

QD CAPITAL CORP
Form S-4/A
March 17, 2010
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As filed with the Securities and Exchange Commission on March 17, 2010

Registration No. 333-163868

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

AMENDMENT NO. 2 TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

QUALITY DISTRIBUTION, LLC

and the Guarantors identified in footnote (1) below

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

4213
(Primary Standard Industrial
Classification Code Number)
4041 Park Oaks Blvd., Suite 200

04-3668323
(I.R.S. Employer
Identification Number)

Tampa, Florida 33610

(813) 630-5826

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

QD CAPITAL CORPORATION

and the Guarantors identified in footnote (1) below

(Exact name of registrant as specified in charter)

Delaware (State or other jurisdiction of incorporation or organization)	4213 (Primary Standard Industrial Classification Code Number) 4041 Park Oaks Blvd., Suite 200 Tampa, Florida 33610 (813) 630-5826	02-0692668 (I.R.S. Employer Identification Number)
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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jonathan C. Gold

Senior Vice President, General Counsel and Secretary

Quality Distribution, Inc.

4041 Park Oaks Blvd., Suite 200

Tampa, Florida 33610

(813) 630-5826

(Name, address, including zip code, and telephone number, including area code, of agent for service of process)

With copies to:

William E. Turner II

Barack Ferrazzano Kirschbaum & Nagelberg LLP

200 West Madison Street, Suite 3900

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Chicago, Illinois 60606

(312) 984-3100

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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

Large accelerated filer " Accelerated filer " Non-accelerated filer " Smaller reporting company x

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

The registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

- (1) The following parent of Quality Distribution, LLC and domestic direct or indirect wholly owned subsidiaries of Quality Distribution, LLC are guarantors of the exchange 10% Senior Notes due 2013 and the 11.75% Senior Subordinated PIK Notes due 2013, and are Co-Registrants, each of which is incorporated in the jurisdiction and has the I.R.S. Employer Identification Number indicated: Quality Distribution, Inc., a Florida corporation (59-3239073); American Transinsurance Group, Inc., a Delaware corporation (23-2613934); Boasso America Corporation, a Louisiana corporation (72-1176189); Chemical Leaman Corporation, a Pennsylvania corporation (23-2021808); EnviroPower, Inc., a Delaware corporation (23-2735584); Fleet Transport Company, Inc., a Delaware corporation (23-2848144); Mexico Investments, Inc., a Florida corporation (59-3433851); MTL of Nevada, a Nevada corporation (88-0350589); QD Risk Services, Inc., a Florida corporation (80-0388660); Power Purchasing, Inc., a Delaware corporation (23-2611487); Quala Systems, Inc., a Delaware corporation (23-2343087); Quality Carriers, Inc., an Illinois corporation (36-2590063); and Transplastics, Inc., a Delaware corporation (23-2932792).

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to acquire these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated March 17, 2010

QUALITY DISTRIBUTION, LLC

QD CAPITAL CORPORATION

Offer to Exchange

All Outstanding \$134,499,000 Principal Amount of 10% Senior Notes due 2013 For

10% Senior Notes due 2013 Which Have Been Registered Under the Securities Act of 1933

and

All Outstanding \$80,742,000 Principal Amount at Issuance of 11.75% Senior Subordinated PIK Notes due 2013 For

11.75% Senior Subordinated PIK Notes due 2013 Which Have Been Registered Under the Securities Act of 1933

The Exchange Offer:

We will exchange all existing 10% Senior Notes due 2013 that are validly tendered and not validly withdrawn for an equal principal amount of exchange 10% Senior Notes due 2013 that have been registered, and we will exchange all existing 11.75% Senior Subordinated PIK Notes due 2013 that are validly tendered and not validly withdrawn for an equal principal amount of exchange 11.75% Senior Subordinated PIK Notes due 2013 that have been registered.

You may withdraw tenders of existing 10% Senior Notes due 2013 or existing 11.75% Senior Subordinated PIK Notes due 2013 at any time prior to the expiration of the exchange offer.

The exchange offer expires at 5:00 p.m., New York City time, on [____], 2010, unless we extend the offer.

