

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>INDEPENDENT ELECTRIC SUPPLY, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>04/01/1984</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>04/01/1984</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>04/01/1984</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>INDEPENDENT ELECTRIC SUPPLY, INC.</u> <u>1370 BAYPORT</u> <u>SAN CARLOS, CA 94070</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>94-2209880</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>650-594-9440</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>423600</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>94-2209880</u>	2c Sponsor's telephone number <u>650-594-9440</u>	2d Business code (see instructions) <u>423600</u>	
2b Employer Identification Number (EIN) <u>94-2209880</u>					
2c Sponsor's telephone number <u>650-594-9440</u>					
2d Business code (see instructions) <u>423600</u>					

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.	10/14/2011	GREG ADRIAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") INDEPENDENT ELECTRIC SUPPLY, INC. 1370 BAYPORT SAN CARLOS, CA 94070	3b Administrator's EIN 94-2209880 3c Administrator's telephone number 650-594-9440
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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
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5 Total number of participants at the beginning of the plan year	5	816
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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	446
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	382
d Subtotal. Add lines 6a , 6b , and 6c	6d	828
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	829
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	829
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	45

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2I 2O 2Q 2E

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) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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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) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☐ **C** (Service Provider Information)
 (5) ☐ **D** (DFE/Participating Plan Information)
 (6) ☒ **G** (Financial Transaction Schedules)

<div>SCHEDULE G (Form 5500) Department of Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration</div>	<div>Financial Transaction Schedules</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan: INDEPENDENT ELECTRIC SUPPLY, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 INDEPENDENT ELECTRIC SUPPLY, INC.		D Employer Identification Number (EIN): 94-2209880

Part I	Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible Complete as many entries as needed to report all loans or fixed income obligations in default or classified as uncollectible. Check box (a) if obligor is known to be a party in interest. Attach Overdue Loan Explanation for each loan listed. See Instructions.
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(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div>		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div>		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div>		

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(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div>		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div>		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

Part II Schedule of Leases in Default or Classified as Uncollectible

Complete as many entries as needed to report all leases in default or classified as uncollectible. Check box (a) if lessor or lessee is known to be a party in interest. Attach Overdue Lease Explanation for each lease listed. (See instructions)

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)		
☐					
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)		
☐					
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)		
☐					
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)		
☐					
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)		
☐					
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)		
☐					
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears

Part III Nonexempt Transactions

Complete as many entries as needed to report all nonexempt transactions. **Caution:** If a nonexempt prohibited transaction occurred with respect to a disqualified person, file Form 5330 with the IRS to pay the excise tax on the transaction.

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
INDEPENDENT ELECTRIC SUPPLY, INC.	PLAN SPONSOR	LOAN TO THE PLAN - 2007	
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset -1000000
(j) Net gain (or loss) on each transaction			
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
INDEPENDENT ELECTRIC SUPPLY, INC.	PLAN SPONSOR	LOAN TO THE PLAN - 2008	
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset -2500000
(j) Net gain (or loss) on each transaction			
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
INDEPENDENT ELECTRIC SUPPLY, INC.	PLAN SPONSOR	LOAN TO THE PLAN - 2009	
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset -8000000
(j) Net gain (or loss) on each transaction			
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
INDEPENDENT ELECTRIC SUPPLY, INC.	PLAN SPONSOR	REIMBURSEMENT ERROR DUE TO PLAN SPONSOR - 2009	
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset 312491
(j) Net gain (or loss) on each transaction			
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
INDEPENDENT ELECTRIC SUPPLY, INC.	PLAN SPONSOR	EXPENSE PAID ON BEHALF OF THE PLAN 2009	
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset -40000
(j) Net gain (or loss) on each transaction			
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
INDEPENDENT ELECTRIC SUPPLY, INC.	PLAN SPONSOR	EXPENSE PAID ON BEHALF OF THE PLAN 2010	
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset -247164
(j) Net gain (or loss) on each transaction			

Part III Nonexempt Transactions

Complete as many entries as needed to report all nonexempt transactions. **Caution:** If a nonexempt prohibited transaction occurred with respect to a disqualified person, file Form 5330 with the IRS to pay the excise tax on the transaction.

