NORDSTROM INC
Form S-8
March 23, 2011

As filed with the Securities and Exchange Commission on March 23, 2011

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

NORDSTROM, INC.

(Exact Name of Registrant as Specified in Its Charter)

Washington (State or other jurisdiction of incorporation or organization)	**91-0515058** (I.R.S. Employer Identification No.)
1617 Sixth Avenue, 6th Floor **Seattle, Washington 98101**	**Robert B. Sari** **1700 Seventh Avenue, 7th Floor**

	Seattle, Washington 98101
	(206) 628-2111
(Address of Principal Executive Offices,	(Name, address and telephone number, including
including zip code)	area code, of agent for service)

HauteLook, Inc. 2009 Stock Option Plan;

Options to purchase common stock granted under the HauteLook, Inc. 2009 Stock Option Plan

Assumed and Converted by Nordstrom, Inc.

(Full Title of Plan)

Copies to:

D. Wayne Gittinger

Michael E. Morgan

William W. Lin

Lane Powell PC

1420 Fifth Avenue, Suite 4100

Seattle, Washington 98101-2338

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 definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer x	Accelerated filer £
Non-accelerated filer £ (Do not check if a smaller reporting company)	Smaller reporting company £

CALCULATION OF REGISTRATION FEE

Title of Securities To Be Registered (1)	Amount To Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, no par value, to be issued under the HauteLook, Inc. 2009 Stock Option Plan (2)	458,857(3)(4)	$ 42.16(4)	$ 19,345,412(4)	$ 2,246

(1) The Securities to be registered include options to acquire Common Stock.

(2) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the Securities Act), this Registration Statement also covers an indeterminate number of additional shares of Common Stock which may be necessary to adjust the number of shares of Common Stock reserved for issuance pursuant to the HauteLook, Inc. 2009 Stock Option Plan (the Plan) as the result of any future stock split, stock dividend or similar adjustment of the outstanding Common Stock of the Registrant.

(3) Estimated solely for the purpose of calculating the registration fee. Calculated pursuant to Rules 457(c) and 457(h) of the Securities Act, based on the average of the high and low sales price of the Company s Common Stock, as reported on the New York Stock Exchange on March 21, 2011.

(4) Represents shares subject to issuance upon the satisfaction of assumed and converted options originally granted under the HauteLook, Inc. 2009 Stock Option Plan on March 23, 2011 pursuant to the Agreement and Plan of Merger by and among Nordstrom, Inc., Holland Acquisition Sub, Inc., HauteLook, Inc. and Insight Venture Partners, LLC made and entered as of February 16, 2011 (Merger Agreement), combined with earn-out shares that could be issued if the milestones (as described in the Merger Agreement) are met. Calculated solely for the purposes of the offering under Rule 457(h) on the basis of the estimated maximum number of shares of Common Stock issuable upon the satisfaction of assumed and converted options originally granted under the HauteLook, Inc. 2009 Stock Option Plan, taking into consideration the weighted average exercise price of such options.

PART I

INFORMATION REQUIRED IN

THE SECTION 10(A) PROSPECTUS

Item 1. Plan Information.

The information required by Item 1 is included in documents sent or given to participants in the plan covered by this registration statement pursuant to Rule 428(b)(1) of the Securities Act of 1933, as amended (the Securities Act).

Item 2. Registrant Information and Employee Plan Annual Information.

The written statement required by Item 2 is included in documents sent or given to participants in the plan covered by this registration statement pursuant to Rule 428(b)(1) of the Securities Act.

PART II

INFORMATION REQUIRED IN

THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents, which have been filed with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act), are hereby incorporated by reference and shall be deemed to be a part of, this Registration Statement:

(a) The Registrant s latest Annual Report on Form 10-K for the year ended January 29, 2011, filed with the Commission on March 18, 2011;

(b) The Registrant s Proxy Statement on Schedule 14A related to the Registrant s Annual Meeting of Shareholders held on May 18, 2010, filed on April 8, 2010.

(c) All other reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended (the Exchange Act), since the end of the fiscal year covered by the Annual Report on Form 10-K referred to in (a) above, including the Registrant s definitive proxy statement filed with the Commission on April 8, 2010 and the Registrant s current reports on Form 8-K; and

(d) The description of the Registrant s Common Stock contained in any registration statement or report that the Registrant has filed under the Exchange Act, including any amendment or report filed for the purpose of updating such description.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment, which indicates that all securities offered have been sold, or which deregisters all securities then remaining unsold, are incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents, except as to any portion of any future annual or quarterly report to shareholders or document or current report furnished under Items 2.02, 7.01 and 9.01 of Form 8-K that is not deemed filed under such provisions.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein, or in any subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Registration Statement.

Item 4. Description of Securities.

The Common Stock being registered hereunder has been registered pursuant to Section 12 of the Exchange Act.

Item 5. Interests of Named Experts and Counsel.

Certain legal matters relating to the securities being registered will be passed upon for the Registrant by Lane Powell PC, Seattle, Washington. As of March 21, 2011, D. Wayne Gittinger, a shareholder at Lane Powell PC, was the beneficial owner of 15,470,626 shares of Nordstrom common stock, including 66,984 owned by him individually; 13,844,460 shares owned by his wife individually; 3,982 shares held by his wife in the Company 401(k) Plan and Profit Sharing; and 1,555,200 held by a trust of which his wife is a trustee and beneficiary.

Item 6. Indemnification of Directors and Officers.

Sections 23B.08.500 through 23B.08.600 of the Washington Business Corporation Act authorize a court to award, or a corporation s board of directors to grant, indemnification to directors and officers on terms sufficiently broad to permit indemnification under certain circumstances for liabilities arising under the Securities Act of 1933, as amended (the Securities Act). Section 23B.08.320 of the Washington Business Corporation Act authorizes a corporation to limit a director s liability to the corporation or its shareholders for monetary damages for acts or omissions as a director, except in certain circumstances involving intentional misconduct, self-dealing or illegal corporate loans or distributions, or in any transactions from which the director personally receives a benefit in money, property or services to which the director is not legally entitled.

Article IX of the Amended and Restated Articles of Incorporation of the Registrant eliminates any personal liability of a director to the Registrant or its shareholders for monetary damages for conduct as a director, except for any liability for any acts or omissions that involve intentional misconduct by a director or a knowing violation of law by a director, for conduct violating RCW 23B.08.310, for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled, or for any act or omission occurring prior to the date when Article IX of the Amended and Restated Articles of Incorporation of the Registrant became effective. If the Washington Business Corporation Act is subsequently amended to change in a manner affecting the Registrant s power to eliminate or limit the liability of a director to the Registrant, then, upon the effective date of the amendment and without further act: (i) if the amendment permits further elimination or limitation of liability, the liability of a director shall be additionally eliminated and limited to such further extent, or (ii) if the amendment changes the power to eliminate the liability of a director in any other respect, the liability of a director shall be eliminated and limited with respect to acts or omissions occurring after the effective date of the amendment to the fullest extent permitted by the Washington Business Corporation Act as so amended. Article IX of the Registrant s Amended and Restated Articles of Incorporation also contains a provision that no amendment or repeal of the Amended and Restated Articles of Incorporation of the Registrant shall adversely affect any right or any elimination or limitation of liability of a director existing immediately prior to the amendment or repeal.

Article XI of the Registrant s Bylaws provide for, among other things, the indemnification by the Registrant of its directors and officers and the advancement of expenses. The Registrant s Bylaws also permit the purchase and maintenance of insurance, the creation of trust funds, the grant of security interests and the use of other means to secure the Registrant s indemnification obligations. The Registrant has also entered into certain indemnification agreements with its directors, the form of which is attached as Exhibit 10.1 to its Current Report on Form 8-K filed with the Commission on March 3, 2009. The indemnification agreements provide the Registrant s directors with indemnification to the full extent permitted by law.

Officers and directors of the Registrant are covered by insurance (with certain exceptions and limitations) that indemnifies them against certain losses and liabilities, including liabilities under the Securities Act. The effect of this insurance is to indemnify any officer or director of the Registrant against liability and expenses incurred by such officer or director upon a determination that such person acted in good faith.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit Number	Description
4.1	HauteLook, Inc. 2009 Stock Option Plan (filed herewith)
5.1	Opinion of Lane Powell PC (filed herewith)
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm (filed herewith)
23.2	Consent of Lane Powell PC (included in Exhibit 5.1)
24.1	Power of Attorney (see signature page)

Item 9. Undertakings.

