



TAGLICH BROTHERS

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Research Report – Update

Investors should consider this report as only a single factor in making their investment decision.

Radiant Logistics, Inc

Rating: Speculative Buy

Luis Martins

RLGT \$0.10 (OTC BB)

March 9, 2009

	<u>FY2006A*</u>	<u>FY2007A</u>	<u>FY2008A</u>	<u>FY2009E</u>	<u>FY2010E</u>
Revenues (millions)	\$54.58	\$75.53	\$100.20	\$158.67	\$175.64
Earnings (loss) per share	\$(0.00)	\$0.00	\$0.00**	\$(0.27)***	\$0.06

52-Week Range	\$0.55 - \$0.06	Fiscal Year Ends	June
Shares Outstanding as of 2/10/09	34.7 million	Revs/Share (TTM)	\$3.11
Approximate Float	22.2 million	Price/Sales(TTM)	0.1X
Market Capitalization	\$3 million	Price/Sales(2010)E	0.1X
Tangible Book Value/Share	NMF	Price/Earnings(TTM)	NMF
Price/Tangible book	NMF	Price/Earnings(2010)E	1.7X

* Pro-forma results inclusive of Airgroup Corp. ** excluding one time items resulting from the reduction in estimate of liabilities assumed in the acquisition of Airgroup *** includes \$11.4 million charge for impairment of goodwill

Radiant Logistics, Inc. (OTC BB: RLGT) is a global transportation and supply chain management company operating through a non-asset based business model. The Company has been operating under this model since October 2005.

Key Considerations

We are maintaining coverage of Radiant Logistics, Inc. (OTC BB: RLGT) with a Speculative Buy rating and a 12-month price target of \$0.40 per share. Our price target is based on a relative P/EBITDA and P/E applied to our fiscal 2010 estimates. At expected profitability levels, the shares remain a compelling investment opportunity.

Research indicates that the logistics and freight forwarding industry is an early cycle indicator of economic growth/decline and closely tracks GDP growth. Success is directly related to the economic success of the nation. Given the current macroeconomic conditions it should be no surprise that the overall industry metrics are weak.

On February 12, 2009, Radiant Logistics reported results for its 2009 fiscal second quarter, ended December 31, 2008. The Company reported revenues of \$42.5 million and a net loss of \$10.22 million or \$(0.29) per share (inclusive of a one-time \$11.5 million charge for the impairment of goodwill). In the year ago period, RLGT reported revenues of \$23.1 million and net income of \$1.31 million or \$0.04 per share. On an operating basis, RLGT reported income of \$0.880 million, as compared to \$0.170 million in the year ago period. On an adjusted EBITDA basis, the Company reported a gain of \$1.4 million as compared to \$0.5 million for the year ago period.

During the fiscal second quarter, RLGT was able to achieve revenue and operating income growth. This was achieved despite a horrible macroeconomic environment that resulted in the fall off of key transportation and logistics statistics such as the DOT's Freight Transportation Services Index and Cass Freight Index.

If our operating income and EBITDA estimates through fiscal 2010 are achieved, it would translate to compounded annual growth of 173% and 99%, respectively, as compared to fiscal 2008.

**Please view our disclaimer located on Page 14.*

405 Lexington Avenue, 51st Floor, New York, N.Y. 10174

(800) 383-8464 • Fax (631) 757-1333

www.taglichbrothers.com

Company Overview

Radiant Logistics, Inc. (OTC BB: RLGT) operates primarily through a non-asset based freight forwarder business model that calls for the Company to arrange for the shipment of customers' freight from point of origin to point of destination. It provides a turn key cost for the movement of their freight depending upon the customer's time-definite needs (first day through fifth day delivery), special handling needs (heavy equipment, delicate items, environmentally sensitive goods, electronic components, etc.) and the means of transport (truck, air, ocean, or rail). RLGT assumes the responsibility for arranging and paying for the underlying means of transportation. As a non-asset based provider, the Company does not own the transportation equipment used to transport the freight. It simply arranges for transportation of shipments via commercial airlines, air cargo carriers, and other assets and non-asset based third-party providers. It selects the carrier for a shipment based on route, departure time, available cargo capacity, and cost.

Management's strategic plan is to achieve growth through domestic and international freight forwarding services. Management expects to grow the business organically and by completing acquisitions of other companies with complementary geographical and logistics service offerings. Its organic strategy relies on Radiant's ability to retain existing and secure new exclusive agency locations, negotiate attractive pricing with transportation providers, as well as strengthen existing, and expanding new customer relationships.

On January 1, 2006, RLGT completed the acquisition of Airgroup Corporation; thereby, accomplishing the first step in its growth strategy. Airgroup is a Seattle, Washington based non-asset based logistics company that provides domestic and international freight forwarding services through a network of exclusive agent offices across North America. Airgroup services a diversified account base including manufacturers, distributors, and retailers using a network of independent carriers and over 100 international agents positioned strategically around the world.

On September 8, 2008, Radiant Logistics announced that it acquired Adcom Worldwide for \$11.1 million, consisting of \$5.0 million in cash at closing and an additional \$6.1 million payable over the next four years in a combination of cash and common stock based on the future performance of the acquired operation. Adcom, founded in 1978, services a diversified account base including manufacturers, distributors, and retailers through a combination of three company owned and twenty seven agency offices across North America. Based on historical financial statements, Adcom generated approximately \$58 million in revenues for the twelve months ended June 30, 2008. RLGT expects that on a pro-forma basis, the combined operations could generate approximately \$4.0 million in adjusted EBITDA on \$160 million in annual revenues. An additional \$1.0 million in estimated cost synergies may be achieved over the next 12-18 months as the companies work through the integration process.

Competitive Overview

The global logistics services and transportation industries are intensively competitive and are expected to remain so for the foreseeable future. According to Company statistics, there are over 1,000 regional logistics company with revenues between \$5 million and \$50 million. Competition is based primarily on rates (price), quality of service (i.e. reliability, responsiveness, expertise, and convenience), damage-free shipments, on-time delivery, consistent transit times, reliable pickup and delivery, and scope of operations (geographic coverage).

Management believes that its competitive advantages include:

- Tangible and intangible strengths (i.e. People, Process, and Technology);
- Strong customer relationships;
- Diverse customer base; and

- Low cost, non-asset based business model. The non-asset based approach allows the Company to scale with market demand, maintain a high level of operating flexibility, and leverage a cost structure that is highly variable in nature. Short-term fluctuations in operating activity have less of an impact on the Company's financials than they have on asset based companies that assume substantially all of the fixed cost.

