
**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) April 14, 2010



LANDSTAR SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

021238
(Commission
File Number)

06-1313069
(I.R.S. Employer
Identification No.)

13410 Sutton Park Drive South, Jacksonville, Florida
(Address of principal executive offices)

32224
(Zip Code)

(904) 398-9400
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

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:

- 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))
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Item 2.02 Results of Operations and Financial Condition

On April 14, 2010, Landstar System, Inc. issued a press release announcing results for the first quarter of fiscal 2010. A copy of the press release is attached hereto as Exhibit 99.1.

The information furnished under Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits

Exhibits

99.1 News Release dated April 14, 2010 of Landstar System, Inc.

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.

LANDSTAR SYSTEM, INC.

Date: April 14, 2010

By: /s/ James B. Gattoni
Name: James B. Gattoni
Title: Vice President and Chief Financial Officer



*Landstar System, Inc.
13410 Sutton Park Drive, South
Jacksonville, FL 32224
904 398 9400*

For Immediate Release

April 14, 2010

Contact: Jim Gattoni
Landstar System, Inc.
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LANDSTAR SYSTEM REPORTS 17 PERCENT INCREASE IN REVENUE AND A 26 PERCENT INCREASE IN DILUTED EARNINGS PER SHARE

Jacksonville, FL — Landstar System, Inc. (NASDAQ: LSTR) reported a 17 percent increase in revenue to \$548.1 million in the 2010 first quarter, up from \$469.2 million in the 2009 first quarter. Net income for the 2010 first quarter was \$17.2 million, or \$0.34 per diluted share, compared to \$13.9 million, or \$0.27 per diluted share for the 2009 first quarter.

Revenue hauled by third-party truck capacity providers in the 2010 first quarter was \$505.9 million, or 92 percent of revenue, compared to \$426.3 million, or 91 percent of revenue, in the 2009 first quarter. Included in revenue hauled by third-party truck capacity providers in the 2010 and 2009 first quarters were \$19.0 million and \$9.8 million, respectively, of fuel surcharges invoiced to customers on revenue hauled by third-party truck brokerage carriers. In the 2010 and 2009 first quarters, the Company also invoiced customers \$41.3 million and \$24.2 million, respectively, of fuel surcharges that were passed 100 percent to third-party BCO Independent Contractors and excluded from revenue. Revenue hauled by rail, air and ocean cargo carriers was \$28.5 million, or 5 percent of revenue, in the 2010 first quarter compared to \$33.6 million, or 7 percent of revenue, in the 2009 first quarter. Transportation management fee revenue was \$5.1 million, or 1 percent of revenue, in the 2010 first quarter.

Landstar System, Inc. also announced that its Board of Directors has declared a quarterly dividend of \$0.045 per share. The dividend is payable on May 28, 2010 to stockholders of record at the close of business on May 6, 2010. It is the intention of the Board of Directors to continue to pay a quarterly dividend. During the 2010 first quarter, Landstar purchased 120,171 shares of its common stock at a total cost of \$4.5 million. Under the Company's authorized share purchase program, the Company currently has a total of 1,255,000 shares of its common stock available for purchase.

Commenting on Landstar's 2010 first quarter, Landstar's Chairman, President and CEO, Henry Gerkens said, "I am very pleased with the Company's start to 2010. Revenue increased 17 percent over the 2009 first quarter. This marked the first time since the 2008 third quarter where revenue in the current quarter increased over the corresponding prior year quarter. The increased revenue was primarily the result of an 18 percent increase in the number of loads hauled, which was partly offset by a lower revenue per load amount of approximately 2 percent, compared to the 2009 first quarter. The number of loads hauled by third-party truck capacity providers in the month of March of 2010 was the highest number of loads hauled by third-party truck capacity providers in March of any year in Landstar's history. Also in March 2010, the Company experienced the first month over prior year month increase in revenue per load on freight hauled by third-party truck capacity providers since 2008.

Gerkens continued, "Diluted earnings per share in the 2010 first quarter compared to the 2009 first quarter increased 26 percent and operating income increased 19 percent quarter over quarter."