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the matters stated above, any increase or decrease in volume of securities offered (if the total dollar value of the securities offered would not exceed the value registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in a form of prospectus filed with the Commission in accordance with Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

Provided, however, that paragraphs A(1)(i) and A(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15 of the Exchange Act that are incorporated by reference into the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant s annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be a the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Seattle, State of Washington, on the 23rd day of March 2011.

NORDSTROM, INC.

/s/ Robert B. Sari	
By:	Robert B. Sari
Its:	Executive Vice President, General Counsel and Secretary

POWER OF ATTORNEY

Each person whose individual signature appears below hereby constitutes and appoints Michael G. Koppel, Robert Sari and Robert Campbell, and each of them, as such person s true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, to do any and all acts and things and execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or which said attorneys and agents, or any of them, may deem necessary or advisable or which may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing with the Securities and Exchange Commission of a Registration Statement on Form S-8 relating to the HauteLook, Inc. 2009 Stock Option Plan and shares of Common Stock issuable in satisfaction of certain assumed and converted options originally granted under such Stock Option Plan, including specifically but without limiting the generality of the foregoing, the power and authority to sign in the name and on behalf of the undersigned, in his or her capacity as a director and/or officer of the Company, any such Form S-8 and any and all amendments and supplements thereto and any other instruments or documents filed as a part of or in connection therewith, and each of the undersigned does hereby ratify and confirm all that said attorneys and agents or any of them, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, the registration statement has been signed by the following persons in the capacities indicated below on the 23rd of March 2011:

/s/ Blake W. Nordstrom
Blake W. Nordstrom
President and Director
(Principal Executive Officer)

/s/ Michael G. Koppel
Michael G. Koppel
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ James A. Howell
James A. Howell
Vice President of Finance
(Principal Accounting Officer)

/s/ Phyllis J. Campbell
Phyllis J. Campbell
Director

/s/ Enrique Hernandez, Jr.
Enrique Hernandez, Jr.
Chairman and Director

/s/ Robert G. Miller
Robert G. Miller
Director

/s/ Erik B. Nordstrom
Erik B. Nordstrom
Executive Vice President, President, Stores and Director

/s/ Peter E. Nordstrom
Peter E. Nordstrom

Executive Vice President, President, Merchandising and Director

/s/ Philip G. Satre
Philip G. Satre
Director

/s/ Felicia D. Thornton
Felicia D. Thornton
Director

/s/ B. Kevin Turner
B. Kevin Turner
Director

/s/ Robert D. Walter
Robert D. Walter
Director

/s/ Alison A. Winter
Alison A. Winter
Director

INDEX TO EXHIBITS

Exhibit Number	Description
4.1	HauteLook, Inc. 2009 Stock Option Plan (filed herewith)
5.1	Opinion of Lane Powell PC (filed herewith)
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm (filed herewith)
23.2	Consent of Lane Powell PC (included in Exhibit 5.1)
24.1	Power of Attorney (see signature page)

any's marketable securities that are classified as available-for-sale as of June 30, 2016 and December 31, 2015.

	June 30, 2016	December 31, 2015
	(in thousands)	
Available-for-sale securities:		
Gross unrealized gains	$11,634	$ 9,893
Gross unrealized losses	225	1,333
Net unrealized gains	$11,409	$ 8,560

As of June 30, 2016 and December 31, 2015, the total net unrealized gain, net of deferred income taxes, in accumulated other comprehensive income was approximately $7,077,000 and $5,310,000, respectively.

For the six months ended June 30, 2016, the Company had net unrealized gains in market value on securities classified as available-for-sale of approximately $1,767,000, net of deferred income taxes. For the year ended December 31, 2015, the Company had net unrealized gains in market value on securities classified as available-for-sale of approximately $1,079,000, net of deferred income taxes.

As of June 30, 2016, the Company had no securities that were classified as trading. As of June 30, 2015, the Company's marketable securities that were classified as trading had gross recognized gains of approximately $83,000 and no gross recognized losses. The following table shows recognized gains (losses) in market value for securities classified as trading for the periods indicated.

	Three Months Ended June 30, 2015 (in thousands)	Six Months Ended June 30, 2015 (in thousands)
Recognized gain at beginning of period	$ 133	$ 146
Recognized gain at end of period	83	83
Net recognized loss	$ (50)	$ (63)
Net recognized loss, net of taxes	$ (31)	$ (39)

There were no reclassifications of marketable securities between trading and available for sale categories during the first six months of 2016 or 2015.

The cost of securities sold is based on the specific identification method and interest and dividends on securities are included in non-operating income (expense).

There were no sales of securities held as available-for-sale during the three months ending June 30, 2016 or 2015. During the first six months of 2016, the Company sold, for approximately $279,000, certain securities which were held as available-for-sale with a cost of approximately $368,000 which resulted in a realized loss of approximately $89,000. Net of taxes, this loss was approximately $51,000. There were no sales of securities held as available-for-sale during the first six months of 2015.

Table Of Contents

For the quarter ended June 30, 2016, the Company recognized dividends of approximately $243,000 in non-operating income in its statements of operations. For the quarter ended June 30, 2015, the Company recognized dividends of approximately $281,000 in non-operating income (expense) in its statements of operations.

For the six months ended June 30, 2016, the Company recognized dividends of approximately $502,000 in non-operating income in its statements of operations. For the six months ended June 30, 2015, the Company recognized dividends of approximately $404,000 in non-operating income in its statements of operations.

At June 30, 2016, the Company's investments' approximate fair value of securities in a loss position and related gross unrealized losses were $1,649,000 and $225,000, respectively. At December 31, 2015, the Company's investments' approximate fair value of securities in a loss position and related gross unrealized losses were $5,099,000 and $1,332,000, respectively. As of June 30, 2016 and December 31, 2015, there were no investments that had been in a continuous unrealized loss position for twelve months or longer.

The market value of the Company's equity securities are periodically used as collateral against any outstanding margin account borrowings. As of June 30, 2016 and December 31, 2015, the Company had outstanding borrowings of approximately $12,104,000 and $11,949,000, respectively, under its margin account. Margin account borrowings are used for the purchase of marketable equity securities and as a source of short-term liquidity and are included in Accrued expenses and other liabilities on our balance sheets.

NOTE D: STOCK BASED COMPENSATION

The Company maintains a stock incentive plan under which incentive and nonqualified stock options and other stock awards may be granted. On March 2, 2006, the Company's Board of Directors (the "Board") adopted, and shareholders later approved, the 2006 Stock Option Plan (the "2006 Plan"). Under the 2006 Plan, 750,000 shares were reserved for the issuance of stock options to directors, officers, key employees, and others. The option exercise price under the 2006 Plan is the fair market value of the stock on the date the option is granted. The fair market value is determined by the closing price of the Company's common stock, on its primary exchange, on the same date that the option is granted. On March 13, 2014, the Company's Board of Directors adopted, and on May 29, 2014 our shareholders approved, the 2014 Amended and Restated Stock Option and Incentive Plan (the "2014 Plan") which replaced the 2006 Plan. The shares which remained reserved under the 2006 Plan were carried over to the 2014 Plan and are reserved for the issuance of stock awards to directors, officers, key employees, and others. Stock option exercise price under the 2014 Plan is the fair market value of the stock on the date the option is granted. The restricted stock purchase price under the 2014 Plan shall not be less than 85% of the fair market value of the Company's common stock on the date the award is made. The fair market value is determined by the average of the highest and lowest sales prices for a share of the Company's common stock, on its primary exchange, on the same date that the option or award is granted.

Outstanding nonqualified stock options at June 30, 2016, must be exercised within either five or ten years from the date of grant. Outstanding nonqualified stock options granted to members of the Company's Board of Directors vest immediately while outstanding nonqualified stock options issued to employees vest in increments of 20% to 25% each year.

During the first six months of 2016, 2,275 shares of common stock were granted to non-employee directors under the 2014 Plan and 5,000 shares of common stock were granted to the Company's Chief Executive Officer. The stock awarded to non-employee directors had a grant date fair value of $30.80 per share, based on the closing price of the Company's stock on the date of grant, and vested immediately. The stock awarded to the Chief Executive Officer had a grant date fair value of $30.81 per share, based on the closing price of the Company's stock on the date of grant, with 25% of the award vesting immediately and 25% vesting for each of the next three years.

