

QUALITY DISTRIBUTION INC
Form DEF 14A
April 26, 2010

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

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

QUALITY DISTRIBUTION, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14(a)-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed under Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total Fee Paid:

.. Fee paid previously with preliminary materials.

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

4041 Park Oaks Boulevard, Suite 200

Tampa, Florida 33610

April 26, 2010

Dear Fellow Shareholder:

You are cordially invited to attend the annual meeting of shareholders of Quality Distribution, Inc., which will be held on Tuesday, May 25, 2010, beginning at 10:00 a.m., Eastern Time. The meeting will be held at the Crowne Plaza Hotel located at 10221 Princess Palm Avenue, Tampa, Florida, 33610. The purpose of the meeting is to consider and vote upon the proposals explained in the accompanying notice of annual meeting of shareholders and the proxy statement.

A formal notice describing the business to come before the meeting, a proxy statement and a proxy card are enclosed. We have also enclosed our 2009 Annual Report on Form 10-K for your review, which contains detailed information concerning our financial performance and activities during 2009.

It is important that your shares be represented at the annual meeting. Whether or not you plan to attend the annual meeting in person, please vote your shares by completing, signing and dating the enclosed proxy card, and returning it in the enclosed, postage-paid envelope. If you later decide to attend the annual meeting and vote in person, or if you wish to revoke your proxy for any reason before the vote at the annual meeting, you may do so and your proxy will have no further effect.

Sincerely,

Gary R. Enzor

President and Chief Executive Officer

Enclosures

4041 Park Oaks Boulevard, Suite 200

Tampa, Florida 33610

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

MAY 25, 2010

The annual meeting of shareholders of Quality Distribution, Inc. will be held on Tuesday, May 25, 2010, at 10:00 a.m., Eastern Time at the Crowne Plaza Hotel, located at 10221 Princess Palm Avenue, Tampa, Florida 33610 for the following purposes:

- (1) to elect eight directors;
- (2) to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered certified public accounting firm for 2010;
- (3) to act upon a proposal to amend the 2003 Restricted Stock Incentive Plan to (i) increase the maximum value of grants that may be made under the plan and (ii) increase the maximum number of shares that may be issued under the plan; and
- (4) to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Shareholders of record at the close of business on April 12, 2010, are entitled to notice of the meeting and are entitled to vote at the meeting in person or by proxy. Only shareholders or their proxy holders are invited to attend the meeting.

By Order of the Board of Directors

Jonathan C. Gold

Corporate Secretary

Tampa, Florida

April 26, 2010

IMPORTANT

Whether or not you expect to attend the meeting in person, we urge you to complete, sign, date and return the enclosed proxy card at your earliest convenience. This will ensure that your vote will be counted at the meeting. **Promptly completing, signing, dating and returning the proxy card will save the Company the expense and effort of additional solicitation.** An addressed envelope, for which no postage is required if mailed in the United States, is enclosed for the purpose of returning your proxy card. Sending in your proxy card will not prevent you from voting your shares at the meeting if you desire to do so, as your proxy is revocable at your option. Street name shareholders who wish to vote in

person will need to obtain a proxy from the person in whose name their shares are registered.

PROXY STATEMENT FOR 2010 ANNUAL MEETING OF SHAREHOLDERS

You have received this proxy statement and the accompanying notice of annual meeting and proxy card as an owner of the common stock, no par value, of Quality Distribution, Inc., in connection with the solicitation of proxies by the Board of Directors (the *Board*) for use at Quality Distribution's 2010 annual meeting of shareholders.

Unless the context requires otherwise, references in this proxy statement to *Quality Distribution*, *QDI*, the *Company*, *we*, *us*, or *our* refer to Quality Distribution, Inc. and its consolidated subsidiaries.

Your vote is very important. For this reason, the Board is requesting that you allow your common stock to be represented at the 2010 annual meeting of shareholders by the proxies named on the enclosed proxy card. We are first mailing this proxy statement and the proxy card on or about April 26, 2010.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Time and Place

May 25, 2010

10:00 a.m. Eastern Time

Crowne Plaza Hotel

10221 Princess Palm Avenue

Tampa, Florida 33610

Items to be Voted Upon

You will be voting on the following matters:

the election of eight directors;

the ratification of the appointment of the independent registered certified public accounting firm;

the amendments to the 2003 Restricted Stock Incentive Plan; and

such other business as is properly brought before the meeting and at any adjournment or postponement of the meeting.

Who May Vote

You are entitled to vote your common stock if our records show that you held your shares as of the close of business on the record date, April 12, 2010. Each shareholder is entitled to one vote for each share of common stock held on that date, at which time we had 20,146,138 shares of common stock outstanding and entitled to vote. Common stock is our only issued and outstanding class of stock.

How to Vote

You may vote in person at the meeting or by proxy. We recommend you vote by proxy even if you plan to attend the meeting. You can always change your vote at the meeting. If you hold shares in street name (that is, through a bank, broker or other nominee) and would like to attend the annual meeting, you will need to bring an account statement or other acceptable evidence of ownership of our common stock as of the close of business on April 12, 2010, the record date for voting. In order to vote in person at the annual meeting, you may contact the person in whose name your shares are registered and obtain a proxy from that person and bring it to the annual meeting.

