

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

FORM 8-K

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

Date of Report (date of earliest event reported): July 26, 2006

P.A.M. TRANSPORTATION SERVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-15057
(Commission File
Number)

71-0633135
(IRS Employer
Identification Number)

297 West Henri Di Tonti Blvd., Tontitown, Arkansas
(Address of principal executive offices)

72770
(Zip Code)

Registrant's telephone number, including area code

(479)-361-9111

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Employment Agreement with Robert W. Weaver

On July 26, 2006, P.A.M. Transportation Service, Inc. ("PTSI") entered into a new employment agreement with its President and Chief Executive Officer, Robert W. Weaver, that is dated as of July 10, 2006. The employment agreement replaces PTSI's prior employment agreement with Mr. Weaver that covered the period from July 1, 2004 through June 30, 2006. The new employment agreement provides Mr. Weaver with an annual base salary of the following amounts for the designated periods:

<u>Period</u>	<u>Annual Base Salary</u>
July 10, 2006 to July 10, 2007	\$500,000
July 10, 2007 to July 10, 2008	\$500,000
July 10, 2008 to July 10, 2009	\$550,000

The employment agreement provides PTSI an option to extend the agreement for two consecutive years, one additional year at a time, and provides an annual base salary for Mr. Weaver of \$550,000 for the first year of the extension and \$600,000 for the second year.

Under the employment agreement, Mr. Weaver may also participate in bonus and incentive compensation plans approved from time to time by PTSI's Board of Directors or Compensation and Stock Option Committee. The employment agreement provides for payment to Mr. Weaver of compensation for 12 months in the event that PTSI terminates his employment because of disability, or without just cause (as defined in the employment agreement). In the event that PTSI terminates Mr. Weaver's employment for just cause, PTSI is not obligated to make any severance payments. The employment agreement permits Mr. Weaver to terminate his employment relationship with PTSI at any time on three months prior notice. The employment agreement precludes Mr. Weaver from competing with, or soliciting or retaining business competitive with the business of PTSI or specified affiliates for one year after his employment ends with PTSI. Mr. Weaver is also precluded from soliciting employees to leave employment with PTSI. The employment agreement contains provisions providing for reimbursement of Mr. Weaver's reasonable and necessary business expenses that he incurs in the performance of his duties, and with fringe benefits that are provided to PTSI's employees in the normal course of business. The employment agreement contains provisions requiring Mr. Weaver to maintain the confidentiality of PTSI's proprietary information. A copy of the employment agreement is filed as Exhibit 10.1 to this report.

Employment Agreement with W. Clif Lawson

On July 26, 2006, PTSI entered into a new employment agreement with its Executive Vice President and Chief Operating Officer, W. Clif Lawson, dated June 1, 2006. The prior employment agreement between PTSI and Mr. Lawson expired June 30, 2005.

The new employment agreement provides Mr. Lawson with an annual base salary of the following amounts for the designated periods:

<u>Period</u>	<u>Annual Base Salary</u>
June 1, 2006 to June 1, 2007	\$300,000
June 1, 2007 to June 1, 2008	\$310,000
June 1, 2008 to June 1, 2009	\$335,000
June 1, 2009 to June 1, 2010	\$355,000

The employment agreement provides PTSI an option to extend the agreement for one additional year, and provides an annual base salary for Mr. Lawson of \$370,000 for the one year extension.

Under the employment agreement, Mr. Lawson may also participate in bonus and incentive compensation plans approved from time to time by PTSI's Board of Directors or Compensation and Stock Option Committee. The employment agreement provides for payment to Mr. Lawson of compensation for 12 months in the event that PTSI terminates his employment because of disability, or without just cause (as defined in the employment agreement). In the event that PTSI terminates Mr. Lawson's employment for just cause, PTSI is not obligated to make any severance payments. The employment agreement permits Mr. Lawson to terminate his employment relationship with PTSI at any time on three months prior notice. The employment agreement precludes Mr. Lawson from competing with, or soliciting or retaining business competitive with the business of PTSI or specified affiliates for one year after his employment ends with PTSI. Mr. Lawson is also precluded from soliciting employees to leave employment with PTSI. The employment agreement contains provisions providing for reimbursement of Mr. Lawson's reasonable and necessary business expenses that he incurs in the performance of his duties, and with fringe benefits that are provided to PTSI's employees in the normal course of business. The employment agreement contains provisions requiring Mr. Lawson to maintain the confidentiality of PTSI's proprietary information. A copy of the employment agreement is filed as Exhibit 10.2 to this report.

Employment Agreement with Larry J. Goddard

On July 26, 2006, PTSI entered into a new employment agreement with its Vice President of Finance, Chief Financial Officer, Secretary and Treasurer, Larry J. Goddard, dated as of June 1, 2006. The prior employment agreement between PTSI and Mr. Goddard expired December 31, 2005. The new employment agreement provides Mr. Goddard with an annual base salary of the following amounts for the designated periods:

<u>Period</u>	<u>Annual Base Salary</u>
June 1, 2006 to June 1, 2007	\$225,000
June 1, 2007 to June 1, 2008	\$235,000
June 1, 2008 to June 1, 2009	\$250,000
June 1, 2009 to June 1, 2010	\$265,000

The employment agreement provides PTSI an option to extend the agreement for one additional year, and provides an annual base salary for Mr. Goddard of \$280,000 for the one year extension.

Under the employment agreement, Mr. Goddard may also participate in bonus and incentive compensation plans approved from time to time by PTSI's Board of Directors or Compensation and Stock Option Committee. The employment agreement provides for payment to Mr. Goddard of compensation for 12 months in the event that PTSI terminates his employment because of disability, or without just cause (as defined in the employment agreement). In the event that PTSI terminates Mr. Goddard's employment for just cause, PTSI is not obligated to make any severance payments. The employment agreement permits Mr. Goddard to terminate his employment relationship with PTSI at any time on three months prior notice. The employment agreement precludes Mr. Goddard from competing with, or soliciting or retaining business competitive with the business of PTSI or specified affiliates for one year after his employment ends with PTSI. Mr. Goddard is also precluded from soliciting employees to leave employment with PTSI. The employment agreement contains provisions providing for reimbursement of Mr. Goddard's reasonable and necessary business expenses that he incurs in the performance of his duties, and with fringe benefits that are provided to PTSI's employees in the normal course of business. The employment agreement contains provisions requiring Mr. Goddard to maintain the confidentiality of PTSI's proprietary information. A copy of the employment agreement is filed as Exhibit 10.3 to this report.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Employment Agreement dated July 10, 2006 between PTSI and Robert W. Weaver
10.2	Employment Agreement dated June 1, 2006 between PTSI and W. Clif Lawson
10.3	Employment Agreement dated June 1, 2006 between PTSI and Larry J. Goddard

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

P.A.M. TRANSPORTATION SERVICES, INC.