"The freight environment continues to improve. Recent trends in March, and thus far in April, indicate that both the revenue per load and the number of loads hauled remain strong compared to the corresponding prior year periods. I expect these trends to continue throughout the 2010 second quarter. As such, I would anticipate second quarter 2010 revenue over second quarter 2009 revenue to increase in the upper teens to low twenty percent range. I would also anticipate Landstar's earnings for the 2010 second quarter to be within a range of \$0.44 to \$0.49 per diluted share. Our longer term goals continue to be achieving a cumulative average revenue growth rate over a three to five year period in a mid-teen range, to increase annual operating margins and to grow diluted earnings per share at a slightly higher rate than the rate of revenue increase."

Landstar will provide a live webcast of its quarterly earnings conference call this afternoon at 5 pm ET. To access the webcast, visit the Company's website at www.landstar.com; click on "Investor Relations" and "Webcasts," then click on "Landstar's First Quarter 2010 Earnings Release Conference Call."

The following is a "safe harbor" statement under the Private Securities Litigation Reform Act of 1995. Statements contained in this press release that are not based on historical facts are "forward-looking statements". This press release contains forward-looking statements, such as statements which relate to Landstar's business objectives, plans, strategies, expectations and intentions. Terms such as "anticipates," "believes," "estimates," "intention," "plans," "predicts," "may," "should," "will," the negative thereof and similar expressions are intended to identify forward-looking statements. Such statements are by nature subject to uncertainties and risks, including but not limited to: an increase in the frequency or severity of accidents or workers' compensation claims; unfavorable development of existing claims; dependence on independent sales agents; dependence on third-party capacity providers; disruptions or failures in our computer systems; a downturn in domestic or international economic growth or growth in the transportation sector; substantial industry competition; and other operational, financial or legal risks or uncertainties detailed in Landstar's Form 10K for the 2009 fiscal year, described in Item 1A Risk Factors, and other SEC filings from time-to-time. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated. Investors should not place undue reliance on such forward-looking statements, and Landstar undertakes no obligation to publicly update or revise any forward-looking statements.

About Landstar:

Landstar System, Inc. is a non-asset based provider of integrated supply chain solutions. Landstar delivers safe, specialized transportation, warehousing and logistics services to a broad range of customers worldwide utilizing a network of agents, third-party capacity owners and employees. All Landstar transportation companies are certified to ISO 9001:2000 quality management system standards. Landstar System, Inc. is headquartered in Jacksonville, Florida. Its common stock trades on The NASDAQ Stock Market® under the symbol LSTR.

(Tables follow)

Landstar System, Inc. and Subsidiary
Consolidated Statements of Income
(Dollars in thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended	
	March 27, 2010	March 28, 2009
Revenue	\$ 548,088	\$ 469,247
Investment income	285	425
Costs and expenses:		
Purchased transportation	417,201	351,324
Commissions to agents	40,408	38,324
Other operating costs	7,536	7,450
Insurance and claims	12,298	9,002
Selling, general and administrative	36,843	34,369
Depreciation and amortization	<u>5,792</u>	<u>5,485</u>
Total costs and expenses	<u>520,078</u>	<u>445,954</u>
Operating income	28,295	23,718
Interest and debt expense	<u>854</u>	<u>1,163</u>
Income before income taxes	27,441	22,555
Income taxes	10,484	8,661
Net income	<u>16,957</u>	<u>13,894</u>
Less: Net loss attributable to noncontrolling interest	(219)	—
Net income attributable to Landstar System, Inc. and subsidiary	<u>\$ 17,176</u>	<u>\$ 13,894</u>
Earnings per common share attributable to Landstar System, Inc. and subsidiary	<u>\$ 0.34</u>	<u>\$ 0.27</u>
Diluted earnings per share attributable to Landstar System, Inc. and subsidiary	<u>\$ 0.34</u>	<u>\$ 0.27</u>
Average number of shares outstanding:		
Earnings per common share	<u>50,207,000</u>	<u>51,575,000</u>
Diluted earnings per share	<u>50,318,000</u>	<u>51,782,000</u>
Dividends paid per common share	<u>\$ 0.0450</u>	<u>\$ 0.0400</u>