The total grant date fair value of stock and stock options vested during the first six months of 2016 was approximately $186,000. Total pre-tax stock-based compensation expense, recognized in Salaries, wages and benefits during the second quarter of 2016 was approximately $47,000. Total pre-tax stock-based compensation expense, recognized in Salaries, wages and benefits during the first six months of 2016 was approximately $196,000 and includes approximately $70,000 recognized as a result of the grant of 325 shares to each non-employee director during the first quarter of 2016. The recognition of stock-based compensation expense did not have a recognizable impact on diluted or basic earnings per common share reported for the second quarter ended June 30, 2016. The recognition of stock-based compensation expense decreased diluted and basic earnings per common share by approximately $0.02 during the six months ended June 30, 2016. As of June 30, 2016, the Company had stock-based compensation plans with total unvested stock-based compensation expense of approximately $346,000 which is being amortized on a straight-line basis over the remaining vesting period. As a result, the Company expects to recognize approximately $99,000 in additional compensation expense related to unvested option awards during the remainder of 2016 and to recognize approximately $139,000, $102,000, and $6,000 in additional compensation expense related to unvested option awards during the years 2017, 2018, and 2019, respectively.

Table Of Contents

The total grant date fair value of stock and stock options vested during the first six months of 2015 was approximately $154,000. Total pre-tax stock-based compensation expense, recognized in Salaries, wages and benefits during the second quarter of 2015 was approximately $49,000. Total pre-tax stock-based compensation expense, recognized in Salaries, wages and benefits during the first six months of 2015 was approximately $169,000 and includes approximately $70,000 recognized as a result of the grant of 175 shares to each non-employee director during the first quarter of 2015. The recognition of stock-based compensation expense decreased diluted earnings per share reported for the second quarter ending June 30, 2015 by approximately $0.01 but did not have a recognizable impact on basic earnings per share reported for the second quarter ended June 30, 2015. The recognition of stock-based compensation expense decreased diluted and basic earnings per common share by approximately $0.01 during the six months ended June 30, 2015.

Information related to stock option activity for the six months ended June 30, 2016 is as follows:

	Shares Under Options	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value*
Outstanding at January 1, 2016	66,098	$ 10.92		
Granted	-	-		
Exercised	(6,450)	11.50		
Cancelled/forfeited/expired	(2,050)	10.91		
Outstanding at June 30, 2016	57,598	$ 10.86	3.8	$ 289,835
Exercisable at June 30, 2016	44,243	$ 10.84	3.1	$ 223,371

* The intrinsic value of a stock option is the amount by which the market value of the underlying stock exceeds the exercise price of the option. The per share market value of our common stock, as determined by the closing price on June 30, 2016, was $15.89.

A summary of the status of the Company’s nonvested options and restricted stock as of June 30, 2016 and changes during the six months ended June 30, 2016, is presented below:

	Stock Options		Restricted Stock	
	Number of Options	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value*
Nonvested at January 1, 2016	28,205	$ 6.07	5,700	$ 42.65
Granted	-	-	7,275	30.81
Canceled/forfeited/expired	(2,050)	6.07	(450)	42.65
Vested	(12,800)	6.06	(3,525)	30.80
Nonvested at June 30, 2016	13,355	$ 6.07	9,000	$ 37.72

____
* The weighted-average grant date fair value was based on the closing price of the Company's stock on the date of the grant.

The number, weighted average exercise price, and weighted average remaining contractual life of options outstanding as of June 30, 2016 and the number and weighted average exercise price of options exercisable as of June 30, 2016 are as follows:

Exercise Price	Shares Under Outstanding Options	Weighted-Average Remaining Contractual Term	Shares Under Exercisable Options
		(in years)	
$ 10.44	15,000	1.7	15,000
$ 10.90	6,000	0.9	6,000
$ 10.90	26,600	5.9	13,800
$ 11.22	5,998	4.4	5,443
$ 11.54	4,000	0.7	4,000
	57,598	3.8	44,243

Cash received from option exercises totaled approximately $74,000 and $231,000 during the six months ended June 30, 2016 and June 30, 2015, respectively. The Company issues new shares upon option exercise.

Table Of Contents

NOTE E: SEGMENT INFORMATION

The Company follows the guidance provided by ASC Topic 280, S*egment Reporting,* in its identification of operating segments. The Company has determined that it has a total of two operating segments whose primary operations can be characterized as either Truckload Services or Brokerage and Logistics Services; however, in accordance with the aggregation criteria provided by FASB ASC Topic 280, the Company has determined that the operations of the two operating segments can be aggregated into a single reporting segment, motor carrier operations. Truckload Services revenues and Brokerage and Logistics Services revenues, each before fuel surcharges, were as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
	(in thousands, except percentage data)							
Truckload Services revenue	$86,880	87.8	$79,512	87.3	$168,987	87.8	$152,040	87.5
Brokerage and Logistics Services revenue	12,041	12.2	11,541	12.7	23,583	12.2	21,697	12.5
Total revenues	$98,921	100.0	$91,053	100.0	$192,570	100.0	$173,737	100.0

NOTE F: TREASURY STOCK

The Company’s stock repurchase program has been extended and expanded several times, most recently in May 2014, when the Board of Directors reauthorized 500,000 shares of common stock for repurchase under the initial September 2011 authorization. During the six months ended June 30, 2016, the Company repurchased 106,895 shares of its common stock at an aggregate cost of approximately $2,162,000 under this program.

On February 18, 2016, the Company commenced a tender offer to repurchase up to 325,000 shares of the Company’s outstanding common stock at a price of up to $30.00 per share. On March 18, 2016, the Company extended the offer and increased the offer from 325,000 shares to 425,000 shares and the offer price from up to $30.00 per share to an offer price of up to $34.00 per share. Following the expiration of the tender offer on April 5, 2016, the Company accepted 567,413 shares of its common stock for purchase at $31.00 per share, including 142,413 oversubscribed shares tendered, at an aggregate purchase price of approximately $17.6 million, excluding fees and expenses related to the offer.

The Company accounts for Treasury stock using the cost method and as of June 30, 2016, 5,055,118 shares were held in the treasury at an aggregate cost of approximately $121,674,000.

NOTE G: ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table summarizes the changes in accumulated balances of other comprehensive income for the three and six months ended June 30, 2016:

	Unrealized gains and losses on available-for-sale securities (in thousands)
Balance at March 31, 2016, net of tax of $3,551	$ 5,803
Other comprehensive income before reclassifications, net of tax benefit of $667	1,089
Amounts reclassified from accumulated other comprehensive income, net of tax benefit of $113	185
Net current-period other comprehensive income	1,274
Balance at June 30, 2016, net of tax of $4,331	$ 7,077
Balance at December 31, 2015, net of tax of $3,250	$ 5,310
Other comprehensive income before reclassifications, net of tax benefit of $848	1,385
Amounts reclassified from accumulated other comprehensive income, net of tax benefit of $233	382
Net current-period other comprehensive income	1,767
Balance at June 30, 2016, net of tax of $4,331	$ 7,077

Table Of Contents

The following table provides details about reclassifications out of accumulated other comprehensive income for the six months ended June 30, 2016:

Details about Accumulated Other Comprehensive Income Component	Amounts Reclassified from Accumulated Other Comprehensive Income (a) Six Months Ended June 30, 2016 (in thousands)	Statement of Operations Classification
Unrealized gains and losses on available-for-sale securities:		
Prior period unrealized (gain) loss on securities sold	$ 83	Non-operating (expense) income
Impairment expense	532	Non-operating (expense) income
Total before tax	615	Income before income taxes
Tax benefit	233	Income tax expense
Total after tax	$ 382	Net income

(a) Amounts in parentheses indicate debits to profit/loss

NOTE H: EARNINGS PER SHARE

Basic earnings per share is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by adjusting the weighted average number of shares of common stock outstanding by common stock equivalents attributable to dilutive stock options. The computation of diluted earnings per share does not assume conversion, exercise, or contingent issuance of securities that would have an anti-dilutive effect on earnings per share. The computations of basic and diluted earnings per share were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015

	(in thousands, except per share data)			
Net income	$3,992	$7,039	$6,927	$12,408
Basic weighted average common shares outstanding	6,551	7,431	6,836	7,428
Dilutive effect of common stock equivalents	21	43	22	43
Diluted weighted average common shares outstanding	6,572	7,474	6,858	7,471
Basic earnings per share	$0.61	$0.95	$1.01	$1.67
Diluted earnings per share	$0.61	$0.94	$1.01	$1.66

As of June 30, 2016 and June 30, 2015, there were no options outstanding to purchase shares of common stock that had an anti-dilutive effect on the computation of diluted earnings per share.