Voting Shares in Fiduciary Account

If you received this proxy statement from your broker or other fiduciary, your broker or fiduciary should have given you instructions for directing how that person or entity should vote your shares. It will then be your broker or fiduciary's responsibility to vote your shares for you in the manner you direct. Please complete, execute and return the proxy card or other instructions in the envelope provided by your broker or utilize telephone or internet voting procedures if provided to you.

Voting your shares in this manner will not affect your right to vote in person if you decide to attend the meeting, however, you must first request a legal proxy either on the internet or the enclosed proxy card. Obtaining a legal proxy prior to the deadline stated above will automatically cancel any voting directions you have previously given with respect to your shares.

Brokers generally may vote on routine matters, such as the ratification of an independent public accounting firm, but may not vote on non-routine matters unless they have received voting instructions from the person for whom they are holding shares. The election of directors and the proposed amendments to the 2003 Restricted Stock Incentive Plan are considered non-routine matters. Therefore, if you do not provide directions to your broker as to how you want your shares voted, your broker is not permitted to vote in the election of directors or the proposed amendments to the 2003 Restricted Stock Incentive Plan. If there is a non-routine matter presented to shareholders at the meeting and your broker or fiduciary does not receive instructions from you on how to vote on that matter, your broker or fiduciary will return the proxy card to us, indicating that he or she does not have the authority to vote on that matter. This is generally referred to as a "broker non-vote" and may affect the outcome of the voting on those matters.

Proxy Card

If you complete, sign, date and return your proxy card before the annual meeting, we will vote your shares as you direct. You have three choices on each matter to be voted upon. For the election of directors, you may vote for (1) all of the nominees, (2) none of the nominees, or (3) all of the nominees except those you designate. For the other item of business, you may vote FOR or AGAINST the matter, or you may ABSTAIN from voting.

If you return your signed proxy card but do not specify how you want to vote your shares, we will vote your shares:

FOR the election of all eight nominees for director identified on pages **4 and 5**;

FOR the ratification of appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for 2010;

FOR the amendments to the 2003 Restricted Stock Incentive Plan; and

in our discretion as to other business that properly comes before the meeting or at any adjournment or postponement of the meeting.

Changing Your Vote

You can revoke your proxy at any time before it is voted at the annual meeting by:

Ø submitting a new proxy with a later date by signing and returning a proxy card to the Company;

Ø attending the annual meeting and voting in person; or

Ø sending written notice of revocation addressed to Jonathan C. Gold, our Corporate Secretary, at the address of the Company.

Quorum

A quorum is required to hold an annual meeting and conduct business. A quorum at the annual meeting will consist of a majority of the votes entitled to be cast by holders of shares of our common stock.

Votes Required

Nominees for election as a director are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. The ratification of the appointment of the independent registered certified public accounting firm and amendments to the 2003 Restricted Stock Incentive Plan will be approved if the votes cast at a meeting at which a quorum is present favoring the matter exceed the votes cast opposing it. Any other matters will be approved if the votes cast at a meeting at which a quorum is present favoring the matter exceed the votes cast opposing the matter, unless a greater number of affirmative votes is required for approval of that matter under our Articles of Incorporation or By-laws or the Florida Business Corporation Act.

All votes will be tabulated by an inspector of election appointed for the meeting, who will separately tabulate affirmative and negative votes and abstentions. Under Florida corporate law, abstentions and broker non-votes are treated as shares of common stock that are present and entitled to vote for purposes of determining the presence of a quorum. Since abstentions and broker non-votes are not considered votes cast on a proposal and are not considered votes opposing the election of a director or other actions, abstentions and broker non-votes will have no effect on the election of directors, the ratification of the appointment of our independent registered certified public accounting firm or the amendments to the 2003 Restricted Stock Incentive Plan.

Solicitation

We will bear the entire cost of soliciting proxies, including preparation, assembly, printing and mailing of this proxy statement, the proxy card and any additional information furnished to shareholders. We have engaged The Altman Group, Inc. to assist us with the distribution of proxies (but not the solicitation thereof). We expect to pay The Altman Group, Inc. approximately \$2,000 for its services. We will reimburse banks, brokerage houses, fiduciaries and custodians for their costs of forwarding solicitation materials to beneficial owners of our common stock. In addition to solicitations by mail, our directors, officers or other regular employees of the Company, without additional compensation, may solicit proxies by telephone, facsimile, e-mail or in person.

PROPOSAL 1:

ELECTION OF DIRECTORS

Our Articles of Incorporation and By-laws provide that our Board shall comprise no less than one or more than 13 directors. Vacancies on the Board may be filled only by the Board. A director elected to fill a vacancy shall hold office until the next annual meeting of shareholders and until such director's successor is elected and qualified.

Our Board is currently composed of eight members. Each of our directors is required to stand for re-election every year and the Corporate Governance Committee has determined to nominate each current director to serve for another term. If elected at the annual meeting, each of the nominees below would serve until the 2011 annual meeting and until his successor is elected and qualified, or until such director's earlier death, disability, resignation or removal.