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
INDEPENDENT ELECTRIC SUPPLY, INC.	PLAN SPONSOR	REIMBURSEMENT DUE TO PLAN FROM PLAN SPONSOR - 2010	
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset 68954
(j) Net gain (or loss) on each transaction			

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
INDEPENDENT ELECTRIC SUPPLY, INC.	PLAN SPONSOR	INTEREST ON UNREIMBURSED EXPENSES FROM PLAN SPONSOR - 2010	
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset 8651
(j) Net gain (or loss) on each transaction			

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset
(j) Net gain (or loss) on each transaction			

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset
(j) Net gain (or loss) on each transaction			

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset
(j) Net gain (or loss) on each transaction			

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset
(j) Net gain (or loss) on each transaction			

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transactions including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			(i) Current value of asset
(j) Net gain (or loss) on each transaction			

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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan INDEPENDENT ELECTRIC SUPPLY, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 INDEPENDENT ELECTRIC SUPPLY, INC.	D Employer Identification Number (EIN) 94-2209880	

Part I	Asset and Liability Statement
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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		70468
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		102932
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	4025961	3966709
(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)		
(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)		
(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)	64731853	62258111
(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	68757814	66398220

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	11500000	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	11500000	

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	57257814	66398220
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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)	3701564	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3701564

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	18725	
(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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		18725

(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)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(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)		
c Other income.....	2c		9298749
d Total income. Add all income amounts in column (b) and enter total.....	2d		13019038

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3878260	
(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)		3878260
f Corrective distributions (see instructions)	2f		
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)	372	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		372
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3878632

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		9140406
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: MOHLER, NIXON & WILLIAMS

(2) EIN: 77-0106234

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		102932
e Was this plan covered by a fidelity bond?.....	X		5000000
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.).....			
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.			

- 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)

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 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>INDEPENDENT ELECTRIC SUPPLY, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>INDEPENDENT ELECTRIC SUPPLY, INC.</u>	D Employer Identification Number (EIN) <u>94-2209880</u>

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	<u>0</u>
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): <u>94-6585602</u>		
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)?.....	☐ Yes	☐ No	☐ 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?	☐ Yes	☐ No	☐ 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?.....	☐ Yes	☐ No	☐ 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.....	☐ Increase	☐ Decrease	☐ Both	☐ 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?.....	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ 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.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes	☐ No

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

Schedule R (Form 5500) 2010
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 Electric Supply, Inc.
Employee Stock Ownership
Plan and Trust
Financial Statements
December 31, 2010 and 2009

**INDEPENDENT ELECTRIC SUPPLY, INC.
EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**Financial Statements and Supplemental Schedules
December 31, 2010 and 2009**

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Schedule H, Line 4d - Schedule of Nonexempt Transactions

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

REPORT OF INDEPENDENT AUDITORS

**To the Participants and
Plan Administrator of the
Independent Electric Supply, Inc.
Employee Stock Ownership
Plan and Trust**

We have audited the financial statements of the Independent Electric Supply, Inc. Employee Stock Ownership Plan and Trust (the Plan) as of December 31, 2010 and 2009, and for the year ended December 31, 2010, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 4 to the financial statements, the Plan sponsor determined certain administrative errors had been made resulting in Prohibited Transactions within the Plan during 2007 and thereafter. In conjunction with the acquisition of Independent Electric Supply, Inc. in August 2011 (Note 1), such transactions were corrected, which resulted in an increase of net assets available for benefits as of December 31, 2009 of approximately \$11,800,000 over that which was previously reported.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, as listed in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended. The supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, reading "Mohler, Nixon & Williams".

MOHLER, NIXON & WILLIAMS
Accountancy Corporation

Campbell, California
October 13, 2011

INDEPENDENT ELECTRIC SUPPLY, INC.
EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	<u>2010</u>	<u>2009</u>
Assets:		
Investment in Company		
common stock, at fair value	\$ 62,258,111	\$ 64,731,853
Money market account	<u>3,966,709</u>	<u>4,025,961</u>
Assets held for investment purposes	66,224,820	68,757,814
Non interest-bearing cash	70,468	
Due from Plan sponsor	<u>102,932</u>	<u>272,491</u>
Net assets available for benefits	<u><u>\$ 66,398,220</u></u>	<u><u>\$ 69,030,305</u></u>

See accompanying notes to financial statements.

**INDEPENDENT ELECTRIC SUPPLY, INC.
EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2010**

Additions to net assets attributed to:

Investment income (loss):

Net realized and unrealized depreciation in fair value of Company common stock	\$ (2,473,742)
Interest	<u>18,725</u>

(2,455,017)

Employer contributions	<u>3,701,564</u>
------------------------	------------------

Total additions	<u>1,246,547</u>
-----------------	------------------

Deductions from net assets attributed to:

Distributions	3,878,260
Other expense	<u>372</u>

Total deductions	<u>3,878,632</u>
------------------	------------------

Net decrease in net assets	(2,632,085)
----------------------------	-------------

Net assets available for benefits:

Beginning of year	<u>69,030,305</u>
-------------------	-------------------

End of year	<u><u>\$ 66,398,220</u></u>
-------------	-----------------------------

See accompanying notes to financial statements.

