CDW Corp
Form 424B3
October 26, 2010
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PROSPECTUS

CDW LLC

CDW Finance Corporation

Exchange Offers for

11.00% Senior Exchange Notes due 2015,

11.50% / 12.25% Senior PIK Election Exchange Notes due 2015 and

12.535% Senior Subordinated Exchange Notes due 2017

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, up to $890,000,000 in aggregate principal amount of our new 11.00% Senior Exchange Notes due 2015, Series B, up to $316,974,000 in aggregate principal amount of our new 11.50% / 12.25% Senior PIK Election Exchange Notes due 2015, Series B and up to $721,500,000 in aggregate principal amount of our new 12.535% Senior Subordinated Exchange Notes due 2017, Series B (collectively, the exchange notes), each of which has been registered under the Securities Act of 1933, as amended (the Securities Act), for any and all of our outstanding 11.00% Senior Exchange Notes due 2015, 11.50% / 12.25% Senior PIK Election Exchange Notes due 2015 and 12.535% Senior Subordinated Exchange Notes due 2017 (collectively, the outstanding notes, and such transactions, collectively, the exchange offers).

We are conducting the exchange offers in order to provide you with an opportunity to exchange the unregistered notes you hold for freely tradable notes that have been registered under the Securities Act.

The principal features of the exchange offers are as follows:

The terms of the exchange notes to be issued in the exchange offers are substantially identical to the outstanding notes, except that the transfer restrictions and registration rights relating to the outstanding notes will not apply to the exchange notes.

You may withdraw your tender of outstanding notes at any time before the expiration of the exchange offers. We will exchange all of the outstanding notes that are validly tendered and not withdrawn.

Based upon interpretations by the staff of the Securities and Exchange Commission (SEC), we believe that subject to some exceptions, the exchange notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided you are not an affiliate of ours.

The exchange offers expire at 5:00 p.m., New York City time, on November 24, 2010, unless extended.

The exchange of notes will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offers.

There is no existing public market for the outstanding notes or the exchange notes. We do not intend to list the exchange notes on any securities exchange.

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Except in very limited circumstances, current and future holders of outstanding notes who do not participate in the exchange offers will not be entitled to any future registration rights, and will not be permitted to transfer their outstanding notes absent an available exemption from registration. Except in very limited circumstances, upon completion of the exchange offers, we will have no further obligation to register and currently do not anticipate that we will register outstanding notes under the Securities Act.

For a discussion of certain factors that you should consider before participating in the exchange offers, see Risk Factors beginning on page 19 of this prospectus.

Neither the SEC nor any state securities commission has approved the exchange notes to be distributed in the exchange offers, nor have any of these organizations determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

October 25, 2010

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You should rely only on the information contained in this prospectus. The prospectus may be used only for the purposes for which it has been published. We have not authorized anyone to provide any information not contained herein. If you receive any other information, you should not rely on it. We are not making an offer of these securities in any state where the offer is not permitted.

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This prospectus contains summaries of the terms of several material documents. These summaries include the terms we believe to be material, but we urge you to review these documents in their entirety. We will provide without charge to each person to whom a copy of this prospectus is delivered, upon written or oral request of that person, a copy of any and all of these documents. Requests for copies should be directed to: CDW Corporation, 200 N. Milwaukee Avenue, Vernon Hills, Illinois 60061; Attention: Investor Relations (telephone (847) 465-6000).

INDUSTRY AND MARKET DATA

This prospectus includes industry and trade association data, forecasts and information that we have prepared based, in part, upon data, forecasts and information obtained from independent trade associations, industry publications and surveys and other information available to us. Some data is also based on our good faith estimates, which are derived from management s knowledge of the industry and independent sources.

Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our market position are based on market data currently available to us. While we are not aware of any misstatements regarding the industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading Risk Factors in this prospectus. Similarly, we believe our internal research is reliable, even though such research has not been verified by any independent sources.