The Exchange Notes:

The terms of the exchange 10% Senior Notes due 2013 to be issued in the exchange offer are substantially identical to the existing 10% Senior Notes due 2013, and the terms of the exchange 11.75% Senior Subordinated PIK Notes due 2013 to be issued in the exchange offer are substantially identical to the existing 11.75% Senior Subordinated PIK Notes due 2013, except that in each case the exchange notes will be freely tradable by persons who are not affiliated with us.

No public market currently exists for the existing 10% Senior Notes due 2013 or the existing 11.75% Senior Subordinated PIK Notes due 2013. We do not intend to list either the exchange 10% Senior Notes due 2013 or the exchange 11.75% Senior Subordinated PIK Notes due 2013 on any securities exchange and, therefore, no active public market is anticipated for any of the exchange notes.

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The exchange notes, like the existing notes, will be guaranteed by our parent, Quality Distribution, Inc., and each of our existing and certain future U.S. restricted subsidiaries.

The exchange 10% Senior Notes due 2013, like the existing 10% Senior Notes due 2013, will be unsecured and rank equally with all of our existing and future senior debt and rank senior to our existing and future subordinated debt, and will be effectively subordinated to all of our secured debt, to the extent of the value of the assets securing such debt, and to all liabilities of our non-guarantor subsidiaries.

The exchange 11.75% Senior Subordinated PIK Notes due 2013, like the existing 11.75% Senior Subordinated PIK Notes due 2013, will be unsecured and rank equally with all of our existing and future senior subordinated debt, and will be effectively subordinated to all of our senior unsecured debt and our secured debt, to the extent of the value of the assets securing the secured debt, and to all liabilities of our non-guarantor subsidiaries.

Like the existing notes, if we fail to make payments on the exchange notes, Quality Distribution, Inc. and our subsidiary guarantors must make them instead. The exchange notes, and the guarantees, will also be junior to all of our secured debt and all liabilities of our non-guarantor subsidiaries.

Each broker-dealer that receives any exchange notes pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes.

If the broker-dealer acquired existing notes as a result of market-making or other trading activities, such broker-dealer may use this prospectus for the exchange offer, as supplemented or amended, in connection with its resales of exchange notes.

You should carefully consider the risk factors beginning on page 1 of this prospectus before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is [____], 2010.

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You should rely only on the information contained in this document. We have not authorized anyone to provide you with any other information. This document may only be used where it is legal to sell these securities.

The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our notes. In this prospectus, unless the context otherwise requires or indicates, (i) the terms our company, QD LLC, we, us and our refer to Quality Distribution, LLC, a Delaware limited liability company, and its consolidated subsidiaries and their predecessors, (ii) QDI refers to Quality Distribution, Inc., our parent company, (iii) QD Capital refers to QD Capital Corporation, our wholly owned subsidiary and a co-issuer of the 10% Senior Notes due 2013 and the 11.75% Senior Subordinated PIK Notes due 2013, (iv) the Issuers refers to QD LLC (without its consolidated subsidiaries and their predecessors) and QD Capital, (v) QCI refers to our wholly owned subsidiary Quality Carriers, Inc., an Illinois corporation (vi) Boasso refers to our wholly owned subsidiary Boasso America Corporation, a Louisiana corporation, (vii) Apollo refers to our majority shareholder, Apollo Management, L.P. and its affiliates (viii) the Existing 2013 Senior Notes refers to the Issuers' outstanding 10% Senior Notes due 2013 and the Existing 2013 PIK Notes refers to the Issuers' outstanding 11.75% Senior Subordinated PIK Notes due 2013, (ix) the Exchange 2013 Senior Notes and the Exchange 2013 PIK Notes refers to the Issuers' 10% Senior Notes due 2013 and the Issuers' 11.75% Senior Subordinated PIK Notes due 2013, respectively, that are registered under the Securities Act of 1933 and will be issued pursuant to this exchange offer, (x) the Existing Notes refers to the Existing 2013 Senior Notes and the Existing 2013 PIK Notes collectively, (xi) the Exchange Notes refers to the Exchange 2013 Senior Notes and the Exchange 2013 PIK Notes collectively, (xii) the 2013 Senior Notes refers to the Existing 2013 Senior Notes and the Exchange 2013 Senior Notes collectively, (xiii) the 2013 PIK Notes refers to the Existing 2013 PIK Notes and the Exchange 2013 PIK Notes collectively, (xiv) the ABL Facility refers to our asset-based revolving credit facility that we entered into on December 18, 2007, (xv) 9% Notes refers to our 9% Senior Subordinated Notes due 2010, and (xvi) 2012 Notes refers to our Senior Floating Rate Notes due 2012.