In recent years, the logistics/freight forwarding industry has been experiencing a general increase in demand due to greater outsourcing of non-core logistics functions, globalization of demand and supply chains, increased complexity of supply chains, desire of companies to minimize inventory levels, increased need for time-definite delivery, consolidation of global logistics providers, and increased importance of e-business and the Internet. However, with the recent turbulent economic landscape, investors should more than ever follow economic statistics that affect the transportation sector and the Company. **Research indicates that the industry is an early cycle indicator of economic growth/decline and closely tracks GDP growth. Success is directly related to the economic growth of the nation. Given the current economic conditions it should be no surprise that the overall industry metrics are weak.**

On February 24, 2009, Federal Reserve Chairman Ben S. Bernanke stated the following during his Semiannual Monetary Policy Report to Congress:

“the U.S. economy is undergoing a severe contraction. The deteriorating job market, considerable losses of equity and housing wealth, and tight lending conditions have weighed down consumer sentiment and spending. In addition, businesses have cut back capital outlays in response to the softening outlook for sales as well as the difficulty of obtaining credit. In contrast to the first half of last year, when robust foreign demand for U.S. goods and services provided some offset to weakness in domestic spending, exports slumped in the second half as our major trading partners fell into recession and some measures of global growth turned negative for the first time in more than 25 years. In all, U.S. real gross domestic product (GDP) declined slightly in the third quarter of 2008, and that decline steepened considerably in the fourth quarter. The sharp contraction in economic activity appears to have continued into the first quarter of 2009.”

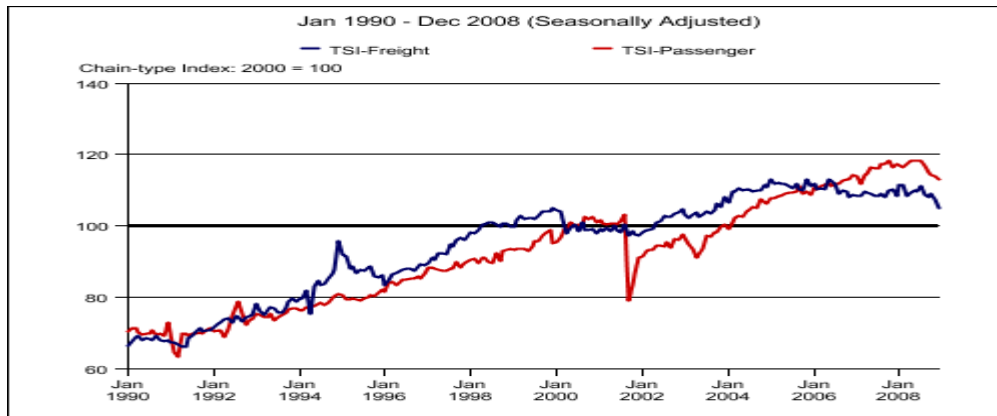
“In their economic projections for the January FOMC meeting, monetary policy makers substantially marked down their forecasts for real GDP this year relative to the forecasts they had prepared in October. The central tendency of their most recent projections for real GDP implies a decline of 1/2 percent to 1-1/4 percent over the four quarters of 2009. These projections reflect an expected significant contraction in the first half of this year combined with an anticipated gradual resumption of growth in the second half. The central tendency for the unemployment rate in the fourth quarter of 2009 was marked up to a range of 8-1/2 percent to 8-3/4 percent. Federal Reserve policymakers continued to expect moderate expansion next year, with a central tendency of 2-1/2 percent to 3-1/4 percent growth in real GDP and a decline in the unemployment rate by the end of 2010 to a central tendency of 8 percent to 8-1/4 percent.”

“If actions taken by the Administration, the Congress, and the Federal Reserve are successful in restoring some measure of financial stability--and only if that is the case, in my view--there is a reasonable prospect that the current recession will end in 2009 and that 2010 will be a year of recovery.”

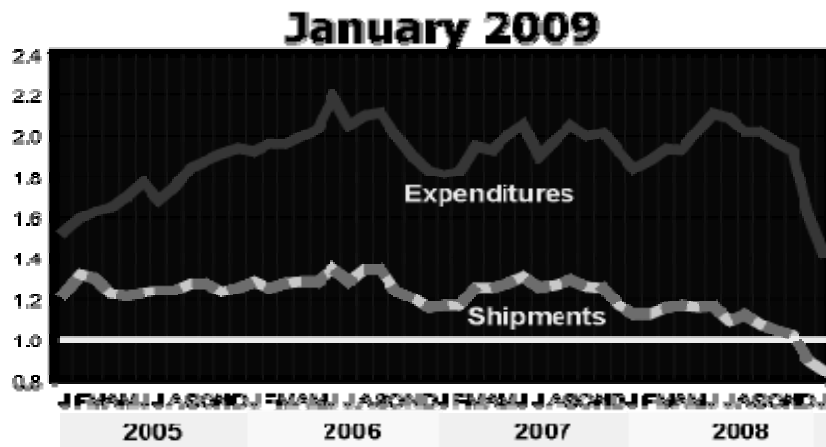
The following are key economic indicators that are vital to gauge the future:

- Industry sales decreased 3.7% in the most recent quarter, as compared to the year ago period (according to Reuters Investor, a global information company providing indispensable information tailored for professionals in the financial services, media and corporate markets).

- In February 2009, the government announced that GDP decreased at an annual rate of 6.2% in the fourth quarter of 2008. **Economists are forecasting continued contraction into the middle of 2009. In November 2008, the National Bureau of Economic Research said that a recession began in December 2007.**
- In February 2009, the National Association for Business Economics forecasted a GDP decline of 0.9% in 2009, based on an economic recovery in the second half of 2009 of 1.6%. The NABE concluded that the downturn will rival that of 1973-75. Economic weakness will be dominated by a retrenchment in consumer spending reflecting large employment and wealth losses. Business investment will experience an exaggerated cyclical decline characteristic of economic downturns.
- A United States Department of Transportation (DOT) February 2009 report indicated that the Freight Transportation Services Index (TSI) fell 2.3% in December from its November level. According to the DOT, in 2008 the index declined 3.0%, the third consecutive annual decline and the largest since 2000.



- In February 2009, the Cass Freight Index from Cass Information Systems, a leading provider of freight invoice payment, audit and rating services in North America, showed that January expenditures and shipments decreased as compared to January 2008 and December 2008. The following chart depicts the fall in recent months.



- In January 2009, the government said real exports of goods and services decreased 19.7% in the fourth quarter, in contrast to an increase of 3.0% in the third. Real imports of goods and services decreased 15.7%, compared with a decrease of 3.5%.
- In February 2009, The Conference Board (CB), an independent membership organization that conducts research, convenes conferences, makes forecasts, assesses trends, publishes information and analysis, and brings executives together to learn from one another, announced that the January U.S. leading economic index (LEI) showed an increase of 0.4%. According to the CB, the six-month rate of decline in the leading index was -1.9% (a -3.7% annual rate).

