

# **Montgomery Transport in Receivership**

*Not Bankruptcy. A First-Person Account of What Happened After Private Equity Took Control.*

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I would like to thank the many of those that stayed committed through uncertainty, change, and ultimately closure. Montgomery Transport did not fail because of its drivers, its customers, or the partners who kept freight moving day after day. The closure followed a pattern that has become far too common in the American trucking industry when private equity control replaces leadership.

I am sharing this account to honor the people who built Montgomery Transport, to acknowledge how difficult this was for those who dedicated their time and energy to it.

## **What Happened at Montgomery Transport**

Many are trying to understand how Montgomery Transport, a company built over more than twelve years with discipline, integrity, and consistent profitability, could close its doors almost overnight.

What happened to Montgomery Transport is not uncommon. Across the country, private equity involvement in trucking has, in many cases, produced harmful results. Operational support is often reduced under the guise of short-term cost cutting, while leadership roles are filled by individuals lacking transportation expertise. Growth targets are set without regard for operational realities, and investment in equipment, company culture, and workforce stability steadily declines. At the same time, restructuring strategies erode long-standing customer relationships and undermine employee trust, leaving companies vulnerable to failure.

## **2011 to Early 2022: Building a Disciplined Operator**

Montgomery Transport was founded in July 2011. For more than a decade, the company operated profitably, grew responsibly, and never missed a payment obligation. We invested in our people, maintained a modern fleet, and built deep trust with customers, lenders, and vendors. One of my greatest regrets was selling the company I had built alongside an exceptional team and trusted customers.

## **February 2022 to 2024: Private Equity Takes Control**

In February 2022, I sold my majority ownership interest to One Equity Partners (OEP) while retaining a minority stake. In February 2023, OEP appointed its COO as interim CEO.

After the change in control, the company's operational and financial performance declined, and driver turnover reached record levels. During this period, insurance premiums increased materially while coverage limits were reduced. Repeated recommendations to replace aging equipment were also ignored, including warnings raised in Board meetings by senior maintenance leadership.

Despite being consistently profitable prior to the change in control, Montgomery Transport began reporting monthly losses throughout 2024, up until closure.

## **2025: Financial Control Centralized and the Dissolution of Montgomery Transport**

As financial pressure intensified, control over banking relationships and key decisions became further centralized under OEP.

During this period, vendor payments were delayed, employer 401(k) contributions were suspended, and critical information was not shared with company leadership or the Board. These actions, together with other decisions directed by OEP, created material uncertainty and hardship for employees who had devoted years of service to the company. According to key executives from PS Logistics (PSL) and banking institutions, PSL lacked the ability to complete a transaction unless Montgomery Transport entered Chapter 11 bankruptcy, which would have required debtor-in-possession (DIP) financing. Financing was denied by creditors due to the company's poor performance and significant fees built into the DIP financing terms.

### **A Message I Never Thought I Would Receive**

On October 8, 2025, OEP and its legal counsel communicated to me that all Montgomery Transport vehicles were to promptly cease operations and park roadside within 24 hours. Drivers and customers' freight would have been left immobilized throughout the country. With short due notice, I urged engagement to source immediate financing with lenders to assure drivers could return home safely, and customers' goods would be delivered. Emergency funding was ultimately secured so payroll could be met, and drivers could return home.

Unfortunately, later that evening, OEP's counsel communicated that the emergency funding was impermissibly swept, leaving employees with less than 24 hours' notice before being terminated.

On October 15, 2025, Montgomery Transport was placed into receivership, where it remains today.

### **Moving Forward: The Second Mile**

Montgomery Transport was built on resilience and grit. Those qualities do not disappear when a chapter closes. They move forward with the people who carried them.

To the drivers, employees, customers, banking partners, vendors, and OEM financing partners who dedicated themselves to this company, I know this was difficult. Many of you gave your time, energy, and trust to something you believed in. You did not fail.

I have no intention of stepping away from this industry. I believe in it more than ever, and I believe in the people who make it work. I believe the truth will continue to emerge through legal channels and facts shall prevail. With it, new opportunities for growth and renewal will be provided for many.

We will not easily forget what came before, but we will learn from it and be strengthened by it. Anchored in our founding values, and the support that carries us forward, we continue into the **Second Mile**. What was built with resilience will rise again, renewed and stronger than ever.