**INDEPENDENT ELECTRIC SUPPLY, INC.
EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 - THE PLAN AND ITS SIGNIFICANT ACCOUNTING POLICIES

General - The following description of the Independent Electric Supply, Inc. Employee Stock Ownership Plan and Trust (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is an employee stock ownership plan that was established in 1984 by Independent Electric Supply, Inc. (the Company) to provide benefits to eligible employees, as defined in the Plan document. The Plan was amended and restated effective January 1, 2010 and is currently designed to be qualified under the applicable requirements of the Internal Revenue Code (the Code), as amended, and the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Effective August 2, 2011, the Company signed an agreement to be acquired by Sonepar USA Holdings, Inc. (Sonepar) in an all-cash transaction in which Sonepar acquired 100% of the outstanding Company common stock (Company stock) from the Plan and from the Company's other shareholder. The transaction was finalized on August 31, 2011.

As part of the transaction, all Plan participants became fully vested in their accounts as of August 31, 2011, the closing date of the acquisition. It is currently the intention of the Plan to distribute the participants' investments during 2011, with the exception of that portion currently held in escrow under the terms of the acquisition agreement.

Administration - Under the terms of the Plan, a designated individual acts as the trustee (the Trustee). The Company has appointed an employee to manage the operation and administration of the Plan. The Company has contracted with a third-party administrator who processes and maintains the records of participant data. Substantially all expenses incurred for administering the Plan are paid by the Company.

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. The Plan relies significantly on the use of estimates in determining the valuation of Company stock, which is the primary Plan investment.

**INDEPENDENT ELECTRIC SUPPLY, INC.
EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

Basis of accounting - The financial statements of the Plan are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Forfeited accounts - Forfeited nonvested accounts of approximately \$472,000 and \$553,000 were allocated to eligible participants employed by the Company at December 31, 2010 and 2009, respectively.

Investment valuation and income recognition - Plan assets, which consist principally of Company stock, are nonparticipant-directed. The value of Company stock at December 31, 2010 and 2009 was determined by an independent appraisal (Note 5).

The Plan's investments are stated 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 2 for discussion of fair value measurements.

Net depreciation includes the Plan's gains and losses on investments bought or sold as well as held during the year.

Income taxes - The Plan has been amended since receiving a favorable determination letter dated September 17, 2001. The Company believes that the Plan is operated in accordance with, and qualifies under, the applicable requirements of the Code and related state statutes, and that the trust, which forms a part of the Plan, is exempt from federal income and state franchise taxes.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). No uncertain positions have been identified that would require recognition of a liability (or asset) or disclosure in the financial statements as of December 31, 2010. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2007.

**INDEPENDENT ELECTRIC SUPPLY, INC.
EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

Risks and uncertainties - The value of Company stock is directly related to the annual operating results and financial position of the Company. It is at least reasonably possible that changes in the value of Company stock in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

The appraised value of Company stock is based primarily on the estimated future operating results of the Company. It is possible that such results may not be achieved thus affecting the value of its stock. It is also reasonably possible that the appraised value of Company stock is not reflective of the actual value that could be obtained in an arms length sale transaction of all or a portion of Company stock.

Recent accounting pronouncements - In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements*, which expanded the required disclosures about fair value measurements. In particular, this guidance requires information about purchases, sales, issuances and settlements to be presented separately in the reconciliation for level 3 fair value measurements. This guidance is effective for annual reporting periods beginning after December 15, 2010. The Company is currently evaluating the impact that this guidance will have on the Plan's financial statement disclosures.

Subsequent events - The Plan has evaluated subsequent events through October 13, 2011, which is the date the financial statements were available to be issued.

**INDEPENDENT ELECTRIC SUPPLY, INC.
EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 2 - FAIR VALUE MEASUREMENTS

The fair value measurements standard 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on 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.

**INDEPENDENT ELECTRIC SUPPLY, INC.
EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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, 2010 and 2009.

Money market account: Valued at the net asset value (NAV) of shares held by the Plan at year end. It is not probable that the money market fund will be sold at an amount that differs materially from the NAV of shares held.