Directors are elected by a plurality of the votes present in person or represented by proxy and entitled to vote at the meeting. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the nominees named below. If any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of a substitute nominee proposed by the Board. Each person nominated for election has agreed to serve if elected, and we have no reason to believe that any nominee will be unable to serve.

Set forth below is biographical information for each person nominated. There are no family relationships among any of our directors or executive officers.

Nominees for Election for a One-Year Term Expiring at the 2011 Annual Meeting

Marc E. Becker (37) has been a director of QDI since June 1998. Mr. Becker is a partner of Apollo Management, L.P. (Apollo). He has been employed with Apollo since 1996 and has served as an officer of certain affiliates of Apollo since 1999. Prior to that time, Mr. Becker was employed by Salomon Smith Barney Inc. within its investment banking division. Mr. Becker serves on several boards of directors including Affinion Group, Inc., Realogy Corporation, SourceCorp, Inc. and Vantium Corp. Mr. Becker was previously a member of the board of directors of UAP Holding Corp., Pacer International Inc., National Financial Partners Corp. and Metals USA Holdings. Mr. Becker brings to QDI's Board his extensive experience with highly-leveraged companies like QDI, from his time at Apollo, prior investment banking experiences, and board service as well as an understanding of QDI from over 11 years of board service.

Kevin E. Crowe (27) has been a director of QDI since November 2009. Mr. Crowe has been employed by Apollo since August of 2006. From June of 2004 until June of 2006, Mr. Crowe was a member of the Financial Sponsors Group within the Global Banking department at Deutsche Bank. Mr. Crowe graduated in 2004 from Princeton University with an AB in Economics and a certificate in Finance. Mr. Crowe is a director of Prestige Cruise Holdings, Inc. Mr. Crowe's education and experience in the global banking sector enable him to provide the Board insight regarding QDI's liquidity and capital resources issues as well as other complex financial issues that QDI may experience.

Gary R. Enzor (47) has been a director of QDI since 2008. He has served as our Chief Executive Officer since June 2007 and as President of QDI since November 2005. Mr. Enzor joined QDI in December 2004 as Executive Vice President and Chief Operating Officer. Prior to joining QDI, Mr. Enzor served as Executive Vice President and Chief Financial Officer of Swift Transportation Company, Inc. since August 2002. Prior to Swift, Mr. Enzor held executive positions with, Dell Computer and AlliedSignal, Inc. (now Honeywell International, Inc.). Mr. Enzor provides QDI's Board of Directors with an intimate knowledge of our operations as well as industry knowledge from his considerable experience in the trucking sector.

Richard B. Marchese (68) has been a director of QDI since January 2004. Mr. Marchese served as QDI's interim Chief Financial Officer from September through November 2004. Mr. Marchese served as Vice President Finance, Chief Financial Officer and Treasurer of Georgia Gulf Corporation from 1989 until his retirement at the end of 2003. Prior to 1989, Mr. Marchese served as the Controller of Georgia Gulf Corporation and prior to that as the Controller of the Resins Division of Georgia Pacific Corporation. Mr. Marchese is a director of Nalco Holding Company, BlueLinx Holdings, Inc. and Texas Petrochemicals, Inc. Mr. Marchese brings extensive finance and operations experience to QDI. His experience as a director of public companies in various industries enables Mr. Marchese to bring a broad perspective to QDI's Board.

Thomas R. Miklich (63) has been a director of QDI since May 2005. He was Chief Financial Officer of OM Group, Inc., a chemical company specializing in nickel and cobalt products, from 2002 until his retirement in 2004. Prior to that, he was Chief Financial Officer and General Counsel of Invacare Corporation from 1993 to 2002. Mr. Miklich was a director of United Agri Products from 2004 until its sale in 2007. He was a director of Titan Technology Partners, a privately held IT consulting firm, from 2004 until 2007 and its CFO from 2005 until 2007. He is a director of Noranda Aluminum Holding Corporation and was previously a director of UAP Holding Corp. Mr. Miklich is a CPA (inactive) and an attorney (inactive). Mr. Miklich can provide the Board with valuable insight into the environment our customers face as he has over 30 years of diverse financial and legal experience with mid-to-large capitalization public companies, including those in the chemical industry.

M. Ali Rashid (33) has been a director of QDI since June 2005 and is a principal of Apollo. He has been employed with Apollo since 2000. Prior to joining Apollo, Mr. Rashid was employed by the Goldman Sachs Group, Inc. in the Financial Institutions Group of its Investment Banking Division from August 1998 to July 2000. Mr. Rashid received an MBA from the Stanford Graduate School of Business and graduated Magna Cum Laude and Beta Gamma Sigma from Georgetown University with a B.S. in Business Administration. He is a director of Metals USA, Inc., Realogy Corporation and Noranda Aluminum Holding Corporation. Mr. Rashid brings to the Board experience with complex financial issues facing highly-leveraged organizations like QDI from his current position at Apollo and his prior investment banking experience. He also provides the Board with an understanding of executive compensation and incentive arrangements from his work experience and service on other public company boards of directors.

