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

FORM 10-K/A
Amendment No. 1

(Mark One)

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

For the fiscal year ended December 31, 2005

OR

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

For the transition period from ______ to ______.

Commission File Number: 0-120510

UNIVERSAL TRUCKLOAD SERVICES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Michigan **(State or Other Jurisdiction of Incorporation or Organization)**	**38-3640097** **(I.R.S. Employer Identification No.)**

11355 Stephens Road
Warren, Michigan 48089
(Address, including Zip Code of Principal Executive Offices)

(586) 920-0100
(Registrant's telephone number, including area code)

Securities registered pursuant to section 12(b) of the Act: None

Securities registered pursuant to section 12(g) of the Act:

Common Stock, no par value
(TITLE OF CLASS)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark if disclosure of delinquent filers pursuant to item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large Accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

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

As of July 1, 2005, the last business day of the registrant's most recently completed second quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant, based upon the closing sale price of the common stock on July 1, 2005, as reported by The Nasdaq Stock Market, was approximately $102.4 million (assuming, but not admitting for any purpose, that all directors and executive officers of the registrant are affiliates).

The number of shares of common stock, no par value, issued and outstanding as of March 17, 2006, was 16,117,500.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following document, to the extent specified in this report, are incorporated by reference in Part III of this report:

Document	Incorporated by reference in:
Proxy Statement for 2006 Annual Meeting of Shareholders	Part III, Items 10 - 14

EXPLANATORY NOTE

Universal Truckload Services, Inc. is filing this Amendment No. 1 (the “Amendment”) to its Annual Report on Form 10-K for fiscal year ended December 31, 2005 as filed with the Securities and Exchange Commission on March 20, 2006 (the “Original Filing”). The purpose for the filing of this Amendment is solely to correct a typographical error in the Consolidated Balance Sheet as of December 31, 2005. Accounts Payable at December 31, 2005 was $26,276,000 versus $26,726,000, as previously filed. This Amendment does not update any disclosures to reflect developments since the filing date of the Original Filing.

In addition, we have filed the following exhibits herewith:

23.1 Consent of KPMG LLP

31.3 Chief Executive Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002

31.4 Chief Financial Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002

32.2 Chief Executive Officer and Chief Financial Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

Except as otherwise stated herein, no other information contained in the Original Filing is amended by this Amendment.

The filing of this amendment shall not be deemed an admission that the previous filings, when made, included any untrue statement of a material fact or omitted to state a material fact necessary to make a statement not misleading.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Universal Truckload Services, Inc.:

We have audited the accompanying consolidated balance sheets of Universal Truckload Services, Inc. and subsidiaries as of December 31, 2004 and 2005, and the related consolidated statements of income, shareholders' (deficit) equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2005. These consolidated financial statements are the responsibility of Universal Truckload Services, Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Universal Truckload Services, Inc. and subsidiaries as of December 31, 2004 and 2005, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2005 in conformity with U.S. generally accepted accounting principles.

As discussed in Note 3, CenTra, Inc. provided legal, human resources and tax services to Universal Truckload Services, Inc. for the years ended December 31, 2003, 2004 and 2005. The costs of these services are not necessarily indicative of the costs that would have been incurred if Universal Truckload Services, Inc. had internally performed or acquired these services as an unaffiliated company.

/s/ KPMG LLP

Detroit, Michigan
March 17, 2006

UNIVERSAL TRUCKLOAD SERVICES, INC.
Consolidated Balance Sheets
December 31, 2004 and 2005
(In thousands, except share data)

	2004	2005
Assets		
Current assets:		
Cash and cash equivalents	$ 904	$ 10,442
Marketable securities	—	14,356
Accounts receivable – net	59,441	72,032
Due from CenTra and affiliates	502	298
Loan receivable from CenTra	1,764	—
Prepaid income taxes	—	4,284
Prepaid expenses and other	5,195	4,168
Deferred income taxes	796	2,359
Total current assets	68,602	107,939
Property and equipment	41,219	48,276
Less accumulated depreciation	(17,388)	(13,476)
Property and equipment – net	23,831	34,800
Deferred income taxes	586	—
Goodwill	3,192	4,748
Intangible assets – net	8,656	8,630
Other assets	417	1,961
Total	$105,284	$158,078
Liabilities and Shareholders' (Deficit) Equity		
Current liabilities:		
Dividend payable	$ 50,000	$ —
Lines of credit	31,598	—
Current portion of long-term debt	2,290	—
Accounts payable	21,154	26,276
Accrued expenses	10,879	13,316
Income taxes payable	224	—
Due to CenTra	1,375	1,542
Total current liabilities	117,520	41,134
Long-term liabilities:		
Long-term debt	4,110	—
Deferred income taxes	—	2,385
Other long-term liabilities	479	1,387
Total long-term liabilities	4,589	3,772
Shareholders' (deficit) equity:		
Common stock, no par value. Authorized 40,000,000 shares; issued and outstanding 10,022,500 and 16,117,500 shares, respectively	10,023	16,118
Paid-in capital	—	79,806
Retained earnings	—	17,167
Distributions in excess of CenTra's contributed capital	(26,848)	—
Accumulated other comprehensive income	—	81
Total shareholders' (deficit) equity	(16,825)	113,172
Total	$105,284	$158,078

See accompanying notes to consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.
Consolidated Statements of Income
Years ended December 31, 2003, 2004 and 2005
(In thousands, except per share data)

	2003	2004	2005
Operating revenues:			
Truckload	$205,807	$249,114	$332,178
Brokerage	43,000	77,726	147,132
Intermodal	28,891	35,176	52,029
Total operating revenues	277,698	362,016	531,339
Operating expenses:			
Purchased transportation	204,947	269,687	406,367
Commissions expense	22,228	27,354	34,678
Other operating expense, net	4,069	5,268	6,596
Selling, general, and administrative	22,570	27,640	37,354
Insurance and claims	6,954	9,602	14,334
Depreciation and amortization	2,863	3,913	4,344
Total operating expenses	263,631	343,464	503,673
Income from operations	14,067	18,552	27,666
Interest income	253	113	756
Interest expense	(499)	(890)	(331)
Income before provision for income taxes	13,821	17,775	28,091
Provision for income taxes	5,103	6,657	10,924
Net income	$ 8,718	$ 11,118	$ 17,167
Earnings per common share:			
Basic and diluted	$ 0.87	$ 1.11	$ 1.12
Average common shares outstanding:			
Basic and diluted	10,023	10,023	15,372

See accompanying notes to consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.
Consolidated Statements of Shareholders' (Deficit) Equity and Comprehensive Income
Years ended December 31, 2003, 2004 and 2005
(In thousands)

	Common stock	Paid-in capital	Retained earnings	Distributions in excess of CenTra's Contributed Capital	Accumulated Other Comprehensive Income	Total
Balances – January 1, 2003	10,023	15,871	1,423	—	—	27,317
Net income	—	—	8,718	—	—	8,718
Distributions to CenTra	—	—	(4,549)	—	—	(4,549)
Balances – December 31, 2003	10,023	15,871	5,592	—	—	31,486
Net income	—	—	11,118	—	—	11,118
Distributions to CenTra	—	(15,871)	(16,710)	(26,848)	—	(59,429)
Balances – December 31, 2004	10,023	—	—	(26,848)	—	(16,825)
Capital contribution	—	1,835	—	—	—	1,835
Proceeds from issuance of common stock, net of offering costs	6,095	77,971	—	26,848	—	110,914
Comprehensive income						
Net income	—	—	17,167	—	—	17,167
Unrealized gain on available for sale investments, net of income taxes of $57	—	—	—	—	81	81
Total comprehensive income						17,248
Balances – December 31, 2005	$16,118	$ 79,806	$ 17,167	$ —	$ 81	$113,172