In connection with the exchange offer, we have filed with the SEC a registration statement on Form S-4 under the Securities Act, relating to the Exchange Notes to be issued in the exchange offer. As permitted by SEC rules, this prospectus does not contain all the information included in the registration statement. Accordingly, this prospectus incorporates important business and financial information about us that is not included in or delivered with this document. Copies of this information are available without charge to any person to whom this prospectus is delivered, upon written or oral request. Written requests should be sent to Quality Distribution, Inc., Attention: Investor Relations, 4041 Park Oaks Boulevard, Suite 200, Tampa, Florida 33610. Oral requests should be made by telephone (813) 569-7235. To obtain delivery, you must request the information no later than [____], 2010, which is five business days before the expiration of the Exchange Offer.

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MARKET AND INDUSTRY DATA

Market and industry data and other statistical information used throughout this prospectus are based on independent industry publications, government publications and other published independent sources, including *Bulk Transporter s Tank Truck Carrier 2008 Annual Gross Revenue Report*. Some data are also based on our good faith estimates, which are derived from our review of management s knowledge of the industry and independent sources. Although we believe that this information is reliable, we cannot guarantee its accuracy and completeness, nor have we independently verified it. We also obtain certain other market share and industry data from internal company analyses and management estimates, and based on our knowledge of the industry. While we believe such internal company analyses and management estimates are reliable, no independent sources have verified such analyses and estimates. Although we are not aware of any misstatements regarding the market share and the industry data that we present in this prospectus, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under Risk Factors and Cautionary Note Regarding Forward-Looking Statements.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus but might not contain all of the information that is important to you. Before participating in the exchange offer, you should read this entire prospectus carefully, including the Risk Factors section and the consolidated financial statements and the notes thereto included elsewhere in this prospectus. Except as otherwise noted, the financial data included in the prospectus comes from the consolidated financial statements of our parent, Quality Distribution, Inc. and its subsidiaries. Quality Distribution, Inc. is a guarantor of our Existing 2013 Senior Notes, our Existing 2013 PIK Notes, our 9% Notes, our 2012 Notes and our ABL Facility and has no material assets or operations other than its ownership of 100% of our membership interests. As a result, the consolidated financial position and results of operations of Quality Distribution, Inc. are substantially the same as ours.

Our Company

We operate the largest chemical bulk tank truck network in North America through our wholly owned subsidiary QCI, and are a leading provider of ISO (International Organization for Standardization) container and depot services through our wholly owned subsidiary Boasso.

The bulk tank truck market in North America includes all products shipped by bulk tank truck carriers and consists primarily of liquid and dry bulk chemicals (including plastics) and bulk dry and liquid food-grade products. We primarily transport a broad range of chemical products and provide our customers with logistics and other value-added services. We are a core carrier for many of the major companies engaged in chemical processing including BASF, Dow, DuPont, ExxonMobil, Georgia-Pacific, Honeywell, Procter & Gamble, Rohm & Haas, Sunoco and Unilever, and we provide services to most of the top 100 chemical producers with United States operations.

Our transportation revenue is a function of the volume of shipments by the bulk chemical industry, prices, the average number of miles driven per load, our market share and the allocation of shipments between tank truck transportation and other modes of transportation such as rail. The volume of shipments of chemical products is, in turn, affected by many other industries and end use markets, including consumer and industrial products, paints and coatings, paper and packaging, agriculture and food products, and tends to vary with changing economic conditions.