Alan H. Schumacher (63) has been a director of QDI since May 2004. Mr. Schumacher is a member of the Federal Accounting Standards Advisory Board. From 1977 to 2000, he served in various financial positions at American National Can and American National Can Group, the last four years serving as Executive Vice President and Chief Financial Officer. Mr. Schumacher was a director of Anchor Glass Container Inc. from 2003 until 2006. Mr. Schumacher is a director of BlueLinx Holdings, Inc., Equable Ascent Financial, School Bus Holdings Inc., North American Bus Industries and Noranda Aluminum Holding Corporation. With his years of financial reporting experience, including service as a Chief Financial Officer and on other public company audit committees, Mr. Schumacher provides the Board of Directors with experience in oversight of financial reporting and internal controls.

Thomas M. White (52) has been a director of QDI since November 6, 2007. Mr. White joined Apollo in May 2007 as an Operating Partner in the distribution and transportation industries. He is currently serving as Chief Financial Officer of SkyLink Aviation, Inc., an Apollo owned entity based in Toronto. During 2009, Mr. White served as interim Chief Financial Officer of CEVA Group, plc, an Apollo owned entity based in the Netherlands. From 2002 to 2007, Mr. White was the Senior Vice President, Chief Financial Officer and Treasurer of Hub Group, Inc., a NASDAQ listed company providing transportation management, intermodal, truck brokerage and logistics services. Prior to joining Hub Group, Mr. White was a senior audit partner with Arthur Andersen, which he joined in 1979. Mr. White currently serves on the board of directors of CEVA Group plc and Landauer, Inc. Mr. White served on the board of directors of FTD, Inc. until its sale in August 2008. Mr. White is a CPA. With his experience as a Chief Financial Officer, as a senior audit partner at Arthur Andersen, and service on other audit committees, including that of a public company, as well as his educational background, Mr. White brings an understanding of financial statements, financial reporting and internal controls, to our Board of Directors. Mr. White also has management experience in the trucking sector.

**OUR BOARD RECOMMENDS A VOTE FOR EACH NAMED NOMINEE.
CORPORATE GOVERNANCE**

Principles and Governance Guidelines

The Board has adopted and adheres to a Code of Conduct that the board and senior management believe represents sound practices. We have a longstanding belief that ethical behavior and respect for the law are fundamental to our culture and our business practices. It is the foundation of the policies and practices of our Code of Conduct to promote the management of our Company with integrity and in our shareholders' best interests. We are committed to conducting our business in strict compliance with both the letter and the spirit of the law and with the highest standards of professional and ethical conduct. Each director, officer and employee is responsible for conducting our business in adherence to these high standards. Our Code of Conduct can be found on the Investor Relations section of our website at www.qualitydistribution.com. We regularly post or otherwise make available information on the Investor Relations section of our website that may be important to investors. Information on or linked from our website does not constitute a part of this proxy statement.

Only independent directors currently serve on our Audit Committee, Corporate Governance Committee and Compensation Committee. It is expected that only independent directors will serve on these committees immediately following the annual meeting.

Director Independence

Quality Distribution is a controlled company as defined by the rules of the NASDAQ Stock Market, LLC because more than 50% of our voting power is controlled by Apollo. See Security Ownership of Certain Beneficial Owners and Management. Therefore, we are exempt from the NASDAQ requirements to have (1) a majority of independent directors on our Board, (2) the compensation of our executive officers determined by a majority of independent directors or a compensation committee composed solely of independent directors, and (3) nominees for director selected or recommended for selection by a majority of the independent directors or a committee composed solely of independent directors.

Although it is not required as stated above, a majority of our Board of Directors is comprised of independent directors under the NASDAQ Rules. Our current independent directors are Messrs. Becker, Crowe, Marchese, Miklich, Rashid, Schumacher and White. It is therefore expected that a majority of Board of Directors will continue to be comprised of independent directors under the NASDAQ Rules following the annual meeting.

Leadership Structure

We believe that the Board's leadership structure at any time should reflect both the Company's needs, as well as the unique talents and availability of the Board's members. Consequently, the Chairman of the Board and Chief Executive Officer positions have been held by a single person in the past but are currently held separately by Mr. White and Mr. Enzor. We believe that separating these positions currently enables us to best access the insights and trucking industry experience of Mr. White and Mr. Enzor while balancing the other considerations identified above. However, this balance may change in the future.

Risk Oversight

We face a variety of risks, including operational, liquidity, legal and credit risks and risk oversight plays a role in all major board decisions. The Board oversees our risk management process and reviews the risks we face on an ongoing basis. The Board also delegates certain of its risk oversight functions to the Audit Committee. In this regard, one of the Audit Committee's responsibilities involves overseeing our policies regarding risk assessment and risk management of our internal controls and financial reporting. Additionally, the Board receives regular reports from members of our Enterprise Risk Management Committee (made up of senior management), which meets regularly to identify and address significant risks.

Board Meetings and Committees

The Board has an Audit Committee, a Corporate Governance Committee, a Compensation Committee and an Executive Committee. All of the directors attended 75% or more of the combined total meetings of the Board (held during the period the director served) and the committees on which they served during 2009. We encourage our directors to attend annual meetings of our shareholders. Messrs. Enzor, Marchese, Miklich and Schumacher attended the 2009 annual meeting.

