~~- 14-~~ Our information technology systems are subject to certain cyber security and disaster risks that are beyond our control. We depend heavily on the proper functioning and availability of our information, communications, and data processing systems, including operating and financial reporting systems, in operating our business. Our operating system is critical in meeting customer expectations, effectively tracking, maintaining and operating our equipment, directing and compensating our employees, and interfacing with our financial reporting system. Our financial reporting system receives, processes, controls and reports information for operating our business and for tabulation into our financial statements. While we are not aware of a breach that has resulted in significant lost productivity or exposure of sensitive information to date, we are aware that our systems are targeted by various viruses and cyber- attacks and expect these efforts to continue. Our systems and those of our technology and communications providers are vulnerable to interruptions caused by natural disasters, power loss, telecommunication and internet failures, cyber- attack, and other events beyond our control. Accordingly, information security and the continued development and enhancement of the controls and processes designed to protect our systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority for us and we maintain information security processes and policies to protect our systems and data from cyber security events and threats. Although we have processes, policies and procedures in place and our information systems are protected through physical and software security as well as redundant backup systems, they remain susceptible to cyber **-** security risks. Some of our software systems are utilized by third parties who provide outsourced processing services which may increase the risk of a cyber- security incident. **- 13-** A successful cyber- attack or catastrophic natural disaster could significantly affect our operating and financial systems and could temporarily disrupt our ability to provide required services to our customers and impact our ability to manage our operations and perform vital financial processes, any of which could have a materially adverse effect on our business. In addition, regulatory and enforcement focus on data protection in the U. S. and failure to comply with applicable U. S. data protection regulations or other data protection standards may expose us to litigation, fines, sanctions or other penalties, which could harm our reputation and adversely impact our business, results of operations and financial condition. We have substantial fixed costs and, as a result, our operating income fluctuates disproportionately with changes in our net sales. A significant portion of our expenses are fixed costs that neither increase nor decrease proportionately with sales. There can be no assurance that we would be able to reduce our fixed costs proportionately in response to a decline in our sales, and therefore our competitiveness could be significantly impacted. As a result, a decline in our sales would result in a higher percentage decline in our income from operations and net income. If our employees were to unionize, our operating costs would increase and our ability to compete would be impaired. None of our employees are currently represented by a collective bargaining agreement. However, we can offer no assurance that our employees will not unionize in the future, particularly if legislation is passed that facilitates unionization. If our employees were to unionize, our operating costs would increase and our profitability could be adversely affected. Our business may be harmed by terrorist attacks, future war or anti- terrorism measures. In order to prevent terrorist attacks, federal, state and municipal authorities have implemented and continue to follow various security measures, including checkpoints and travel restrictions on large trucks. Our international operations in Canada and Mexico may be affected significantly if there are any disruptions or closures of border traffic due to security measures. Such measures may have costs associated with them, which, in connection with the transportation services we provide, we or our independent contractors could be forced to bear. Further, a terrorist attack, war, or risk of such an event, also may have an adverse effect on the economy. A decline in economic activity could adversely affect our revenue or restrict our future growth. Instability in the financial markets as a result of a health pandemic, terrorism or war also could affect our ability to raise capital. In addition, the insurance premiums charged for some or all of the coverage currently maintained by us could increase dramatically or such coverage could be unavailable in the future. **Future public health crises could negatively impact our financial condition, liquidity, results of operations, and cash flows. The rapid spread of the COVID** - ~~15~~ **19 pandemic during 2020 resulted in governmental** authorities implementing numerous measures to try to contain the virus,such as travel bans and restrictions,quarantines,shelter in place orders,increased border and port controls and closures,and shutdowns.These measures and the public health concerns resulting from the outbreak severely disrupted economic and commercial activity.The resulting impact on domestic and global supply chains caused slowdowns and reduced freight demand for transportation companies such as ours.Because we have a significant concentration of customers within the automotive industry,our freight volumes and revenues were significantly affected by the **temporary** closure of North American automotive manufacturing facilities **during the spring** ~~beginning in late March~~ of 2020 **as a result** ~~.Our automotive customers resumed operations during the second quarter~~ of **the pandemic** ~~2020 and have not been materially disrupted during 2021 or 2022~~ .Any future delays or interruptions of automotive production and other consumer activity affecting our customers that could result from any future **public health crises** ~~wave of the virus or other similar outbreaks~~ could further adversely affect our business.In addition,the implementation of measures to protect the health and safety of our employees,customers,vendors and the general public,or any state of federal vaccination mandates,may disrupt our ability to efficiently manage personnel and operations and to recruit and retain driver and non- driver personnel,which could have a material adverse effect on our operating results.Further,negative financial results,an economic downturn or uncertainty,or a tightening of credit markets caused by **a public health crisis** ~~COVID- 19 or other similar outbreaks~~ could have a material adverse effect on our liquidity and **our ability to effectively meet our short- and long- term financial obligations.