Investors should monitor the above statistics as new information becomes available in order to gauge possible industry strength or further deterioration. Other important factors that could impact the growth of the industry include: hurricanes, fuel prices, insurance claims, regulatory issues, homeland security, logistics, infrastructure, inflation, and driver availability.

Recent Results

On February 12, 2009, Radiant Logistics reported results for its 2009 fiscal second quarter, ended December 31, 2008. The Company reported revenues of \$42.5 million and a net loss of \$10.22 million or \$(0.29) per share (inclusive of a one time \$11.5 million charge for the impairment of goodwill). In the year ago period, RLGT reported revenues of \$23.1 million and net income of \$1.31 million or \$0.04 per share.

In comparison, Taglich Brothers' estimates called for revenues of \$33.4 million and net income of \$0.3 million or \$0.01 per share.

Revenue increases were attributed to both organic growth and an acquisition. On September 8, 2008, Radiant Logistics announced that it acquired Adcom Worldwide. This acquisition contributed \$16.8 million to revenues in the quarter. Organic growth of 11.2% was driven by gains in international volumes. Excluding the Adcom acquisition, domestic revenue decreased 6.2%. The following table indicates domestic and international revenue from RLGT's historical operations and Adcom:

Fiscal 2Q2009 \$ millions	Domestic	International
RLGT	13.8	11.9
Adcom	8.2	8.6

Fiscal 2Q2008 \$ millions	Domestic	International
RLGT	14.7	8.4

On an operating basis, RLGT reported income of \$0.880 million, as compared to \$0.170 million in the year ago period. On an adjusted EBITDA basis, the Company reported a gain of \$1.4 million, as compared to \$0.5 million for the year ago period.

The Company also reported the following for its second quarter of fiscal 2009, as compared to the year ago period:

- Gross profit increased to \$13.5 million (or 31.7% of revenues) from \$8.4 million (or 36.3% of revenues). Gross margin was adversely impacted by a larger mix of lower margin international business.
- Total operating expenses, on a dollar basis, increased to \$12.6 million from \$8.2 million. Operating expenses, as a percentage of revenues, decreased to approximately 29.7% of revenues, as compared to 35.6%;

- Non-operating expenses increased to approximately \$11.5 million from \$1.9 million. Included in expenses for the 2Q09 was a \$11.5 million charge for goodwill impairment;
- Income tax expense amounted to a benefit \$0.383 million, as compared to an expense of \$0.744 million; and
- Weighted average shares outstanding were 34.7 million as compared to 34.0million.

Balance Sheet

At the end of its 2009 fiscal second quarter, RLGT had cash of \$1.02 million, working capital of approximately \$6.6 million, long-term debt of \$12.0 million, and a stockholders' deficit of \$0.8 million.

The Company believes that its current working capital and anticipated cash flow from operations are adequate to fund existing operations and its organic growth strategy. However, its ability to finance further acquisitions is limited by the availability of additional capital; therefore, it may use common stock for some portion of the consideration of acquisition payments.

Credit Facility

In September 2008, the Company's revolving credit facility was increased to \$14.5 million from \$9.5 million. The facility is collateralized by accounts receivable and other assets of the Company and its subsidiaries. Advances are available to fund future acquisitions, capital expenditures, or for other corporate purposes. Borrowings under the facility bear interest, at the Company's option, at the Bank's prime rate minus 0.15% to 1.00% or LIBOR plus 1.55% to 2.25%, and can be adjusted up or down during the term based on the Company's performance relative to certain financial covenants. The facility provides for advances of up to 80% of the Company's eligible accounts receivable.

At December 31, 2008, the Company had advances of \$7.9 million under the facility and \$4.2 million in outstanding checks. Based on available collateral and \$0.2 million in outstanding letter of credit commitments, there was \$3.4 million of remaining availability under the facility.

Projections

We are revising our fiscal 2009 model based on recent results, comments made on the Company's second quarter conference call and in its 10Q, as well as the macroeconomic outlook for the next several quarters. We are also introducing fiscal 2010 estimates.

Our revised projections for fiscal 2009 call for revenues of \$158.7 million and a net loss of \$9.3 million or \$0.27 per diluted share (inclusive of an one time charge of \$11.4 million or 0.33 per share). Our prior projections called for revenues of \$159.6 million and net income of \$1.4 million or \$0.06 per diluted share.

Our projections for fiscal 2010 call for revenues of \$175.6 million and net income of \$2.2 million or \$0.06 per diluted share.

Given the large non-cash charge in 2009, we are providing a comparison of EBITDA and operating income for the respective period to show the underlying operating growth of the Company.

\$ millions	Operating Income	EBITDA
FY2008A	0.5	1.5
FY2009E	2.6	4.4

FY2010E	4.1	6.0
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If our operating income and EBITDA estimates through fiscal 2010 are achieved, it would translate to compounded annual growth of 173% and 99%, respectively, as compared to fiscal 2008.

Our projections are contingent upon a generally favorable operating environment and niche markets, as well as Management continuing to execute on its organic growth strategy. We have not factored any further acquisitions into our model; however, we will make adjustments as they occur.

Our estimates call for increased revenues based on historical trends, demand for the Company's product and service offerings, recent acquisition of Adcom, industry trends, and our projected outlook. We are forecasting revenues to increase by 58% in fiscal 2009 and 10.69% in fiscal 2010. Excluding Adcom, revenue growth is projected to grow 5.65% (as compared to about 11.2% in the most recent quarter). As compared to our prior estimates, we have scaled back projected revenue growth rate due to the current economic and operating environment. Investors should note that during the fiscal second quarter the Company was able to achieve revenue and operating income growth despite a horrible economic environment that resulted in the fall off of key transportation and logistics statistics such as the DOT's Freight Transportation Services Index and Cass Freight Index.

Our cost structure reflects recent expense trends at both RLGT and Adcom, as well as Management guidance as discussed in the Company's second quarter 10Q and conference call. RLGT expects that on a pro-forma basis, the combined operations could generate approximately \$4.0 million in adjusted EBITDA on \$160 million in annual revenues. An additional \$1.0 million in estimated cost synergies may be achieved over the next 12-18 months as the companies work through the integration process.

Risks

Economic Risk

Industry success is directly related to the economic success of the nation. The logistics business is directly impacted by the volume of domestic and international trade. The volume of such trade is influenced by many factors, including economic and political conditions in the United States and abroad, major work stoppages, exchange controls, currency fluctuations, acts of war, terrorism and other armed conflicts, United States and international laws relating to tariffs, trade restrictions, foreign investments and taxation. If the economy falters further, RLGT's financial results and equity value may be adversely impacted.