See accompanying notes to consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.
Consolidated Statements of Cash Flows
Years ended December 31, 2003, 2004 and 2005
(In thousands)

	2003	2004	2005
Cash flows from operating activities:			
Net income	$ 8,718	$ 11,118	$ 17,167
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,863	3,913	4,344
Loss on disposal of property and equipment	—	9	37
Interest income	—	(57)	—
Bad debt expense	1,366	2,382	1,308
Deferred income taxes	52	(158)	118
Change in assets and liabilities:			
Accounts receivable and due from CenTra & affiliates	(7,466)	(9,808)	(13,695)
Prepaid expenses and other	(169)	(3,526)	(517)
Accounts payable and accrued expenses	5,054	6,507	3,869
Due to CenTra	3,542	911	167
Net cash provided by operating activities	13,960	11,291	12,798
Cash flows from investing activities:			
Capital expenditures	(3,643)	(5,007)	(11,626)
Proceeds from the sale of property and equipment	—	157	141
Purchases of marketable securities	—	—	(14,218)
Additions to goodwill	—	(89)	(789)
Loans to CenTra	(14,350)	(5,750)	—
Repayment of loans to CenTra	—	—	1,764
Acquisitions	(250)	(14,919)	(1,448)
Net cash used in investing activities	(18,243)	(25,608)	(26,176)
Cash flows from financing activities:			
Long-term debt borrowings	1,917	3,304	—
Repayments of long-term debt	(1,829)	(2,786)	(6,400)
Net borrowings under lines of credit	4,820	17,474	(31,598)
Distributions to CenTra	—	(3,194)	(50,000)
Proceeds from issuance of common stock	—	—	113,367
Payment of offering costs	—	—	(2,453)
Acquisition of common stock	(1,000)	—	—
Net cash provided by financing activities	3,908	14,798	22,916
Net increase (decrease) in cash	(375)	481	9,538
Cash and cash equivalents – January 1	798	423	904
Cash and cash equivalents – December 31	$ 423	$ 904	$ 10,442
Supplemental cash flow information:			
Cash paid for interest	$ 477	$ 813	$ 444
Cash paid for taxes	$ 271	$ 706	$ 15,183
Fair value of assets acquired, including goodwill	$ 290	$ 28,114	$ 1,491
Debt issued	—	(1,607)	—
Liabilities assumed	(40)	(11,588)	(43)
Net cash paid	$ 250	$ 14,919	$ 1,448

See accompanying notes to consolidated financial statements.

UNIVERSAL TRUCKLOAD SERVICES, INC.
Consolidated Statements of Cash Flows - Continued
Years ended December 31, 2003, 2004 and 2005
(In thousands)

Non-cash investing and financing transactions (Note 3):

In 2003, the $5,000,000 loan to CenTra was settled in a non-cash transaction.

In 2003, $560,000 of the 2002 acquisition of common stock was settled in connection with the non-cash transaction described above. The remaining $1,000,000 was paid in 2003.

In 2004, the Company declared a $50,000,000 dividend. The dividend was paid from the net proceeds of the Company's initial public offering in 2005.

In 2004, the Company declared three in-kind dividends consisting of 1) a land and building with a net book value $1,838,000, 2) a $4,000,000 loan receivable plus accrued interest of $43,000 and 3) a $25,000 option and right of first refusal on one of its terminal yards in Dearborn, Michigan.

In 2004, the Company exchanged properties with CenTra, whereby the Company transferred a terminal yard with a book value of $718,000 to CenTra in exchange for an office building. The office building was recorded at CenTra's net book value of $131,000. Additionally, the Company recorded a deemed distribution to CenTra of $448,000 and a net deferred tax asset of $233,000.

In 2005, UTSI exchanged trailers with CenTra, whereby the Company transferred 429 trailers with a book value of $915,000 to CenTra in exchange for 300 trailers. The trailers received by UTSI were recorded at CenTra's net book value of $4,875,000. A deferred tax liability of $1,125,000 was recorded resulting from the difference in the book and tax bases of the trailers received less the deferred tax liability that existed on the trailers given. Additionally, UTSI recorded a deemed capital contribution of $1,835,000 in connection with this transaction.

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Business

Universal Truckload Services, Inc. (UTSI or the Company), through its subsidiaries, operates as an owner operator and agency based truckload motor carrier in the United States and in the Canadian provinces of Ontario and Quebec. Through December 31, 2004, UTSI was a wholly owned subsidiary of CenTra, Inc. On December 31, 2004, CenTra distributed all of UTSI's common stock to Matthew T. Moroun and a trust controlled by Manuel J. Moroun, the sole shareholders of CenTra, Inc. CenTra, Inc., its subsidiaries and affiliates are referred to as "CenTra."

(b) Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Universal Am-Can Ltd. (UACL), The Mason & Dixon Lines, Inc. (MADL), Mason Dixon Intermodal, Inc. (MDII), Economy Transport, Inc., Louisiana Transportation, Inc. (LTI), AFA Enterprises, Inc. (AFA), and CrossRoad Carriers, Inc. (CRC). AFA and CRC were acquired in 2004. Their accounts are included for the periods from their respective dates of acquisition through December 31, 2005 (see Note 2). In 2005, the Company completed three acquisitions through its LTI and MDII operating subsidiaries. The accounts of the acquired companies are included from their respective dates of acquisition through December 31, 2005 (see Note 2). All significant intercompany accounts and transactions have been eliminated.

The accompanying consolidated financial statements present the historical financial position, results of operations, and cash flows of the Company and are not necessarily indicative of what the financial position, results of operations, or cash flows would have been had the Company operated as an unaffiliated company during the periods presented.

Certain reclassifications have been made to the December 31, 2004 balance sheet in order for it to conform to the December 31, 2005 presentation.

(c) Use of Estimates

The preparation of the consolidated financial statements requires management of the Company to make a number of estimates and assumptions related to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment and intangible assets; valuation allowances for receivables and deferred income tax assets; and liabilities related to insurance claim costs. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments with an original maturity of three months or less.

(e) Marketable Securities

Marketable securities, all of which are available for sale, consist of common stocks and municipal bonds. Marketable securities are carried at fair value, with unrealized gains and losses, net of related income taxes, reported as accumulated other comprehensive income.

(1) Summary of Significant Accounting Policies - continued

(f) Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical write-off experience. Past due balances over 240 days and $5,000 are reviewed individually for collectibility. All other balances are reviewed on a pooled basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers.

(g) Property and Equipment

Property and equipment are stated at cost and depreciated on the straight-line basis over estimated useful lives of seven years for trailers and tractors, five years for computers and office equipment, five years for miscellaneous equipment, and the remaining lease term for leasehold improvements. The Company evaluates the salvage value, useful life, and annual depreciation of trailers annually based on the current market environment and its recent experience with disposition values.