By: /S/ ROBERT W. WEAVER
Robert W. Weaver
President and Chief Executive Officer

Date: July 28, 2006

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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10.2	Employment Agreement dated June 1, 2006 between PTSI and W. Clif Lawson
10.3	Employment Agreement dated June 1, 2006 between PTSI and Larry J. Goddard

EXHIBIT 10.1

EMPLOYMENT AGREEMENT

This Agreement ("Agreement") is entered into as of July 10, 2006 by and between P.A.M. Transportation Services, Inc. ("PAM") and Robert Weaver ("EMPLOYEE"), and the parties therefore agree as follows:

Subject to the terms and conditions contained in this Agreement and during the Term of this Agreement (as defined below), PAM hereby employs EMPLOYEE in the position of "President and Chief Executive Officer" with such duties and responsibilities as are commensurate with such office and may from time-to-time be assigned to EMPLOYEE by PAM's Board of Directors.

EMPLOYEE hereby accepts such employment as a full time employee, and while employed, shall devote his full business time, skills, energy and attention to the business of PAM, shall perform his duties in a diligent, loyal, businesslike and efficient manner, all for the sole purpose of enhancing the business of PAM, and in a manner consistent with all PAM policies, resolutions and directives from time to time stated or made by the Board of Directors. Moreover, EMPLOYEE shall perform such services and duties as are consistent with EMPLOYEE's position, are necessary or appropriate for the operation and management of PAM, and as are normally expected of persons appointed to PAM executive positions in the business in which EMPLOYER is engaged.

1. Term of Employment

The initial term of EMPLOYEE'S employment under this Agreement shall commence per the schedule in Section 2 and shall expire per said schedule or such earlier date as EMPLOYEE's employment relationship is terminated pursuant to Section 10 (the "Initial Term"). The extended term of EMPLOYEE'S employment under this Agreement shall commence at the beginning of the first one-year extension elected by PAM pursuant to section 3 and end on the last day of the last one-year extension period elected by PAM pursuant to Section 3 or such earlier date as Employee's employment relationship is terminated pursuant to Section 3 or such earlier date as Employee's employment relationship is terminated pursuant to Section 10 (the "Extended Term", and together with the Initial Term, the "Term").

2. Compensation for Services

During the Initial Term, PAM shall pay to EMPLOYEE annual base salary ("Base Salary") as their President and Chief Operating Officer at the following rate:

<u>Period</u>	<u>Annual Base Salary</u>
July 10, 2006 to July 10, 2007	\$500,000
July 10, 2007 to July 10, 2008	\$500,000
July 10, 2008 to July 10, 2009	\$550,000

Base Salary shall be payable in equal installments pursuant to PAM'S payroll system in effect from time to time, less all applicable taxes required to be withheld by PAM pursuant to federal, state or local law.

PAM may also pay to EMPLOYEE a bonus or other incentive compensation as approved by the Board of Directors or Compensation and Stock Option Committee of PAM from time to time. Any existing or past bonus plans will not be impacted by this agreement.

3. Option to Extend.

PAM shall have the option to extend this Agreement for two consecutive years for an additional one (1) year at a time. The EMPLOYEE's Base salary for first one-year option period shall be \$550,000 and for the second-year option period shall be \$600,000 in each case payable in equal installments pursuant to PAM's payroll system in effect from time to time, less all applicable taxes required to be withheld by PAM pursuant to federal, state or local law. PAM may elect to exercise this extension option for each additional one year at any time at least 45 days prior to the beginning of the applicable one-year period.

4. Benefits

EMPLOYEE shall be entitled to fringe benefits provided by PAM for its employees in the normal course of business.

5. Business Expenses

PAM shall reimburse EMPLOYEE for all reasonable and necessary business expenses incurred by him in the performance of his duties hereunder with respect to travel, entertainment and other business expenses, subject to PAM's business expense policies in effect from time to time, including its procedures with respect to the manner of incurring, reporting and documenting such expenses.

6. Proprietary Information

a. EMPLOYEE shall forever hold in the strictest confidence and not disclose to any person, firm, corporation or other entity any of PAM's Proprietary Information (as defined below) or any of PAM's Records (as defined below) except as such disclosure may be required in connection with EMPLOYEE's work for PAM and as expressly authorized by PAM's Board of Directors in writing.

b. For the purposes of this Agreement, the term "Proprietary Information" shall mean inter company publications, unpublished works, plans, policies, computer and information systems, software and other information and knowledge relating or pertaining to the products, services, sales or other business of PAM or its successor, affiliates and customers in any way which is of a confidential or proprietary nature, the prices it obtains or has obtained from the sale of its services, its manner of operation, its plans, processes or other data, contracts, information about contracts, contract forms, business applications, costs, profits, tax information, marketing information, advertising methods, customers, potential customers, brokers, potential brokers, employees, matters of a technical nature (including inventions, computer programs, concepts, developments, contributions, devices, discoveries, software and documentations, secret processes or machines, including any improvements thereto and know-how related thereto, and research projects, etc.), and other information not generally available to the public, without regard to whether all of the foregoing matters will be deemed confidential, material or important. Anything to the contrary notwithstanding, the parties hereto stipulate that any and all knowledge, data and information gathered by the EMPLOYEE through this Agreement, his employment with PAM and the operation of the business of PAM is deemed important, material or confidential, and gravely affects the effective and successful conduct of the business of PAM and PAM 's good will; could not without great expense and difficulty be obtained or duplicated by others who have not been able to acquire such information by virtue of employment with PAM; and that any breach of the terms of this Paragraph 6 shall be deemed a material breach of this Agreement.

c. EMPLOYEE agrees that all creative work, including without limitation, designs, drawings, specifications, techniques, models, processes and software prepared or originated by EMPLOYEE during or within the scope of employment whether or not subject to protection under the federal copyright or other law constitutes work made for hire all rights to which are owned by PAM. Moreover, EMPLOYEE hereby assigns to PAM all right, title and interest whether by way of copyright, trade secret, patent or otherwise, and all such work whether or not subject to protection by copyright or other law.

d. Upon termination of employment with PAM or at any other time requested by PAM, EMPLOYEE shall immediately return to PAM and not retain any copies of, any records, data, lists, plans, policies, publications, computer and information systems, files, diagrams and documentation, data, papers, drawings, memos, customer records, reports, correspondence, note books, service listing and any other business record of

any kind or nature (including without limitation records in machine-readable or computer-readable forms) relating to Proprietary Information ("Records").

7. Covenant Not To Compete

a. As a material part of the consideration for this Agreement, EMPLOYEE agrees to the following covenants not to compete with PAM, and with all of its affiliated companies listed in Exhibit A to this Agreement ("Affiliated Companies") during his employment and for a one (1) year period following the termination of EMPLOYEE's employment with PAM for any reason. EMPLOYEE agrees not to work for any Truck Load Carrier or contact customers for a period of one year. This restriction shall apply to all PAM Customers and Customers of Affiliated Companies. EMPLOYEE further agrees not to solicit, retain, employ or accept business from any PAM employees, agents or owner operators, or the employees, agents or owner operators of any Affiliated Companies for a period of one year. Anything contrary notwithstanding, this Paragraph 7 shall survive after the termination or the earlier cancellation of this Agreement.

b. Both parties agree that the restrictions in this section are fair and reasonable in all respects including the length of time that they shall remain in effect and that PAM's employment of EMPLOYEE upon the terms and conditions of this Agreement is fully sufficient consideration for EMPLOYEE's obligations under this section.

c. If any provisions of this section are ever held by a Court to be unreasonable, the parties agree that this section shall be enforced to the extent it is deemed to be reasonable.

