

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input checked="" type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan ZONES, INC. 401(K) PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/1994
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) ZONES, INC. 1102 15TH ST SW SUITE 102 AUBURN, WA 98001	2b Employer Identification Number (EIN) 91-1431894 2c Sponsor's telephone number 206-430-3000 2d Business code (see instructions) 443120

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/06/2010	HEATHER PERKINS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/06/2010	RONALD MCFADDEN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ZONES, INC. 1102 15TH ST SW SUITE 102 AUBURN, WA 98001		3b Administrator's EIN 91-1431894	
		3c Administrator's telephone number 253-205-3000	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	803
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).			
a Active participants.....		6a	581
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits.....		6c	142
d Subtotal. Add lines 6a , 6b , and 6c		6d	723
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....		6e	2
f Total. Add lines 6d and 6e		6f	725
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g	562
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	51
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3D 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan ZONES, INC. 401(K) PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ZONES, INC.		D Employer Identification Number (EIN) 91-1431894

Part I	Service Provider Information (see instructions)
---------------	--

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FID.INV.INST.OPS.CO.
04-2647786

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	5000	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ALLNZ NFI DIV VAL R - BOSTON FINANC	0.25%	
04-2526037		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ALLNZ RCM TECHN A - BOSTON FINANCIA	0.25%	
04-2526037		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BLKRK US OPPS INV A - PNC GLOBAL IN	0.25%	
04-2871943		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DREYFUS S AND P 500 INDX - DREYFUS 13-5673135	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
EVERGREEN GROWTH A - EVERGREEN SERV 04-1504645	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
HEARTLAND SEL VAL IV - ALPS FUND SE 20-3247785	0.25%	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
HEARTLAND VALUE INV - ALPS FUND SER 20-3247785	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
LOOMIS SM CAP VAL AD P.O. BOX 219594 KANSAS CITY, MO 64121	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIMCO TOTAL RETURN R - BOSTON FINAN 04-2526037	0.25%	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP GROWTH STOCK R - T ROWE PRICE I 52-1184650	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
VICTORY DIVERS STK A - BISYS FUND S 13-3532663	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan ZONES, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 ZONES, INC.	D Employer Identification Number (EIN) 91-1431894	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	270284
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	545363	501693
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	332226	349107
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	8170281	11491084
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	9047870	12612168

Liabilities

g Benefit claims payable	1g	62899	21132
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	62899	21132

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	8984971	12591036
---	-----------	---------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	270284	
(B) Participants	2a(1)(B)	1518983	
(C) Others (including rollovers)	2a(1)(C)	11759	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1801026

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	68	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	22171	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		22239

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	204076	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		204076

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		2500082
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4527423

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	894952	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		894952
f Corrective distributions (see instructions)	2f		21132
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	5274	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5274
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		921358

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3606065
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CLARK NUBER P.S.

(2) EIN: 91-1194016

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan ZONES, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ZONES, INC.	D Employer Identification Number (EIN) 91-1431894

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

*Independent Auditors' Report**Administrative Committee
Zones, Inc. 401(k) Plan
Auburn, Washington*Certified Public
Accountants
and Consultants

We were engaged to audit the accompanying statements of net assets available for plan benefits of Zones, Inc. 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits and supplemental schedule as of and for the year ended December 31, 2009. The financial statements and supplemental schedule are the responsibility of the Plan's Management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. The Plan Administrator has informed us that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the Trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Because of the significance of the information in the Plan's financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Handwritten signature of Clark Nuber in dark ink.Certified Public Accountants
June 23, 2010



ZONES, INC. 401(k) PLAN

Financial Statements with Supplemental Schedule
and Independent Auditors' Report

December 31, 2009 and 2008

Table of Contents

	<i>Page</i>
Independent Auditors' Report	1
Financial Statements:	
Statements of Net Assets Available for Plan Benefits	2
Statement of Changes in Net Assets Available for Plan Benefits	3
Notes to Financial Statements	4 - 9
Supplemental Schedule:	
Supplemental Schedule I - Attachment to Form 5500, Schedule H, Item 4(i) Assets Held for Investment Purposes as of December 31, 2009	10

*Independent Auditors' Report**Administrative Committee
Zones, Inc. 401(k) Plan
Auburn, Washington*Certified Public
Accountants
and Consultants