The table below indicates the current membership of each committee and how many times the Board and each committee met in 2009:

	Board	Audit	Corporate Governance	Compensation	Executive
Marc E. Becker	Member				
Kevin E. Crowe	Member				
Gary R. Enzor	Member				
Richard B. Marchese	Member	Member			Member
Thomas R. Miklich	Member	Member			
M. Ali Rashid	Member		Chair	Chair	Chair
Alan H. Schumacher	Member	Chair	Member	Member	Member
Thomas M. White	Chair		Member	Member	Member
Number of Meetings	8	8	3	5	13

Audit Committee

The Audit Committee provides assistance to the Board of Directors in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions. The Audit Committee also oversees the audit activities of our independent registered certified public accounting firm and takes those actions it deems necessary to satisfy itself that the independent registered certified public accounting firm is independent of management. Our Board of Directors has determined that Mr. Schumacher, who became the Chairman of the Audit Committee effective September 24, 2004, is an audit committee financial expert as defined by SEC rules. All of the members of the Audit Committee are independent as defined by NASDAQ and SEC rules. The Board, upon recommendation of the Audit Committee, has adopted a written Audit Committee Charter which can be found on the Investor Relations section of our website at www.qualitydistribution.com.

Corporate Governance Committee

The Corporate Governance Committee identifies, evaluates and recommends potential Board and Committee members. The Corporate Governance Committee also develops and recommends to the Board governance guidelines. The Corporate Governance Committee has adopted a Corporate Governance Committee Charter, which can be found on the Investor Relations section of our website at www.qualitydistribution.com.

Compensation Committee

The Compensation Committee administers our compensation program and sets our compensation policies and the forms and amounts of compensation provided to our directors and officers. The Compensation Committee is ultimately responsible for making determinations for salary increases and awards to executive officers. Although management does not participate in the Compensation Committee's deliberations, the Compensation Committee considers management's recommendations. The Compensation Committee also reviews and determines salaries and bonuses for our other officers and employees based on management's input and recommendations. In addition, the Compensation Committee reviews and determines stock-based compensation for our directors, officers and employees and administers our stock incentive plans. The Compensation Committee has adopted a Compensation Committee Charter, which can be found on the Investor Relations section of our website at www.qualitydistribution.com.

Executive Committee

The Executive Committee consults with and advises the officers of the Company in the management of its business and exercises the power and authority of the Board of Directors to direct the business and affairs of the Company in intervals between meetings of the Board, subject to certain exceptions.

DIRECTOR NOMINATION PROCEDURES

The Corporate Governance Committee determines nominees for director. The Corporate Governance Committee does not have a policy with regard to consideration of director candidates recommended by shareholders. The Company does not believe that it is necessary or appropriate for the Corporate Governance Committee to have such a policy because the By-Laws of the Company provide that directors shall be elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present, and the Company is controlled by Apollo and its affiliates, who collectively own a majority of the shares of Quality Distribution.

Generally, nominees for director are identified and suggested to the Corporate Governance Committee by the members of the Board or management using their business networks and evaluation criteria they deem important, which may or may not include diversity. The Board and the Corporate Governance Committee have not considered the diversity of or established any specific minimum experience or diversity qualifications for director candidates. There are no new director candidates for the 2010 annual meeting of shareholders since all the current directors are standing for re-election.

SHAREHOLDER COMMUNICATIONS

The Company has a process for shareholders to communicate with the directors. For more information, please see the Investor Relations section of our website at www.qualitydistribution.com.

APPOINTMENT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

The firm of PricewaterhouseCoopers LLP (PwC) served as our independent registered certified public accounting firm for 2009. The Audit Committee has selected PwC to serve as our independent registered certified public accounting firm for 2010. We are submitting our appointment of the independent registered certified public accounting firm for shareholder ratification at this annual meeting.

Our Articles of Incorporation and By-laws do not require that our shareholders ratify the appointment of our independent registered certified public accounting firm. We are doing so because we believe it is a matter of good corporate practice. If our shareholders do not ratify the appointment, the Audit Committee will reconsider whether to retain PwC but may still retain them. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that a change in registered certified public accounting firm would be in the best interests of the Company and its shareholders.

Representatives of PwC, who will be present at the annual meeting of shareholders, will have an opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

**OUR BOARD RECOMMENDS A VOTE FOR THE RATIFICATION
OF THE INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM.**

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee reviews Quality Distribution's financial reporting process on behalf of the Board. Management has the primary responsibility for establishing and maintaining adequate internal financial controls, for preparing the financial statements and for the public reporting process. PwC, our independent registered certified public accounting firm for 2009, was responsible for expressing opinions on the conformity of the Company's audited financial statements with generally accepted accounting principles and its evaluation of the effectiveness of the Company's internal controls over financial reporting.

In this context, the Audit Committee has reviewed and discussed with management and PwC the audited financial statements for the year ended December 31, 2009 and PwC's evaluation of the Company's internal control over financial reporting. The Audit Committee has discussed with PwC the matters that are required to be discussed by Statement on Auditing Standards No. 61 as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. PwC has provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding PwC's independence. Based on the considerations and the discussions referred to above, the Audit Committee recommended to our Board of Directors that the audited financial statements for the year ended December 31, 2009 be included in our Annual Report on Form 10-K for 2009.