The Company also evaluates the carrying value of long-lived assets for impairment by analyzing the operating performance and anticipated future cash flows for those assets, whenever events or changes in circumstances indicate that the carrying amounts of such assets may not be recoverable. The Company evaluates the need to adjust the carrying value of the underlying assets if the sum of the expected cash flows is less than the carrying value. Impairment can be impacted by the projection of future cash flows, the level of actual cash flows and salvage values and the methods of estimation used for determining fair values. Any changes in management's judgments could result in greater or lesser annual depreciation expense or impairment charges in the future.

(h) Intangible Assets

Intangible assets consist of the cost of customer and agent relationships that have been acquired in business combinations. The gross amount recorded for the agent contracts and customer relationships is $9,583,000 and $10,462,000 at December 31, 2004 and 2005, respectively. The agent contracts and customer relationships are being amortized over periods ranging from seven to fifteen years which represents the expected average life of the customer and agent relationships. Accumulated amortization is $927,000 and $1,832,000 as of December 31, 2004 and 2005, respectively.

Estimated amortization expense by year is as follows (in thousands):

2006	$ 1,000
2007	979
2008	902
2009	816
2010	798
Thereafter	4,135
Total	$ 8,630

(1) Summary of Significant Accounting Policies - continued

(i) Goodwill

Goodwill represents the excess purchase price over the fair value of assets acquired in connection with the Company's acquisitions. Under SFAS 142 "Goodwill and Other Intangible Assets", UTSI is required to test goodwill for impairment annually or more frequently if an impairment indicator exists. During the third quarter of 2005, UTSI completed its goodwill impairment testing and determined that the fair value of each reporting unit with goodwill exceeded the carrying value of the net assets of each reporting unit. Accordingly, no impairment loss was recognized.

(j) Income Taxes

Through December 31, 2004, the Company filed a consolidated U.S. federal income tax return with CenTra who determined income taxes for its subsidiaries on a separate return basis. Cash payments for federal income taxes were made to CenTra for all periods through December 31, 2004. Effective for all periods subsequent to January 1, 2005, the Company will file a separate U.S. federal income tax return and has discontinued making cash payments to CenTra for federal income taxes. Historically, the Company has been responsible for filing separate state income tax returns for itself and its subsidiaries.

Deferred income taxes are provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

To allocate the responsibilities for pre-spin-off tax liabilities of CenTra and UTSI and to address other tax matters, UTSI entered into a tax separation agreement with CenTra on December 31, 2004. Under the terms of the agreement, CenTra will generally indemnify UTSI from any liability for (1) income taxes relating to the CenTra consolidated group for any taxable period ending on or before the date of the spin-off other than taxes specifically allocable to UTSI based on the amount of taxes UTSI would otherwise owe based on its taxable income, computed as if it filed a separate consolidated return and (2) taxes resulting from the spin-off. UTSI will generally indemnify CenTra from all liability for federal income taxes allocable to UTSI as described above and all other taxes allocable to UTSI for any taxable period ending on or before the distribution date. UTSI also will indemnify CenTra for all taxes allocable to it for any taxable period, or portion thereof, ending after the spin-off.

The tax separation agreement also addresses other tax-related matters, including refunds, the preparation and filing of tax returns, and tax contests. CenTra will prepare and file all income tax returns of its businesses, including UTSI's business, for all periods ending on or before December 31, 2004. UTSI will prepare all tax returns relating to its other taxes that have not been filed before December 31, 2004 and all tax returns for periods commencing after that date.

(k) Freight Revenue and Related Expenses

The Company is the primary obligor when rendering its truckload, brokerage and intermodal services and assumes the corresponding credit risk with customers. As such, revenue and the related purchased transportation and commissions are recognized on a gross basis when evidence of an arrangement exists, delivery has occurred at the receiver's location, the revenue and related expenses are fixed and determinable and collectibility is reasonably assured. Fuel surcharges of $5,443,000, $12,524,000 and $36,668,000 for the years ended December 31, 2003, 2004 and 2005, respectively, are included in operating revenues and purchased transportation.

(1) Summary of Significant Accounting Policies - continued

(l) Insurance & Claim Costs

Insurance and claims expense represents premiums paid by the Company and the accruals made for claims within the Company's self-insured retention amounts. The accruals are primarily related to auto liability, cargo and equipment damage claims. A liability is recognized for the estimated cost of all self-insured claims including an estimate of incurred but not reported claims based on historical experience and for claims expected to exceed the Company's policy limits. The Company may also make accruals for personal injury and property damage to third parties, and workers' compensation claims if a claim exceeds UTSI's insurance coverage. The Company maintains insurance with licensed insurance carriers.

In brokerage arrangements, the Company's exposure to liability associated with accidents incurred by other third-party carriers, who haul freight on the Company's behalf, is reduced by various factors including the extent to which the third party providers maintain their own insurance coverage. The Company's insurance expense varies primarily based upon the frequency and severity of the Company's accident experience, the market for insurance, the Company's coverage limits, and self-insured retention amounts.

(m) Repairs and Maintenance

Repairs and maintenance are expensed as incurred.

(n) Tires

Tires purchased as part of trailers are capitalized as part of the cost of the equipment. Replacement tires are charged to expense when placed in service.

(o) Segment Information

UTSI operates in one reportable segment. The Company provides truckload transportation and related services for a wide range of general commodities over irregular routes using dry and specialty vans and un-sided trailers, including flatbed, drop deck, and specialty. Such transportation services are provided to customers throughout the United States and Canada.

(p) Concentrations of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents, marketable securities and accounts receivable. The Company places its cash and cash equivalents and marketable securities with high quality financial institutions. The Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company's customers are generally concentrated in the automotive, building materials, machinery and metals industries. Concentration of credit risk relating to accounts receivable is limited by the diversity and number of the Company's customers with no customer balance representing more than 10% of the Company's accounts receivable.

(q) Fair Value of Financial Instruments

For cash and cash equivalents, municipal bonds, accounts receivables, accounts payable, and accrued expenses, the carrying amounts are reasonable estimates of fair value as the assets are readily redeemable or short-term in nature and the liabilities are short-term in nature. Common stocks are carried at fair market value as determined by quoted market prices. The carrying amounts for the line of credit and long-term debt approximate fair value because the interest rates are adjusted frequently.

(1) Summary of Significant Accounting Policies - continued

(r) Stock based Compensation

The Company accounts for stock options pursuant to the recognition and measurement principles of APB Opinion No. 25, “Accounting for Stock Issued to Employees,” and related interpretations. No stock-based employee compensation is reflected in net income, as all options granted under the Plan had an exercise price equal to the fair market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income and earnings per share, as if UTSI had applied the fair value recognition provisions of SFAS No. 123, “Accounting for Stock-Based Compensation.”