NOTE I: INCOME TAXES

The Company and its subsidiaries are subject to U.S. and Canadian federal income tax laws as well as the income tax laws of multiple state jurisdictions. The major tax jurisdictions in which the Company operates generally provide for a deficiency assessment statute of limitation period of three years, and as a result, the Company’s tax years 2012 and forward remain open to examination in those jurisdictions.

In determining whether a tax asset valuation allowance is necessary, management, in accordance with the provisions of ASC 740-10-30, weighs all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is necessary. If negative conditions exist which indicate a valuation allowance might be necessary, consideration is then given to what effect the future reversals of existing taxable temporary differences and the availability of tax strategies might have on future taxable income to determine the amount, if any, of the required valuation allowance. As of June 30, 2016, management determined that the future reversals of existing taxable temporary differences and available tax strategies would generate sufficient future taxable income to realize its tax assets and therefore a valuation allowance was not necessary.

Table Of Contents

The Company recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the position will be sustained on examination by taxing authorities, based on the technical merits of the position. As of June 30, 2016, an adjustment to the Company's consolidated financial statements for uncertain tax positions has not been required as management believes that the Company's tax positions taken in income tax returns filed or to be filed are supported by clear and unambiguous income tax laws. The Company recognizes interest and penalties related to uncertain income tax positions, if any, in income tax expense. During the six months ended June 30, 2016 and 2015, the Company has not recognized or accrued any interest or penalties related to uncertain income tax positions.

NOTE J: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, marketable equity securities, accounts receivable, trade accounts payable, and borrowings.

The Company follows the guidance for financial assets and liabilities measured on a recurring basis. This guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date and also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1:	Quoted market prices in active markets for identical assets or liabilities.
Level 2:	Inputs other than Level 1 inputs that are either directly or indirectly observable such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; or other inputs not directly observable, but derived principally from, or corroborated by, observable market data.
Level 3:	Unobservable inputs that are supported by little or no market activity.

The Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

At June 30, 2016, the following items are measured at fair value on a recurring basis:

	Total	Level 1	Level 2	Level 3
	(in thousands)			
Marketable equity securities	$27,381	$27,381	-	-

The Company's investments in marketable securities are recorded at fair value based on quoted market prices. The carrying value of other financial instruments, including cash, accounts receivable, accounts payable, and accrued liabilities approximate fair value due to their short maturities.

The carrying amount for the line of credit approximates fair value because the line of credit interest rate is adjusted frequently.

For long-term debt other than the lines of credit, the fair values are estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. The carrying value and estimated fair value of this other long-term debt at June 30, 2016 was as follows:

	Carrying Value	Estimated Fair Value
	(in thousands)	
Long-term debt	$151,412	$151,203

The Company has not elected the fair value option for any of its financial instruments.

Table Of Contents

NOTE K: NOTES PAYABLE AND LONG-TERM DEBT

During the first six months of 2016, the Company's subsidiaries entered into installment obligations totaling approximately $43.6 million for the purpose of purchasing revenue equipment. These obligations are payable in monthly installments ranging from 36 months to 60 months at a weighted average interest rate of 2.31%.

NOTE L: OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2016, the Company's subsidiaries operated revenue equipment under various operating lease arrangements. Revenue equipment held under operating leases is not carried on our balance sheet and the respective lease payments are reflected in our consolidated statements of operations as a component of the Rent and purchased transportation category.

Rent expense related to revenue equipment under these leases were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in thousands)			
Rent expense related to revenue equipment	$2,469	$2,668	$4,957	$5,342

Leases for revenue equipment under non-cancellable operating leases expire at various dates through 2018. Future minimum lease payments related to non-cancellable leases for revenue equipment at June 30, 2016 are:

	(in thousands)
2016	$ 3,750
2017	6,002
2018	181
Total future minimum lease payments	$ 9,933

NOTE M: LITIGATION

We were a defendant in a collective-action lawsuit which was filed on August 22, 2013, in the United States District Court for the Western District of Arkansas. The plaintiffs, who are current and former drivers and who worked for the

Company during the period of August 22, 2010, through the date of the filing, alleged claims for unpaid wages under the Fair Labor Standards Act and the Arkansas Minimum Wage Law. The complaint alleged that the Company failed to pay newly hired drivers minimum wage during orientation, training, and while traveling during normal business hours and that the Company failed to pay all drivers when working on assignment for more than 24 hours. The plaintiffs sought to enjoin the Company from continuing its pay practices related to the allegations. They also sought actual damages, liquidated damages equal to accrual damages, court costs, and legal fees. During 2014, the Company reached a preliminary settlement with the plaintiffs in the amount of $3,950,000 and accordingly, reserved this amount, along with estimated settlement costs, in its 2014 consolidated financial statements. During the first quarter of 2015, the Company negotiated a reduction in the settlement amount to approximately $3,450,000. During the second quarter of 2016, the plaintiffs' motion for final approval of the lawsuit was approved by the court and the settlement was paid in June 2016. The loss under this claim was not covered by existing insurance policies.

NOTE N: SUBSEQUENT EVENTS

Management has evaluated subsequent events for recognition and disclosure through the date these financial statements were filed with the United States Securities and Exchange Commission and concluded that no subsequent events or transactions have occurred that require recognition or disclosure in our financial statements.

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

FORWARD-LOOKING INFORMATION

Certain information included in this Quarterly Report on Form 10-Q constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to expected future financial and operating results or events, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, excess capacity in the trucking industry; surplus inventories; recessionary economic cycles and downturns in customers' business cycles; increases or rapid fluctuations in fuel prices, interest rates, fuel taxes, tolls, license and registration fees; the resale value of the Company's used equipment and the price of new equipment; increases in compensation for and difficulty in attracting and retaining qualified drivers and owner-operators; increases in insurance premiums and deductible amounts relating to accident, cargo, workers' compensation, health, and other claims; unanticipated increases in the number or amount of claims for which the Company is self insured; inability of the Company to continue to secure acceptable financing arrangements; seasonal factors such as harsh weather conditions that increase operating costs; competition from trucking, rail, and intermodal competitors including reductions in rates resulting from competitive bidding; the ability to identify acceptable acquisition candidates, consummate acquisitions, and integrate acquired operations; a significant reduction in or termination of the Company's trucking service by a key customer; and other factors, including risk factors, included from time to time in filings made by the Company with the Securities and Exchange Commission ("SEC"). The Company undertakes no obligation to update or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

16

CRITICAL ACCOUNTING POLICIES

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations,* included in our Form 10-K for the fiscal year ended December 31, 2015.

BUSINESS OVERVIEW

The Company's administrative headquarters are in Tontitown, Arkansas. From this location we manage operations conducted through wholly owned subsidiaries based in various locations around the United States and in Mexico and Canada. The operations of these subsidiaries can generally be classified into either truckload services or brokerage and logistics services. Truckload services include those transportation services in which we utilize company owned trucks or owner-operator owned trucks. Brokerage and logistics services consist of services such as transportation scheduling, routing, mode selection, transloading and other value added services related to the transportation of freight which may or may not involve the usage of company owned or owner-operator owned equipment. Both our truckload operations and our brokerage/logistics operations have similar economic characteristics and are impacted by virtually the same economic factors as discussed elsewhere in this report. All of the Company's operations are in the motor carrier segment.

For both operations, substantially all of our revenue is generated by transporting freight for customers and is predominantly affected by the rates per mile received from our customers, equipment utilization, and our percentage of non-compensated miles. These aspects of our business are carefully managed and efforts are continuously underway to achieve favorable results. Truckload services revenues, excluding fuel surcharges, represented 87.8% and 87.3% of total revenues, excluding fuel surcharges for the three months ended June 30, 2016 and 2015, respectively. Truckload services revenues, excluding fuel surcharges, represented 87.8% and 87.5% of total revenues, excluding fuel surcharges for the six months ended June 30, 2016 and 2015, respectively. The remaining revenues, excluding fuel surcharges, were generated from brokerage and logistics services.