THE AUDIT COMMITTEE

Alan H. Schumacher

Richard B. Marchese

Thomas R. Miklich

FEES PAID TO INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM**IN 2009 AND 2008**

Our Audit Committee Charter requires that the Audit Committee be solely and directly responsible for the appointment, compensation, evaluation and oversight of the work of the independent auditors, including but not limited to, approving fees, evaluating the scope of the audit and pre-approving all audit and non-audit services. The aggregate fees billed by PwC were (in millions):

Type of Fees	2009	2008
Audit Fees*	\$ 1.14	\$ 1.35
Audit-Related Fees		
Tax Fees**	0.04	
All Other Fees		
Total	\$ 1.18	\$ 1.35

* The 2009 and 2008 audit fees include fees for our fiscal year-end audit, review of financial statements included in our Form 10-Q Quarterly Reports and audit of internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002.

** 2009 tax fees include consulting fees related to our note exchange offer completed in October 2009.

SECURITY OWNERSHIP OF**CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of our common stock as of April 1, 2010 (based on shares of common stock outstanding), by:

each person known by us to be a beneficial owner of more than 5.0% of our outstanding common stock,

each of our directors and director nominees,

each of our named executive officers, and

all current directors and executive officers as a group.

The amounts and percentage of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed a beneficial owner of securities as to which he or she has no economic interest. The number of shares of common stock outstanding used in calculating the percentage for each listed person includes the shares of common stock underlying options held by such person that are exercisable within 60 days after April 1, 2010, but excludes shares of common stock underlying options held by any other person.

Except as indicated by footnote, the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

Name of Beneficial Owner	Shares of Common Stock	Percentage of Class
Gary R. Enzor ⁽¹⁾⁽²⁾⁽³⁾	604,931	2.97%
Stephen R. Attwood ⁽¹⁾⁽³⁾	65,000	*
Dennis R. Copeland ⁽¹⁾⁽³⁾	97,572	*
Jonathan C. Gold ⁽¹⁾⁽³⁾	59,229	*
Marc E. Becker ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	28,302	*
Kevin E. Crowe ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾		
Richard B. Marchese ⁽¹⁾⁽³⁾⁽⁶⁾	67,873	*
Thomas R. Miklich ⁽¹⁾⁽³⁾⁽⁶⁾	34,377	*
Stan Parker, Jr. ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾		*
M. Ali Rashid ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	103,302	*
Alan H. Schumacher ⁽¹⁾⁽³⁾⁽⁶⁾	42,873	*
Thomas M. White ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	151,802	*
All executive officers and directors as a group (10 persons) ⁽⁸⁾	1,157,689	5.63%
Apollo Investment Fund III, L.P. ⁽⁹⁾	10,482,530	52.03%
Scopus Asset Management, L.P. ⁽¹⁰⁾	1,072,373	5.32%
FMR, LLC ⁽¹¹⁾	1,477,113	7.33%
Newland Capital Management, LLC ⁽¹²⁾	1,686,145	8.37%

* Less than 1.0%

(1)

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The business address for Messrs. Enzor, Attwood, Copeland, Gold, Marchese, Miklich, and Schumacher is Quality Distribution, Inc., 4041 Park Oaks Boulevard, Suite 200, Tampa, Florida 33610.

- (2) The shares of Mr. Enzor include restricted stock granted under the 2003 Restricted Stock Incentive Plan, which have voting rights. Mr. Enzor has 3,586 shares granted in December 2006, 40,000 shares granted in June 2007, 10,570 shares granted in December 2007, 22,321 shares granted in December 2008 and 13,157 shares granted in December 2009, all of which vest in equal annual installments

over four years beginning December 31 of the year following the grant date. Mr. Enzor was also granted 250,000 shares in November 2009, which vest in equal installments over four years beginning November 4, 2010.