	Year Ended December 31,		
	2003	2004	2005
Net income, as reported	$8,718	$11,118	$17,167
Less: Total stock based compensation determined using the fair value method, net of income tax	—	—	1,753
Pro forma net income	$8,718	$11,118	$15,414
Earnings per common share – basic			
As reported	$ 0.87	$ 1.11	$ 1.12
Pro forma	$ 0.87	$ 1.11	$ 1.00
Earnings per common share - diluted			
As reported	$ 0.87	$ 1.11	$ 1.12
Pro forma	$ 0.87	$ 1.11	$ 1.00

(s) New Accounting Standards

In December 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 123 (revised 2004), “Share-Based Payment,” to address the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise’s equity instruments or that may be settled by the issuance of such equity instruments. SFAS No. 123(R) requires an entity to recognize the grant date fair value of stock options and other equity based compensation issued to employees in the statement of income. The revised statement generally requires that an entity account for those transactions using the fair value based method and eliminates an entity’s ability to account for share-based compensation transactions using the intrinsic value method of accounting. SFAS 123(R) is effective for the Company beginning on January 1, 2006. UTSI will adopt this statement using a modified version of prospective application on January 1, 2006. UTSI did not have any unvested options at December 31, 2005. As such, no compensation expense will be recorded upon adoption of SFAS 123(R). The adoption of this statement will result in compensation expense being recorded for grants of stock or stock options on or after January 1, 2006.

(1) Summary of Significant Accounting Policies - continued

(s) New Accounting Standards - continued

In May 2005, the FASB issued SFAS No. 154, “Accounting Changes and Error Corrections – a replacement of APB Opinion No. 20 and FASB Statement No. 3,” which changes the requirements for the accounting and reporting of a change in accounting principle. SFAS No. 154 applies to all voluntary changes in accounting principle and changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company does not believe the adoption of SFAS No. 154 will have a material impact on its financial position, results of operations or cash flows.

(2) Acquisitions

On August 8, 2003, the Company acquired certain assets and liabilities of Stony’s Trucking, Inc. (Stony’s). The results of Stony’s operations have been included in the consolidated financial statements since that date. Stony’s is a regional owner operator and agency based truckload motor carrier primarily in Ohio, Pennsylvania, and Indiana. The aggregate purchase price was $250,000 in cash. Under the purchase agreement, the Company was required to pay additional cash consideration to the former owners of Stony’s based on a percentage of all revenues during the period from February 1, 2004 to January 31, 2006. However, in January 2005, the Company has agreed to pay the former owner of Stony’s $95,000 in settlement of all present and future amounts owed under the purchase agreement. The estimated fair values of the assets acquired and liabilities assumed at the date of acquisition were as follows: $41,000 of property and equipment, $249,000 of intangible assets, and $40,000 of driver escrow liabilities. The $249,000 of acquired intangible assets was assigned to agent contracts that have an expected weighted-average useful life of approximately seven years. The pro forma effect of the Stony’s acquisition on net sales and net income is not significant.

Effective August 8, 2004, the Company acquired all the issued and outstanding common shares of AFA, a Pennsylvania corporation, for $15,340,000 including acquisition related expenditures of $233,000. $13,733,000 was funded through the Company’s secured line of credit. The remaining $1,607,000 owed to the former owner of AFA is included in accrued liabilities at December 31, 2004. The acquisition was accounted for using the purchase method of accounting. AFA provides both flatbed and dry van trucking services, as well as truck brokerage services. AFA operates through a contractor network of independent sales agents and owner-operators. In addition, AFA maintains a fleet of approximately 48 tractors and 85 trailers and employs approximately 48 drivers.

The allocation of the purchase price, based on the fair value of the assets and liabilities acquired is as follows (in thousands):

Current assets	$ 8,628
Property and equipment	7,642
Goodwill	3,212
Intangible assets	6,497
Other long-term assets	1,058
Current liabilities	(8,719)
Deferred tax liability	(1,999)
Long-term liabilities	(979)
	$15,340

(2) Acquisitions - continued

The intangible asset acquired represents AFA's customer and agency relationships and is amortized over a period of fifteen years.

Effective November 1, 2004, the Company acquired certain assets of Nunn Yoest Principals & Associates, Inc (NYP). NYP is a regional provider of brokerage services primarily in the Eastern United Sates. The aggregate purchase price was $1,585,000 in cash. Under the purchase agreement, the Company is required to pay additional cash consideration to the former owners of NYP equal to 1.5% of the operating revenues during the period from November, 2004 to November, 2007. Any additional consideration paid to the former owners of NYP will be treated as an additional cost of acquiring NYP and will be recorded as goodwill. The acquisition was funded using the Company's secured line of credit. NYP now operates under the name CrossRoad Carriers, Inc. The allocation of the purchase price based on the assets acquired is as follows (in thousands):

Property and equipment	$ 75
Intangible asset	1,510
	$1,585

The intangible asset acquired represents NYP's customer relationships and is amortized over a period of seven years.

The following unaudited pro forma historical results of operations for the years ended December 31, 2003 and 2004 are presented as if the Company had acquired AFA and NYP on January 1, 2003 (in thousands, except per share amounts):

	2003	2004
Operating revenues	$371,942	$439,103
Net income	10,550	13,595
Earnings per share:		
Basic	$ 1.05	$ 1.36
Diluted	$ 1.05	$ 1.36
Average common shares outstanding:		
Basic	10,023	10,023
Diluted	10,023	10,023

The unaudited pro forma financial information is presented for informational purposes only and does not purport to represent what the operating results actually would have been had the acquisitions occurred on that date.

(2) Acquisitions - continued

In 2005, UTSI acquired the following three companies for a total cost of $1,448,000, which was paid in cash:

- Xxtreme Trucking, LLC (Xxtreme) for $100,000 on January 1, 2005. Additionally, UTSI is required to pay cash consideration to the former owner of Xxtreme based on a percentage of all revenues generated during the period from January 1, 2005 to December 31, 2007, up to an aggregate of $650,000. Any additional consideration paid to the former owners of Xxtreme will be treated as an additional cost of acquiring Xxtreme and will be recorded as goodwill. Xxtreme is a regional provider of truckload and brokerage services primarily in the Southern United States.
- Marc Largent, Inc. (Largent) for $873,000 on October 14, 2005. Additionally, UTSI is required to pay cash consideration to the former owner of Largent based on a percentage of all revenues generated during the period from October 14, 2005 to October 13, 2008. Any additional consideration paid to the former owner of Largent will be treated as an additional cost of acquiring Largent and will be recorded as goodwill. Largent is a regional provider of intermodal services primarily in the Western United States.
- Diamond Logistics of Houston, Inc. (Diamond) for $475,000 on November 17, 2005. Additionally, UTSI is required to pay cash consideration to the former owners of Diamond based on a percentage of all revenues generated during the period from November 17, 2005 to November 16, 2008. Any additional consideration paid to the former owners of Diamond will be treated as an additional cost of acquiring Diamond and will be recorded as goodwill. Diamond is a regional provider of intermodal services primarily in the Southwestern United States.

The pro forma effect of these acquisitions has been omitted as the effect is immaterial to UTSI's results of operations, financial position and cash flows. The allocation of the purchase price of these three companies based on the assets acquired is as follows (in thousands):

Intangible asset	$ 879
Goodwill	612
Accrued liabilities	(43)
	$1,448

(3) Transactions with CenTra and Affiliates

CenTra historically provided management services to UTSI, including legal, human resources, and tax services. The cost of these services is based on the utilization of the specific services. Management believes the allocation methods are reasonable. However, the costs of these services charged to UTSI are not necessarily indicative of the costs that would have been incurred if UTSI had internally performed or acquired these services as a separate unaffiliated entity. The amounts charged to UTSI for the years ended December 31, 2003, 2004 and 2005 are presented in the table which follows. In connection with the spin-off on December 31, 2004, UTSI entered into a transition services agreement with CenTra that ensures UTSI will continue to have access to these services. Pursuant to the transition services agreement, UTSI has agreed to pay CenTra $305,000 per year. The transition services agreement terminates on December 31, 2006, which will permit UTSI to engage in an orderly transition of the services to our own administrative staff. The level of administrative services can be cut back by UTSI without penalty at any time, but CenTra is not obligated to provide substantial additional services beyond the current level.