Boasso is the leading North American provider of ISO tank container transportation and depot services with eight terminals located in the eastern half of the United States. In addition to intermodal ISO tank transportation services, Boasso provides tank cleaning, heating, testing, maintenance and storage services to customers. Boasso provides local and over-the-road trucking primarily within the proximity of the port cities where its depots are located and also sells equipment that its customers use for portable alternative storage or office space.

Demand for ISO tank containers is impacted by the volume of imports and exports of chemicals through United States ports. Boasso's revenues are accordingly impacted by this import/export volume, in particular the number of shipments through ports at which Boasso has terminals and the volume of rail shipments from ports at which Boasso has terminals as well as by Boasso's market share. Economic conditions and differences among the laws and currencies of nations may impact the volume of shipments as well.

Our Formation and Development

We are a Delaware limited liability company formed on April 14, 2002. We are a holding company with no significant assets or operations other than the ownership of our operating subsidiaries, including QCI and Boasso. Our sole member is QDI. QDI is a holding company with no significant assets or operations other than the ownership of 100% of our membership interests. QD Capital, our wholly owned subsidiary, is a Delaware corporation, formed on May 1, 2003 and is a co-issuer of the Existing Notes and will be a co-issuer of the Exchange Notes. QD Capital has nominal assets and no operations.

We are the primary obligor under the Existing Notes, the ABL Facility and other outstanding notes, and will be the primary obligor under the Exchange Notes. QDI is a guarantor under the ABL Facility and the Existing Notes and will be a guarantor of the Exchange Notes.

QDI was formed in 1994 as a holding company known as MTL, Inc. In 1999, QDI changed its name from MTL, Inc. to Quality Distribution, Inc. On May 30, 2002, as part of a corporate reorganization, QDI transferred substantially all of its assets to us, consisting principally of the capital stock of QDI's operating subsidiaries. On November 13, 2003, QDI consummated the initial public offering of its common stock. Boasso became our wholly owned subsidiary in December 2007, when we acquired all of its outstanding capital stock from a third party.

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QDI is owned principally by Apollo. As of December 31, 2009, Apollo owned or controlled approximately 52.2% of QDI's outstanding common stock, and approximately 47.1% of QDI's common stock on a fully diluted basis.

Risk Factors

An investment in the Exchange Notes involves a high degree of risk. Potential investors should carefully consider the risk factors set forth under Risk Factors beginning on page 1 and the other information contained in this prospectus prior to participating in the exchange offer.

Corporate Information

Our principal executive offices are located at 4041 Park Oaks Blvd., Suite 200, Tampa, Florida, 33610, and our telephone number is (813) 630-5826.

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Summary of the Terms of the Exchange Offer

We and the guarantors of the Existing Notes have entered into registration rights agreements with the dealer managers in connection with the issuances of the Existing Notes, in which we agreed to file a registration statement relating to an offer to exchange the Existing 2013 Senior Notes for Exchange 2013 Senior Notes and the Existing 2013 PIK Notes for Exchange 2013 PIK Notes within 120 days of the issuances of the Existing Notes and to use our commercially reasonable efforts to cause the registration statement to be declared effective within 180 days following the issuances of the Existing Notes. The registration statement, of which this prospectus forms a part, was initially filed pursuant to this obligation on December 18, 2009, and was declared effective by the SEC on [____], 2010. We further agreed to use our best efforts to consummate the exchange offer within 40 days following the effective date of the registration statement. In the exchange offer, you are entitled to exchange your Existing 2013 Senior Notes for Exchange 2013 Senior Notes or your Existing 2013 PIK Notes for Exchange 2013 PIK Notes. The Exchange Notes that you receive will be identical in all material respects to the class of Existing Notes that you tendered for exchange except that:

the issuance of the Exchange Notes has been registered under the Securities Act, and as a result the Exchange Notes will be freely tradable by persons who are not affiliated with us;

the Exchange Notes are not entitled to registration rights, which are only applicable to the Existing Notes under the registration rights agreements; and

our obligation to pay additional interest on the Existing Notes because (a) the registration statement of which this prospectus forms a part was not initially filed by February 12, 2010, (b) the registration statement of which this prospectus forms a part was not declared effective by April 13, 2010, or (c) the exchange offer was not consummated by May 23, 2010, in each case, at incremental rates ranging from 0.25% per annum to 1.0% per annum depending on how long we fail to comply with these deadlines, does not apply to the Exchange Notes.