Company stock: Valued by an independent appraiser who considered a number of methodologies and concluded the income and market approaches were most appropriate.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009:

<u>Assets at fair value as of December 31, 2010</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market account	\$3,966,709	\$ -		\$ 3,966,709
Company stock			<u>\$62,258,111</u>	<u>62,258,111</u>
Total assets at fair value	<u>\$3,966,709</u>	<u>\$ -</u>	<u>\$62,258,111</u>	<u>\$62,224,820</u>

<u>Assets at fair value as of December 31, 2009</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market account	\$4,025,961	\$ -		\$ 4,025,961
Company stock			<u>\$64,731,853</u>	<u>64,731,853</u>
Total assets at fair value	<u>\$4,025,961</u>	<u>\$ -</u>	<u>\$64,731,853</u>	<u>\$68,757,814</u>

**INDEPENDENT ELECTRIC SUPPLY, INC.
EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31:

	Company stock	
	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$64,731,853	\$77,307,149
Unrealized losses on Company stock	<u>(2,473,742)</u>	<u>(12,575,296)</u>
Balance, end of year	<u>\$62,258,111</u>	<u>\$64,731,853</u>

NOTE 3 - PARTICIPATION AND BENEFITS

Employer contributions - The Company is allowed to make discretionary contributions to all eligible participants. Employer contributions may be made in cash, Company stock or other property, as determined by the Company's Board of Directors.

Vesting - Allocated shares become 100% vested after six years of service.

Participant accounts - Each participant's share of Plan assets is recorded in two accounts: the Company Stock Account, which generally represents the participant's allocable portion of the Company's shares included in the Plan assets; and the Other Investment Account, which generally represents the participant's share of Company contributions and forfeitures in investments other than Company stock.

Each participant's account is credited (or debited) with an allocation of: a) the Company's contribution, b) forfeitures of terminated participants' nonvested accounts, c) net income (or loss) of the Plan and d) unrealized appreciation (depreciation) in the value of the Plan's investment in Company stock. Employer contributions and forfeitures are allocated to eligible participants in the ratio that the eligible compensation of each participant bears to the total compensation of all eligible participants. A participant will share in the current year allocation of Company contributions only if the participant is still employed on the last day of the Plan year.

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Cash contributions on allocated shares are allocated to participants' Other Investment Accounts. Stock contributions received in Company stock are credited to the account to which such stock was allocated.

Payment of benefits - Distribution of a participant's vested account balance in the event of normal retirement, disability or death will begin no later than one year following the Plan year in which such event occurs. Distributions are made in cash and may be made in a lump sum or in installments over a period generally not exceeding five years. Effective January 1, 2010, if the vested account balance is \$1,000,000 or less, the account will be distributed in a lump sum payment. If the vested account balance is \$1,000,000 or more, the account will be distributed in two substantially equal annual installment payments.

If a participant terminates for any other reason, distribution of the participant's vested account balance will commence no later than the sixth Plan year after his or her termination. Effective January 1, 2010, if the vested account balance is \$50,000 or less, the account will be distributed in a single lump sum. If the vested account balance is \$50,000 or more, the account will be distributed in five substantially equal annual installment payments. Distributions are made in cash and may be made in a lump sum or in installments over a period generally not exceeding five years. The Plan allows for the automatic lump sum distribution of participant vested account balances that do not exceed \$1,000.

Participants who are age 65 and have at least five years of service with the Company may withdraw their vested account balance.

Voting rights - Participants can direct the Trustee as to the voting of shares of Company stock allocated to their accounts relative to any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution or other similar transactions.

In all other matters, Company stock held by the Plan will be voted by the Trustee.

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**NOTES TO FINANCIAL STATEMENTS
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**NOTE 4 - PROHIBITED TRANSACTIONS AND RESTATEMENT OF PRIOR YEAR
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

During 2007 through 2009, the Company made advances to the Plan in a total amount of \$11,500,000 to allow the Plan to make distributions to terminated participants.

In conjunction with the legal due diligence relating to the sale of the Company to Sonepar (Note 1), certain administrative errors were discovered relating to the aforementioned advances which were then determined to be prohibited transactions as defined by ERISA.

Additionally, the Company determined it had paid various amounts, such as tax withholdings and expenses, on behalf of the Plan, some of which have been reimbursed, others of which were not reimbursed. Ultimately the Company determined it owed the Plan approximately \$103,000 in reimbursements and interest thereon. Such amount was deposited into the Plan in September 2011.

In conjunction with the prior year contributions, the Company is in the process of reallocating all such contributions and related Plan assets to participants as of the dates the advances were originally made. Such reallocations may result in changes to participant accounts and the amounts of distributions previously made to separated participants. Such additional amounts, if any, will be made to former participants upon final determination.