We were engaged to audit the accompanying statements of net assets available for plan benefits of Zones, Inc. 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits and supplemental schedule as of and for the year ended December 31, 2009. The financial statements and supplemental schedule are the responsibility of the Plan's Management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. The Plan Administrator has informed us that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the Trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Because of the significance of the information in the Plan's financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Handwritten signature of Clark Nuber in dark ink.Certified Public Accountants
June 23, 2010

ZONES, INC. 401(k) PLAN

Statements of Net Assets Available for Plan Benefits

	<i>December 31,</i>	<u>2009</u>	<u>2008</u>
Assets:			
Investments, at fair value:			
Mutual funds		\$ 11,491,084	\$ 8,170,281
Money market fund		501,693	545,363
Participant loans		<u>349,107</u>	<u>332,226</u>
Total investments, at fair value		12,341,884	9,047,870
Receivables:			
Employer contribution		<u>270,284</u>	<u> </u>
Total receivables		<u>270,284</u>	<u> </u>
Total Assets		12,612,168	9,047,870
Liabilities:			
Excess contributions payable		<u>21,132</u>	<u>62,899</u>
Net Assets Available for Plan Benefits		<u>\$ 12,591,036</u>	<u>\$ 8,984,971</u>

See accompanying notes to financial statements.

ZONES, INC. 401(k) PLAN

***Statement of Changes in Net Assets Available for Plan Benefits
For the Year Ended December 31, 2009***

Additions to Net Assets:

Contributions:

Employee	\$ 1,497,851
Employer	270,284
Rollover	11,759

Total contributions	1,779,894
---------------------	-----------

Investment income:

Interest and dividends	226,315
Net appreciation in fair value of investments	2,500,082

Total investment income	2,726,397
-------------------------	-----------

Total Additions	4,506,291
------------------------	------------------

Deductions from Net Assets:

Benefits paid to participants	894,952
Administrative expenses	5,274

Total Deductions	900,226
-------------------------	----------------

Net Increase in Net Assets Available for Plan Benefits	3,606,065
---	------------------

Net Assets Available for Plan Benefits:

Beginning of year	8,984,971
-------------------	-----------

End of Year	<u><u>\$ 12,591,036</u></u>
--------------------	------------------------------------

See accompanying notes to financial statements.

ZONES, INC. 401(k) PLAN

Notes to Financial Statements

Note 1 - Description of the Plan

The following description of the Zones, Inc. 401(k) Plan (the Plan) provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan that was established effective January 1, 1994 for the benefit of employees of Zones, Inc. (the Company). All employees who have completed three months of service and are at least 21 years of age are eligible to participate in the Plan. The Plan was amended effective July 17, 2008, to exclude leased employees and non-resident aliens from participating.

The Plan has an automatic enrollment feature once an employee has fulfilled the eligibility requirements. The automatic enrollment feature provides that the automatic deferral percentage be set at 3% of eligible compensation unless the participant elects to not participate in the Plan. If a participant is enrolled under the automatic enrollment provision, the participant will also be enrolled in the annual increase program which increases the deferral percentage by 1% annually until the participant reaches a deferral percentage of 6% of eligible compensation.

Contributions - Plan participants may contribute up to 60% of their eligible compensation to the Plan, not to exceed annual limitations prescribed by the Internal Revenue Service (IRS). Effective February 1, 2008, the Plan was amended to exclude compensation received from stock options from eligible compensation. Participants may also make rollover contributions from other qualified plans, and certain eligible participants may make catch-up contributions, not to exceed annual limitations prescribed by the IRS.

The Company may make discretionary matching contributions to the Plan. Effective April 15, 2009, the Plan was amended to change the Company's contribution period for employer matching contributions from a quarterly basis to an annual basis. Participants must be employed on the last day of the Plan year to be eligible to receive the employer matching contribution. During 2009, the Company matched 33.3% of each participant's annual contribution up to 6% of eligible compensation. The Company may also make other non-elective employer contributions; however, no such contributions were made during 2009.

Participant Accounts - Participant contributions to the Plan are voluntary. Participants are allowed to direct the investment of all contributions into various investment options that offer a diversity of investment risk and return. Each participant's account is credited with any contributions made to the account, increases or decreases in the market value of investments, and any loans and loan repayments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Allocation Provisions - Dividend income, interest income, and net realized and unrealized investment gain or loss of each fund shall be allocated to the accounts of each participant based on the participant's proportionate share of the various investment funds held in their investment account.