The Exchange Offer

We are offering to exchange (i) up to all outstanding 10% Senior Notes due 2013, which were issued on October 15, 2009, for a like principal amount of 10% Senior Notes due 2013 that have been registered under the Securities Act, and (ii) up to all outstanding 11.75% Senior Subordinated PIK Notes due 2013, which were issued on October 15, 2009, for a like principal amount of 11.75% Senior Subordinated PIK Notes due 2013 that have been registered under the Securities Act (which principal amount of 11.75% Senior Subordinated PIK Notes due 2013 includes \$653,785 of interest that was paid in kind on February 1, 2010, thereby increasing the aggregate outstanding principal amount of 11.75% Senior Subordinated PIK Notes due 2013).

Resales

We believe that the Exchange Notes issued in the exchange offer may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act provided that:

the Exchange Notes are being acquired in the ordinary course of your business;

you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the Exchange Notes issued to you in the exchange offer; and

you are not an affiliate of ours.

If any of these conditions are not satisfied and you transfer any Exchange Notes issued to you in the exchange offer without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your Exchange Notes, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability.

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Each broker-dealer that is issued Exchange Notes in the exchange offer for its own account in exchange for Existing Notes that were acquired by that broker-dealer as a result of market-marking or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of those Exchange Notes. A broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the Exchange Notes issued to it in the exchange offer.

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Expiration Date; Withdrawal of Tenders	The exchange offer will expire at 5:00 p.m., New York City time, [_____], 2010, or such later date and time to which we extend it. A tender of Existing Notes pursuant to the exchange offer may be withdrawn at any time prior to the expiration date. Any Existing Notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offer.
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, some of which we may waive.
Procedures for Tendering Existing Notes	If you wish to accept the exchange offer, you must complete, sign and date the accompanying letter of transmittal, or a copy of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must also mail or otherwise deliver the letter of transmittal, or the copy, together with the Existing Notes and any other required documents, to the exchange agent at the address set forth on the cover of the letter of transmittal. If you hold Existing Notes through The Depository Trust Company, or DTC, and wish to participate in the exchange offer, you must comply with the Automated Tender Offer Program procedures of DTC, by which you will agree to be bound by the letter of transmittal.
	<p>By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:</p> <ul style="list-style-type: none"> any Exchange Notes that you receive will be acquired in the ordinary course of your business; you have no arrangement or understanding with any person or entity to participate in the distribution of the Exchange Notes; if you are a broker-dealer that will receive Exchange Notes for your own account in exchange for Existing Notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with any resale of those Exchange Notes; if you are not a broker-dealer, that you are not engaged in, and you do not intend to engage in, the distribution of Exchange Notes; and you are not our affiliate as defined in Rule 405 under the Securities Act.
Guaranteed Delivery Procedures	If you wish to tender your Existing Notes and your Existing Notes are not immediately available or you cannot deliver your Existing Notes, the letter of transmittal or any other documents required by the letter of transmittal or comply with the applicable procedures under DTC's Automated Tender Offer Program prior to the expiration date, you must tender your Existing Notes according to the guaranteed delivery procedures described in this prospectus.
Effect on Holders of Existing Notes	As a result of the making of, and upon acceptance for exchange of all validly tendered Existing 2013 Senior Notes or Existing 2013 PIK Notes pursuant to the terms of, the exchange offer, we will have fulfilled covenants contained in the registration rights agreements applicable to the Existing 2013 Senior Notes and the Existing 2013 PIK Notes and, accordingly, we will not be obligated to pay additional interest as described in the registration rights agreement applicable to the particular class of Existing Notes. If you are a holder of Existing Notes and do not tender your Existing Notes in the exchange offer, you will continue to hold the Existing Notes and you will be entitled to all the rights and limitations applicable to the Existing Notes in the indenture governing the particular class of Existing Notes, except for any rights under the registration rights agreement applicable to the class of Existing Notes that by their terms terminate upon the consummation of the exchange offer.
Consequences of Failure to Exchange	All untendered Existing Notes will continue to be subject to the restrictions on transfer provided for in the Existing Notes and in the indentures governing the Existing Notes. In general, the Existing Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, or as otherwise required under certain limited circumstances pursuant to the terms of the registration rights agreements, we do not currently anticipate that we will register the Existing Notes under the Securities Act.