Credit Facility

RLGT's credit facility features a variable interest rate tied to the prime or LIBOR rate. If interest rates rise or the Company becomes increasingly indebted, debt service will increase. This will adversely impact financial results. Additionally, the Company's assets are pledged to secure its credit facility. The terms of the facility are subject to certain financial and operational covenants which may limit the amount otherwise available under the facility

Investors should note that the main component of working capital is account receivables. This may have credit risk implications.

Acquisitions

The Company's business strategy calls for potential strategic acquisitions and/or mergers. Issues that may come up in the integration process include, differing corporate cultures, customer relationships, and management styles. These issues may cause a clash resulting in a lack of synergies and the inability to

execute stated goals and financial objectives. There is no assurance that the Company may be able to identify suitable acquisition candidates or on acceptable terms.

Its acquisition strategy relies on the Company's ability to identify and acquire target businesses that fit within its general acquisition criteria. The Company may have to secure additional sources of capital to fund its obligations under its acquisition agreements. If its common stock does not attain or maintain a sufficient market value or potential acquisition candidates are otherwise unwilling to accept stock as part of the purchase price for the sale of their businesses, RLGT may be required to utilize more of cash resources, if available, in order to continue its acquisition program. As its acquisition strategy is executed, it will be required to make significant payments in the future if the earn-out installments under acquisitions agreements become due. A portion of the earn-outs are payable in common stock.

In November 2008, the Company amended the Airgroup Stock Purchase Agreement and agreed to unconditionally pay the former Airgroup shareholders an earn-out payment of \$0.633 million for the earn-out period ending June 30, 2009 to be paid on or about October 1, 2009 by delivery of common shares.

Dilution

According to the Company's SEC filings, it expects to pursue an additional equity offering to fund its acquisition strategy or fund any shortfall in working capital for organic operations.

Seasonality

Investors should note that the Company's revenues and operating results for any particular quarter may not be indicative of its performance in future quarters. The Company's financial results may be subject to seasonality. The impact of which will depend on numerous factors, including holiday seasons, consumer demand, and economic conditions.

Growth Management

As the Company becomes increasingly successful, it must meet the challenges associated with growth. If the Company is not successful in meeting these challenges, its business or financial results will be adversely impacted. Growth will require the Company to continue to implement and improve financial, accounting, and management information systems and to hire, train, motivate, and manage additional employees. A failure to manage growth effectively would have a material adverse effect on business, financial condition, and results of operations, and on its ability to execute on the overall business strategy successfully.

Internal Controls

Management disclosed the following in its latest 10Q:

"An evaluation of the effectiveness of our "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of December 31, 2008 was carried out by our management under the supervision and with the participation of our Chief Executive Officer ("CEO") who also serves as our Chief Financial Officer ("CFO"). Based upon that evaluation, our CEO/CFO concluded that, as of December 31, 2008, our disclosure controls and procedures were not effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including our CEO/CFO, as appropriate to allow timely decisions regarding disclosure.

In connection with its review of our quarterly results for the period ended December 31, 2008, our independent auditor identified a material adjustment that was required to recognize an impairment to goodwill. As a result, we have concluded that there is a material weakness regarding our goodwill and intangible assets impairment analysis process. We are currently evaluating how to effectively remediate this material weakness. In this regard, we continue to review our disclosure controls and procedures, including

our internal control over financial reporting, and intend to make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.”

Competition

The Company and its independent transportation providers operate in the Transportation Sector, which is highly competitive and fragmented. Competition in the freight forwarding, logistics and supply chain management industry is also highly competitive and fragmented. There are a multitude of public and private companies that operate in this market space. Competition also comes from national, regional and local freight forwarders, cargo sales agents and brokers, carriers, and associations of shippers organized for the purpose of consolidating their members' shipments to obtain lower freight rates from carriers. Some of these competitors have greater financial and business resources (i.e. company-owned equipment and company drivers) than the Company.

Public non-asset based transportation providers that can be considered peers include: AutoInfo (OTC BB: AUTO), CH Robinson Worldwide (NASDAQ: CHRW), Expeditors International (NASDAQ: EXPD), Express-1 Expedited Solutions (AMEX: XPO), Landstar System (NASDAQ: LSTR), Pacer International (NASDAQ: PACR), and US 1 Industries (OTC BB: USOO). Additionally, asset based providers may also provide non-asset based services to supplement its financial results. International competitors may also compete for the same business as the Company.

Industry Concerns

Recently, there has been considerable industry consolidation. This may lead to increased competition which could adversely impact on the Company's financial results. According to various industry sources, consolidation is expected to continue. Consolidation has occurred to mitigate the impact of Industry risks and concerns, as well as increase margins. To maximize margins, companies must maximize equipment utilization, freight volumes, miles, and loads.

Reliance on Third Parties

The Company's operating performance is reliant upon customers whose shipments are dependent upon consumer demand and just-in-time production schedules. The timing of actual revenue is often beyond its control. Factors such as shifting demand for retail goods and/or manufacturing production delays could unexpectedly affect the timing of RLGTT's revenue.

If Company's partners are unsuccessful in their efforts or obligations, it could have a material adverse effect on the Company's business, results of operations, financial position, and equity value.

Government Regulation

Legislative or regulatory proposals may be introduced that affect the Company's operations and business plans, its financial results, and equity value.

Fuel Prices

The financial success of companies in the sector is highly dependent on fuel prices, which is highly volatile. Although fuel prices may not directly impact the Company's financial results, a sharp rise may directly impact its pool of transportation providers. These carriers may be forced out of business or forced to consolidate due to the high cost of doing business.

Dependence on Independent Commission Agents

The Company has exclusive and long-term relationships with these agents; however, the agency agreements are terminable by either party on 10-days notice. The loss of one or more of these exclusive agents could negatively impact the Company's financial results.

Shareholder Control

A few investors, including Bohn Crain (its Founder and CEO), own a substantial stake in RLGT. Small investors should be aware that investors with significant stakes can control the outcome of certain shareholder votes. These outcomes may not be in the best interests of all shareholders. If a sizable stake is liquidated in the open market, there could be substantial selling pressure on the shares.