The main factors that impact our profitability on the expense side are costs incurred in transporting freight for our customers. Currently, our most challenging costs include fuel, driver recruitment, training, wage and benefits costs, independent broker costs (which we record as purchased transportation), insurance, and maintenance and capital equipment costs.

In discussing our results of operations, we use revenue, before fuel surcharge (and fuel expense, net of fuel surcharge), because management believes that eliminating the impact of this sometimes volatile source of revenue allows a more consistent basis for comparing our results of operations from period to period. During the three months ended June 30, 2016 and 2015, approximately $12.6 million and $17.0 million, respectively, of the Company's total revenue was generated from fuel surcharges. During the six months ended June 30, 2016 and 2015, approximately $22.5 million and $33.8 million, respectively, of the Company's total revenue was generated from fuel surcharges. We may also discuss certain changes in our expenses as a percentage of revenue, before fuel surcharge, rather than absolute dollar changes. We do this because we believe the variable cost nature of certain expenses makes a comparison of changes in expenses as a percentage of revenue more meaningful than absolute dollar changes.

RESULTS OF OPERATIONS – TRUCKLOAD SERVICES

The following table sets forth, for truckload services, the percentage relationship of expense items to operating revenues, before fuel surcharges, for the periods indicated. Fuel costs are reported net of fuel surcharges.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(percentages)			
Operating revenues, before fuel surcharge	100.0	100.0	100.0	100.0
Operating expenses:				
Salaries, wages and benefits	31.5	33.0	32.1	34.1
Operating supplies and expenses	9.7	9.0	10.4	8.9
Rent and purchased transportation	34.1	28.7	33.5	27.8
Depreciation	11.1	9.7	11.1	10.0
Insurance and claims	5.2	5.0	5.1	4.9
Other	2.2	2.8	2.4	3.0
Gain on sale or disposal of property	(1.8)	(2.6)	(1.8)	(2.1)
Total operating expenses	92.0	85.6	92.8	86.6
Operating income	8.0	14.4	7.2	13.4
Non-operating income	-	0.3	-	0.3
Interest expense	(1.0)	(0.8)	(1.0)	(0.8)
Income before income taxes	7.0	13.9	6.2	12.9

17

Table Of Contents

THREE MONTHS ENDED JUNE 30, 2016 VS. THREE MONTHS ENDED JUNE 30, 2015

During the second quarter of 2016, truckload services revenue, before fuel surcharges, increased 9.3% to $86.9 million as compared to $79.5 million during the second quarter of 2015. The increase was primarily related to an increase in the number of miles traveled which was due to an increase in both the number of trucks operating in the fleet and equipment utilization. The average number of trucks operating in the fleet increased from 1,818 trucks during the second quarter of 2015 to 1,915 trucks during the second quarter of 2016 while the average miles traveled per truck each workday increased from 478 miles during the second quarter of 2015 to 495 miles during the second quarter of 2016. The increases in truck count and average daily utilization resulted in an increase in the total number of miles traveled from 55.6 million miles during the second quarter of 2015 to 60.7 million miles traveled during the second quarter of 2016.

Salaries, wages and benefits decreased from 33.0% of revenues, before fuel surcharges, in the second quarter of 2015 to 31.5% of revenues, before fuel surcharges, during the second quarter of 2016. The percentage-based decrease is primarily a result of the interaction of expenses with fixed-cost characteristics, such as general and administrative wages, maintenance wages, operations wages, and payroll taxes with an increase in revenues for the periods compared. On a dollar basis, Salaries, wages and benefits increased from $26.3 million during the second quarter 2015 to $27.4 million during the second quarter of 2016. The increase relates primarily to an increase in group health insurance claims expensed under the Company’s self-insured health plan during the second quarter of 2016 as compared to the second quarter of 2015. To a lesser extent, the increase was the result of an increase in wages paid to non-driver employees during the second quarter of 2016 as compared to the second quarter of 2015.

Operating supplies and expenses increased from 9.0% of revenues, before fuel surcharges, during the second quarter of 2015 to 9.7% of revenues, before fuel surcharges, during the second quarter of 2016. The increase relates primarily to an increase in amounts paid for driver recruiting and training. The Company recruits a significant portion of its drivers from third-party driver training schools and pays a fee for each driver employed by the Company at the end of the training period. Throughout 2016, the per-driver fee charged by the Company’s largest provider of recruits increased periodically in accordance with an agreed upon fee schedule arrangement. The scheduled fee increases, along with an increase in the count of drivers recruited and other associated recruiting costs, resulted in an increase of $1.0 million in recruiting costs during the second quarter of 2016 as compared to the second quarter of 2015.

Rent and purchased transportation increased from 28.7% of revenues, before fuel surcharges, during the second quarter of 2015 to 34.1% of revenues, before fuel surcharges, during the second quarter of 2016. The increase was primarily due to an increase in driver lease expense as the average number of owner-operators under contract increased from 402 during the second quarter of 2015 to 559 during the second quarter of 2016. The increase in costs in this category, as they relate to the increase in owner-operators, are partially offset by a decrease in other cost categories, such as repairs and fuel, which are generally borne by the owner-operator.

Depreciation increased from 9.7% of revenues, before fuel surcharges, during the second quarter of 2015 to 11.1% of revenues, before fuel surcharges, during the second quarter of 2016. The increase relates primarily to an increase in the size of the Company's truck and trailer fleet during the second quarter of 2016 as compared to the second quarter of 2015. Also contributing to the increase was an increase in the purchase price of new trucks which replaced older, lower cost, trucks throughout 2015 and through the second quarter of 2016.

Other expenses decreased from 2.8% of revenues, before fuel surcharges, during the second quarter of 2015 to 2.2% of revenues, before fuel surcharges, during the second quarter of 2016. The decrease relates primarily to a decrease in amounts expensed for uncollectable revenue.

Gains on sale or disposal of property decreased from 2.6% during the second quarter of 2015 to 1.8% during the second quarter of 2016. The decrease relates primarily to a less favorable used equipment market for trucks. While the number of trucks sold increased during the second quarter of 2016 as compared to the second quarter of 2015, gains realized decreased on a per-truck basis due to a less favorable used truck market.

The truckload services division operating ratio, which measures the ratio of operating expenses, net of fuel surcharges, to operating revenues, before fuel surcharges, increased from 85.6% for the second quarter of 2015 to 92.0% for the second quarter of 2016.

SIX MONTHS ENDED JUNE 30, 2016 VS. SIX MONTHS ENDED JUNE 30, 2015

For the six months ended June 30, 2016, truckload services revenue, before fuel surcharges, increased 11.1% to $169.0 million as compared to $152.0 million for the six months ended June 30, 2015. The increase was primarily related to an increase in the number of miles traveled due to an increase in both the number of trucks operating in the fleet and an increase in equipment utilization. Also contributing was an increase in the average rate charged to customers for our services. The average number of trucks operating in the fleet increased from 1,805 trucks during the first six months of 2015 to 1,903 trucks during the first six months of 2016 while the average miles traveled per truck each work day increased from 469 miles during the first six months of 2015 to 485 miles during the first six months of 2016. The increase in truck count combined with the increase in average daily utilization resulted in an increase in the total number of miles traveled from 107.4 million miles during the first six months of 2015 to 118.0 million miles traveled during the first six months of 2016. The average rate charged to customers per total mile during the first six months of 2016 increased $0.02 as compared to the average rate charged during the first six months of 2015.