ZONES, INC. 401(k) PLAN

Notes to Financial Statements

Note 1 - Continued

Vesting - Participants are immediately vested in their salary deferral and any non-elective employer contributions plus actual earnings thereon. Participants hired prior to January 1, 2000, are immediately vested in the Company's matching contribution. Vesting in the Company's matching contributions for those hired after January 1, 2000, is based on years of service as follows:

<u><i>Years of Service</i></u>	<u><i>Vested Percentage</i></u>
1	20%
2	40%
3	60%
4	80%
5	100%

Forfeitures - Forfeitures of terminated participants' non-vested accounts are applied against future Company contributions. For the year ended December 31, 2009, \$33,605 was forfeited due to termination of participants. As of December 31, 2009, unallocated assets, representing forfeited non-vested balances, totaled \$74,498 (2008 - \$37,364). During 2010, the Company elected to utilize \$71,991 of forfeited nonvested balances to reduce the contribution receivable otherwise due to the Plan at December 31, 2009.

Distributions - Upon termination of service, death, disability, or retirement, a participant may elect to receive a distribution of their vested account balance. The distribution may be in the form of a lump-sum payment. Participants who have reached the age of 59½ may elect to withdraw all or a portion of their vested account balance.

Hardship Withdrawals - Upon proof of financial hardship, a participant may withdraw his or her elective contributions from the Plan.

Participant Loans - The Plan allows participants to borrow from their accounts using their vested balance as collateral for the loans. The maximum amount that a participant may borrow is equal to the lesser of 50% of their entire vested account balance or \$50,000. The minimum amount required to be borrowed is \$1,000. Loan terms range from one to five years unless it is used to acquire a principal residence for which a ten year loan repayment term is allowed. The loans bear interest at a rate commensurate with local prevailing rates as determined monthly by the Plan Administrator. Principal and interest are paid ratably through payroll deductions.

Administrative Expenses - Several of the investment fund options are subject to investment and administrative fees based on a percentage of invested assets, as disclosed in the fund's prospectus. All such fees are charged directly against the fund's investment performance. Participant accounts are assessed a separate fee for the administration of loans and repayments thereof. Other transaction-based fees are also charged to participant accounts for certain optional services provided under the Plan. All other administrative expenses related to the Plan are paid by the Company.

Subsequent Events - The Plan's management has evaluated subsequent events through June 23, 2010, the date on which the Plan's financial statements were available to be issued.

ZONES, INC. 401(k) PLAN

Notes to Financial Statements

Note 2 - Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition - The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in the fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Payment of Benefits - Benefits paid to participants are recognized when they are paid. There were no amounts allocated to accounts of participants who had elected to withdraw from the Plan but had not yet been paid as of December 31, 2009 or 2008.

Risks and Uncertainties - The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

Note 3 - Investments

The following table presents investments that represent 5% or more of the Plan's net assets at December 31:

	<u>2009</u>	<u>2008</u>
Mutual Funds:		
Victory Diversified Stock Fund	\$ 1,588,783	\$ 1,255,846
TRP Growth Stock Fund	1,450,305	1,000,087
PIMCO Total Return Fund	1,319,439	897,331
Fidelity High Income Advantage Fund	767,895	487,164
Fidelity Freedom 2015 Fund	731,368	603,940
Blackrock US OPPS INV Fund	726,612	*
Dreyfus S&P 500 Index Fund	701,761	584,873
Fidelity International Discovery Fund	674,336	494,933
Fidelity Short Fixed-Income Fund	657,672	501,411
Fidelity Treasury Fund	*	545,363
Fidelity Mid Cap Fund	*	471,366

**Individual investment fund does not represent 5% or more of net assets at year end.*

ZONES, INC. 401(k) PLAN

Notes to Financial Statements

Note 4 - Fair Value Measurements

Financial Accounting Standards Board (FASB) issued accounting guidance for fair value measurements. This guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under this guidance are described as follows:

Level 1: Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Plan at year-end.

Money Market Fund - Valued at cost plus accrued interest, which approximates fair value.

Participant Loans - Valued at their outstanding balance, which approximates fair value.