(3) Transactions with CenTra and Affiliates - continued

In addition to the management services described above, UTSI reimburses CenTra for other services. Following is a schedule of services provided and amounts paid for the years ended December 31 (in thousands):

	2003	2004	2005
Management services	$ 305	$ 305	$ 305
Building and terminal rents (month to month basis)	313	320	245
Maintenance services	772	1,001	867
Trailer rents	92	79	63
Health insurance	779	784	1,059
Total	$2,261	$2,489	$2,539

An affiliate of CenTra charged UTSI approximately $6,237,000 in 2003, $7,494,000 in 2004 and $10,509,000 in 2005 for personal liability and property damage insurance.

Operating revenues for the years ended December 31, 2003, 2004 and 2005 include approximately $7,791,000, $3,557,000 and $940,000, respectively, of freight services provided to CenTra. Related accounts receivable due from CenTra and affiliates was $502,000 and $298,000 as of December 31, 2004 and 2005, respectively. Purchased transportation for 2005 includes $7,146,000, of transportation services provided by CenTra to CrossRoad Carriers. Related accounts payable due to CenTra was $433,000 at December 31, 2005. The Company provides certain computer services to a subsidiary of CenTra. Amounts charged for such services totaled $146,000 in 2004 and $179,000 in 2005 and are reflected as a reduction of selling, general, and administrative expenses in the statement of income.

In 2002, UTSI loaned $5,000,000 to CenTra. During 2003, UTSI loaned CenTra and its affiliates an additional $14,350,000. The Company earned interest of $253,000 on these loans in 2003. On December 31, 2003, the loans to CenTra were settled. In connection with the settlement, the Company acquired certain property from CenTra. The Company has recorded the property at its net book value of $3,546,000. For tax purposes, the Company recorded the property at its estimated fair market value of $10,616,000. Due to the difference between the book and tax value of the property, a deferred tax asset of $2,733,000 was created. $8,522,000 was used to settle additional amounts owed to CenTra primarily consisting of income taxes. The remaining amount of $4,549,000 was classified as a distribution to CenTra.

On December 31, 2003, LTI moved into office space owned by a subsidiary of CenTra. LTI made renovations to the property during 2003 in the amount of $77,500 in lieu of two years rental payments.

In February, March and October of 2004, the Company loaned CenTra an aggregate $5,750,000, bearing interest at approximately 3.5%. In October 2004, the Company and CenTra agreed to treat $4,000,000 of these loans and all unpaid interest as a dividend to CenTra. The remaining $1,750,000 plus accrued interest was due on demand and repaid in February 2005. Interest income from CenTra for the year ended December 31, 2004 was $84,000.

(3) Transactions with CenTra and Affiliates - continued

In October 2004, the Company declared and paid a cash dividend to CenTra of $3,100,000. In addition, the Company declared three in-kind dividends consisting of 1) real estate purchased in connection with the acquisition of AFA with a book value of $1,838,000, 2) a loan receivable from CenTra totaling $4,043,000 and 3) the right of first refusal and an option to reacquire certain real estate obtained from CenTra on December 31, 2003. Under the right of first refusal, if the Company receives a bona fide offer from a third party to purchase or lease all or any portion of this property that it decides to accept, the Company must notify CenTra of this fact and CenTra may elect to lease or purchase, as applicable, the portion of the property that is subject to such offer on the same terms. In addition, CenTra has the right until October 2007 to purchase the property from the Company for $11,616,000, plus the cost of any future improvements made to the property by the Company. The property has a book and fair value of $3,546,000 and $10,616,000, respectively, at December 31, 2003. The dividend of the option and right of first refusal was recorded at its fair value of $25,000 as a reduction of retained earnings and an increase in paid-in capital.

On December 28, 2004, the Company's board of directors declared a dividend of $50,000,000 payable to CenTra. The effect of the dividend is a reduction in the balances of retained earnings and paid-in capital to zero. The portion of the dividend in excess of retained earnings and paid-in capital is reflected as distributions in excess of CenTra's contributed capital. UTSI paid this dividend on February 15, 2005, from the proceeds of its initial public offering (see Note 14).

In December 2004, the Company agreed to exchange properties with CenTra whereby UTSI transferred one of its terminal yards in Detroit, Michigan with a book value of $718,000 to CenTra in exchange for a Tampa, Florida office building UTSI was leasing from CenTra. UTSI paid CenTra $94,000, the difference in fair values of the properties. UTSI recorded the Tampa, Florida property at $131,000, CenTra's net book value. For tax purposes, UTSI recorded the property at $1,154,000, the fair value of the Detroit, Michigan property of $1,060,000 plus the $94,000 of consideration paid. A net deferred tax asset of $233,000 was recorded resulting from the difference in the book and tax bases in the Tampa property, net of a deferred intercompany tax gain. Additionally, UTSI recorded a deemed dividend distribution to CenTra equaling $448,000, the net book value of the Detroit, Michigan property less the book value of the Tampa property and the net deferred tax asset recorded.

In December 2004, CenTra assigned UTSI its right to acquire the K and R property, a terminal yard in Dearborn, Michigan from a third party for $625,000. UTSI acquired the property in January 2005. Additionally, in February 2005 CenTra paid UTSI $12,500 for an option to acquire the property and a right of first refusal. Under the option, CenTra will have the right, for a three year period, to purchase the property from UTSI for $688,000, plus the cost of any future improvements UTSI makes to the property. Under the right of first refusal, if UTSI receives a bona fide offer from a third party to purchase or lease all or any portion of this property that UTSI decides to accept, UTSI must notify CenTra of this fact and CenTra may elect to lease or purchase, as applicable, the portion of the property that is subject to such offer on the same terms.

(3) Transactions with CenTra and Affiliates - continued

In May 2005, the Company exchanged equipment with CenTra whereby UTSI transferred 429 of its older trailers with a net book value of $915,000 to CenTra in exchange for 300 newer trailers owned by CenTra. The Company believes the exchange qualifies as a tax-free exchange under the Internal Revenue Code. UTSI paid CenTra $1,000,000, the difference in fair values of the trailers given and received. UTSI recorded the trailers it received at $4,875,000, CenTra's net book value. For tax purposes, UTSI recorded the trailers at $1,535,000, UTSI's tax basis in the trailers given of $535,000 plus the $1,000,000 of consideration paid. A deferred tax liability of $1,125,000 was recorded resulting from the difference in the book and tax bases of the trailers received less the deferred tax liability that existed on the trailers given. Additionally, UTSI recorded a deemed capital contribution equaling $1,835,000, the net book value of trailers received less the net book value of the trailers given, the consideration paid and the deferred tax liability recorded.