Legal Proceedings

Management disclosed the following in RLGT's latest 10Q:

“A dispute has arisen between us and Robert Friedman, the former shareholder of Adcom, in connection with our purchase of Adcom. Pursuant to the stock purchase agreement governing the transaction, the final purchase price was to be adjusted post-closing based upon, among other things, the closing date working capital of Adcom. As of the date of this report, we have been unable to agree with Mr. Friedman on the amount of Adcom's closing date working capital. In addition, based upon information developed after the closing, we have asserted certain claims which we believe constitute breaches of the representations and warranties included in the stock purchase agreement. If we are unable to resolve our differences, we will be caused to seek dispute resolution in the manner governed by the stock purchase agreement. We have fully accrued for all amounts potentially due Mr. Friedman in connection with the stock purchase agreement, but believe these amounts could be reduced by more than \$500,000 pending the resolution of the disputed amounts in our favor. Due to the initial stage of the proceedings, we are able to provide any definitive guidance on the likely outcome of this matter.”

Microcap Concerns

Shares of RLGT have risks common to those of the microcap segment of the market. Often these risks cause microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume and can lead to large spreads and high volatility in stock price. The Company has approximately 22 million shares in the float. On average, approximately 26,000 shares are traded daily.

Investors should note that shares of RLGT trade on the OTC bulletin board. This market is relatively thinly traded as compared to the NASDAQ, AMEX, and NYSE. This may present increased risk and liquidity concerns to shareholders.

Miscellaneous Risks

The Company's financial results and equity values are subject to other risks and uncertainties known and unknown, including but not limited to competition, operations, financial markets, regulatory risk, and/or other events. These risks may cause actual results to differ from expected results.

Conclusion

We are maintaining coverage of Radiant Logistics, Inc. (OTC BB: RLGT) with a Speculative Buy rating and a 12-month price target to \$0.40 per share.

Our price target is based on a relative P/E and P/EBITDA analysis. The following provides our methodology:

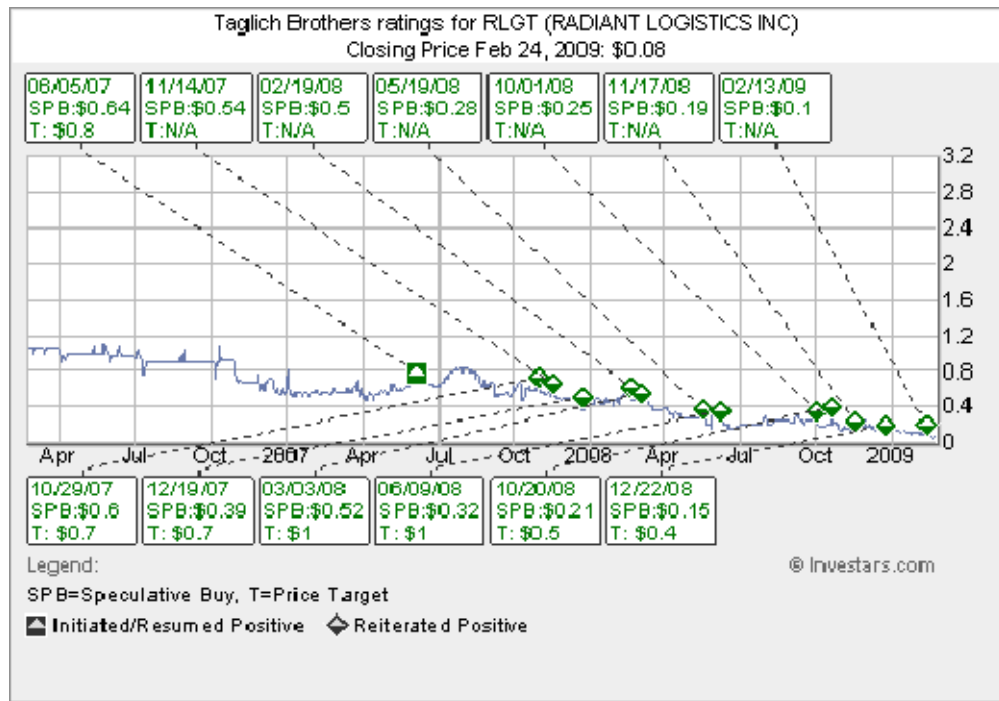
- Applying a multiple of 6.6X to our estimated fiscal 2010 EBITDA per share of \$0.16 per share. We arrived at this multiple by taking the industry P/EBITDA as compiled by Capital IQ.
- Applying a multiple of 13.2X to our estimated fiscal 2010 EPS per share of \$0.06 per share. We arrived at this multiple by taking the industry P/E as compiled by Capital IQ.
- Discounting the average of the above two valuation methodologies by 50% to account for Company risks (including microcap risk) and current market conditions.

Investors should note that even in a terrible macroeconomic environment, the Company continued to execute its business plan, and posted solid results by growing operating income and EBITDA. The results posted by the Company have not materialized in stock price appreciation. As a result, the Company's shares may be a compelling investment opportunity for risk tolerant investors with long term investments horizons.

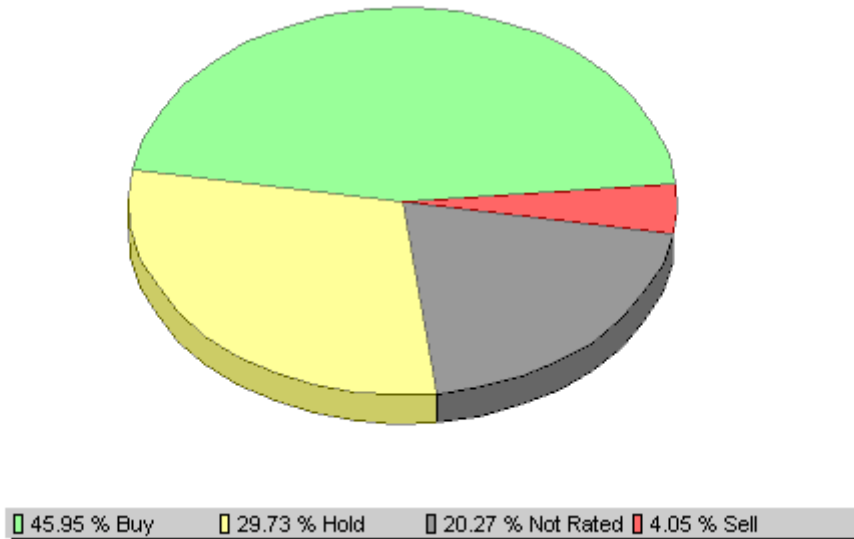
Although we believe that shares RLGT are a compelling investment opportunity for investors seeking equity with exposure to the rapidly evolving and growing logistics industry, investors should be cognizant of such risks and concerns as:

- Competition;
- Industry concerns;
- Economic growth;
- Integration of acquisitions;
- Growth management;
- Shareholder control concerns; and
- Stock liquidity.