TRADEMARKS AND TRADE NAMES

This prospectus includes our trademarks such as CDW, which are protected under applicable intellectual property laws and are the property of CDW Corporation or its subsidiaries. This prospectus also contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

SUMMARY

This summary highlights selected information contained in greater detail elsewhere in this prospectus. You should carefully read the entire prospectus, including the section entitled Risk Factors and the consolidated financial statements and notes related to those statements included elsewhere in this prospectus, before deciding whether to participate in the exchange offers. On October 12, 2007, CDW Corporation, an Illinois corporation (Target), was acquired by CDW Corporation, a Delaware corporation formerly known as VH Holdings, Inc. (Parent), a then-newly formed entity indirectly controlled by investment funds affiliated with Madison Dearborn Partners, LLC (Madison Dearborn) and Providence Equity Partners Inc. (Providence Equity), in a transaction valued at approximately $7.4 billion, including fees and expenses (the Acquisition). For financial reporting purposes, we refer to Target and its subsidiaries prior to the Acquisition as the Predecessor and we refer to Parent and its subsidiaries (including Target) following the Acquisition as the Successor. On December 31, 2009, Target merged into CDWC LLC, a limited liability company wholly owned by Parent, with CDWC LLC as the surviving company in the merger (the CDW LLC Merger). On December 31, 2009, CDWC LLC was renamed CDW LLC and on August 17, 2010, VH Holdings, Inc. was renamed CDW Corporation. Unless otherwise indicated or the context otherwise requires, the terms we, us, the Company, our, CDW and other similar terms refer to the business of Parent and its consolidated subsidiaries.

Our Business

CDW is a leading multi-brand technology solutions provider to business, government, education and healthcare customers in the U.S. and Canada. We provide comprehensive and integrated solutions for our customers technology needs through our extensive hardware, software and value-added service offerings. We serve over 250,000 customers through our experienced and dedicated sales force of more than 3,300 coworkers. We offer over 100,000 products from over 1,000 brands and a multitude of advanced technology solutions. Our broad range of technology products includes leading brands such as Hewlett-Packard, Cisco, Microsoft, Lenovo, EMC, IBM and VMware. Our offerings range from discrete hardware and software products to complex technology solutions such as virtualization, collaboration, security, mobility, data center optimization and cloud computing. Our sales and operating results have been driven by the unique combination of our large and knowledgeable selling organization, highly skilled technology specialists and engineers, extensive range of product offerings, strong vendor partner relationships, and fulfillment and logistics capabilities. For the year ended December 31, 2009, our net sales and Adjusted EBITDA were $7,162.6 million and $465.4 million, respectively. For the six months ended June 30, 2010, our net sales and Adjusted EBITDA were $4,157.4 million and $292.3 million, respectively.

We have two reportable segments.

Corporate. Our Corporate segment customers are primarily in the small and medium business (SMB) category, which we define as customers with up to 1,000 employees at a single location. We also serve larger customers, including FORTUNE 1000 companies, to help our vendor partners maximize their sales coverage. We have approximately 200,000 active accounts, well diversified across numerous industries. Our Corporate segment is divided into a small business customer channel, primarily serving customers with up to 100 employees, and a medium-large business customer channel, primarily serving customers with more than 100 employees. Our Corporate segment sales team is primarily organized by geography and customer size. We believe this enables us to better understand and serve customer needs, optimize sales resource coverage, and strengthen relationships with vendor partners to create more sales opportunities. Our Corporate segment generated net sales of $3,818.2 million and $2,310.1 million for the year ended December 31, 2009 and for the six months ended June 30, 2010, respectively.

Public. Our Public segment is divided into government, education and healthcare customer channels. The government channel serves federal as well as state and local governments. Our education channel serves higher education and K-12 customers. The healthcare channel serves customers across the healthcare provider industry. We have built sizable businesses in each of our three Public customer channels as net sales are approaching or exceeding $1 billion for each customer channel on an annualized basis. Our Public segment sales teams are organized by customer channel, and within each customer channel, they are generally organized by geography, except our federal government sales teams, which are organized by agency. We believe this enables our sales teams to address the specific needs of their customer channel while promoting strong customer relationships. Our Public segment generated net sales of $3,035.5 million and $1,651.2 million for the year ended December 31, 2009 and for the six months ended June 30, 2010, respectively.

Other. We also have two other operating segments, CDW advanced services and Canada, which do not meet the reportable segment quantitative thresholds and, accordingly, are combined together as Other. The CDW advanced services business consists primarily of customized engineering services delivered by CDW professional engineers and managed services, including hosting and data center services. The services components of solutions sales, including custom configuration and other third party services, are recorded in our Corporate and Public segment net sales. Advanced services provided by CDW professional engineers are recorded in CDW advanced services. Our CDW advanced services and Canadian businesses generated net sales of $98.0 million and $210.9 million, respectively, for the year ended December 31, 2009. Our CDW advanced services and Canadian businesses generated net sales of $53.6 million and $142.5 million, respectively, for the six months ended June 30, 2010.