(4) Retirement Plans

CenTra sponsored a 401(k) defined contribution benefit plan that covered the employees of UTSI. The expense for the Company match for UTSI employees was $35,000 in 2003. In June 2004, the Company created a separate 401(k) plan for its employees, excluding the employees of AFA, and segregated the plan assets from the CenTra sponsored plan. The plan matches contributions up to $600 for employees who are not considered highly compensated. The expense for the Company match in 2004 and 2005 was $45,000 and $53,000, respectively.

AFA maintains a Simplified Employee Pension Plan, which covers all full-time employees. Eligibility requirements include completion of one year of service and attaining the age of 21. Contributions to the plan are at management's discretion. Contributions for the period from August 8, 2004, the date of acquisition, through December 31, 2004 and for the year ended December 31, 2005 were $87,000 and $184,000, respectively.

(5) Accounts Receivable

Accounts receivable are presented net of an allowance for doubtful accounts. Following is a summary of the activity in the allowance for doubtful accounts for the years ended December 31 (in thousands):

	2003	2004	2005
Balance at beginning of year	$1,110	$1,623	$ 3,439
Allowance established upon acquisition of AFA	—	150	—
Bad debt expense	1,366	2,382	1,308
Uncollectible accounts written off	(853)	(716)	(2,275)
Balance at end of year	$1,623	$3,439	$ 2,472

(6) Property and Equipment

Property and equipment at December 31 consists of the following (in thousands):

	2004	2005
Trailers	$ 22,940	$ 21,282
Tractors	1,430	2,582
Computer equipment and software	1,267	1,806
Office and miscellaneous equipment	3,039	3,451
Land and buildings	12,543	13,220
Construction in process	—	5,935
	41,219	48,276
Less accumulated depreciation and amortization	(17,388)	(13,476)
Total	$ 23,831	$ 34,800

(7) Income Taxes

The provision for income taxes for the years ended December 31 consists of the following (in thousands):

	2003	2004	2005
Current:			
Federal	$4,709	$6,181	$ 9,163
State	342	634	1,643
Deferred:			
Federal	28	(124)	63
State	24	(34)	55
Total	$5,103	$6,657	$10,924

Deferred income taxes at December 31 consist of the following (in thousands):

	2004		2005	
	Current	Long-term	Current	Long-term
Deferred tax assets:				
Allowance for doubtful accounts	$ 831	$ —	$ 723	$ —
Property and equipment	—	988	—	—
Accrued expenses	1,140	—	2,791	—
Total	1,971	988	3,514	—
Deferred tax liabilities:				
Prepaid expenses	(1,175)	—	(1,155)	—
Property and equipment	—	—	—	(2,143)
Other assets	—	(402)	—	(242)
Total	(1,175)	(402)	(1,155)	(2,385)
Net deferred tax asset (liability)	$ 796	$ 586	$ 2,359	$ (2,385)

(7) Income Taxes - continued

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced.

The provision for federal and state income taxes differs from the statutory rates as follows:

	2003	2004	2005
Federal statutory rate	35%	35%	35%
State – net of federal benefit	2	2	4
Effective tax rate	37%	37%	39%

(8) Accrued Expenses

Accrued expenses consist of the following items at December 31 (in thousands):

	2004	2005
Taxes, interest, and insurance	$ 1,559	$ 948
Cargo claims	1,303	1,825
Auto liability claims	400	2,500
Commissions	575	1,176
Payroll related items	1,687	1,999
Driver escrow liabilities	2,711	3,001
Due to former AFA shareholder	1,607	—
Other	1,037	1,867
Total	$10,879	$13,316

(9) Debt

In March 2002, the Company established a line of credit with First Tennessee Bank, secured by the accounts receivable of UACL and MADL. The line of credit agreement provided for maximum borrowings of $20,000,000 and contained certain restrictive covenants to be maintained by UACL and MADL, including limitations on the payment of dividends. Borrowings on the line of credit were at an interest rate of LIBOR as of the first day of the calendar month plus 1.65%. On June 29, 2004, the Company's line of credit agreement was amended, increasing its maximum borrowings to $40,000,000 and changing the interest rate to LIBOR as of the first day of the calendar month plus 1.80%. The amended line of credit agreement was secured by all of the Company's accounts receivable, except AFA and CrossRoad Carriers, Inc., and contained various restrictive covenants. In August 2005, the Company's line of credit was further amended, reducing maximum borrowings to $20,000,000, decreasing the interest rate to LIBOR as of the first day of the calendar month plus 1.65% (effective rate of 6.5% at December 31, 2005) and extending its expiration date to August 31, 2006. The amended line of credit agreement is secured by the accounts receivable of UACL and MADL and contains various financial and restrictive covenants to be maintained by the Company, UACL and MADL. Amounts outstanding at December 31, 2004 and 2005 were $30,094,000 and $0, respectively.

(9) Debt - continued

Great American Lines, Inc., or GAL, a subsidiary of AFA, maintained a secured line of credit with PNC Bank National Association allowing GAL to borrow up to a maximum of $6,000,000. GAL's secured line of credit was collateralized by substantially all of AFA's assets and bore interest at the bank's prime rate or LIBOR plus 1.75%. In addition, the agreement, in certain circumstances, limited AFA's ability and the ability of its subsidiaries to sell or dispose of assets, incur additional debt, pay dividends or distributions or redeem common stock. The agreement also contained customary representations and warranties, affirmative and negative covenants and events of default. The secured line of credit expired in June 2005. The Company did not renew or replace this line of credit.

Equipment purchased by UACL from CenTra in 2002 was financed by three promissory notes with Key Equipment Finance in the amount $4,998,000 and were secured by the equipment. The notes contained certain restrictive covenants to be maintained by UACL. The notes carried an interest rate of LIBOR as determined as of the 28th day of the month plus 1.53% and were payable in monthly fixed principal payments of $147,000 plus interest, through January 2005. The loans had an outstanding balance of $147,000 at December 31, 2004.

In 2003, the Company purchased 100 trailers from an unrelated party. The equipment purchase was financed by two promissory notes with Key Equipment Finance totaling $1,917,000. The loans were secured by the equipment. The notes carried an interest rate of LIBOR as determined as of the 28th day of the month plus 1.7%, were payable in monthly fixed principal payments of $32,490 plus interest, through 2008 and had an outstanding balance of $1,462,000 at December 31, 2004. The Key Equipment notes were paid in full in April 2005.

In August and October 2004, UACL entered into three promissory notes with General Electric Capital Corporation totaling $2,460,000. The proceeds of these notes were used to finance the purchase of trailers. The notes were secured by the trailers purchased and were payable in monthly installments of $50,783, including interest at a weighted average rate of 5.57% through May 2009. The agreements also contained customary representations and warranties, affirmative and negative covenants, and events of default. The loans had an outstanding balance of $2,318,000 at December 31, 2004. The notes were paid in full in April 2005.

AFA had twelve loans and capital lease obligations outstanding with various financial institutions, with outstanding balances totaling $1,640,000 at December 31, 2004. The loans and capital lease obligations were payable in monthly installments of approximately $115,000 including interest at rates ranging from 4.84% to 13.95% and were secured by property and equipment. These loans and capital lease obligations were paid in full at various times throughout 2005.