Salaries, wages and benefits decreased from 34.1% of revenues, before fuel surcharges, during the six months of 2015 to 32.1% of revenues, before fuel surcharges, during the six months of 2016. The percentage-based decrease was primarily a result of the interaction of expenses with fixed-cost characteristics, such as general and administrative wages, maintenance wages, operations wages, and payroll taxes with an increase in revenues for the periods compared. On a dollar basis, Salaries, wages and benefits increased from $51.9 million during the first six months of 2015 to $54.3 million during the first six months of 2016. The increase relates primarily to an increase in group health insurance claims expensed under the Company's self-insured health plan during the first six months of 2016 as compared to the first six months of 2015. To a lesser extent, the increase was the result of an increase in wages paid to non-driver employees during the first six months of 2016 as compared to the first six months of 2015. This increase was partially offset by a decrease in company driver wages paid during the first six months of 2016 as compared to company driver wages paid during the first six months of 2015. Our driver pool consists of both company drivers and third-party owner-operator drivers. Company drivers are employees of the Company and perform services in company-owned equipment while owner-operator drivers provide services, under contract, using their own equipment. While each group is generally compensated on a per-mile basis, owner-operator payments are classified in the Company's financial statements under Rent and purchased transportation. The decrease in company driver wages primarily resulted from a decrease in the proportion of total miles driven by company drivers during the first six months of 2016 in comparison to the proportion of total miles driven by company drivers during the first six months of 2015. This proportional decrease was the result of an increase in the average number of owner-operators under contract from 382 during the first six months of 2015 to 535 during the first six months of 2016.

Operating supplies and expenses increased from 8.9% of revenues, before fuel surcharges, during the first six months of 2015 to 10.4% of revenues, before fuel surcharges, during the first six months of 2016. The increase relates primarily to an increase in amounts paid for driver recruiting and training. The Company recruits a significant portion of its drivers from third-party driver training schools and pays a fee for each driver employed by the Company at the end of the training period. Throughout 2015, and continuing into 2016, the per-driver fee charged by the Company's largest provider of recruits increased periodically in accordance with an agreed upon fee schedule arrangement. The scheduled fee increases, along with an increase in the count of drivers recruited and other associated recruiting costs, resulted in an increase of $2.5 million in recruiting costs during the first six months of 2016 as compared to the first six months of 2015. Also contributing to the increase was an increase in the average surcharge-adjusted fuel price paid per gallon of diesel fuel. The average surcharge-adjusted fuel price paid per gallon of diesel fuel increased as a result of lower fuel surcharge collections from customers. Fuel surcharge collections can fluctuate significantly from period to period as they are generally based on changes in fuel prices from period to period so that during periods of rising fuel prices fuel surcharge collections increase while fuel surcharge collections decrease during periods of falling fuel prices.

Rent and purchased transportation increased from 27.8% of revenues, before fuel surcharges, during the first six months of 2015 to 33.5% of revenues, before fuel surcharges, during the first six months of 2016. The increase was primarily due to an increase in driver lease expense as the average number of owner-operators under contract increased from 382 during the first six months of 2015 to 535 during the first six months of 2016. The increase in costs in this category, as they relate to the increase in owner-operators, are partially offset by a decrease in other cost categories, such as repairs and fuel, which are generally borne by the owner-operator.

Depreciation increased from 10.0% of revenues, before fuel surcharges, during the first six months of 2015 to 11.1% of revenues, before fuel surcharges, during the first six of 2016. The increase relates primarily to an increase in the size of the Company’s truck and trailer fleet during the first six months of 2016 as compared to the first six months of 2015. Also contributing to the increase was an increase in the purchase price of new trucks which replaced older, lower cost, trucks throughout 2015 and throughout the first six months of 2016.

Other expenses decreased from 3.0% of revenues, before fuel surcharges, during the first six months of 2015 to 2.4% of revenues, before fuel surcharges, during the first six months of 2016. The decrease relates primarily to a decrease in amounts expensed for professional services in relation to claims litigation, a decrease in uncollectible revenue, and a decrease in amounts expensed for overage, shortage, and damage claims.

Table Of Contents

Gains on sale or disposal of property decreased from 2.1% during the first six months of 2015 to 1.8% during the first six months of 2016. The decrease relates primarily to a less favorable used equipment market for trucks. While the number of trucks sold increased during the first six months of 2016 as compared to the first six months of 2015, gains realized decreased on a per-truck basis due to a less favorable used truck market.

The truckload services division operating ratio, which measures the ratio of operating expenses, net of fuel surcharges, to operating revenues, before fuel surcharges, increased from 86.6% for the first six months of 2015 to 92.8% for the first six months of 2016.

RESULTS OF OPERATIONS – LOGISTICS AND BROKERAGE SERVICES

The following table sets forth, for logistics and brokerage services, the percentage relationship of expense items to operating revenues, before fuel surcharges, for the periods indicated. Brokerage service operations occur specifically in certain divisions; however, brokerage operations occur throughout the Company in similar operations having substantially similar economic characteristics.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(percentages)			
Operating revenues, before fuel surcharge	100.0	100.0	100.0	100.0
Operating expenses:				
Salaries, wages and benefits	3.9	2.7	4.3	2.6
Rent and purchased transportation	92.3	92.9	91.6	93.7
Other	0.6	0.8	0.6	0.7
Total operating expenses	96.8	96.4	96.5	97.0
Operating income	3.2	3.6	3.5	3.0
Non-operating income	-	0.1	-	0.1
Interest expense	(0.5)	(0.3)	(0.5)	(0.3)
Income before income taxes	2.7	3.4	3.0	2.8

THREE MONTHS ENDED JUNE 30, 2016 VS. THREE MONTHS ENDED JUNE 30, 2015

During the second quarter of 2016, logistics and brokerage services revenue, before fuel surcharges, increased 4.3% to $12.0 million as compared to $11.5 million during the second quarter of 2015. The increase relates to an increase in the number of brokered loads during the second quarter of 2016 as compared to the second quarter of 2015.

Salaries, wages and benefits increased from 2.7% of revenues, before fuel surcharges, in the second quarter of 2015 to 3.9% of revenues, before fuel surcharges, during the second quarter of 2016. The increase relates to an increase in the number of employees assigned to the logistics and brokerage services division.

Rents and purchased transportation decreased from 92.9% of revenues, before fuel surcharges, during the second quarter of 2015 to 92.3% of revenues, before fuel surcharges, during the second quarter of 2016. The decrease relates to a decrease in the negotiated amounts paid to third party logistics and brokerage service providers.

The logistics and brokerage services division operating ratio, which measures the ratio of operating expenses, net of fuel surcharges, to operating revenues, before fuel surcharges, increased from 96.4% for the second quarter of 2015 to 96.8% for the second quarter of 2016.

SIX MONTHS ENDED JUNE 30, 2016 VS. SIX MONTHS ENDED JUNE 30, 2015

During the first six months of 2016, logistics and brokerage services revenue, before fuel surcharges, increased 8.7% to $23.6 million as compared to $21.7 million during the first six months of 2015. The increase relates to an increase in the number of brokered loads during the first six months of 2016 as compared to the first six months of 2015.

Salaries, wages and benefits increased from 2.6% of revenues, before fuel surcharges, during the first six months of 2015 to 4.3% of revenues, before fuel surcharges, during the first six months of 2016. The increase relates to an increase in the number of employees assigned to the logistics and brokerage services division.

Rents and purchased transportation decreased from 93.7% of revenues, before fuel surcharges, during the first six months of 2015 to 91.6% of revenues, before fuel surcharges during the first six months of 2016. The decrease relates to a decrease in negotiated amounts paid to third party logistics and brokerage service providers.

The logistics and brokerage services division operating ratio, which measures the ratio of operating expenses, net of fuel surcharges, to operating revenues, before fuel surcharges, improved from 97.0% for the first six months of 2015 to 96.5% for the first six months of 2016.

20

Table Of Contents

RESULTS OF OPERATIONS – COMBINED SERVICES

THREE MONTHS ENDED JUNE 30, 2016 VS. THREE MONTHS ENDED JUNE 30, 2015

Net income for all divisions was approximately $4.0 million, or 4.0% of revenues, before fuel surcharge for the second quarter of 2016 as compared to a net income of $7.0 million, or 7.7% of revenues, before fuel surcharge for the second quarter of 2015. The decrease in net income resulted in diluted earnings per share of $0.61 for the second quarter of 2016 as compared to diluted earnings per share of $0.94 for the second quarter of 2015.

SIX MONTHS ENDED JUNE 30, 2016 VS. SIX MONTHS ENDED JUNE 30, 2015

Net income for all divisions was approximately $6.9 million, or 3.6% of revenues, before fuel surcharge for the first six months of 2016 as compared to net income of $12.4 million, or 7.1% of revenues, before fuel surcharge for the first six months of 2015. The decrease in net income resulted in diluted earnings per share of $1.01 for the first six months of 2016 as compared to diluted earnings per share of $1.66 for the first six months of 2015.