Landstar System, Inc. and Subsidiary
Consolidated Balance Sheets
(Dollars in thousands, except per share amounts)
(Unaudited)

	March 27, 2010	Dec. 26, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 82,493	\$ 85,719
Short-term investments	24,391	24,325
Trade accounts receivable, less allowance of \$5,399 and \$5,547	290,785	278,854
Other receivables, including advances to independent contractors, less allowance of \$5,954 and \$5,797	28,073	18,149
Deferred income taxes and other current assets	13,890	19,565
Total current assets	439,632	426,612
Operating property, less accumulated depreciation and amortization of \$129,949 and \$124,810	140,188	116,656
Goodwill	57,470	57,470
Other assets	49,068	48,054
Total assets	\$ 686,358	\$ 648,792
LIABILITIES AND EQUITY		
Current liabilities:		
Cash overdraft	\$ 23,291	\$ 28,919
Accounts payable	133,505	121,030
Current maturities of long-term debt	25,562	24,585
Insurance claims	38,194	41,627
Other current liabilities	50,011	42,474
Total current liabilities	270,563	258,635
Long-term debt, excluding current maturities	82,641	68,313
Insurance claims	30,931	30,680
Deferred income taxes	22,345	23,013
Equity		
Landstar System, Inc. and subsidiary shareholders' equity		
Common stock, \$0.01 par value, authorized 160,000,000 shares, issued 66,281,824 and 66,255,358 shares	663	663
Additional paid-in capital	162,614	161,261
Retained earnings	780,954	766,040
Cost of 16,142,282 and 16,022,111 shares of common stock in treasury	(664,953)	(660,446)
Accumulated other comprehensive income	684	498
Total Landstar System, Inc. and subsidiary shareholders' equity	279,962	268,016
Noncontrolling interest	(84)	135
Total equity	279,878	268,151
Total liabilities and equity	\$ 686,358	\$ 648,792

**Landstar System, Inc. and Subsidiary
Supplemental Information
(Unaudited)**

	Thirteen Weeks Ended	
	March 27, 2010	March 28, 2009
Revenue generated through (in thousands):		
Business Capacity Owners (1)	\$286,141	\$262,065
Truck Brokerage Carriers	219,755	164,243
Rail intermodal	14,776	19,318
Ocean cargo carriers	9,135	8,851
Air cargo carriers	4,603	5,387
Other (2)	13,678	9,383
	<u>\$548,088</u>	<u>\$469,247</u>
Number of loads:		
Business Capacity Owners (1)	197,750	170,650
Truck Brokerage Carriers	149,350	117,650
Rail intermodal	6,870	9,580
Ocean cargo carriers	1,460	1,240
Air cargo carriers	1,500	3,260
	<u>356,930</u>	<u>302,380</u>
Revenue per load:		
Business Capacity Owners (1)	\$ 1,447	\$ 1,536
Truck Brokerage Carriers	1,471	1,396
Rail intermodal	2,151	2,016
Ocean cargo carriers	6,257	7,138
Air cargo carriers	3,069	1,652
	<u>March 27, 2010</u>	<u>March 28, 2009</u>
Truck Capacity		
Business Capacity Owners (1) (3)	7,800	8,424
Truck Brokerage Carriers:		
Approved and active (4)	15,644	14,877
Approved	9,674	10,682
	<u>25,318</u>	<u>25,559</u>
Total available truck capacity providers	<u>33,118</u>	<u>33,983</u>
Agent Locations	<u>1,372</u>	<u>1,445</u>

- (1) Business Capacity Owners are independent contractors who provide truck capacity to the Company under exclusive lease arrangements.
- (2) Includes premium revenue generated by the insurance segment and warehousing and transportation management fee revenue generated by the transportation logistics segment.
- (3) Trucks provided by Business Capacity Owners were 8,384 and 9,013 at March 27, 2010 and March 28, 2009, respectively.
- (4) Active refers to Truck Brokerage Carriers who have moved at least one load in the past 180 days.