8. No Interference With Employment Relationships

EMPLOYEE agrees that he will not, either before or after termination of his employment with PAM, encourage, solicit or otherwise attempt to persuade any other employee of PAM to leave the employment of PAM, regardless of the fact Employee recruited said individuals to PAM and knew them from past relationships. In the event EMPLOYEE hires an employee of PAM, PAM shall be compensated at a fee equal to 30% of the employee's first year's gross compensation. This paragraph 8 also applies to employees of companies on Exhibit A.

9. Equitable Relief And Remedies At Law

EMPLOYEE acknowledges that PAM would suffer unique and irreparable injury in the event of a breach of the covenants contained in Sections 6, 7 and 8 of this Agreement, which breach could not be adequately compensated by the payment of damages alone. Accordingly in the event of any such breach by EMPLOYEE, EMPLOYEE agrees that this Agreement may be enforced by a decree of specific performance or an injunction without the necessity of posting a bond in addition to any remedies available at law, including damages arising out of or relating to a breach of those covenants, and that any remedy which PAM might have at law would be inadequate by itself.

10. Termination of Agreement

a. Without limitation of any other remedy available to PAM, whether in law or in equity, EMPLOYEE's employment relationship shall terminate immediately without any further liability of PAM to EMPLOYEE, upon written notice from PAM to EMPLOYEE, for just cause: conviction of a crime, moral turpitude, gross negligence in the performance of duties, intentional failure to perform duties, insubordination or dishonesty. In the event of EMPLOYEE's termination pursuant to this Section 10(a), PAM shall have no obligation to pay Base Salary and benefits beyond last day worked.

b. EMPLOYEE's employment relationship shall terminate immediately upon death of EMPLOYEE.

c. EMPLOYEE agrees to submit to a medical examination at any time at PAM 's request and expense. The medical examination will be related to EMPLOYEE's job and consistent with the business necessity of PAM. This Agreement may be terminated by PAM immediately upon written notice to EMPLOYEE if the examination reveals that EMPLOYEE is unable to perform the essential functions of EMPLOYEE'S job even with a reasonable accommodation. The Agreement may also be terminated if, for a period of three (3) consecutive months, EMPLOYEE is unable to perform the essential functions of EMPLOYEE's job even with a reasonable accommodation. Upon such termination due to medical disability, EMPLOYEE's compensation shall be continued for twelve (12) months from the date of disability.

d. Upon the determination by PAM's Board of Directors that the best interests of PAM would be served, PAM shall have the further right to terminate EMPLOYEE's employment relationship immediately or at any time, at its option upon written notice to EMPLOYEE, without just cause. If EMPLOYEE is terminated pursuant to this Section 10(d), EMPLOYEE shall be entitled to receive only Base Salary and benefits and any earned but unpaid bonus for a period of twelve (12) months following such termination. If this decision is driven by a new President, the executive bonus will be paid in the normal course of the plan until all monies due are paid. These payments shall not constitute employment for purpose of Section 7.

e. Upon three months' prior written notice to PAM at any time, EMPLOYEE shall have the right to terminate his employment relationship with PAM at his option. Upon receipt of such notice PAM shall have the option to terminate EMPLOYEE's employment relationship immediately upon written notice to EMPLOYEE. In the event of termination pursuant to this Section 10(f), EMPLOYEE shall be entitled to receive Base Salary and benefits only through the three month period following EMPLOYEE's notice of

termination. The time period on the covenant not to compete shall commence at the end of the three (3) month period, and EMPLOYEE shall also be bound by the covenant not to compete during the three (3) month period. EMPLOYEE shall be liable for all costs and expenses incurred by PAM for the failure to give three (3) months' notice.

f. Upon termination of this Agreement by PAM EMPLOYEE shall, without a claim for compensation, provide PAM with written resignations from any and all offices held by him in or at the request of PAM, and in the event of his failure to do so, PAM is hereby irrevocably authorized to be, or designated as EMPLOYEE's attorney in fact, to act in his name and in his behalf to execute such resignations.

g. This Agreement shall terminate upon expiration of the Term unless otherwise agreed to by the parties in writing prior thereto.

11. Exclusive Consulting Contract

Upon termination of EMPLOYEE's employment with PAM for any reason whatsoever, PAM shall have the right at its option, to retain EMPLOYEE as an independent consultant under an exclusive consulting contract, for the performance by EMPLOYEE of such duties as may be reasonably assigned by PAM consistent with the position of an independent consultant. The specific terms regarding the actual services to be performed, length of service, restrictions on competition and other contractual terms not set forth in this paragraph, shall be mutually agreeable to EMPLOYEE and PAM. Services as an independent contractor shall not constitute employment for purposes of Section 7.

12. No Restriction on Performance of Services Contemplated by Agreement

EMPLOYEE represents and warrants to PAM that: (i) he is under no contractual or other restriction which would give a third party a legal right to assert that he would not be legally permitted to perform the services contemplated by this Agreement; and (ii) by entering into this Agreement he has not breached, and by performing the services contemplated by this Agreement, he would not breach, any Agreement or duty relating to proprietary information of another person or entity.

13. Confidentiality of Agreement

EMPLOYEE shall not disclose any of the terms of this Agreement to any person with the exception of his spouse or attorneys or as required by law, provided the spouse or attorneys agree to be bound by this Section.

14. Severability

In case any one or more of the provisions hereof shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. To the extent possible, there shall be deemed substituted such other provision as will most nearly accomplish the intent of the parties, to the extent permitted by applicable law.

15. Entire Agreement

This Agreement embodies all the representations, warranties, covenants and agreements of the parties in relation to the subject matter hereof, and no representations, warranties, covenants, understandings, or agreements, unless expressly set forth herein or in an instrument in writing signed by the party to be bound thereby which makes reference to this Agreement, shall be considered effective.

16. No Rights in Third Parties

Nothing herein expressed or implied is intended to, or shall be construed to confer upon, or give to any person, firm or other entity other than the parties hereto any rights or remedies under this Agreement, except as provided in Section 17.

17. Assignment

PAM may assign its rights and delegate its responsibilities under this Agreement to any affiliated company or to any corporation which acquires all or substantially all of the operating assets of PAM by merger, consolidation, dissolution, liquidation, combination, sale or transfer of assets or stock or otherwise. EMPLOYEE shall not be entitled to assign his rights or delegate his responsibilities under this Agreement to any person.