LIQUIDITY AND CAPITAL RESOURCES

Our business has required, and will continue to require, a significant investment in new revenue equipment. Our primary sources of liquidity have been funds provided by operations, proceeds from the sales of revenue equipment, issuances of equity securities, and borrowings under our lines of credit, installment notes, and investment margin account.

During the first six months of 2016, we generated $28.1 million in cash from operating activities. Investing activities used $26.3 million in cash in the first six months of 2016. Financing activities used $1.9 million in cash in the first six months of 2016.

Our primary use of funds is for the purchase of revenue equipment. We typically use installment notes, our existing line of credit on an interim basis, proceeds from the sale or trade of equipment, and cash flows from operations to finance capital expenditures and repay long-term debt. During the first six months of 2016, we utilized cash on hand, installment notes, and our lines of credit to finance purchases of revenue equipment and other assets of approximately $40.4 million.

Occasionally, we finance the acquisition of revenue equipment through installment notes with fixed interest rates and terms ranging from 36 to 60 months. During the first six months of 2016, the Company's subsidiary, P.A.M. Transport, Inc., entered into installment obligations totaling approximately $43.6 million for the purpose of purchasing revenue equipment. These obligations are payable in either 36 monthly installments or 60 monthly installments at interest rates ranging from 1.99% to 2.55%.

During the remainder of 2016, we expect to purchase approximately 150 new trucks and 870 new trailers while continuing to sell or trade older equipment, which we expect to result in net capital expenditures of approximately $30.5 million. Management believes we will be able to finance our near term needs for working capital over the next twelve months, as well as any planned capital expenditures during such period, with cash balances, cash flows from operations, and borrowings believed to be available from financing sources. We will continue to have significant capital requirements over the long-term, which may require us to incur debt or seek additional equity capital. The availability of additional capital will depend upon prevailing market conditions, the market price of our common stock and several other factors over which we have limited control, as well as our financial condition and results of operations. Nevertheless, based on our recent operating results, current cash position, anticipated future cash flows, and sources of financing that we expect will be available to us, we do not expect that we will experience any significant liquidity constraints in the foreseeable future.

We currently intend to retain our future earnings to finance our growth and do not anticipate paying cash dividends in the foreseeable future.

During the first six months of 2016, we maintained a $40.0 million revolving line of credit. Amounts outstanding under the line of credit bear interest at LIBOR (determined as of the first day of each month) plus 1.50% (1.96% at June 30, 2016), are secured by our accounts receivable and mature on June 1, 2018. At June 30, 2016 outstanding advances on the line of credit were approximately $6.4 million, including $0.8 million in letters of credit, with availability to borrow $33.6 million.

Trade accounts receivable increased from $49.3 million at December 31, 2015 to $58.2 million at June 30, 2016. The increase relates to a general increase in freight revenues, which flows through the accounts receivable account, during the second quarter of 2016 as compared to the last quarter of 2015.

Accounts receivable-other increased from $5.9 million at December 31, 2015 to $12.6 million at June 30, 2016. The increase relates primarily to an increase in amounts receivable from the Company's third-party qualified intermediary. The Company contracts with a third-party qualified intermediary in order to accomplish tax-deferred, like-kind exchanges related to its revenue equipment. Under the program, dispositions of eligible trucks or trailers and acquisitions of replacement trucks or trailers are made in a form whereby any associated tax gains related to the disposal are deferred. To qualify for like-kind exchange treatment, we exchange, through our qualified intermediary, eligible trucks or trailers being disposed with trucks or trailers being acquired. Amounts held by the Company's third-party qualified intermediary are dependent on the timing and extent of the Company's revenue equipment sales and/or purchase activities, which can fluctuate significantly from period-to-period. The increase also relates to amounts receivable from a vendor as part of our tire program and will be collected throughout the remainder of 2016. To a lesser extent, the increase also relates to an increase in amounts advanced to our drivers and third party brokers as of June 30, 2016 compared to December 31, 2015.

Prepaid expenses and deposits decreased from $8.1 million at December 31, 2015 to $6.2 million at June 30, 2016. The decrease relates to the amortization of prepaid truck and trailer license fees as well as prepaid insurance premiums. Truck and trailer registration fees of approximately $2.5 million were paid in advance in December 2015. These prepaid expenses will continue to be amortized to expense throughout the remainder of the year.

Marketable equity securities increased from $24.6 million at December 31, 2015 to $27.4 million at June 30, 2016. The $2.8 million increase was related to a net increase in market value of approximately $2.8 million, purchases of equity securities with a cost basis of approximately $0.9 million, reduced by sales of marketable equity securities with a combined cost basis of approximately $0.4 million and other than temporary write downs of approximately $0.5 million during the first six months of 2016.

Income taxes refundable decreased from $2.9 million at December 31, 2015 to $0.6 million at June 30, 2016 as a result of receiving an income tax refund of approximately $2.4 million during the first quarter of 2016.

Revenue equipment, at June 30, 2016, which generally consists of trucks, trailers, and revenue equipment accessories such as Qualcomm™ satellite tracking units and auxiliary power units, increased approximately $2.1 million as compared to December 31, 2015. The increase relates to the purchase of new trucks and trailers in a greater quantity than the quantity of trucks and trailers disposed. The increase is also reflective of the higher purchase price of new trucks and trailers compared to the trucks and trailers which are being replaced and sold.

Accounts payable increased from $17.8 million at December 31, 2015 to $26.7 million at June 30, 2016. The $8.9 million increase was primarily related to an increase of approximately $5.6 million in the amount of bank drafts outstanding in excess of bank balance which had been reclassified as accounts payable at June 30, 2016 as compared to December 31, 2015 and to an increase of approximately $1.4 million in amounts accrued at the end of the period which were payable to third party logistics and brokerage service providers.

Accrued expenses and other liabilities decreased from $27.1 million at December 31, 2015 to $25.8 million at June 30, 2016. The decrease was primarily related to the payment of approximately $3.5 million for a lawsuit which claimed that the Company was in violation of minimum wage laws with regard to certain activities performed by employee drivers, see Note M to our condensed consolidated financial statements. The decrease was partially offset by an increase of approximately $2.3 million in amounts accrued at the end of the period which were payable to company drivers, non-drivers, and third-party owner-operator drivers. These payables can vary significantly throughout the year depending on the timing of the actual date of payment in relation to the last day of the reporting period.

Long-term debt and current maturities of long term-debt are reviewed on an aggregate basis as the classification of amounts in each category are typically affected merely by the passage of time. Long-term debt and current maturities of long-term debt, on an aggregate basis, increased from $139.2 million at December 31, 2015 to $157.0 million at June 30, 2016. The increase was primarily related to the net effect of additional borrowings made during the first six months of 2016, reduced by installment note payments made during the first six months of 2016.

Treasury stock increased from $101.8 million at December 31, 2015 to $121.7 million at June 30, 2016. The increase relates primarily to the payment of approximately $17.7 million for shares of our common stock purchased under a tender offer completed during the second quarter of 2016, including fees and expenses related to the offer and to common stock purchases of approximately $2.2 million under the Company’s stock repurchase program also made during the second quarter of 2016.

NEW ACCOUNTING PRONOUNCEMENTS

See Note B to the condensed consolidated financial statements for a description of the most recent accounting pronouncements and their impact, if any, on the Company.

Table Of Contents

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Our primary market risk exposures include equity price risk, interest rate risk, commodity price risk (the price paid to obtain diesel fuel for our trucks), and foreign currency exchange rate risk. The potential adverse impact of these risks and the general strategies we employ to manage such risks are discussed below.

The following sensitivity analyses do not consider the effects that an adverse change may have on the overall economy nor do they consider additional actions we may take to mitigate our exposure to such changes. Actual results of changes in prices or rates may differ materially from the hypothetical results described below.

Equity Price Risk

We hold certain actively traded marketable equity securities, which subjects the Company to fluctuations in the fair market value of its investment portfolio based on the current market price of such securities. The recorded value of marketable equity securities increased to $27.4 million at June 30, 2016 from $24.6 million at December 31, 2015. A 10% decrease in the market price of our marketable equity securities would cause a corresponding 10% decrease in the carrying amounts of these securities, or approximately $2.7 million. For additional information with respect to the marketable equity securities, see Note C to our condensed consolidated financial statements.