- (3) The shares for certain of our current and former executive officers and directors include stock options that have vested as of April 1, 2010 or will vest within 60 days thereafter. Mr. Enzor has 247,972 vested options; Mr. Attwood has 15,000 vested options; Mr. Copeland has 72,619 vested options; Mr. Gold has 45,729 vested options; Mr. Becker has 5,000 vested options; Mr. Marchese has 35,000 vested options; Mr. Miklich has 5,000 vested options; Mr. Rashid has 5,000 vested options; Mr. Schumacher has 10,000 vested options and Mr. White has 57,500 vested options; Messrs. Crowe and Parker have no vested options.
- (4) The business address for Messrs. Becker, Crowe, Parker, Rashid, and White is Apollo Management, L.P., 9 West 57th Street, New York, New York 10019.
- (5) Messrs. Becker, Parker and White are each a partner, Mr. Rashid is a principal and Mr. Crowe is an associate of Apollo. Messrs. Becker, Parker, Rashid and White are each an officer or director of certain affiliates of Apollo. Although each of Messrs. Becker, Crowe, Parker, Rashid and White may be deemed to beneficially own shares owned by Apollo, each such person disclaims beneficial ownership of any such shares.
- (6) The shares for our non-employee directors include restricted stock granted under the 2003 Restricted Stock Incentive Plan, which have voting rights and vest over four years in equal annual installments. These shares were granted in January 2006, 2007, 2008, 2009 and 2010 and in June 2008 and November 2009. Each of Messrs. Marchese, Miklich and Schumacher was granted 3,778 shares in January 2006 and 2,297 shares in January 2007. Each of Messrs. Becker, Marchese, Miklich, Rashid, Schumacher and White was granted 6,666 shares in January 2008 and 2,985 shares in June 2008. Each of Messrs. Becker, Marchese, Miklich, Parker, Rashid, Schumacher and White was granted 13,651 shares in January 2009. Mr. Parker stepped down from the Board in November 2009. He had no vested shares of restricted stock and forfeited all unvested awards upon his resignation. Each of Messrs. Becker, Crowe, Marchese, Miklich, Rashid, Schumacher and White was granted 9,803 shares in January 2010. On November 4, 2009, Mr. Rashid was granted 75,000 shares and Mr. White was granted 25,000 shares. These shares have voting rights and vest over two years in equal annual installments.
- (7) Includes 46,000 shares held in a margin securities account with a brokerage firm.
- (8) The shares for all current executive officers and directors as a group include 426,201 options that have vested or will vest within 60 days of April 1, 2010 and 558,195 unvested shares of restricted stock.
- (9) Includes shares owned by Apollo Overseas Partners III, L.P., a Delaware limited partnership, and Apollo (U.K.) Partners III, L.P., a limited partnership organized under the laws of the United Kingdom. Also includes 85,521 shares owned by an institutional investor as to which Apollo has sole voting power pursuant to the irrevocable proxy granted by such institutional investor in the Amended and Restated Common and Preferred Stock Purchase and Shareholder Agreement, dated as of August 28, 1998 thereto as amended by Amendment No. 1 dated April 2, 2002. That document provides that in no event shall the grant of the proxy be effective to the extent that the voting power of the proxy, when combined with the voting power of Apollo Investment Fund III, L.P., Apollo Overseas Partners III, L.P., or Apollo (U.K.) Partners III, L.P. exceeds 79.99% of the voting power of QDI. The address of Apollo Investment Fund III, L.P. is c/o Apollo Advisors III, L.P., Two Manhattanville Road, Purchase, New York 10577.
- (10) Based solely on information obtained from a Schedule 13G filed by Scopus Asset Management, L.P. with the SEC on or about March 29, 2010 and without independent investigation of the disclosure contained therein. The business address of Scopus Asset Management, L.P. is 623 5th Avenue, 31st Floor, New York, New York, 10022. Scopus Asset Management, L.P. acts as investment manager to one or more private investment funds and an institutional managed account, which directly own 1,072,373 shares.
- (11) Based solely on information obtained from a Schedule 13G filed by FMR, LLC with the SEC on or about February 16, 2010 and without independent investigation of the disclosure contained therein. The business address of FMR, LLC is 82 Devonshire Street, Boston, Massachusetts 02109. Fidelity Management & Research Company is the wholly-owned subsidiary of FMR, LLC and serves as the investment advisor to Fidelity Select Transportation Portfolio, which directly owns 1,477,113 shares. Voting power for all 1,477,113 shares resides with the Fund's Board of Trustees. Edward C. Johnson, III and members of his family own, directly or through trusts, Series B voting common shares of FMR, LLC, representing 49% of the voting power of FMR, LLC and may be deemed to be the controlling members of FMR, LLC. The report is filed jointly by FMR, LLC, Edward C. Johnson, III, Fidelity Management & Research Company and Fidelity Small Cap Stock Fund. The address for Mr. Johnson, Fidelity Management and the Fund is the same as FMR, LLC.
- (12) Based solely on information obtained from a Schedule 13G filed by Newland Capital Management, LLC with the SEC on or about February 16, 2010 and without independent investigation of the disclosure contained therein. The business address of Newland Capital Management, LLC is 350 Madison Avenue, 11th Floor, New York, New York, 10017. The report is filed jointly by Newland Capital Management, LLC, Newland Master Fund, Ltd., Newland Offshore Fund, Ltd., Ken Brodkowitz and Michael Vermut. The address for all filers is the same as Newland Capital Management, LLC.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the total compensation to our Chief Executive Officer, our two other most highly compensated executive officers and one other highly compensated officer who was an executive officer prior to the end of the year (the Named Executive Officers) for 2009 and 2008.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock	Option	Nonqualified	All other	Total (\$)
				Awards	Awards	deferred	Compensation	
				(1)(2)	(1)(3)	earnings	(5)	
				(\$)	(\$)	(\$)	(\$)	
Gary R. Enzor President and Chief Executive Officer	2009	350,000	200,000	1,004,997	702,348		783	2,258,128
Stephen R. Attw001pt;">	2008	350,000		49,797	62,250		6,080	468,127

*
K.J. STORM
Supervisory Board Member
November 12, 2009

*
B. VAN DER VEER
Supervisory Board Member
November 12, 2009

*
L.M. VAN WIJK
Supervisory Board Member
November 12, 2009

*
D.P.M. VERBEEK
Supervisory Board Member
November 12, 2009

*
C.D. VERMIE
Authorized U.S. Representative
November 12, 2009

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Pursuant to the requirements of the Securities Act of 1933, the Registrant, AEGON Funding Company LLC, certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this Post-Effective Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in The Hague, The Netherlands, on this 12th day of November, 2009.