18. Payment to Estate

No person, firm or entity shall have any right to receive any payments owing to EMPLOYEE hereunder, except that EMPLOYEE's estate shall be entitled to receive a final payment of installment of Base Salary for services rendered to PAM through date of death and reimbursement for any business expenses previously incurred by EMPLOYEE for which he would have been entitled to reimbursement hereunder.

19. Amendment

No modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto.

20. Survival of Covenants

Without limitation of any other provisions of this Agreement, all representations and warranties set forth in this Agreement and the covenants set forth in Sections 6, 7, 8 and 13 shall survive the termination of this Agreement for any reason for the maximum period permitted by law.

21. Governing Law

This Agreement shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of Arkansas. The parties agree that should any litigation arise out of, in connection with, or relating to this Agreement, such litigation will be commenced in the Circuit Court for Washington County, Arkansas or in the United States District provided such court has subject matter jurisdiction. The parties specifically agree, however, that either of these courts has personal jurisdiction and venue.

22. Notices.

Service of all notices under this Agreement must be given personally to the party involved at the address set forth below or at such other address as such party shall provide in writing from time to time.

COMPANY: Matthew Moroun
12225 Stephens Road
Warren, MI 48089

EMPLOYEE: Robert W. Weaver
297 West Henry De Tonti Boulevard
Tontitown, AR 72770

23. Paragraph Headings

The titles to the paragraphs of this Agreement are for convenience of the parties only and shall not affect in any way the meaning or construction of any Paragraph of this Agreement.

24. Non-Waiver.

No covenant or condition of this Agreement may be waived except by the written consent of PAM Board of Directors. Forbearance or indulgence by PAM in any regard whatsoever shall not constitute a waiver of the covenants or conditions to be performed by EMPLOYEE to which the same may apply, and, until complete performance by EMPLOYEE of said covenant or condition, PAM shall be entitled to invoke any remedy available to PAM under this Agreement or by law or in equity, despite said forbearance or indulgence.

25. Construction

Although this Agreement was drafted by PAM the parties agree that it accurately reflects the intent and understanding of each party and should not be construed against PAM if there is any dispute over the meaning or intent of any provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

P.A.M. Transportation Services Inc.

By: /s/ Matthew T. Moroun

Its: Director - Compensation Committee

/s/ W. Clif Lawson

(Witness)

By: /s/ Robert W. Weaver

EMPLOYEE

EXHIBIT A

1. Central Transport International, Inc.
2. Central Transport, Inc.
3. Logistics Insights Corporation, Inc.
4. P.A.M. Transportation Services, Inc.
5. Universal Truckload Services, Inc.

EXHIBIT 10.2

EMPLOYMENT AGREEMENT

This Agreement ("Agreement") is entered into as of June 1, 2006 by and between P.A.M. Transportation Services, Inc. ("PAM") and Clif Lawson ("EMPLOYEE"), and the parties therefore agree as follows:

Subject to the terms and conditions contained in this Agreement and during the Term of this Agreement (as defined below), PAM hereby employs EMPLOYEE in the position of "Chief Operations Officer," with such duties and responsibilities as are commensurate with such office and may from time-to-time be assigned to EMPLOYEE by PAM's Board of Directors.

EMPLOYEE hereby accepts such employment as a full time employee, and while employed, shall devote his full business time, skills, energy and attention to the business of PAM, shall perform his duties in a diligent, loyal, businesslike and efficient manner, all for the sole purpose of enhancing the business of PAM, and in a manner consistent with all PAM policies, resolutions and directives from time to time stated or made by the Board of Directors. Moreover, EMPLOYEE shall perform such services and duties as are consistent with EMPLOYEE's position, are necessary or appropriate for the operation and management of PAM, and as are normally expected of persons appointed to PAM executive positions in the business in which EMPLOYER is engaged.

1. Term of Employment

The initial term of EMPLOYEE'S employment under this Agreement shall commence per the schedule in Section 2 and shall expire per said schedule or such earlier date as EMPLOYEE's employment relationship is terminated pursuant to Section 10 (the "Initial Term"). The extended term of EMPLOYEE'S employment under this Agreement shall commence at the beginning of the first one-year extension elected by PAM pursuant to section 3 and end on the last day of the last one-year extension period elected by PAM pursuant to Section 3 or such earlier date as Employee's employment relationship is terminated pursuant to Section 3 or such earlier date as Employee's employment relationship is terminated pursuant to Section 10 (the "Extended Term", and together with the Initial Term, the "Term").

2. Compensation for Services

During the Initial Term, PAM shall pay to EMPLOYEE annual base salary ("Base Salary") as their Chief Operations Officer at the following rate:

<u>Period</u>	<u>Annual Base Salary</u>
June 1, 2006 to June 1, 2007	\$300,000
June 1, 2007 to June 1, 2008	\$310,000
June 1, 2008 to June 1, 2009	\$335,000
June 1, 2009 to June 1, 2010	\$355,000

Base Salary shall be payable in equal installments pursuant to PAM'S payroll system in effect from time to time, less all applicable taxes required to be withheld by PAM pursuant to federal, state or local law.

PAM may also pay to EMPLOYEE a bonus or other incentive compensation as approved by the Board of Directors or Compensation and Stock Option Committee of PAM from time to time. Any existing or past bonus plans will not be impacted by this agreement.

3. Option to Extend.

PAM shall have the option to extend this Agreement for an additional one (1) year. The EMPLOYEE's Base salary for the one-year option period shall be \$370,000 payable in equal installments pursuant to PAM's payroll system in effect from time to time, less all applicable taxes required to be withheld by PAM pursuant to federal, state or local law. PAM may elect to exercise this extension option at any time at least 45 days prior to the beginning of the one-year period.

4. Benefits

EMPLOYEE shall be entitled to fringe benefits provided by PAM for its employees in the normal course of business.

5. Business Expenses

PAM shall reimburse EMPLOYEE for all reasonable and necessary business expenses incurred by him in the performance of his duties hereunder with respect to travel, entertainment and other business expenses, subject to PAM's business expense policies in effect from time to time, including its procedures with respect to the manner of incurring, reporting and documenting such expenses.