Interest Rate Risk

Our line of credit bears interest at a floating rate equal to LIBOR plus a fixed percentage. Accordingly, changes in LIBOR, which are affected by changes in interest rates, will affect the interest rate on, and therefore our costs under, the line of credit. Assuming $1.0 million of variable rate debt was outstanding, a hypothetical 100 basis point increase in LIBOR for a one year period would result in approximately $10,000 of additional interest expense.

Commodity Price Risk

Prices and availability of all petroleum products are subject to political, economic, and market factors that are generally outside of our control. Accordingly, the price and availability of diesel fuel, as well as other petroleum products, can be unpredictable. Because our operations are dependent upon diesel fuel, significant increases in diesel fuel costs could materially and adversely affect our results of operations and financial condition. Based upon our 2015 fuel consumption, a 10% increase in the average annual price per gallon of diesel fuel would increase our annual fuel expenses by $5.1 million.

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency exchange rate risk related to the activities of our branch office located in Mexico. Currently, we do not hedge our exchange rate exposure through any currency forward contracts, currency options, or currency swaps as all of our revenues, and substantially all of our expenses and capital expenditures, are transacted in U.S. dollars. However, certain operating expenditures and capital purchases related to our Mexico branch office are incurred in or exposed to fluctuations in the exchange rate between the U.S. dollar and the Mexican peso. Based on 2015 expenditures denominated in pesos, a 10% increase in the exchange rate would increase our annual operating expenses by $50,000.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures. Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management’s evaluation, our chief executive officer and chief financial officer concluded that, as of June 30, 2016, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal controls over financial reporting. We regularly review our system of internal control over financial reporting and make changes to our processes and systems to improve controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Table Of Contents

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The nature of our business routinely results in litigation, primarily involving claims for personal injuries and property damage incurred in the transportation of freight. We believe that all such routine litigation is adequately covered by insurance and that adverse results in one or more of those cases would not have a material adverse effect on our financial condition.

We were a defendant in a collective-action lawsuit which was filed on August 22, 2013, in the United States District Court for the Western District of Arkansas. The plaintiffs, who are current and former drivers and who worked for the Company during the period of August 22, 2010, through the date of the filing, alleged claims for unpaid wages under the Fair Labor Standards Act and the Arkansas Minimum Wage Law. The complaint alleged that the Company failed to pay newly hired drivers minimum wage during orientation, training, and while traveling during normal business hours and that the Company failed to pay all drivers when working on assignment for more than 24 hours. The plaintiffs sought to enjoin the Company from continuing its pay practices related to the allegations. They also sought actual damages, liquidated damages equal to accrual damages, court costs, and legal fees. During 2014, the Company reached a preliminary settlement with the plaintiffs in the amount of $3,950,000 and accordingly reserved this amount, along with estimated settlement costs, in its 2014 consolidated financial statements. During the first quarter of 2015, the Company negotiated a reduction in the settlement amount to approximately $3,450,000. During the second quarter of 2016, the plaintiffs’ motion for final approval of the lawsuit was approved by the court and the settlement was paid in June 2016. The loss under this claim was not covered by existing insurance policies.

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

The Company’s stock repurchase program has been extended and expanded several times, most recently in May 2014, when the Board of Directors reauthorized 500,000 shares of common stock for repurchase under the initial September 2011 authorization. Since the reauthorization, the Company has repurchased 171,499 shares of its common stock under this repurchase program.

On February 18, 2016, the Company commenced a tender offer to repurchase up to 325,000 shares of the Company’s outstanding common stock at a price of up to $30.00 per share. On March 18, 2016, the Company extended the offer and increased the offer from 325,000 shares to 425,000 shares and the offer price from up to $30.00 per share to an offer price of up to $34.00 per share. Following the expiration of the tender offer on April 5, 2016, the Company accepted 567,413 shares of its common stock for purchase at $31.00 per share, including 142,413 oversubscribed shares tendered, at an aggregate purchase price of approximately $17.6 million, excluding fees and expenses related to the offer. The Company funded the purchase of the accepted shares tendered with available cash and accounted for the repurchase of these shares as treasury stock on the Company's condensed consolidated balance sheet as of June 30, 2016.

The following table summarizes the Company's common stock repurchases during the second quarter of 2016 made pursuant to stock repurchase program and the 2016 tender offer. No shares were purchased during the quarter other than through these programs, and all purchases were made by or on behalf of the Company and not by any "affiliated purchaser".

Issuer Purchases of Equity Securities

Period	Total number of shares purchased		Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs		Maximum number of shares that may yet be purchased under the plans or programs (1)
April 1-30, 2016	567,413	(2)	$ 31.00	567,413	(2)	435,396
May 1-31, 2016	73,176		19.74	73,176		362,220
June 1-30, 2016	33,719		21.21	33,719		328,501
Total	674,308		$ 29.29	674,308		

(1) The Company's stock repurchase program does not have an expiration date.
(2) Includes 567,413 shares purchased pursuant to the 2016 tender offer.

Table Of Contents

Item 6. Exhibits.

Exhibit Number	Exhibit Description
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Company's Form 10-Q filed on May 15, 2002.)
3.2	Amended and Restated By-Laws of the Registrant (incorporated by reference to Exhibit 3.2 of the Company's Form 8-K filed on December 11, 2007.)
4.1	Amended and Restated Loan Agreement, dated March 28, 2016, by and among P.A.M. Transport, Inc., First Tennessee Bank National Association and the Company (incorporated by reference to Exhibit 4.1 of the Company’s Form 8-K filed on April 1, 2016.)
4.2	Fourth Amended and Restated Consolidated Revolving Credit Note, dated March 28, 2016, by P.A.M. Transport, Inc. in favor of First Tennessee Bank National Association (incorporated by reference to Exhibit 4.2 of the Company’s Form 8-K filed on April 1, 2016.)
4.3	Amended and Restated Security Agreement, dated March 28, 2016, by and between P.A.M. Transport, Inc. and First Tennessee Bank National Association (incorporated by reference to Exhibit 4.3 of the Company’s Form 8-K filed on April 1, 2016.)
4.4	Fourth Amended and Restated Guaranty Agreement of the Company, dated March 28, 2016, in favor of First Tennessee Bank National Association (incorporated by reference to Exhibit 4.4 of the Company’s Form 8-K filed on April 1, 2016.)
31.1	Rule 13a-14(a) Certification of Principal Executive Officer
31.2	Rule 13a-14(a) Certification of Principal Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Table Of Contents

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.

	P.A.M. TRANSPORTATION SERVICES, INC.
Dated: August 4, 2016	By: /s/ Daniel H. Cushman Daniel H. Cushman President and Chief Executive Officer (principal executive officer)
Dated: August 4, 2016	By: /s/ Allen W. West Allen W. West Vice President-Finance, Chief Financial Officer, Secretary and Treasurer (principal accounting and financial officer)

Table Of Contents

P.A.M. TRANSPORTATION SERVICES, INC.

Index to Exhibits to Form 10-Q

Exhibit Number	Exhibit Description
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Company's Form 10-Q filed on May 15, 2002.)
3.2	Amended and Restated By-Laws of the Registrant (incorporated by reference to Exhibit 3.2 of the Company's Form 8-K filed on December 11, 2007.)
4.1	Amended and Restated Loan Agreement, dated March 28, 2016, by and among P.A.M. Transport, Inc., First Tennessee Bank National Association and the Company (incorporated by reference to Exhibit 4.1 of the Company’s Form 8-K filed on April 1, 2016.)
4.2	Fourth Amended and Restated Consolidated Revolving Credit Note, dated March 28, 2016, by P.A.M. Transport, Inc. in favor of First Tennessee Bank National Association (incorporated by reference to Exhibit 4.2 of the Company’s Form 8-K filed on April 1, 2016.)
4.3	Amended and Restated Security Agreement, dated March 28, 2016, by and between P.A.M. Transport, Inc. and First Tennessee Bank National Association (incorporated by reference to Exhibit 4.3 of the Company’s Form 8-K filed on April 1, 2016.)
4.4	Fourth Amended and Restated Guaranty Agreement of the Company, dated March 28, 2016, in favor of First Tennessee Bank National Association (incorporated by reference to Exhibit 4.4 of the Company’s Form 8-K filed on April 1, 2016.)
31.1	Rule 13a-14(a) Certification of Principal Executive Officer
31.2	Rule 13a-14(a) Certification of Principal Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document