The Acquisition Transactions

On October 12, 2007, Parent acquired Target in the Acquisition, a transaction having an aggregate value of approximately $7.4 billion, including fees and expenses. Parent is owned directly by CDW Holdings LLC (CDW Holdings), a company controlled by investment funds affiliated with Madison Dearborn and Providence Equity (collectively, the Equity Sponsors). The Acquisition was effected through the merger of VH MergerSub, Inc. (MergerSub), a newly formed wholly owned subsidiary of Parent, with and into Target, which was the surviving corporation. Immediately following the merger, Target became a wholly owned direct subsidiary of Parent.

Substantially all of the equity interests of CDW Holdings are owned by investment funds affiliated with the Equity Sponsors, certain other co-investors and certain members of our management (the Management Investors, and together with the Equity Sponsors and certain other co-investors, the Equity Investors).

In connection with the Acquisition, the following events occurred, which we collectively refer to as the Acquisition Transactions :

- the purchase by the Equity Investors of units of CDW Holdings for approximately $2,089.3 million in cash, which cash was thereafter contributed by CDW Holdings to Parent and used by Parent to fund a portion of the Acquisition;

- the acquisition by the Management Investors of an aggregate of $52.6 million in units of CDW Holdings through purchases for cash, roll-overs of some or all of their equity value in Target and/or deferral of certain 2007 compensation, which cash was thereafter contributed by CDW Holdings to Parent and used by Parent to fund a portion of the Acquisition;

- the entering into by MergerSub of an $800.0 million senior secured revolving credit facility, $460.0 million of which was funded at closing, and a $2,200.0 million senior secured term loan facility, which we collectively refer to as our Senior Credit Facilities ;

- the entering into by MergerSub of a senior bridge loan agreement providing for (i) senior bridge loans aggregating $1,040.0 million at closing, which we refer to as the Senior Bridge Loans , and (ii) a senior subordinated bridge loan agreement providing for senior subordinated bridge loans aggregating $940.0 million at closing, which we refer to as the Senior Subordinated Bridge Loans and collectively with the Senior Bridge Loans as the Bridge Loans ;

- the merger of MergerSub with and into Target, with Target as the surviving corporation, and the payment of the related merger consideration; and

- the payment of approximately $216.6 million of fees and expenses related to the Acquisition Transactions.

As a result of the merger, all obligations of Merger Sub under the Senior Credit Facilities and the Bridge Loans became obligations of Target, and as a result of the CDW LLC Merger, became obligations of CDW LLC.

The Amendments

On March 14, 2008, we amended and restated the senior secured term loan facility to modify the manner by which we calculate the interest we pay, to add a senior secured leverage ratio covenant and to modify certain existing covenants and prepayment provisions. We also amended and restated the senior bridge loan agreement, the senior subordinated bridge loan agreement and the Bridge Loans, among other things:

- to adjust certain covenants to make them substantially equivalent to the covenants contained in the indentures relating to the outstanding notes;

- to increase the outstanding principal under the Senior Bridge Loans by $150.0 million; and

- to convert $220.0 million of the original outstanding principal on the portion of the Senior Bridge Loans under which we may elect to pay PIK interest to the portion of the Senior Bridge Loans under which we are required to pay cash interest.

As a result of these changes, (1) the aggregate outstanding principal amount of the Amended and Restated Senior Bridge Loans (as defined below) was equal to $1,190.0 million and (2) the principal portion of the Amended and Restated Senior Bridge Loans under which we are required to pay cash interest was equal to $890.0 million and the principal portion under which we may elect to pay PIK interest was equal to $300.0 million.

On March 14, 2008, we prepaid $190.0 million of outstanding principal of the Senior Subordinated Bridge Loans, using funds from the additional $150.0 million borrowed under the Amended and Restated Senior Bridge Loans and $40.0 million of cash on hand, which brought the outstanding principal amount of the Amended and Restated Senior Subordinated Bridge Loans (as defined below) to $750.0 million.

On April 2, 2008, we further amended the Bridge Loans to establish interest rate caps equal to the interest rates on the outstanding notes.