In October and December 2004, MDII entered into two promissory notes with Key Equipment Finance totaling $844,000. The loans had an outstanding balance of $834,000 at December 31, 2004. The proceeds from the notes were used to acquire container chassis. The notes were secured by the chassis purchased and were payable in monthly installments of $20,436 plus interest at rates ranging from LIBOR plus 1.75% to 4.98%. The notes were due to mature in December 2007 and July 2009. The loan agreement underlying these notes required MDII to maintain various affirmative and negative covenants. These notes were paid in full in April 2005.

(10) Operating Leases

The Company leases office space, terminal yards and equipment under non-cancelable operating leases. Total rent expense amounted to approximately $782,000, $941,000 and $1,284,000 for 2003, 2004 and 2005, respectively. It is expected that in the ordinary course of business that leases will be renewed or replaced as they expire. Future minimum rental payments under non-cancelable operating leases having remaining terms in excess of one year are as follows (in thousands):

2006	$ 264
2007	152
2008	26
2009	26
2010	27
Thereafter	114
Total	$ 609

(11) Contingencies

There are pending actions arising during the ordinary conduct of business. In the opinion of the Company, the liability, if any, arising from these actions will not have a material effect on the Company's financial position, results of operations or cash flows.

(12) Stock Split

On November 1, 2004, the Company amended its articles of incorporation increasing the authorized common shares to 40,000,000 and authorizing 5,000,000 shares of preferred stock. On November 4, 2004, the Board of Directors approved a 211-for-1 stock split of the Company's common stock. The stock split was payable in the form of a stock dividend on November 4, 2004. The capital stock accounts, all share data and earnings per share give effect to the stock split, applied retroactively, to all periods presented.

(13) Stock Based Compensation

In December 2004, UTSI's board of directors adopted the 2004 Stock Incentive Plan ("the Plan"), which became effective upon completion of the Company's initial public offering. The Plan allows for the issuance of a total of 500,000 shares. The grants may be made in the form of restricted stock bonuses, restricted stock purchase rights, stock options, phantom stock units, restricted stock units, performance share bonuses, performance share units or stock appreciation rights. On February 11, 2005, UTSI granted 260,000 options to certain of its employees. The stock options granted vested immediately, have a life of seven years and have an exercise price of $22.50 per share. None of the options were forfeited or exercised in 2005.

The estimated grant date fair value of the stock options granted during the year ended December 31, 2005 was $10.88 per share and was determined using the Black-Scholes option-pricing model. The assumptions used in estimating the grant date fair value are as follows:

Underlying share price	$22.50
Exercise price of the option	$22.50
Expected dividend rate	0.0%
Expected volatility	39.57%
Expected term of the option (in years)	7
Risk-free interest rate	4.02%

(14) Initial Public Offering

On February 10, 2005, UTSI completed an initial public offering of 5,300,000 shares of common stock at $20.00 per share. After underwriting discounts and the payment of offering costs, UTSI received net proceeds of $96,127,000. The proceeds from the offering were used to pay the $50,000,000 dividend declared to CenTra and to repay all amounts outstanding under UTSI's secured lines of credit.

On March 11, 2005, the underwriters exercised their over-allotment option to purchase an additional 795,000 shares of common stock. The aggregate offering price of the shares of common stock issued and sold in connection with the over-allotment option is $15,900,000. UTSI paid an additional $1,113,000 in underwriting discounts and commissions, resulting in additional proceeds of $14,787,000.

(15) Earnings Per Share

Basic earnings per common share amounts are based on the weighted average number of common shares outstanding, and diluted earnings per share amounts are based on the weighted average number of common shares outstanding plus the incremental shares that would have been outstanding upon the assumed exercise of all dilutive stock options.

For the year ended December 31, 2005, 260,000 options purchase shares of common stock, were excluded from the calculation of diluted earnings per share because such options were anti-dilutive.

(16) Quarterly Financial Data (unaudited)

	2004			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	(in thousands, except per share information)			
Operating revenue	$ 72,240	$ 78,711	$ 96,956	$114,109
Operating income	3,171	4,622	4,787	5,973
Income before income taxes	3,054	4,528	4,598	5,595
Provision for income taxes	1,148	1,643	1,753	2,112
Net income	$ 1,906	$ 2,885	$ 2,845	$ 3,483
Earnings per common share:				
Basic	$ 0.19	$ 0.29	$ 0.28	$ 0.35
Diluted	$ 0.19	$ 0.29	$ 0.28	$ 0.35
Average common shares outstanding:				
Basic	10,023	10,023	10,023	10,023
Diluted	10,023	10,023	10,023	10,023

(16) Quarterly Financial Data (unaudited) - continued

	2005			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	(in thousands, except per share information)			
Operating revenue	$120,945	$127,516	$135,637	$147,241
Operating income	5,784	6,921	7,402	7,559
Income before income taxes	5,619	7,071	7,600	7,801
Provision for income taxes	2,135	2,687	2,955	3,147
Net income	$ 3,484	$ 4,384	$ 4,645	$ 4,654
Earnings per common share:				
Basic	$ 0.26	$ 0.27	$ 0.29	$ 0.29
Diluted	$ 0.26	$ 0.27	$ 0.29	$ 0.29
Average common shares outstanding:				
Basic	13,159	16,118	16,118	16,118
Diluted	13,159	16,118	16,118	16,118

(17) Subsequent Events

In 2006, UTSI acquired the following two companies:

- Assure Intermodal, LLC (Assure) for $2,730,000 in cash on January 3, 2006. Additionally, UTSI is required to pay cash consideration to the former owners of Assure based on a percentage of all revenues generated during the period from January 3, 2006 to January 2, 2009. Any additional consideration paid to the former owners of Assure will be treated as an additional cost of acquiring Assure and will be recorded as goodwill. Assure is a regional provider of truckload and brokerage services primarily in the Southern United States. Assure will operate as part of MDII.
- DeJewels, Inc. (DeJewels) for $1,100,000 on February 13, 2006. Additionally, UTSI is required to pay cash consideration to the former owner of DeJewels based on a percentage of all revenues generated during the period from February 13, 2006 to February 12, 2008. Any additional consideration paid to the former owner of DeJewels will be treated as an additional cost of acquiring DeJewels and will be recorded as goodwill. DeJewels is a regional provider of intermodal services primarily in the Western United States. DeJewels will operate as part of MDII.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Universal Truckload Services, Inc.
(Registrant)

By: /S/ Robert E. Sigler
Robert E. Sigler, Vice President,
Chief Financial Officer, Secretary and Treasurer

Date: March 22, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/S/ Donald B. Cochran Donald B. Cochran	President, Chief Executive Officer and Director (Principal Executive Officer)	March 22, 2006
/S/ Robert E. Sigler Robert E. Sigler	Vice President, Chief Financial Officer, Secretary and Treasurer (Principal Financial and Accounting Officer)	March 22, 2006
* Matthew T. Moroun	Chairman of the Board	March 22, 2006
* Manuel J. Moroun	Director	March 22, 2006
* Joseph J. Casaroll	Director	March 22, 2006
* Angelo A. Fonzi	Director	March 22, 2006
* Daniel C. Sullivan	Director	March 22, 2006
* Richard P. Urban	Director	March 22, 2006
* Ted B. Wahby	Director	March 22, 2006