6. Proprietary Information

a. EMPLOYEE shall forever hold in the strictest confidence and not disclose to any person, firm, corporation or other entity any of PAM's Proprietary Information (as defined below) or any of PAM's Records (as defined below) except as such disclosure may be required in connection with EMPLOYEE's work for PAM and as expressly authorized by PAM's Board of Directors in writing.

b. For the purposes of this Agreement, the term "Proprietary Information" shall mean inter company publications, unpublished works, plans, policies, computer and information systems, software and other information and knowledge relating or pertaining to the products, services, sales or other business of PAM or its successor, affiliates and customers in any way which is of a confidential or proprietary nature, the prices it obtains or has obtained from the sale of its services, its manner of operation, its plans, processes or other data, contracts, information about contracts, contract forms, business applications, costs, profits, tax information, marketing information, advertising methods, customers, potential customers, brokers, potential brokers, employees, matters of a technical nature (including inventions, computer programs, concepts, developments, contributions, devices, discoveries, software and documentations, secret processes or machines, including any improvements thereto and know-how related thereto, and research projects, etc.), and other information not generally available to the public, without regard to whether all of the foregoing matters will be deemed confidential, material or important. Anything to the contrary notwithstanding, the parties hereto stipulate that any and all knowledge, data and information gathered by the EMPLOYEE through this Agreement, his employment with PAM and the operation of the business of PAM is deemed important, material or confidential, and gravely affects the effective and successful conduct of the business of PAM and PAM 's good will; could not without great expense and difficulty be obtained or duplicated by others who have not been able to acquire such information by virtue of employment with PAM; and that any breach of the terms of this Paragraph 6 shall be deemed a material breach of this Agreement.

c. EMPLOYEE agrees that all creative work, including without limitation, designs, drawings, specifications, techniques, models, processes and software prepared or originated by EMPLOYEE during or within the scope of employment whether or not subject to protection under the federal copyright or other law constitutes work made for hire all rights to which are owned by PAM. Moreover, EMPLOYEE hereby assigns to PAM all right, title and interest whether by way of copyright, trade secret, patent or otherwise, and all such work whether or not subject to protection by copyright or other law.

d. Upon termination of employment with PAM or at any other time requested by PAM, EMPLOYEE shall immediately return to PAM and not retain any copies of, any records, data, lists, plans, policies, publications, computer and information systems, files, diagrams and documentation, data, papers, drawings, memos, customer records, reports, correspondence, note books, service listing and any other business record of

any kind or nature (including without limitation records in machine-readable or computer-readable forms) relating to Proprietary Information ("Records").

7. Covenant Not To Compete

a. As a material part of the consideration for this Agreement, EMPLOYEE agrees to the following covenants not to compete with PAM, and with all of its affiliated companies listed in Exhibit A to this Agreement ("Affiliated Companies") during his employment and for a one (1) year period following the termination of EMPLOYEE's employment with PAM for any reason. EMPLOYEE agrees not to work for any Truck Load Carrier or contact customers for a period of one year. This restriction shall apply to all PAM Customers and Customers of Affiliated Companies. EMPLOYEE further agrees not to solicit, retain, employ or accept business from any PAM employees, agents or owner operators, or the employees, agents or owner operators of any Affiliated Companies for a period of

one year. Anything contrary notwithstanding, this Paragraph 7 shall survive after the termination or the earlier cancellation of this Agreement.

b. Both parties agree that the restrictions in this section are fair and reasonable in all respects including the length of time that they shall remain in effect and that PAM's employment of EMPLOYEE upon the terms and conditions of this Agreement is fully sufficient consideration for EMPLOYEE's obligations under this section.

c. If any provisions of this section are ever held by a Court to be unreasonable, the parties agree that this section shall be enforced to the extent it is deemed to be reasonable.

8. No Interference With Employment Relationships

EMPLOYEE agrees that he will not, either before or after termination of his employment with PAM, encourage, solicit or otherwise attempt to persuade any other employee of PAM to leave the employment of PAM, regardless of the fact Employee recruited said individuals to PAM and knew them from past relationships. In the event EMPLOYEE hires an employee of PAM, PAM shall be compensated at a fee equal to 30% of the employee's first year's gross compensation. This paragraph 8 also applies to employees of companies on Exhibit A.

9. Equitable Relief And Remedies At Law

EMPLOYEE acknowledges that PAM would suffer unique and irreparable injury in the event of a breach of the covenants contained in Sections 6, 7 and 8 of this Agreement, which breach could not be adequately compensated by the payment of damages alone. Accordingly in the event of any such breach by EMPLOYEE, EMPLOYEE agrees that this Agreement may be enforced by a decree of specific performance or an injunction without the necessity of posting a bond in addition to any remedies available at law, including damages arising out of or relating to a breach of those covenants, and that any remedy which PAM might have at law would be inadequate by itself.

10. Termination of Agreement

a. Without limitation of any other remedy available to PAM, whether in law or in equity, EMPLOYEE's employment relationship shall terminate immediately without any further liability of PAM to EMPLOYEE, upon written notice from PAM to EMPLOYEE, for just cause: conviction of a crime, moral turpitude, gross negligence in the performance of duties, intentional failure to perform duties, insubordination or dishonesty. In the event of EMPLOYEE's termination pursuant to this Section 10(a), PAM shall have no obligation to pay Base Salary and benefits beyond last day worked.

b. EMPLOYEE's employment relationship shall terminate immediately upon death of EMPLOYEE.

c. EMPLOYEE agrees to submit to a medical examination at any time at PAM 's request and expense. The medical examination will be related to EMPLOYEE's job and consistent with the business necessity of PAM. This Agreement may be terminated by PAM immediately upon written notice to EMPLOYEE if the examination reveals that EMPLOYEE is unable to perform the essential functions of EMPLOYEE'S job even with a reasonable accommodation. The Agreement may also be terminated if, for a period of three (3) consecutive months, EMPLOYEE is unable to perform the essential functions of EMPLOYEE's job even with a reasonable accommodation. Upon such termination due to medical disability, EMPLOYEE's compensation shall be continued for twelve (12) months from the date of disability.

d. Upon the determination by PAM's Board of Directors that the best interests of PAM would be served, PAM shall have the further right to terminate EMPLOYEE's employment relationship immediately or at any time, at its option upon written notice to EMPLOYEE, without just cause. If EMPLOYEE is terminated pursuant to this Section 10(d), EMPLOYEE shall be entitled to receive only Base Salary and benefits and any earned but unpaid bonus for a period of twelve (12) months following such termination. If this decision is driven by a new President, the executive bonus will be paid in the normal course of the plan until all monies due are paid. These payments shall not constitute employment for purpose of Section 7.

e. Upon three months' prior written notice to PAM at any time, EMPLOYEE shall have the right to terminate his employment relationship with PAM at his option. Upon receipt of such notice PAM shall have the option to terminate EMPLOYEE's employment relationship immediately upon written notice to EMPLOYEE. In the event of termination pursuant to this Section 10(f), EMPLOYEE shall be entitled to receive Base Salary and benefits only through the three month period following EMPLOYEE's notice of termination. The time period on the covenant not to compete shall commence at the end of the three (3) month period, and EMPLOYEE shall also be bound by the covenant not to compete during the three (3) month period. EMPLOYEE shall be liable for all costs and expenses incurred by PAM for the failure to give three (3) months' notice.

f. Upon termination of this Agreement by PAM EMPLOYEE shall, without a claim for compensation, provide PAM with written resignations from any and all offices held by him in or at the request of PAM, and in the event of his failure to do so, PAM is hereby irrevocably authorized to be, or designated as EMPLOYEE's attorney in fact, to act in his name and in his behalf to execute such resignations.

g. This Agreement shall terminate upon expiration of the Term unless otherwise agreed to by the parties in writing prior thereto.