We refer to the senior bridge loan agreement, the Senior Bridge Loans, the senior subordinated bridge loan agreement and the Senior Subordinated Bridge Loans, each as amended and restated as of March 14, 2008 and as further amended on April 2, 2008, as the Amended and Restated Senior Bridge Loan Agreement, the Amended and Restated Senior Bridge Loans, the Amended and Restated Senior Subordinated Bridge Loan Agreement and the Amended and Restated Senior Subordinated Bridge Loans , respectively; we refer to the Amended and Restated Senior Bridge Loan Agreement and the Amended and Restated Senior Subordinated Bridge Loan Agreement, collectively, as the Amended and Restated Bridge Loan Agreements ; we refer to the Amended and Restated Senior Bridge Loans and the Amended and Restated Senior Subordinated Bridge Loans, collectively, as the Amended and Restated Bridge Loans ; and we refer to each of the actions described above collectively as the Amendments. See Description of Certain Indebtedness.

The Conversion of Bridge Loans to Extended Loans and the Exchange to Outstanding Notes

On October 10, 2008, as required by the Amended and Restated Bridge Loan Agreements, we entered into a Senior Exchange Note Indenture (the Senior Indenture) and a Senior Subordinated Exchange Note Indenture (the Senior Subordinated Indenture, and together with the Senior Indenture, the Indentures). As of the same day, pursuant to the Amended and Restated Bridge Loan Agreements, all of the Amended and Restated Bridge Loans automatically converted into extended loans having

terms substantially identical to the Amended and Restated Bridge Loans they replaced. Unless the context otherwise requires, all references to Amended and Restated Bridge Loans in this prospectus include the extended loans into which they were so converted.

Under the terms of the Amended and Restated Bridge Loan Agreements and the Indentures, holders of the extended loans could exchange all or a portion of their extended loans for notes under our Indentures by providing us with ten business days notice. Beginning in April 2010, holders of the extended loans began delivering notices to us requesting to exchange their extended loans for notes, and as of October 15, 2010, we have received exchange requests for and have issued outstanding notes in exchange for all Amended and Restated Bridge Loans.

The Corporate Co-Issuer

On August 23, 2010, we amended the Indentures to provide, among other things, for a corporate co-issuer for the outstanding notes and the exchange notes as an accommodation to current and future holders of the notes. The corporate co-issuer is CDW Finance Corporation, a newly formed, wholly owned subsidiary of Parent with no assets, liabilities or operations of its own.

Corporate Structure

The following chart summarizes our current corporate structure and our indebtedness as of June 30, 2010.

(1) Investment funds affiliated with Madison Dearborn and Providence Equity, along with two limited partnerships created by the Equity Sponsors to facilitate an investment in CDW Holdings, own approximately 97% of the outstanding voting interests of CDW Holdings as of June 30, 2010.

(2) We had approximately $255.1 million of outstanding borrowings under our senior secured revolving credit facility and $43.4 million of issued and undrawn letters of credit as of June 30, 2010. See Description of Certain Indebtedness.

(3) CDW Finance Corporation is a co-issuer of the outstanding notes and the exchange notes offered hereby. CDW Finance Corporation is a newly formed company that was formed for the sole purpose of acting as a co-issuer of the outstanding notes and the exchange notes. CDW Finance Corporation will not hold any material assets or engage in any business activities or operations.

(4) Our non-guarantor subsidiary, CDW Canada, Inc., held approximately 1.5% of our total assets as of June 30, 2010 and generated approximately 3.4% of our net sales and approximately 2.2% of our Adjusted EBITDA (as defined below in Summary Historical Financial Data) for the six months ended June 30, 2010.

(5) As of October 15, 2010, all Amended and Restated Bridge Loans have been exchanged for outstanding notes under the Indentures.

Equity Sponsors

Madison Dearborn, based in Chicago, is one of the most experienced and successful private equity investment firms in the United States. Madison Dearborn has raised over $18 billion of capital since its formation in 1992 and has invested in more than 100 companies. Madison Dearborn-affiliated investment funds invest in businesses across a broad spectrum of industries, including basic industries, communications, consumer, energy and power, financial services and health care.

Providence Equity is a leading global private equity firm focused on media, entertainment, communications and information investments. Providence Equity has over $22 billion of equity under management and has invested in more than 100 companies over its 20-year history. Providence Equity is headquartered in Providence, Rhode Island and has offices in New York, Los Angeles, London, Hong Kong and New Delhi.

