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SCHNOES JAMES T
Form SC 13D
May 09, 2003

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

CANNON EXPRESS, INC.
(Name of Issuer)

Common Stock, \$.01 Par Value
(Title of Class of Securities)

137694
(CUSIP Number)

Mr. James T. Schnoes
Treasurer
1457 East Robinson Avenue
Springdale, Arkansas 72765
(479) 751-9209
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

April 23, 2003
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box: []

SCHEDULE 13D

CUSIP No. 137694

-
- (1) NAMES OF REPORTING PERSONS, I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
James T. Schnoes
-
- (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a) []
(b) [X]
-

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(3) SEC USE ONLY

(4) SOURCE OF FUNDS (SEE INSTRUCTIONS)
OO

(5) CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) []

Not applicable

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
United States

NUMBER OF (7) SOLE VOTING POWER
SHARES 450,000

BENEFICIALLY (8) SHARED VOTING POWER
OWNED BY EACH None

REPORTING (9) SOLE DISPOSITIVE POWER
PERSON 450,000

WITH (10) SHARED DISPOSITIVE POWER
None

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
450,000

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
(SEE INSTRUCTIONS) []

Not applicable

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
12.31%

(14) TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

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ITEM 1. SECURITY AND ISSUER

This statement relates to the common stock \$.01 par value ("Common Stock") of Cannon Express, Inc. (the "Issuer" or "Cannon"). The CUSIP number of Cannon's single class of Common Stock is 137694. The executive offices of the Issuer were located at 1457 Robinson, P.O. Box 364, Springdale, Arkansas 72765.

ITEM 2. IDENTITY AND BACKGROUND

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- (a) Name: James T. Schnoes
- (b) Business address: 1457 East Robinson Avenue, Springdale, AR
72765
- (c) Present Occupation: Financial Advisory Services
- (d) Mr. Schnoes has not, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- (e) Mr. Schnoes was not, during the last five years, a party to a civil proceeding of a judicial or administrative body of competent jurisdiction, or subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.
- (f) Citizenship: Mr. Schnoes is a citizen of the United States of America.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The options to acquire 450,000 shares of Cannon Express, Inc. were acquired as partial consideration for the services of CFOex, Inc., Mr. Schnoes' employer, in assisting Cannon Express in its efforts to improve its current financial position.

ITEM 4. PURPOSE OF TRANSACTION

The acquisition of the options to acquire the shares is part of the consideration from Cannon to CFOex, Inc., a Tennessee financial advisory services corporation, for services provided and to be provided by Mr. Schnoes. These services include retaining Mr. Schnoes to act as Treasurer as part of Cannon's crisis management team. Mr. Schnoes is working with Cannon to reduce cash consumption rates, to improve Cannon's liquidity, develop and implement one and two-year financial plans, restructure Cannon's capital structure, and other actions designed to improve Cannon's liquidity and capital structure. Under the terms of the Option Agreements dated August 17, 2002 for a total of 1,500,000 shares and filed as Exhibits 3 through 6 on Schedule 13-D filed on November 21, 2002. On April 23, 2003, CFOex, Inc. assigned 450,000 stock options each to its employees, Bruce Jones, Calvin Turner, and James Schnoes.

The options are not all immediately exercisable. Mr. Schnoes received 150,000 options with an exercise price of \$.53, which are immediately exercisable. Mr. Schnoes received 150,000 options which are exercisable at a price of \$.53, but only after the \$0.01 per share par value common stock of Cannon has traded at a price of \$1.00 per share for 10 consecutive days. Two additional options were received by Mr. Schnoes for 75,000 shares each, with an exercise price of \$.53. Each of these options require the common stock to trade at a price of \$2.00 and \$3.00 per share, respectively, for 10 consecutive days before it can be exercised.

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ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Mr. Schnoes owns an option allowing him to acquire 150,000 shares

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of Cannon's Common Stock (4.47% of the Common Stock outstanding as of April 22, 2002). This option is exercisable immediately. 150,000 shares are exercisable at a price of \$.53, after the \$0.01 par value common stock of Cannon has traded at a price of \$1.00 per share for 10 consecutive days. The final two options for 75,000 shares each are also exercisable at a price of \$.53 per share and each of these options require the common stock to trade at at least \$2 and \$3 per share, respectively, for 10 consecutive days before the option can be exercised.

During the most recent sixty days, there were no transactions in the Common Stock.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Except with respect to the terms of the Agreements dated August 17 and July 23, 2002, and the four Option Agreements dated August 17, 2002, copies of which were previously filed as exhibits, there exist no contract arrangements, understandings or relationships, legal or otherwise, between Mr. Schnoes, and any other person with respect to any securities of Cannon Express, Inc., including but not limited to the transfer or voting of any such securities, finders fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Exhibit No. 1 - Agreement dated July 23, 2002 previously filed on November 21, 2002.

Exhibit No. 2 - Agreement dated August 17, 2002 previously filed on November 21, 2002.

Exhibit No. 3 - Option Agreement dated August 17, 2002, for 500,000 shares previously filed on November 21, 2002.

Exhibit No. 4 - Option Agreement dated August 17, 2002, for 500,000 shares previously filed on November 21, 2002.

Exhibit No. 5 - Option Agreement dated August 17, 2002, for 250,000 shares previously filed on November 21, 2002.

Exhibit No. 6 - Option Agreement dated August 17, 2002, for 250,000 shares previously filed on November 21, 2002.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Date: May 9, 2003

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Signature: /s/ James T. Schnoes

James T. Schnoes