11. Exclusive Consulting Contract

Upon termination of EMPLOYEE's employment with PAM for any reason whatsoever, PAM shall have the right at its option, to retain EMPLOYEE as an independent consultant under an exclusive consulting contract, for the performance by EMPLOYEE of such duties as may be reasonably assigned by PAM consistent with the position of an independent consultant. The specific terms regarding the actual services to be performed, length of service, restrictions on competition and other contractual terms not set forth in this paragraph, shall be mutually agreeable to EMPLOYEE and PAM. Services as an independent contractor shall not constitute employment for purposes of Section 7.

12. No Restriction on Performance of Services Contemplated by Agreement

EMPLOYEE represents and warrants to PAM that: (i) he is under no contractual or other restriction which would give a third party a legal right to assert that he would not be legally permitted to perform the services contemplated by this Agreement; and (ii) by entering into this Agreement he has not breached, and by performing the services contemplated by this Agreement, he would not breach, any Agreement or duty relating to proprietary information of another person or entity.

13. Confidentiality of Agreement

EMPLOYEE shall not disclose any of the terms of this Agreement to any person with the exception of his spouse or attorneys or as required by law, provided the spouse or attorneys agree to be bound by this Section.

14. Severability

In case any one or more of the provisions hereof shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. To the extent

possible, there shall be deemed substituted such other provision as will most nearly accomplish the intent of the parties, to the extent permitted by applicable law.

15. Entire Agreement

This Agreement embodies all the representations, warranties, covenants and agreements of the parties in relation to the subject matter hereof, and no representations, warranties, covenants, understandings, or agreements, unless expressly set forth herein or in an instrument in writing signed by the party to be bound thereby which makes reference to this Agreement, shall be considered effective.

16. No Rights in Third Parties

Nothing herein expressed or implied is intended to, or shall be construed to confer upon, or give to any person, firm or other entity other than the parties hereto any rights or remedies under this Agreement, except as provided in Section 17.

17. Assignment

PAM may assign its rights and delegate its responsibilities under this Agreement to any affiliated company or to any corporation which acquires all or substantially all of the operating assets of PAM by merger, consolidation, dissolution, liquidation, combination, sale or transfer of assets or stock or otherwise. EMPLOYEE shall not be entitled to assign his rights or delegate his responsibilities under this Agreement to any person.

18. Payment to Estate

No person, firm or entity shall have any right to receive any payments owing to EMPLOYEE hereunder, except that EMPLOYEE's estate shall be entitled to receive a final payment of installment of Base Salary for services rendered to PAM through date of death and reimbursement for any business expenses previously incurred by EMPLOYEE for which he would have been entitled to reimbursement hereunder.

19. Amendment

No modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto.

20. Survival of Covenants

Without limitation of any other provisions of this Agreement, all representations and warranties set forth in this Agreement and the covenants set forth in Sections 6, 7, 8 and 13 shall survive the termination of this Agreement for any reason for the maximum period permitted by law.

21. Governing Law

This Agreement shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of Arkansas. The parties agree that should any litigation arise out of, in connection with, or relating to this Agreement, such litigation will be commenced in the Circuit Court for Washington County Michigan or in the United States District provided such court has subject matter jurisdiction. The parties specifically agree, however, that either of these courts has personal jurisdiction and venue.

22. Notices.

Service of all notices under this Agreement must be given personally to the party involved at the address set forth below or at such other address as such party shall provide in writing from time to time.

COMPANY: Matthew Moroun
12225 Stephens Road
Warren, MI 48089

EMPLOYEE: Clif Lawson
971 Arlington Terrace
Fayetteville, AR 72701

23. Paragraph Headings

The titles to the paragraphs of this Agreement are for convenience of the parties only and shall not affect in any way the meaning or construction of any Paragraph of this Agreement.

24. Non-Waiver.

No covenant or condition of this Agreement may be waived except by the written consent of PAM Board of Directors. Forbearance or indulgence by PAM in any regard whatsoever shall not constitute a waiver of the covenants or conditions to be performed by EMPLOYEE to which the same may apply, and, until complete performance by EMPLOYEE of said covenant or condition, PAM shall be entitled to invoke any remedy available to PAM under this Agreement or by law or in equity, despite said forbearance or indulgence.

25. Construction

Although this Agreement was drafted by PAM the parties agree that it accurately reflects the intent and understanding of each party and should not be construed against PAM if there is any dispute over the meaning or intent of any provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

P.A.M. Transportation Services Inc.

/s/ Larry J. Goddard

(Witness)

By: /s/ Matthew T. Moroun

Its: Director - Compensation Committee

/s/ Robert W. Weaver

(Witness)

By: /s/ W. Clif Lawson

EMPLOYEE

EXHIBIT A

1. Central Transport International, Inc.
2. Central Transport, Inc.
3. Logistics Insights Corporation, Inc.
4. P.A.M. Transportation Services, Inc.
5. Universal Truckload Services, Inc.

EXHIBIT 10.3

EMPLOYMENT AGREEMENT

This Agreement ("Agreement") is entered into as of June 1, 2006 by and between P.A.M. Transportation Services, Inc. ("PAM") and Larry Goddard ("EMPLOYEE"), and the parties therefore agree as follows:

Subject to the terms and conditions contained in this Agreement and during the Term of this Agreement (as defined below), PAM hereby employs EMPLOYEE in the position of "Chief Financial Officer and Secretary/Treasurer of PAM" with such duties and responsibilities as are commensurate with such office and may from time-to-time be assigned to EMPLOYEE by PAM's Board of Directors.

EMPLOYEE hereby accepts such employment as a full time employee, and while employed, shall devote his full business time, skills, energy and attention to the business of PAM, shall perform his duties in a diligent, loyal, businesslike and efficient manner, all for the sole purpose of enhancing the business of PAM, and in a manner consistent with all PAM policies, resolutions and directives from time to time stated or made by the Board of Directors. Moreover, EMPLOYEE shall perform such services and duties as are consistent with EMPLOYEE's position, are necessary or appropriate for the operation and management of PAM, and as are normally expected of persons appointed to PAM executive positions in the business in which EMPLOYER is engaged.

1. Term of Employment

The initial term of EMPLOYEE'S employment under this Agreement shall commence per the schedule in Section 2 and shall expire per said schedule or such earlier date as EMPLOYEE's employment relationship is terminated pursuant to Section 10 (the "Initial Term"). The extended term of EMPLOYEE'S employment under this Agreement shall commence at the beginning of the first one-year extension elected by PAM pursuant to section 3 and end on the last day of the last one-year extension period elected by PAM pursuant to Section 3 or such earlier date as Employee's employment relationship is terminated pursuant to Section 3 or such earlier date as Employee's employment relationship is terminated pursuant to Section 10 (the "Extended Term", and together with the Initial Term, the "Term").

2. Compensation for Services

During the Initial Term, PAM shall pay to EMPLOYEE annual base salary ("Base Salary") as their Chief Financial Officer and Secretary/Treasurer at the following rate:

<u>Period</u>	<u>Annual Base Salary</u>
June 1, 2006 to June 1, 2007	\$225,000
June 1, 2007 to June 1, 2008	\$235,000
June 1, 2008 to June 1, 2009	\$250,000
June 1, 2009 to June 1, 2010	\$265,000

Base Salary shall be payable in equal installments pursuant to PAM'S payroll system in effect from time to time, less all applicable taxes required to be withheld by PAM pursuant to federal, state or local law.