The Company is required to correct these errors and prohibited transactions and is in the process of filing a correction under the Voluntary Compliance Program with the IRS. As part of the correction, all prior advances have been categorized as Plan sponsor contributions by the Company in the years the advances were made.

The Company intends to make additional filings with the IRS and pay related excise taxes on a timely basis.

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The recategorization of advances as prior year contributions and recording of reimbursement due to the Plan resulted in a net increase in net assets available for benefits of approximately \$11,800,000 as of December 31, 2009 in excess of the amounts previously reported.

	<u>As previously reported</u>	<u>As restated</u>
Due to the Plan sponsor	<u>\$11,500,000</u>	<u>\$ -</u>
Due from the Plan sponsor	<u>\$ -</u>	<u>\$ 272,491</u>
Net assets available for benefits	<u>\$57,257,814</u>	<u>\$69,030,305</u>

NOTE 5 - INVESTMENTS

The Plan's investment in Company stock as determined by independent appraisal is as follows at December 31:

	<u>2010</u>	<u>2009</u>
Total number of shares	<u>103,076</u>	<u>103,076</u>
Cost	<u>\$27,348,337</u>	<u>\$27,348,337</u>
Fair value	<u>\$62,258,111</u>	<u>\$64,731,853</u>

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**NOTES TO FINANCIAL STATEMENTS
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NOTE 6 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31:

	<u>2010</u>	<u>2009</u>
Net assets available for benefits per the financial statements	\$66,398,220	\$69,030,305
Adjustments:		
Employer loan		(11,500,000)
Due from the Plan sponsor	<u> </u>	<u>(272,491)</u>
Net assets available for benefits per the Form 5500	<u>\$66,398,220</u>	<u>\$57,257,814</u>

The following is a reconciliation of the affected components of the changes in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2010:

	<u>Amount per the financial statements</u>	<u>Adjustment</u>	<u>Amount per the Form 5500</u>
Other income	\$2,473,742	\$11,772,491	\$9,298,749

NOTE 7 - PLAN TERMINATION OR MODIFICATION

The Company intends to continue the Plan for the benefit of its participants until such time as all proceeds from the sale of the Company stock and other assets held by the Plan can be distributed. However, it reserves the right to terminate or modify the Plan at any time by resolution of its Board of Directors, subject to the provisions of ERISA.

SUPPLEMENTAL SCHEDULES

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PLAN #002

**SCHEDULE H, LINE 4d - SCHEDULE OF NONEXEMPT TRANSACTIONS
YEAR ENDED DECEMBER 31, 2010**

<u>Identity of party involved</u>	<u>Relationship</u>	<u>Description</u>	<u>Amount</u>
Independent Electric Supply, Inc.	Plan Sponsor	Loan to the Plan - 2007	\$ (1,000,000)
Independent Electric Supply, Inc.	Plan Sponsor	Loan to the Plan - 2008	\$ (2,500,000)
Independent Electric Supply, Inc.	Plan Sponsor	Loan to the Plan - 2009	\$ (8,000,000)
Independent Electric Supply, Inc.	Plan Sponsor	Reimbursement error due to Plan Sponsor - 2009	\$ 312,491
Independent Electric Supply, Inc.	Plan Sponsor	Expense paid on behalf of the Plan - 2009	\$ (40,000)
Independent Electric Supply, Inc.	Plan Sponsor	Expense paid on behalf of the Plan - 2010	\$ (247,164)
Independent Electric Supply, Inc.	Plan Sponsor	Reimbursement due to Plan from Plan Sponsor - 2010	\$ 68,954
Independent Electric Supply, Inc.	Plan Sponsor	Interest on unreimbursed expenses from Plan Sponsor - 2010	\$ 8,651

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**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2010**

<u>Identity of issue, borrower, lessor or similar party</u>	<u>Description of investment including maturity date, rate of interest, collateral, par or maturity value</u>	<u>Current value</u>
Bank of America	Money Market Account	\$ 3,966,709
* Independent Electric Supply, Inc.	Company Common Stock	<u>62,258,111</u>
	Total	<u>\$ 66,224,820</u>

* Party-in-interest

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PLAN #002**

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2010**

<u>Identity of issue, borrower, lessor or similar party</u>	<u>Description of investment including maturity date, rate of interest, collateral, par or maturity value</u>	<u>Current value</u>
Bank of America	Money Market Account	\$ 3,966,709
* Independent Electric Supply, Inc.	Company Common Stock	<u>62,258,111</u>
	Total	<u>\$ 66,224,820</u>

* Party-in-interest