Radiant Logistics, Inc.



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	2	7.14%
Hold	0	0
Sell	0	0
Not Rated	0	0

Meaning of Ratings

Buy

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

Speculative Buy

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

Neutral

We will remain neutral pending certain developments.

Underperform

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

Sell

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.

Public Companies Mentioned in this report

Auto Info (OTC BB: AUTO)
CH Robinson Worldwide (NASDAQ: CHRW)
Expeditors International (NASDAQ: EXPD)
Express-1 Expedited Solutions (AMEX: XPO)
Landstar System (NASDAQ: LSTR)
Pacer International (NASDAQ: PACR)
US 1 Industries (OTC BB: USOO)
Federal Express Corporation (NYSE: FDX)
United Parcel Service (NYSE: UPS)

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I, Luis Martins, the research analyst of this report, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report.

Radiant Logistics, Inc.
Annual Income Statement Model
For Fiscal Year Ended June 30
(in thousands)

	<u>F6/2006A</u>	<u>F6/2007A</u>	<u>F6/2008A</u>	<u>F6/2009E</u>	<u>F6/2010E</u>
Total Revenues	\$ 54,580	\$ 75,527	\$ 100,201	\$ 158,674	\$ 175,640
Cost of Transportation	<u>35,192</u>	<u>48,812</u>	<u>64,372</u>	<u>107,157</u>	<u>118,533</u>
Net Revenues	19,388	26,715	35,829	51,517	57,107
<i>Gross Margins</i>	35.52%	35.37%	35.76%	32.47%	32.51%
Agent Commissions	14,341	20,048	25,210	34,562	37,763
Personnel Costs	2,313	2,916	5,303	7,912	8,431
S, G& A	1,728	2,508	3,804	4,656	4,918
D & A	<u>793</u>	<u>830</u>	<u>964</u>	<u>1,738</u>	<u>1,900</u>
Operating Expensess	<u>19,175</u>	<u>26,302</u>	<u>35,281</u>	<u>48,868</u>	<u>53,011</u>
Operating Income	213	413	548	2,649	4,096
<i>Operating Margin</i>	0.39%	0.55%	0.55%	1.67%	2.33%
<i>EBITDA</i>		1,243	1,512	4,387	5,996
Interest Income	23	16	4	6	-
Interest Expense	(33)	(22)	(120)	(298)	(400)
Other	<u>(12)</u>	<u>(43)</u>	<u>1,819</u>	<u>(11,570)</u>	<u>-</u>
Total -other	(22)	(49)	1,703	(11,862)	(400)
Pre-Tax Income	191	364	2,251	(9,213)	3,696
<i>Pre-Tax Margins</i>	0.35%	0.48%	2.25%	-5.81%	2.10%
Taxes (Benefit)	<u>217</u>	<u>156</u>	<u>907</u>	<u>164</u>	<u>1,478</u>
<i>Tax Rate</i>	113.61%	42.80%	40.29%	-1.78%	40.00%
<i>Minority interest</i>		46	(69)	(22)	(40)
Net Income	\$ (26)	\$ 163	\$ 1,413	\$ (9,355)	\$ 2,178
EPS-fully diluted	\$ (0.00)	\$ 0.00	\$ 0.04	\$ (0.27)	\$ 0.06
Avg Shares Out-fully diluted	<u>30,607</u>	<u>34,325</u>	<u>34,359</u>	<u>34,800</u>	<u>38,454</u>
<u>Percent of Revenue</u>					
Cost of Transportation	64.48%	64.63%	64.24%	67.53%	67.49%
Agent Commissions	26.28%	26.54%	25.16%	21.78%	21.50%
Personnel Costs	4.24%	3.86%	5.29%	4.99%	4.80%
S, G& A	3.17%	3.32%	3.80%	2.93%	2.80%
D & A	1.45%	1.10%	0.96%	1.10%	1.08%
Operating Expensess	35.13%	34.82%	35.21%	30.80%	30.18%
Net Margin	-0.05%	0.22%	1.41%	-5.90%	1.24%
<u>YEAR / YEAR GROWTH</u>					
Total Revenues	5.94%	38.38%	32.67%	58.36%	10.69%

* Pro-forma results inclusive of Airgroup Corp.

Radiant Logistics, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended June 30, 2007
(in thousands)

	<u>Q1(9/06)A</u>	<u>Q2(12/06)A</u>	<u>Q3(3/07)A</u>	<u>Q4(6/07)A</u>	<u>F6/2007A</u>
Total Revenues	\$ 14,416	\$ 18,345	\$ 19,394	\$ 23,372	\$ 75,527
Cost of Transportation	<u>9,423</u>	<u>11,656</u>	<u>12,278</u>	<u>15,455</u>	<u>48,812</u>
Net Revenues	4,993	6,689	7,116	7,917	26,715
<i>Gross Margins</i>	34.64%	36.46%	36.69%	33.87%	35.37%
Agent Commissions	3,727	5,243	5,420	5,658	20,048
Personnel Costs	507	581	659	1,169	2,916
S, G& A	406	613	742	747	2,508
D & A	<u>186</u>	<u>205</u>	<u>209</u>	<u>230</u>	<u>830</u>
Operating Expenses	<u>4,826</u>	<u>6,642</u>	<u>7,030</u>	<u>7,804</u>	<u>26,302</u>
Operating Income	167	47	86	113	413
<i>Operating Margin</i>	1.16%	0.26%	0.44%	0.48%	0.55%
<i>EBITDA</i>	353	252	295	343	1,243
Interest Income	2	3	2	9	16
Interest Expense	(8)	(3)	(5)	(6)	(22)
Other	<u>-</u>	<u>(3)</u>	<u>(22)</u>	<u>(18)</u>	<u>(43)</u>
Total -other	<u>(6)</u>	<u>(3)</u>	<u>(25)</u>	<u>(15)</u>	<u>(49)</u>
Pre-Tax Income	161	44	61	98	364
<i>Pre-Tax Margins</i>	1.12%	0.24%	0.31%	0.42%	0.48%
Taxes (Benefit)	<u>2</u>	<u>(21)</u>	<u>37</u>	<u>138</u>	<u>156</u>
<i>Tax Rate</i>	1.12%	-47.73%	60.66%	140.82%	42.80%
<i>Minority interest</i>				46	46
Net Income	<u>\$ 159</u>	<u>\$ 65</u>	<u>\$ 24</u>	<u>\$ (86)</u>	<u>\$ 163</u>
EPS-fully diluted	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>
Avg Shares Out-fully diluted	<u>36,137</u>	<u>34,469</u>	<u>34,163</u>	<u>34,210</u>	<u>34,325</u>
<u>Percent of Revenue</u>					
Cost of Transportation	65.36%	63.54%	63.31%	66.13%	64.63%
Agent Commissions	25.85%	28.58%	27.95%	24.21%	26.54%
Personnel Costs	3.52%	3.17%	3.40%	5.00%	3.86%
S, G& A	2.81%	3.34%	3.83%	3.20%	3.32%
D & A	1.29%	1.12%	1.07%	1.07%	1.10%
Operating Expenses	33.48%	36.21%	36.25%	33.39%	34.82%
Net Margin	1.10%	0.35%	0.12%	-0.37%	0.22%
<u>YEAR / YEAR GROWTH</u>					
Total Revenues	7.32%	24.99%	63.76%	59.80%	38.38%