PAM may also pay to EMPLOYEE a bonus or other incentive compensation as approved by the Board of Directors or Compensation and Stock Option Committee of PAM from time to time. Any existing or past bonus plans will not be impacted by this agreement.

3. Option to Extend.

PAM shall have the option to extend this Agreement for an additional one (1) year. The EMPLOYEE's Base salary for the one-year option period shall be \$280,000 payable in equal installments pursuant to PAM's payroll system in effect from time to time, less all applicable taxes required to be withheld by PAM pursuant to federal, state or local law. PAM may elect to exercise this extension option least 45 days prior to the beginning of the applicable one-year period.

4. Benefits

EMPLOYEE shall be entitled to fringe benefits provided by PAM for its employees in the normal course of business.

5. Business Expenses

PAM shall reimburse EMPLOYEE for all reasonable and necessary business expenses incurred by him in the performance of his duties hereunder with respect to travel, entertainment and other business expenses, subject to PAM's business expense policies in effect from time to time, including its procedures with respect to the manner of incurring, reporting and documenting such expenses.

6. Proprietary Information

a. EMPLOYEE shall forever hold in the strictest confidence and not disclose to any person, firm, corporation or other entity any of PAM's Proprietary Information (as defined below) or any of PAM's Records (as defined below) except as such disclosure may be required in connection with EMPLOYEE's work for PAM and as expressly authorized by PAM's Board of Directors in writing.

b. For the purposes of this Agreement, the term "Proprietary Information" shall mean inter company publications, unpublished works, plans, policies, computer and information systems, software and other information and knowledge relating or pertaining to the products, services, sales or other business of PAM or its successor, affiliates and customers in any way which is of a confidential or proprietary nature, the prices it obtains or has obtained from the sale of its services, its manner of operation, its plans, processes or other data, contracts, information about contracts, contract forms, business applications, costs, profits, tax information, marketing information, advertising methods, customers, potential customers, brokers, potential brokers, employees, matters of a technical nature (including inventions, computer programs, concepts, developments, contributions, devices, discoveries, software and documentations, secret processes or machines, including any improvements thereto and know-how related thereto, and research projects, etc.), and other information not generally available to the public, without regard to whether all of the foregoing matters will be deemed confidential, material or important. Anything to the contrary notwithstanding, the parties hereto stipulate that any and all knowledge, data and information gathered by the EMPLOYEE through this Agreement, his employment with PAM and the operation of the business of PAM is deemed important, material or confidential, and gravely affects the effective and successful conduct of the business of PAM and PAM 's good will; could not without great expense and difficulty be obtained or duplicated by others who have not been able to acquire such information by virtue of employment with PAM; and that any breach of the terms of this Paragraph 6 shall be deemed a material breach of this Agreement.

c. EMPLOYEE agrees that all creative work, including without limitation, designs, drawings, specifications, techniques, models, processes and software prepared or originated by EMPLOYEE during or within the scope of employment whether or not subject to protection under the federal copyright or other law constitutes work made for hire all rights to which are owned by PAM. Moreover, EMPLOYEE hereby assigns to PAM all right, title and interest whether by way of copyright, trade secret, patent or otherwise, and all such work whether or not subject to protection by copyright or other law.

d. Upon termination of employment with PAM or at any other time requested by PAM, EMPLOYEE shall immediately return to PAM and not retain any copies of, any records, data, lists, plans, policies, publications, computer and information systems, files, diagrams and documentation, data, papers, drawings, memos, customer records, reports, correspondence, note books, service listing and any other business record of

any kind or nature (including without limitation records in machine-readable or computer-readable forms) relating to Proprietary Information ("Records").

7. Covenant Not To Compete

a. As a material part of the consideration for this Agreement, EMPLOYEE agrees to the following covenants not to compete with PAM, and with all of its affiliated companies listed in Exhibit A to this Agreement ("Affiliated Companies") during his employment and for a one (1) year period following the termination of EMPLOYEE's employment with PAM for any reason. EMPLOYEE agrees not to work for any Truck Load Carrier or contact customers for a period of one year. This restriction shall apply to all PAM Customers and Customers of Affiliated Companies. EMPLOYEE further agrees not to solicit, retain, employ or accept business from any PAM employees, agents or owner operators, or the employees, agents or owner operators of any Affiliated Companies for a period of one year. Anything contrary notwithstanding, this Paragraph 7 shall survive after the termination or the earlier cancellation of this Agreement.

b. Both parties agree that the restrictions in this section are fair and reasonable in all respects including the length of time that they shall remain in effect and that PAM's employment of EMPLOYEE upon the terms and conditions of this Agreement is fully sufficient consideration for EMPLOYEE's obligations under this section.

c. If any provisions of this section are ever held by a Court to be unreasonable, the parties agree that this section shall be enforced to the extent it is deemed to be reasonable.

8. No Interference With Employment Relationships

EMPLOYEE agrees that he will not, either before or after termination of his employment with PAM, encourage, solicit or otherwise attempt to persuade any other employee of PAM to leave the employment of PAM, regardless of the fact Employee recruited said individuals to PAM and knew them from past relationships. In the event EMPLOYEE hires an employee of PAM, PAM shall be compensated at a fee equal to 30% of the employee's first year's gross compensation. This paragraph 8 also applies to employees of companies on Exhibit A.

9. Equitable Relief And Remedies At Law

EMPLOYEE acknowledges that PAM would suffer unique and irreparable injury in the event of a breach of the covenants contained in Sections 6, 7 and 8 of this Agreement, which breach could not be adequately compensated by the payment of damages alone. Accordingly in the event of any such breach by EMPLOYEE, EMPLOYEE agrees that this Agreement may be enforced by a decree of specific performance or an injunction without the necessity of posting a bond in addition to any remedies available at law,

including damages arising out of or relating to a breach of those covenants, and that any remedy which PAM might have at law would be inadequate by itself.