- 14** - Risks Related to Our Common Stock **Our** ~~The Chairman of our board of directors holds a controlling interest in the Company; therefore, the influence of our~~ public shareholders **may have limited influence** over **our** significant corporate actions ~~is limited, and we are not subject to certain corporate governance standards that apply to other publicly traded companies~~ . Matthew T. Moroun, the Chairman of our Board of Directors, ~~and a trust of which Mr. Moroun~~ is **the** ~~a co-~~ trustee ~~together~~ **of family trusts that collectively** own ~~approximately 70~~ **greater than 50** % of our outstanding common stock. ~~As a result~~ **In this capacity** , Mr. Moroun ~~has the~~ **holds investment** power **over the shares of our common stock held by the family trusts. Frederick P. Calderone, a member of our Board of Directors, is the special trustee of certain of these family trusts, and in that capacity, he exercises voting power over the shares held by such trusts, while Mr. Moroun exercises voting power over the shares held by the other family trust of which he is trustee. The special trustee serves at the discretion of the trustee of the trusts, and members of the Moroun family are the beneficiaries of the family trusts. Messrs. Moroun and Calderone have entered into a voting agreement under which Mr. Moroun agreed** to ~~: ·~~ **vote the shares of our common stock over which he exercises voting power in accordance with and in the same manner as Mr. Calderone votes the shares of our common stock held by the family trusts over which the special trustee exercises voting power. Therefore, votes cast on behalf of the family trusts** control **any action requiring the general approval of our shareholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger or sale of substantially** all **of** ~~matters submitted to our shareholders; · elect our directors; · adopt, extend or~~ **our assets** ~~remove any anti- takeover provisions that are available to us; and · exercise control over our business, policies and affairs~~ . This concentration of ownership could **also** limit the price that some investors might be willing to pay for shares of our common stock **. The interests of** ~~, and our ability to engage in significant transactions, such as a merger, acquisition or~~ **our** ~~liquidation, will require~~ **controlling shareholders may conflict with** ~~the~~ **those** ~~consent~~ of ~~Mr~~ **the Company and our other shareholders** . **The interests of the** Moroun **family trusts** ~~. Conflicts of interest~~ could ~~arise between us and Mr. Moroun, and any~~ conflict ~~of~~ **with the** ~~interest~~ **interests of the Company or our other shareholders. For example, the concentration of ownership in the trusts could delay, defer, or prevent a change of control of the Company that** may **otherwise** be **favorable** ~~resolved in a manner that does not favor us. Accordingly, Mr. Moroun could cause us~~ to **the Company and our other shareholders. The votes cast on behalf of the family trusts could also result in our** ~~enter~~ - **entry** into transactions or agreements **that** ~~of which~~ our other shareholders ~~would~~ **do** not approve ~~or make decisions with which they may disagree~~ . **Our** ~~Because of Mr. Moroun' s level of ownership, we have elected to be treated as a controlled~~ **controlling** ~~company~~ **shareholders might also refrain from voting** in **favor** ~~accordance with the rules~~ of **a transaction that** ~~the NASDAQ Stock Market. Accordingly, we are not required to comply with NASDAQ Stock Market rules which~~ would **result in** ~~otherwise require a majority of~~ our ~~Board to be comprised of independent directors and require our Board to have a compensation committee and a nominating and corporate governance committee comprised of independent directors. Mr. Moroun may continue to retain control of the~~ **other** ~~Company for the foreseeable future and may decide not to enter into a transaction in which~~ shareholders ~~would receive~~ **receiving** consideration for our common stock that is much higher than ~~the~~ **its** then- current market price **. Any such decisions that may be made in the future by our controlling shareholders will be in their absolute discretion, subject to applicable laws and fiduciary duties. Because we are a " controlled company " under NASDAQ rules, we are not subject to certain corporate governance standards that apply to other publicly traded companies. The NASDAQ rules state that a controlled company is one in which more than 50 %** of **the voting power is held by another person** ~~our~~ - **or** ~~common stock~~ **group of persons acting together** . **A controlled company may** ~~In addition, Mr. Moroun could~~ elect **not** to ~~sell~~ **comply with certain corporate governance requirements, including: •** a **majority of the board of directors consist of independent directors; • a nominating and corporate governance committee composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and • the compensation committee be composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities. We are a** ~~controlling~~ **controlled** ~~interest in~~ **company under these rules, and these requirements will not apply to** us ~~to a third- party and our other shareholders~~ **as long as we retain that status. Accordingly, you** may not **have** ~~be able to participate in such transaction or, if they~~ - **the same protections afforded to shareholders of companies that** are ~~able to participate in such a transaction, such shareholders may receive less than the then- current fair market value of their shares. Any decision regarding ownership of us that Mr. Moroun may make at some future time will be in his absolute discretion,~~ subject to ~~applicable laws and fiduciary duties~~ **all of the corporate governance requirements of NASDAQ** . Our stock trading volume may not provide adequate liquidity for investors. Although shares of our common stock are traded on the NASDAQ Global Market, the average daily trading volume in our common stock is less than that of other larger transportation and logistics companies. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of a sufficient number of willing buyers and sellers of the common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Given the daily average trading volume of our common stock, significant sales of the common stock in a brief period of time, or the expectation of these sales, could cause a decline in the price of our common stock. Additionally, low trading volumes may limit a stockholder' s ability to sell shares of our common stock. **- 15-** We currently do not intend to pay future dividends on our common stock. We currently do not anticipate paying future cash dividends on our common stock. Any determination to pay future dividends and other distributions in cash, stock, or property by the Company in the future will be at the discretion of our Board of Directors and will be dependent on then- existing conditions, including our financial condition and results of operations and contractual restrictions. Therefore, stockholders should not rely on future dividend income from shares of our common stock. ~~- 16-~~