Radiant Logistics, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended June 30, 2008
(in thousands)

	<u>Q1(9/07A)</u>	<u>Q2(12/07A)</u>	<u>Q3(3/08A)</u>	<u>Q4(6/08A)</u>	<u>F6/2008A</u>
Total Revenues	\$ 25,557	\$ 23,109	\$ 25,765	\$ 25,770	\$ 100,201
Cost of Transportation	<u>17,116</u>	<u>14,712</u>	<u>16,264</u>	<u>16,280</u>	<u>64,372</u>
Net Revenues	8,441	8,397	9,501	9,490	35,829
<i>Gross Margins</i>	33.03%	36.34%	36.88%	36.83%	35.76%
Agent Commissions	5,852	6,154	6,611	6,593	25,210
Personnel Costs	1,547	1,090	1,199	1,467	5,303
S, G& A	695	742	1,269	1,098	3,804
D & A	<u>240</u>	<u>242</u>	<u>239</u>	<u>243</u>	<u>964</u>
Operating Expensess	8,334	8,228	9,318	9,401	35,281
Operating Income	107	169	183	89	548
<i>Operating Margin</i>	0.42%	0.73%	0.71%	0.35%	0.55%
<i>EBITDA</i>	347	411	422	332	1,512
Interest Income	1	1	1	1	4
Interest Expense	(25)	(48)	(27)	(20)	(120)
Other	<u>(20)</u>	<u>1,931</u>	<u>(48)</u>	<u>(44)</u>	<u>1,819</u>
Total -other	(44)	1,884	(74)	(63)	1,703
Pre-Tax Income	63	2,053	109	26	2,251
<i>Pre-Tax Margins</i>	0.25%	8.88%	0.42%	0.10%	2.25%
Taxes (Benefit)	<u>(8)</u>	<u>744</u>	<u>36</u>	<u>135</u>	<u>907</u>
<i>Tax Rate</i>	-12.70%	36.24%	33.03%	519.23%	40.29%
<i>Minority interest</i>	(18)	(14)	(14)	(23)	(69)
Net Income	<u>\$ 88</u>	<u>\$ 1,324</u>	<u>\$ 87</u>	<u>\$ (86)</u>	<u>\$ 1,413</u>
EPS-fully diluted	<u>\$ 0.00</u>	<u>\$ 0.04</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.04</u>
Avg Shares Out-fully diluted	<u>34,442</u>	<u>34,079</u>	<u>34,134</u>	<u>34,616</u>	<u>34,359</u>
 <u>Percent of Revenue</u>					
Cost of Transportation	66.97%	63.66%	63.12%	63.17%	64.24%
Agent Commissions	22.90%	26.63%	25.66%	25.58%	25.16%
Personnel Costs	6.05%	4.72%	4.65%	5.69%	5.29%
S, G& A	2.72%	3.21%	4.93%	4.26%	3.80%
D & A	0.94%	1.05%	0.93%	0.94%	0.96%
Operating Expensess	32.61%	35.61%	36.17%	36.48%	35.21%
Net Margin	0.00%	5.73%	0.34%	-0.42%	1.41%
 <u>YEAR / YEAR GROWTH</u>					
Total Revenues	77.28%	25.97%	32.85%	10.26%	32.67%

Radiant Logistics, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended June 30, 2009
(in thousands)

	<u>Q1(9/08)A</u>	<u>Q2(12/08)A</u>	<u>Q3(3/09E)</u>	<u>Q4(6/09E)</u>	<u>F6/2009E</u>
Total Revenues	\$ 32,403	\$ 42,513	\$ 40,765	\$ 42,993	\$ 158,674
Cost of Transportation	21,220	29,024	27,758	29,155	107,157
Net Revenues	11,184	13,489	13,007	13,837	51,517
<i>Gross Margins</i>	34.52%	31.73%	31.91%	32.19%	32.47%
Agent Commissions	7,553	9,001	8,764	9,243	34,562
Personnel Costs	1,614	2,110	2,038	2,150	7,912
S, G& A	1,117	1,026	1,223	1,290	4,656
D & A	315	473	475	475	1,738
Operating Expenses	<u>10,599</u>	<u>12,610</u>	<u>12,501</u>	<u>13,158</u>	<u>48,868</u>
Operating Income	585	879	506	679	2,649
<i>Operating Margin</i>	1.81%	2.07%	1.24%	1.58%	1.67%
<i>EBITDA</i>	900	1,352	981	1,154	4,387
Interest Income	1	5			6
Interest Expense	(26)	(72)	(100)	(100)	(298)
Other	(167)	(11,403)	-	-	(11,570)
Total -other	<u>(192)</u>	<u>(11,470)</u>	<u>(100)</u>	<u>(100)</u>	<u>(11,862)</u>
Pre-Tax Income	393	(10,591)	406	579	(9,213)
<i>Pre-Tax Margins</i>	1.21%	-24.91%	1.00%	1.35%	-5.81%
Taxes (Benefit)	153	(383)	162	232	164
<i>Tax Rate</i>	38.93%	3.62%	40.00%	40.00%	-1.78%
<i>Minority interest</i>	(10)	8	(10)	(10)	(22)
Net Income	<u>\$ 250</u>	<u>\$ (10,216)</u>	<u>\$ 254</u>	<u>\$ 358</u>	<u>\$ (9,355)</u>
EPS-fully diluted	<u>\$ 0.01</u>	<u>\$ (0.29)</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ (0.27)</u>
Avg Shares Out-fully diluted	<u>34,800</u>	<u>34,702</u>	<u>34,800</u>	<u>34,800</u>	<u>34,800</u>
 <u>Percent of Revenue</u>					
Cost of Transportation	65.49%	68.27%	68.09%	67.81%	67.53%
Agent Commissions	23.31%	21.17%	21.50%	21.50%	21.78%
Personnel Costs	4.98%	4.96%	5.00%	5.00%	4.99%
S, G& A	3.45%	2.41%	3.00%	3.00%	2.93%
D & A	0.97%	1.11%	1.17%	1.10%	1.10%
Operating Expenses	32.71%	29.66%	30.67%	30.60%	30.80%
Net Margin	0.77%	-24.03%	0.62%	0.83%	-5.90%
 <u>YEAR / YEAR GROWTH</u>					
Total Revenues	26.79%	83.97%	58.22%	66.83%	58.36%