By: /S/ Robert E. Sigler
Robert E. Sigler
Attorney-in-fact

Exhibit Index

Exhibit No.	Description
2.1	Purchase Agreement, dated as of August 12, 2004, between Angelo A. Fonzi and Universal Truckload Services, Inc. (Incorporated by reference to Exhibit 2.1 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
3.1	Amended and Restated Articles of Incorporation (Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
3.2	Amended and Restated Bylaws, as amended on December 10, 2004 (Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 333-120510))
4.1	Registration Rights Agreement, dated as of December 31, 2004, among the Registrant, Matthew T. Moroun and The Manuel J. Moroun Trust (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 333-120510))
4.2	Specimen Common Share Certificate (Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.1+	Form of indemnification agreement entered into by the Registrant with each of its directors and officers (Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 333-120510))
10.2+	Universal Truckload Services, Inc. Stock Incentive Plan (Incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 333-120510))
10.3+	Employment Agreement, dated as of September 13, 2004, by and between Universal Truckload Services, Inc. and Don Cochran (Incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.4+	Employment Agreement, dated as of September 13, 2004, by and between Universal Truckload Services, Inc. and Bob Sigler (Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.5+	Employment Agreement, dated as of September 13, 2004, by and between Universal Truckload Services, Inc. and Leo Blumenauer (Incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.6+	Consulting Agreement, dated as of August 12, 2004, between Universal Am-Can, Ltd. And Angelo A. Fonzi (Incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.7+	Covenant Not to Compete, dated as of August 12, 2004, between Angelo A. Fonzi, Universal Am-Can, Ltd. and Universal Truckload Services, Inc. (Incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.8	Second Amendment to Loan Agreement, dated as of June 29, 2004, by and among Universal Truckload Services, Inc., Universal Am-Can, Ltd., The Mason and Dixon Lines, Inc., Mason-Dixon Intermodal, Inc., Economy Transport, Inc., Louisiana Transportation, Inc. and First Tennessee Bank National Association (Incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.9	Second Amendment to Security Agreement, dated as of June 29, 2004, by and between Universal Am-Can, Ltd. and First Tennessee Bank National Association (Incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.10	Second Amendment to Security Agreement, dated as of June 29, 2004, by and between The Mason and Dixon Lines, Inc. and First Tennessee Bank National Association (Incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.11	First Amendment to Security Agreement, dated as of June 29, 2004, by and between Mason Dixon Intermodal, Inc. and First Tennessee Bank National Association (Incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))

10.12	Security Agreement, dated as of June 29, 2004, by and between Economy Transport, Inc. and First Tennessee Bank National Association (Incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 333-120510))
10.13	Security Agreement, dated as of June 29, 2004, by and between Louisiana Transportation, Inc. and First Tennessee Bank National Association (Incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004 (Commission File No. 333-120510))
10.14	Tax Separation Agreement, dated as of December 31, 2004, between CenTra, Inc. and the Registrant (Incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 333-120510))
10.15	Transitional Services Agreement, dated as of December 31, 2004, between the Registrant and CenTra, Inc. (Incorporated by reference to Exhibit 10.15 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 333-120510))
10.16	Fourth Amendment to Loan Agreement, dated as of December 27, 2004, by and among Universal Truckload Services, Inc., Universal Am-Can, Ltd., The Mason and Dixon Lines, Inc., Mason Dixon Intermodal, Inc., Economy Transport, Inc., Louisiana Transportation, Inc., Great American Logistics, Inc. and First Tennessee Bank National Association (Incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 333-120510))
10.17	Debt Subordination Agreement, dated as of December 27, 2004, by and among CenTra, Inc., Universal Truckload Services, Inc., and First Tennessee Bank National Association (Incorporated by reference to Exhibit 10.17 to the Registrant's Registration Statement on Form S-1 filed on January 7, 2005 (Commission File No. 333-120510))
10.18+	Universal Truckload Services, Inc. Incentive Compensation Plan C, Calendar Years 2004 – 2006 (Incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K filed on March 30, 2005 (Commission File No. 000-51142))
10.19+	Amendment No. 1, dated September 28, 2005, to Consulting Agreement dated August 12, 2004 between Universal Am-Can, Ltd. and Angelo A. Fonzi. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 30, 2004 (Commission File No. 000-51142))
10.20	Fifth Amendment to Loan Agreement, dated as of August 31, 2005, by and among Universal Truckload Services, Inc., Universal Am-Can, Ltd., The Mason and Dixon Lines, Inc., Mason Dixon Intermodal, Inc., Economy Transport, Inc., Louisiana Transportation, Inc., Great American Lines, Inc., Great American Logistics, Inc. and First Tennessee Bank National Association. (Incorporated by reference to Exhibit 10.20 to the Registrants Quarterly Report filed on November 14, 2005 (Commission File No. 000-51142))
10.21	Fourth Amendment to Security Agreement, dated as of August 31, 2005, by and between Universal Am-Can, Ltd. and First Tennessee Bank National Association. (Incorporated by reference to Exhibit 10.20 to the Registrants Quarterly Report filed on November 14, 2005 (Commission File No. 000-51142))
10.22	Fourth Amendment to Security Agreement, dated as of August 31, 2005, by and between The Mason and Dixon Lines, Inc. and First Tennessee Bank National Association. (Incorporated by reference to Exhibit 10.20 to the Registrants Quarterly Report filed on November 14, 2005 (Commission File No. 000-51142))
21*	Subsidiaries of Universal Trucking Services, Inc.
23.1**	Consent of KPMG LLP
31.1*	Chief Executive Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Chief Financial Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.3**	Chief Executive Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.4**	Chief Financial Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Chief Executive Officer and Chief Financial Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Chief Executive Officer and Chief Financial Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

* Filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2005, previously filed with the Securities and Exchange Commission on March 20, 2006.

** Filed herewith.

\+ Indicates a management contract, compensatory plan or arrangement.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Universal Truckload Services, Inc.:

We consent to the incorporation by reference in the registration statement (No. 333-123385) on Form S-8 of Universal Truckload Services, Inc. of our report dated March 17, 2006, with respect to the consolidated balance sheets of Universal Truckload Services, Inc. as of December 31, 2004 and 2005, and the related consolidated statements of income, shareholders' (deficit) equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2005, which report appears in the December 31, 2005, annual report on Form 10-K/A Amendment No. 1 of Universal Truckload Services, Inc.

/s/ KPMG LLP
Detroit, Michigan
March 22, 2006

Exhibit 31.3

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Donald B. Cochran, certify that:

1. I have reviewed this report on Form 10-K/A of Universal Truckload Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.
6. The registrant’s other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 22, 2006

/s/ Donald B. Cochran
Donald B. Cochran
President and Chief Executive Officer

Exhibit 31.4

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Robert E. Sigler, certify that:

1. I have reviewed this report on Form 10-K/A of Universal Truckload Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
6. The registrant's other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 22, 2006

/s/ Robert E. Sigler

Robert E. Sigler
Vice President, Chief Financial Officer, Secretary
and Treasurer

Exhibit 32.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Universal Truckload Services, Inc. (the "Company") on Form 10-K/A for the year ended December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Donald B. Cochran, as Chief Executive Officer of the Company, and Robert E. Sigler, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, respectively, that (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 22, 2006

/s/ Donald B. Cochran

Donald B. Cochran
President and Chief Executive Officer

/s/ Robert E. Sigler

Robert E. Sigler
Vice President, Chief Financial Officer, Secretary and Treasurer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.