AEGON Funding Company LLC

By: /s/ C.M. van Katwijk
 Name: C. M. van Katwijk
 Title: President

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 to the Registration Statement has been signed by the following persons (who comprise a majority of the Board of Directors) in the capacities and on the dates indicated.

Signature	Title	Date
/s/ C.M. van Katwijk C.M. VAN KATWIJK	President (Principal Executive Officer)	November 12, 2009
* C. FOWLER	Treasurer (Principal Financial Officer and Principal Accounting Officer)	November 12, 2009
* C.D. VERMIE	Secretary	November 12, 2009

*By his signature below, the undersigned, pursuant to a duly authorized power of attorney filed with the Securities and Exchange Commission, has signed this Post-Effective Amendment No. 1 to the Registration Statement on behalf of the person indicated.

/s/ C.M. van Katwijk	
C.M. VAN KATWIJK	

EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement(1)
1.2	Underwriting Agreement dated August 13, 2009 among AEGON N.V. and the underwriters named therein
4.1	Articles of Incorporation of AEGON N.V., as amended and restated May 3, 2007(2)
4.2	Amendment of the 1983 Merger Agreement among AEGON and Vereniging AEGON(3)
4.3	Preferred Shares Voting Rights Agreement(4)
4.4	Specimen Share Certificate(5)
4.5	Indenture between AEGON N.V., AEGON Funding Corp., AEGON Funding Corp. II and Citibank, N.A., as Trustee(6)
4.6	Form of Guarantee (included in Exhibit 4.5)
4.7	Form of Warrant Agreement(7)
4.8	Form of Purchase Contract Agreement(8)
4.9	Form of Unit Agreement(9)
5.1	Opinion of Allen & Overy, New York, New York(10)
5.2	Opinion of Allen & Overy, Amsterdam, The Netherlands(11)
8.1	Tax Opinion of Allen & Overy, New York, New York(12)
23.1	Consent of Allen & Overy, New York, New York (included in Exhibit 5.1 and Exhibit 8.1)
23.2	Consent of Allen & Overy, Amsterdam, The Netherlands (included in Exhibit 5.2)
23.3	Consent of Ernst & Young Accountants, Independent Registered Public Accounting Firm(13)
24.1	Powers of Attorney (14)
24.2	Powers of Attorney
25.1	Statement of Eligibility of The Bank of New York Trust Company, N.A. under the Trust Indenture Act of 1939 on Form T-1(15)

-
- (1) Incorporated by reference to Exhibit 1.1 to Pre-Effective Amendment No. 2 to Form F-3 (file no. 333-106497) filed with the SEC on September 23, 2003.
 - (2) Incorporated by reference to Form 6-K furnished to the SEC on May 31, 2007.
 - (3) Incorporated by reference to Exhibit 4.2 to Form F-3 (file no. 333-106497) filed with the SEC on June 25, 2003.
 - (4) Incorporated by reference to Exhibit 4.3 to Form F-3 (file no. 333-106497) filed with the SEC on June 25, 2003.

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- (5) Incorporated by reference to Exhibit 4.2 to Form F-3 (file no. 333-71438) filed with the SEC on October 11, 2001.
- (6) Incorporated by reference to Exhibit 4.3 to Form F-3 (file no. 333-71438) filed with the SEC on October 11, 2001.
- (7) Incorporated by reference to Exhibit 4.12 to Pre-Effective Amendment No. 2 to Form F-3 (file no. 333-106497) filed with the SEC on September 21, 2003.
- (8) Incorporated by reference to Exhibit 4.13 to Pre-Effective Amendment No. 2 to Form F-3 (file no. 333-106497) filed with the SEC on September 23, 2003.
- (9) Incorporated by reference to Exhibit 4.14 to Pre-Effective Amendment No. 2 to Form F-3 (file no. 333-106497) filed with the SEC on September 23, 2003.

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- (10) Incorporated by reference to Exhibit 5.1 to Form F-3 (file no. 333-150786) filed with the SEC on May 9, 2008.
- (11) Incorporated by reference to Exhibit 5.2 to Form F-3 (file no. 333-150786) filed with the SEC on May 9, 2008.
- (12) Incorporated by reference to Exhibit 8.1 to Form F-3 (file no. 333-150786) filed with the SEC on May 9, 2008.
- (13) Incorporated by reference to Exhibit 23.3 to Form F-3 (file no. 333-150786) filed with the SEC on May 9, 2008.
- (14) Incorporated by reference to the signature pages of Form F-3 (file no. 333-150786) filed with the SEC on May 9, 2008.
- (15) Incorporated by reference to Exhibit 25.1 to Form F-3 (file no. 333-150786) filed with the SEC on May 9, 2008.