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Accounting Treatment	We will record the Exchange Notes in our accounting records at the same carrying value as the Existing Notes, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes in connection with the exchange offer. We will capitalize certain expenses of the exchange offer as deferred financing costs and amortize those costs over the life of the Exchange Notes.
Certain U.S. Federal Income Tax Considerations	The exchange of Existing Notes for Exchange Notes in the exchange offer should not be a taxable event for U.S. federal income tax purposes. See Certain U.S. Federal Income Tax Considerations.
Use of Proceeds	We will not receive any cash proceeds from the issuance of the Exchange Notes. In consideration for issuing the Exchange Notes as contemplated in this prospectus, we will receive in exchange Existing Notes in like principal amount, which will be canceled and as such will not result in any increase in our indebtedness. We did not receive any cash proceeds from the issuances of the Existing Notes, which were issued in exchange for 9% Notes and 2012 Notes that were outstanding on the date of the issuances of the Existing Notes.
Exchange Agent	The Bank of New York Mellon Trust Company, N.A. is the exchange agent for the exchange offer. The address and telephone number of the exchange agent are set forth in the section entitled The Exchange Offer Exchange Agent.

Summary of the Terms of the Exchange Notes

Issuers	Quality Distribution, LLC and QD Capital Corporation
Securities Offered	
<i>Exchange 2013 Senior Notes</i>	\$134,499,000 Principal Amount of 10% Senior Notes due 2013
<i>Exchange 2013 PIK Notes</i>	\$81,395,785 Principal Amount of 11.75% Senior Subordinated PIK Notes due 2013 (\$653,785 of the aggregate principal amount is due to the payment in kind of interest on February 1, 2010, thereby increasing the outstanding principal amount of the 11.75% Senior Subordinated PIK Notes due 2013)
Maturity Date	
<i>Exchange 2013 Senior Notes</i>	June 1, 2013
<i>Exchange 2013 PIK Notes</i>	November 1, 2013
Interest	
<i>Exchange 2013 Senior Notes</i>	Interest on the Exchange 2013 Senior Notes will accrue at a rate of 10% per annum and will be payable in cash on June 1 and December 1 of each year, commencing June 1, 2010.
	<p>Holder who exchange their Existing 2013 Senior Notes for Exchange 2013 Senior Notes will receive the same interest payment on June 1, 2010 that they would have received if they had not accepted the exchange offer.</p>
<i>Exchange 2013 PIK Notes</i>	Interest on the Exchange 2013 PIK Notes will accrue interest at the rate of 11.75% per annum, payable as follows: 9% in cash and 2.75% by increasing the outstanding principal amount of the Exchange 2013 PIK Notes. Interest on the Exchange 2013 PIK Notes will be payable on February 1, May 1, August 1 and November 1 of each year, commencing February 1, 2010.