10. Termination of Agreement

a. Without limitation of any other remedy available to PAM, whether in law or in equity, EMPLOYEE's employment relationship shall terminate immediately without any further liability of PAM to EMPLOYEE, upon written notice from PAM to EMPLOYEE, for just cause: conviction of a crime, moral turpitude, gross negligence in the performance of duties, intentional failure to perform duties, insubordination or dishonesty. In the event of EMPLOYEE's termination pursuant to this Section 10(a), PAM shall have no obligation to pay Base Salary and benefits beyond last day worked.

b. EMPLOYEE's employment relationship shall terminate immediately upon death of EMPLOYEE.

c. EMPLOYEE agrees to submit to a medical examination at any time at PAM 's request and expense. The medical examination will be related to EMPLOYEE's job and consistent with the business necessity of PAM. This Agreement may be terminated by PAM immediately upon written notice to EMPLOYEE if the examination reveals that EMPLOYEE is unable to perform the essential functions of EMPLOYEE'S job even with a reasonable accommodation. The Agreement may also be terminated if, for a period of three (3) consecutive months, EMPLOYEE is unable to perform the essential functions of EMPLOYEE's job even with a reasonable accommodation. Upon such termination due to medical disability, EMPLOYEE's compensation shall be continued for twelve (12) months from the date of disability.

d. Upon the determination by PAM's Board of Directors that the best interests of PAM would be served, PAM shall have the further right to terminate EMPLOYEE's employment relationship immediately or at any time, at its option upon written notice to EMPLOYEE, without just cause. If EMPLOYEE is terminated pursuant to this Section 10(d), EMPLOYEE shall be entitled to receive only Base Salary and benefits and any earned but unpaid bonus for a period of twelve (12) months following such termination. If this decision is driven by a new President, the executive bonus will be paid in the normal course of the plan until all monies due are paid. These payments shall not constitute employment for purpose of Section 7.

e. Upon three months' prior written notice to PAM at any time, EMPLOYEE shall have the right to terminate his employment relationship with PAM at his option. Upon receipt of such notice PAM shall have the option to terminate EMPLOYEE's employment relationship immediately upon written notice to EMPLOYEE. In the event of termination pursuant to this Section 10(f), EMPLOYEE shall be entitled to receive Base Salary and benefits only through the three month period following EMPLOYEE's notice of termination. The time period on the covenant not to compete shall commence at the end

of the three (3) month period, and EMPLOYEE shall also be bound by the covenant not to compete during the three (3) month period. EMPLOYEE shall be liable for all costs and expenses incurred by PAM for the failure to give three (3) months' notice.

f. Upon termination of this Agreement by PAM EMPLOYEE shall, without a claim for compensation, provide PAM with written resignations from any and all offices held by him in or at the request of PAM, and in the event of his failure to do so, PAM is hereby irrevocably authorized to be, or designated as EMPLOYEE's attorney in fact, to act in his name and in his behalf to execute such resignations.

g. This Agreement shall terminate upon expiration of the Term unless otherwise agreed to by the parties in writing prior thereto.

11. Exclusive Consulting Contract

Upon termination of EMPLOYEE's employment with PAM for any reason whatsoever, PAM shall have the right at its option, to retain EMPLOYEE as an independent consultant under an exclusive consulting contract, for the performance by EMPLOYEE of such duties as may be reasonably assigned by PAM consistent with the position of an independent consultant. The specific terms regarding the actual services to be performed, length of service, restrictions on competition and other contractual terms not set forth in this paragraph, shall be mutually agreeable to EMPLOYEE and PAM. Services as an independent contractor shall not constitute employment for purposes of Section 7.

12. No Restriction on Performance of Services Contemplated by Agreement

EMPLOYEE represents and warrants to PAM that: (i) he is under no contractual or other restriction which would give a third party a legal right to assert that he would not be legally permitted to perform the services contemplated by this Agreement; and (ii) by entering into this Agreement he has not breached, and by performing the services contemplated by this Agreement, he would not breach, any Agreement or duty relating to proprietary information of another person or entity.

13. Confidentiality of Agreement

EMPLOYEE shall not disclose any of the terms of this Agreement to any person with the exception of his spouse or attorneys or as required by law, provided the spouse or attorneys agree to be bound by this Section.

14. Severability

In case any one or more of the provisions hereof shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. To the extent possible, there shall be deemed substituted such other provision as will most nearly accomplish the intent of the parties, to the extent permitted by applicable law.

15. Entire Agreement

This Agreement embodies all the representations, warranties, covenants and agreements of the parties in relation to the subject matter hereof, and no representations, warranties, covenants, understandings, or agreements, unless expressly set forth herein or in an instrument in writing signed by the party to be bound thereby which makes reference to this Agreement, shall be considered effective.

16. No Rights in Third Parties

Nothing herein expressed or implied is intended to, or shall be construed to confer upon, or give to any person, firm or other entity other than the parties hereto any rights or remedies under this Agreement, except as provided in Section 17.

17. Assignment

PAM may assign its rights and delegate its responsibilities under this Agreement to any affiliated company or to any corporation which acquires all or substantially all of the operating assets of PAM by merger, consolidation, dissolution, liquidation, combination, sale or transfer of assets or stock or otherwise. EMPLOYEE shall not be entitled to assign his rights or delegate his responsibilities under this Agreement to any person.

18. Payment to Estate

No person, firm or entity shall have any right to receive any payments owing to EMPLOYEE hereunder, except that EMPLOYEE's estate shall be entitled to receive a final payment of installment of Base Salary for services rendered to PAM through date of death and reimbursement for any business expenses previously incurred by EMPLOYEE for which he would have been entitled to reimbursement hereunder.

19. Amendment

No modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto.

20. Survival of Covenants

Without limitation of any other provisions of this Agreement, all representations and warranties set forth in this Agreement and the covenants set forth in Sections 6, 7, 8 and 13 shall survive the termination of this Agreement for any reason for the maximum period permitted by law.

21. Governing Law

This Agreement shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of Arkansas. The parties agree that should any litigation arise out of, in connection with, or relating to this Agreement, such litigation will be commenced in the Circuit Court for Washington County Arkansas provided such court has subject matter jurisdiction. The parties specifically agree, however, that either of these courts has personal jurisdiction and venue.

22. Notices.

Service of all notices under this Agreement must be given personally to the party involved at the address set forth below or at such other address as such party shall provide in writing from time to time.

COMPANY: Matthew Moroun
12225 Stephens Road
Warren, MI 48089

EMPLOYEE: Larry J. Goddard
P.O Box 576
Tontitown, AR 72770

23. Paragraph Headings

The titles to the paragraphs of this Agreement are for convenience of the parties only and shall not affect in any way the meaning or construction of any Paragraph of this Agreement.

24. Non-Waiver.

No covenant or condition of this Agreement may be waived except by the written consent of PAM Board of Directors. Forbearance or indulgence by PAM in any regard whatsoever shall not constitute a waiver of the covenants or conditions to be performed by EMPLOYEE to which the same may apply, and, until complete performance by EMPLOYEE of said covenant or condition, PAM shall be entitled to invoke any remedy available to PAM under this Agreement or by law or in equity, despite said forbearance or indulgence.

25. Construction

Although this Agreement was drafted by PAM the parties agree that it accurately reflects the intent and understanding of each party and should not be construed against PAM if there is any dispute over the meaning or intent of any provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

P.A.M. Transportation Services Inc.

/s/ W. Clif Lawson

(Witness)

By: /s/ Matthew T. Moroun

Its: Director - Compensation Committee

/s/ Robert W. Weaver

(Witness)

By: /s/ Larry J. Goddard

EMPLOYEE

EXHIBIT A

1. Central Transport International, Inc.
2. Central Transport, Inc.
3. Logistics Insights Corporation, Inc.
4. P.A.M. Transportation Services, Inc.
5. Universal Truckload Services, Inc.