ZONES, INC. 401(k) PLAN

Notes to Financial Statements

Note 4 - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 (Level 1, 2, and 3 are defined above):

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds:				
Growth	\$ 2,836,729	\$ -	\$ -	\$ 2,836,729
Blend	2,344,746			2,344,746
Bond	2,087,334			2,087,334
Target date retirement	1,823,158			1,823,158
Value	1,067,109			1,067,109
International	674,336			674,336
Stable value	<u>657,672</u>			<u>657,672</u>
Total mutual funds	11,491,084			11,491,084
Money market fund	501,693			501,693
Participant loans			<u>349,107</u>	<u>349,107</u>
	<u>\$ 11,992,777</u>	<u>\$ -</u>	<u>\$ 349,107</u>	<u>\$ 12,341,884</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008 (Level 1, 2, and 3 are defined above):

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds	\$ 8,170,281	\$ -	\$ -	\$ 8,170,281
Money market fund	545,363			545,363
Participant loans			<u>332,226</u>	<u>332,226</u>
	<u>\$ 8,715,644</u>	<u>\$ -</u>	<u>\$ 332,226</u>	<u>\$ 9,047,870</u>

A reconciliation of the beginning and ending balances for fair value measurements made using significant unobservable inputs (Level 3) is as follows for the year ended December 31, 2009:

	<i>Participant Loans</i>
Balance as of December 31, 2008	\$ 332,226
Purchases, sales, issuances, and settlements, net	<u>16,881</u>
Balance as of December 31, 2009	<u>\$ 349,107</u>

ZONES, INC. 401(k) PLAN

Notes to Financial Statements

Note 5 - Information Certified by the Trustee

The Plan's management elected the method of compliance permitted by Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Under this provision of ERISA, certain information certified by a trust company need not be subjected to independent audit. The Plan's management has obtained certification from the Trustee, Fidelity Management Trust Company, that the following information provided by the Trustee and included in the Plan's financial statements and supplemental schedule are complete and accurate:

- Fair value of investments as of December 31, 2009 and 2008;
- Investments and other income earned for the year ended December 31, 2009; and
- Investment transactions for the year ended December 31, 2009.

Note 6 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become fully vested in their account balances.

Note 7 - Federal Income Taxes

The Plan adopted a prototype plan which received a favorable opinion letter on March 31, 2008, in which the Internal Revenue Service stated that the prototype plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the opinion letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Note 8 - Party-In-Interest

Fidelity Management Trust Company serves as the Trustee for the Plan. The Plan invests in mutual funds managed by Fidelity Investments' Group. Transactions with these investments and fees charged by Fidelity directly to the funds for managing the investments, qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. Fees paid by the Plan to the Trustee amounted to \$5,274 for the year ended December 31, 2009.

Note 8 - Subsequent Event

On July 1, 2010, the Plan changed its trustee from Fidelity Management Trust Company to Prudential Retirement Services.

SUPPLEMENTAL SCHEDULE

ZONES, INC. 401(k) PLAN

Supplemental Schedule I

Attachment to Form 5500, Schedule H, Item 4(i)

Assets Held for Investment Purposes as of December 31, 2009

EMPLOYER: Zones, Inc.

EIN: 91-1431894

PLAN #: 001

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Victory Diversified Stock Fund	Mutual fund, 113,647 shares	**	\$ 1,588,783
	TRP Growth Stock Fund	Mutual fund, 53,497 shares	**	1,450,305
	PIMCO Total Return Fund	Mutual fund, 122,170 shares	**	1,319,439
*	Fidelity High Income Advantage Fund	Mutual fund, 84,850 shares	**	767,895
*	Fidelity Freedom 2015 Fund	Mutual fund, 69,987 shares	**	731,368
	Blackrock US OPPS INV Fund	Mutual fund, 22,714 shares	**	726,612
	Dreyfus S&P 500 Index Fund	Mutual fund, 22,428 shares	**	701,761
*	Fidelity International Discovery Fund	Mutual fund, 22,493 shares	**	674,336
*	Fidelity Short Fixed-Income Fund	Mutual fund, 72,591 shares	**	657,672
*	Fidelity Treasury Fund	Money market fund, 501,693 shares	**	501,693
	Heartland Value Fund	Mutual fund, 11,005 shares	**	398,179
	Heartland Select Value Fund	Mutual fund, 15,152 shares	**	377,444
	Allianz RCM Technology Fund	Mutual fund, 9,931 shares	**	365,854
	Allianz NFJ Diversified Value Fund	Mutual fund, 28,190 shares	**	291,486
*	Fidelity Freedom 2030 Fund	Mutual fund, 25,453 shares	**	275,144
*	Fidelity Freedom 2035 Fund	Mutual fund, 19,932 shares	**	202,707
*	Fidelity Freedom 2045 Fund	Mutual fund, 21,098 shares	**	177,643
*	Fidelity Freedom 2040 Fund	Mutual fund, 15,997 shares	**	173,887
	Evergreen Growth Fund	Mutual fund, 11,113 shares	**	140,027
*	Fidelity Freedom 2020 Fund	Mutual fund, 11,080 shares	**	119,661
*	Fidelity Small Cap Fund	Mutual fund, 5,313 shares	**	113,689
*	Fidelity Freedom 2050 Fund	Mutual fund, 11,097 shares	**	91,884
	Loomis Small Cap Value	Mutual fund, 2,596 shares	**	54,202
*	Fidelity New Insights Fund	Mutual fund, 2,356 shares	**	40,242
*	Fidelity Freedom 2025 Fund	Mutual fund, 3,038 shares	**	31,503
*	Fidelity Freedom Income Fund	Mutual fund, 870 shares	**	8,810
*	Fidelity Freedom 2005 Fund	Mutual fund, 570 shares	**	5,851
*	Fidelity Freedom 2010 Fund	Mutual fund, 448 shares	**	4,700
		Rates from 4.25% - 9.25%,		
*	Participant Loans	maturing January 2010 - January 2020	- 0 -	349,107
Total				\$ 12,341,884