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Guarantees	<p>Our obligations under the Exchange Notes are fully and unconditionally guaranteed, jointly and severally, on an unsecured basis by our parent company, QDI, and each of our existing and certain future U.S. restricted subsidiaries. Exchange Notes are not and will not be, however, guaranteed by our foreign subsidiaries or our unrestricted subsidiaries. Investors should not rely on the QDI guarantee in evaluating an investment in the Exchange Notes as QDI currently has no material assets other than the ownership of 100% of our membership interests, and the covenants contained in the indentures governing the Exchange Notes will not apply to QDI.</p>
Ranking	
<i>Exchange 2013 Senior Notes</i>	<p>The Exchange 2013 Senior Notes and the guarantees thereof will be our unsecured and unsubordinated obligations and will rank:</p> <ul style="list-style-type: none">equally in right of payment with all of our existing and future senior unsecured debt, including the Existing 2013 Senior Notes and the 2012 Notes and the guarantees thereof;effectively junior to all of our existing and future secured debt, including borrowings under the ABL Facility, to the extent of the value of the assets securing such debt;senior in right of payment to all of our existing and future subordinated debt, including the Existing 2013 PIK Notes, the Exchange 2013 PIK Notes and the 9% Notes and the guarantees thereof; andstructurally subordinated to all liabilities, including trade payables, of our subsidiaries that are not guarantors, which are principally our subsidiaries in Mexico and Canada, and which provided less than 1% of our operating revenues in 2009.
<i>Exchange 2013 PIK Notes</i>	<p>The Exchange 2013 PIK Notes and the guarantees thereof will be our unsecured and subordinated obligations and will rank:</p> <ul style="list-style-type: none">equally in right of payment with all of our existing and future unsecured subordinated debt, including the Existing 2013 PIK Notes and the 9% Notes and the guarantees thereof;junior in right of payment with all of our existing and future senior unsecured debt, including the Existing 2013 Senior Notes, the Exchange 2013 Senior Notes and the 2012 Notes and the guarantees thereof;effectively junior to all of our existing and future secured debt, including borrowings under the ABL Facility, to the extent of the value of the assets securing such debt; andstructurally subordinated to all liabilities, including trade payables, of our subsidiaries that are not guarantors, which are principally our subsidiaries in Mexico and Canada, and which provided less than 1% of our operating revenues in 2009.
Optional Redemption	
<i>Exchange 2013 Senior Notes</i>	<p>We may redeem some or all of the Exchange 2013 Senior Notes at any time, upon providing required notice, at a redemption price equal to 100% of the principal amount of the Exchange 2013 Senior Notes plus accrued and unpaid interest and additional interest, if any, to the applicable redemption date.</p>

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<i>Exchange 2013 PIK Notes</i>	<p>Prior to the first anniversary of the issuance of the Existing 2013 PIK Notes, we may redeem some or all of the Exchange 2013 PIK Notes at a redemption price equal to 100% of the principal amount of the Exchange 2013 PIK Notes plus accrued and unpaid interest and additional interest, if any, to the applicable redemption date plus the applicable make-whole premium. On or after the first anniversary of the issuance of the Existing 2013 PIK Notes, we may redeem some or all of the Exchange 2013 PIK Notes at a redemption price equal to 100% of the principal amount of the Exchange 2013 PIK Notes plus accrued and unpaid interest and additional interest, if any, to the applicable redemption date. Additionally, on or prior to the first anniversary of the issuance of the Existing 2013 PIK Notes, we may redeem up to 35% of the aggregate principal amount of the Exchange 2013 PIK Notes with the net proceeds of specified equity offerings at a redemption price equal to 111.75% of the principal amount of the Exchange 2013 PIK Notes plus accrued and unpaid interest and additional interest, if any, to the applicable redemption date.</p>
<p>Mandatory Redemption for Exchange 2013 Senior Notes</p> <p><i>Semi-Annual Mandatory Redemption</i></p> <p><i>Additional Mandatory Redemption</i></p>	<p>The Exchange 2013 Senior Notes must be redeemed on each June 1 and December 1, commencing December 1, 2010, at 100.00% of the principal amount, plus any accrued and unpaid interest to the date of redemption, in an aggregate principal amount of \$6 million. The required redemption amount may be increased by unpaid amounts required to be carried forward from prior periods.</p> <p>Beginning with the year ending December 31, 2011, promptly following the delivery by QDI of its Annual Report on Form 10-K for each fiscal year (or the delivery by QD LLC of financial statements if QDI ceases to be a reporting company under the Exchange Act) but no later than 105 days after year-end, the Exchange 2013 Senior Notes must be redeemed at 100.00% of the principal amount, plus any accrued and unpaid interest to the date of redemption, in an aggregate principal amount equal to 50% of consolidated excess cash flow for such fiscal year minus \$12 million.</p> <p>Both required redemption amounts will be reduced to the extent necessary so that</p> <ul style="list-style-type: none"> the sum of borrowing availability under the ABL Facility, plus unrestricted cash and cash equivalents, is at least \$37.5 million; the minimum borrowing availability requirements under the ABL Facility are satisfied; there is fixed charge coverage ratio of at least 1.0 to 1.0 as calculated under the ABL Facility; and no other event of default is otherwise caused under the ABL Facility by the redemption. <p>The required redemption amounts are also reduced by any optional redemptions and repurchases during the redemption period.</p>
<i>Reductions in Mandatory Redemption Amounts</i>	<p>Both required redemption amounts will be reduced to the extent necessary so that</p> <ul style="list-style-type: none"> the sum of borrowing availability under the ABL Facility, plus unrestricted cash and cash equivalents, is at least \$37.5 million; the minimum borrowing availability requirements under the ABL Facility are satisfied; there is fixed charge coverage ratio of at least 1.0 to 1.0 as calculated under the ABL Facility; and no other event of default is otherwise caused under the ABL Facility by the redemption. <p>The required redemption amounts are also reduced by any optional redemptions and repurchases during the redemption period.</p>
<i>Mandatory Offer to Repurchase</i>	<p>If we sell all or substantially all of our assets or undergo other types of changes in control, each holder will have the right to require us to repurchase all or any part of such holder's Exchange Notes at 101% of the aggregate principal amount of the Exchange Notes.</p>