Radiant Logistics, Inc.
Quarterly Income Statement Model
For Fiscal Year Ended June 30, 2010
(in thousands)

	<u>Q1(9/09)E</u>	<u>Q2(12/09)E</u>	<u>Q3(3/10)E</u>	<u>Q4(6/10)E</u>	F6/2010E
Total Revenues	43,248	43,952	42,721	45,719	\$ 175,640
Cost of Transportation	29,187	29,662	28,831	30,854	118,533
Net Revenues	14,062	14,290	13,890	14,865	57,107
<i>Gross Margins</i>	32.51%	32.51%	32.51%	32.51%	32.51%
Agent Commissions	9,298	9,450	9,185	9,830	37,763
Personnel Costs	2,076	2,110	2,051	2,195	8,431
S, G& A	1,211	1,231	1,196	1,280	4,918
D & A	475	475	475	475	1,900
Operating Expensess	13,060	13,265	12,907	13,779	53,011
Operating Income	1,001	1,025	983	1,086	4,096
<i>Operating Margin</i>	2.32%	2.33%	2.30%	2.37%	2.33%
<i>EBITDA</i>	1,476	1,500	1,458	1,561	5,996
Interest Expense	(100)	(100)	(100)	(100)	(400)
Other	-	-	-	-	-
Total -other	(100)	(100)	(100)	(100)	(400)
Pre-Tax Income	901	925	883	986	3,696
<i>Pre-Tax Margins</i>	2.08%	2.11%	2.07%	2.16%	2.10%
Taxes (Benefit)	361	370	353	394	1,478
<i>Tax Rate</i>	40.00%	40.00%	40.00%	40.00%	40.00%
<i>Minority interest</i>	(10)	(10)	(10)	(10)	(40)
Net Income	\$ <u>551</u>	\$ <u>565</u>	\$ <u>540</u>	\$ <u>601</u>	\$ 2,178
EPS-fully diluted	\$ <u>0.02</u>	\$ <u>0.01</u>	\$ <u>0.01</u>	\$ <u>0.02</u>	0.06
Avg Shares Out-fully diluted	<u>34,800</u>	<u>39,672</u>	<u>39,672</u>	<u>39,672</u>	38,454
Percent of Revenue					
Cost of Transportation	67.49%	67.49%	67.49%	67.49%	67.49%
Agent Commissions	21.50%	21.50%	21.50%	21.50%	21.50%
Personnel Costs	4.80%	4.80%	4.80%	4.80%	4.80%
S, G& A	2.80%	2.80%	2.80%	2.80%	2.80%
D & A	1.10%	1.08%	1.11%	1.04%	1.08%
Operating Expensess	30.20%	30.18%	30.21%	30.14%	30.18%
Net Margin	1.27%	1.29%	1.26%	1.32%	1.24%
YEAR / YEAR GROWTH					
Total Revenues	33.47%	3.38%	4.80%	6.34%	10.69%

Radiant Logistics, Inc.
Consolidate Balance Sheet
For Fiscal Year Ended June 30:
(in thousands)

	<u>F2008A</u>	<u>1Q(9/08)09A</u>	<u>2Q(12/08)09A</u>
Assets			
Current Assets			
Cash & Equivalents	\$ 392	\$ 898	\$ 1,024
Net Receivables	14,404	25,123	21,048
Deferred taxes	292	168	-
Prepaid Expense & Other	494	1,312	3,124
Total Current Assets	<u>15,582</u>	<u>27,500</u>	<u>25,196</u>
Plant, Property, & Equipment-net	718	962	977
Goodwill/intangibles-net	9,067	15,106	3,877
Long Term Investments	40	40	40
Other	196	510	464
Total Assets	<u>\$ 25,603</u>	<u>\$ 44,118</u>	<u>\$ 30,554</u>
Liabilities & Shareholders' Equity			
Current Liabilities			
Notes payable	\$ 113	\$ 113	\$ 633
Accounts payable	9,915	18,553	12,341
Accruals	222	1,149	903
Commissions	1,137	2,426	1,361
Income tax payable/deferred taxes	498	-	1,113
Due to Adcom shareholder	-	2,402	2,202
Total Current Liabilities	<u>11,885</u>	<u>24,644</u>	<u>18,553</u>
LTD-net of current	4,272	8,577	12,050
Deferred taxes	422	1,562	800
Minority interest	-	-	
Total Shareholders' Equity	<u>9,024</u>	<u>9,334</u>	<u>(849)</u>
Total Liabilities & Equity	<u>\$ 25,603</u>	<u>\$ 44,118</u>	<u>\$ 30,554</u>
SHARES OUT	34,660	34,702	34,702

Radiant Logistics, Inc.
Consolidated Cash Flow Statement
For Period Ended
(in thousands)

	<u>2008A</u>	<u>6M09A</u>
<i>Cash Flows from Operating Activities</i>		
Net Income	\$ 1,413	\$ (9,966)
Depreciation & Amortization	944	796
Other non cash items	(1,565)	11,496
Write-off and disposals	254	149
Other	<u>(312)</u>	<u>563</u>
	734	3,038
<i>Changes In:</i>		
Receivables	405	3,657
Prepaid Expense	(279)	125
Accounts Payable	(2,127)	(6,519)
Accrued Expenses & Other	<u>588</u>	<u>(2,096)</u>
Net Changes in Working Capital	<u>(1,413)</u>	<u>(4,833)</u>
Net cash Provided by Operations	<u>(680)</u>	<u>(1,792)</u>
<i>Cash Flows from Investing Activities</i>		
Capital Expenditures	(245)	(191)
Acquisitions	(1,461)	(4,839)
Other	<u>(25)</u>	<u>(211)</u>
Net cash used in Investing	<u>(1,731)</u>	<u>(5,241)</u>
<i>Cash Flows from Financing Activities</i>		
Minority interest contribution	(14)	-
Proceeds from Borrowings	2,598	7,777
Note payable for Airgroup	<u>(500)</u>	<u>(113)</u>
Net cash provided by Financing	<u>2,084</u>	<u>7,664</u>
Net change in Cash	(327)	632
Cash Beginning of Period	<u>720</u>	<u>392</u>
Cash End of Period	<u>\$ 392</u>	<u>\$ 1,024</u>