* Party-in-interest as defined by section 3(14) of ERISA.

** Historical cost information omitted with respect to assets held for investment purposes on participant-directed individual account balances.

See independent auditors' report.

ZONES, INC. 401(k) PLAN

Supplemental Schedule I

Attachment to Form 5500, Schedule H, Item 4(i)

Assets Held for Investment Purposes as of December 31, 2009

EMPLOYER: Zones, Inc.

EIN: 91-1431894

PLAN #: 001

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Victory Diversified Stock Fund	Mutual fund, 113,647 shares	**	\$ 1,588,783
	TRP Growth Stock Fund	Mutual fund, 53,497 shares	**	1,450,305
	PIMCO Total Return Fund	Mutual fund, 122,170 shares	**	1,319,439
*	Fidelity High Income Advantage Fund	Mutual fund, 84,850 shares	**	767,895
*	Fidelity Freedom 2015 Fund	Mutual fund, 69,987 shares	**	731,368
	Blackrock US OPPS INV Fund	Mutual fund, 22,714 shares	**	726,612
	Dreyfus S&P 500 Index Fund	Mutual fund, 22,428 shares	**	701,761
*	Fidelity International Discovery Fund	Mutual fund, 22,493 shares	**	674,336
*	Fidelity Short Fixed-Income Fund	Mutual fund, 72,591 shares	**	657,672
*	Fidelity Treasury Fund	Money market fund, 501,693 shares	**	501,693
	Heartland Value Fund	Mutual fund, 11,005 shares	**	398,179
	Heartland Select Value Fund	Mutual fund, 15,152 shares	**	377,444
	Allianz RCM Technology Fund	Mutual fund, 9,931 shares	**	365,854
	Allianz NFJ Diversified Value Fund	Mutual fund, 28,190 shares	**	291,486
*	Fidelity Freedom 2030 Fund	Mutual fund, 25,453 shares	**	275,144
*	Fidelity Freedom 2035 Fund	Mutual fund, 19,932 shares	**	202,707
*	Fidelity Freedom 2045 Fund	Mutual fund, 21,098 shares	**	177,643
*	Fidelity Freedom 2040 Fund	Mutual fund, 15,997 shares	**	173,887
	Evergreen Growth Fund	Mutual fund, 11,113 shares	**	140,027
*	Fidelity Freedom 2020 Fund	Mutual fund, 11,080 shares	**	119,661
*	Fidelity Small Cap Fund	Mutual fund, 5,313 shares	**	113,689
*	Fidelity Freedom 2050 Fund	Mutual fund, 11,097 shares	**	91,884
	Loomis Small Cap Value	Mutual fund, 2,596 shares	**	54,202
*	Fidelity New Insights Fund	Mutual fund, 2,356 shares	**	40,242
*	Fidelity Freedom 2025 Fund	Mutual fund, 3,038 shares	**	31,503
*	Fidelity Freedom Income Fund	Mutual fund, 870 shares	**	8,810
*	Fidelity Freedom 2005 Fund	Mutual fund, 570 shares	**	5,851
*	Fidelity Freedom 2010 Fund	Mutual fund, 448 shares	**	4,700
		Rates from 4.25% - 9.25%,		
*	Participant Loans	maturing January 2010 - January 2020	- 0 -	349,107
Total				\$ 12,341,884

* Party-in-interest as defined by section 3(14) of ERISA.

** Historical cost information omitted with respect to assets held for investment purposes on participant-directed individual account balances.

See independent auditors' report.