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Certain Covenants

The indentures governing the Exchange Notes, among other things, limit our ability and the ability of our restricted subsidiaries to:

incur or guarantee additional indebtedness;

pay dividends or distributions on, or redeem or repurchase, capital stock and make other restricted payments;

make investments;

consummate certain asset sales;

engage in transactions with affiliates;

grant or assume liens; and

consolidate, merge or transfer all or substantially all of our assets.

These limitations are subject to a number of important qualifications and exceptions as described in this prospectus.

Limited Market

The Exchange Notes generally will be freely transferable. However, we do not currently intend to list either class of the Exchange Notes on any exchange, and there can be no assurance as to the development or liquidity of any market for any of the Exchange Notes.

Table of Contents**Summary Financial Data**

The following table sets forth summary consolidated financial data, and other historical consolidated financial data of QDI. QDI is or will be a guarantor of the Existing 2013 Senior Notes, the Exchange 2013 Senior Notes, the Existing 2013 PIK Notes, the Exchange 2013 PIK Notes, the 9% Notes, the 2012 Notes and the ABL Facility and has no material assets or operations other than its ownership of 100% of our membership interests. As a result, the consolidated financial position and results of operations of QDI are substantially the same as ours. The summary historical consolidated financial information set forth below is qualified in its entirety by reference to, and should be read in conjunction with, our consolidated financial statements and notes thereto included elsewhere in this prospectus and the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations. The historical results do not necessarily indicate results expected for any future period.

The consolidated statements of operations data set forth below for the years ended December 31, 2009, 2008 and 2007 and the historical balance sheet data as of December 31, 2009 and 2008 are derived from our audited financial statements included in this prospectus. The historical statements of operations data for the years ended December 31, 2006 and 2005 and the historical balance sheet data as of December 31, 2007, 2006 and 2005 are derived from our audited financial statements that are not included in this prospectus.

	YEAR ENDED DECEMBER 31				
	2009	2008	2007	2006	2005
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)				
Statements of Operations Data (1)					
Operating revenues	\$ 613,609	\$ 815,290	\$ 751,558	\$ 730,159	\$ 678,076
Operating expenses:					
Purchased transportation	373,539	466,823	471,531	493,686	471,238
Depreciation and amortization	20,218	21,002	17,544	16,353	17,278
Impairment charge (2)	148,630				
Other operating expenses	186,398	294,487	238,630	171,842	149,741
Operating (loss) income	(115,176)	32,978	23,853	48,278	39,819
Interest expense, net	28,047	35,120	30,524	29,388	26,712