Summary of the Exchange Offers

The Initial Issuance of Outstanding Notes	On October 12, 2007, we entered into the senior bridge loan agreement and the senior subordinated bridge loan agreement with J.P. Morgan Securities, Inc., Lehman Brothers Inc., Morgan Stanley Senior Funding, Inc. and Deutsche Bank Securities Inc. These lenders subsequently transferred all or a portion of the Bridge Loans or Amended and Restated Bridge Loans to other lenders. These subsequent lenders have since exchanged their loans for outstanding notes under the Indentures. See The Conversion of Bridge Loans to Extended Loans and the Exchange to Outstanding Notes.
Registration Rights Agreements	In connection with entering into the Indentures, we entered into a senior registration rights agreement and a senior subordinated registration rights agreement (together, the Registration Rights Agreements) with respect to the outstanding notes. In the Registration Rights Agreements, we agreed, among other things, to use our commercially reasonable efforts to file with the SEC, and cause to become effective, a registration statement relating to offers to exchange the outstanding notes for an issue of SEC-registered notes with terms identical to the outstanding notes. The exchange offers are intended to satisfy your rights under the Registration Rights Agreements. Except in limited circumstances, after the exchange offers are complete, holders of outstanding notes will no longer be entitled to any exchange or registration rights with respect to their outstanding notes.
The Exchange Offers	We are offering to exchange:
	up to $890,000,000 aggregate principal amount of our new 11.00% Senior Exchange Notes due 2015, Series B, which have been registered under the Securities Act (Senior Cash Pay Exchange Notes), for any and all of our outstanding 11.00% Senior Exchange Notes due 2015 (Outstanding Senior Cash Pay Notes);
	up to $316,974,000 aggregate principal amount of our new 11.50% / 12.25% Senior PIK Election Exchange Notes due 2015, Series B, which have been registered under the Securities Act (Senior PIK Election Exchange Notes), for any and all of our outstanding 11.50% / 12.25% Senior PIK Election Exchange Notes due 2015 (Outstanding Senior PIK Election Notes); and
	up to $721,500,000 aggregate principal amount of our new 12.535% Senior Subordinated Exchange Notes due 2017, Series B, which have been registered under the Securities Act (Senior Subordinated Exchange Notes), for any and all of our outstanding 12.535% Senior Subordinated Exchange Notes due 2017 (Outstanding Senior Subordinated Notes).
	The aggregate principal amount of Outstanding Senior PIK Election Notes is greater than the original aggregate principal amount of the Amended and Restated Senior Bridge Loans under which we may elect to pay PIK Interest (as defined below) (the Senior PIK Election Loans) because, we elected to pay PIK Interest for the period from October 15, 2009 to April 14, 2010.

The aggregate principal amount of Outstanding Senior Subordinated Notes is less than the original aggregate principal amount of Amended and Restated Senior Subordinated Bridge Loans because in May 2010, one of our wholly owned subsidiaries purchased $28.5 million in aggregate principal amount of those loans in a privately-negotiated transaction, subsequently exchanged those loans for Outstanding Senior Subordinated Notes and then surrendered those notes to the trustee for cancellation.

In order to be exchanged, an outstanding note must be properly tendered and accepted. All outstanding notes that are validly tendered and not validly withdrawn will be exchanged. We will issue exchange notes promptly after the expiration of the exchange offers.

Interest on the outstanding notes accepted for exchange in the exchange offers will cease to accrue upon the issuance of the exchange notes. The exchange notes will bear interest from the date of issuance, and such interest will be payable, together with accrued and unpaid interest on the outstanding notes accepted for exchange, on the first interest payment date following the closing of the exchange offers. Interest will continue to accrue on any outstanding notes that are not exchanged for exchange notes in the exchange offers.

Resales

Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes issued to you in the exchange offers may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act provided that:

the exchange notes are being acquired by you in the ordinary course of your business;

you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the exchange notes issued to you in the exchange offers; and

you are not an affiliate of ours.

If any of these conditions are not satisfied and you transfer any exchange notes issued to you in the exchange offers without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes from these requirements, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability.

Each broker-dealer that is issued exchange notes in the exchange offers for its own account in exchange for outstanding notes that were acquired by that broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the exchange notes issued to it in the exchange offers.

Expiration Date

The exchange offers will expire at 5:00 p.m., New York City time, on November 24, 2010, unless we decide to extend the expiration date.

Conditions to the Exchange Offers

Each exchange offer is subject to customary conditions, which we may waive. See Exchange Offers Conditions.

Procedures for Tendering Outstanding Notes

If you wish to tender your outstanding notes for exchange in the exchange offers, you must transmit to the exchange agent on or before the expiration date either:

an original or a facsimile of a properly completed and duly executed copy of the letter of transmittal, which accompanies this prospectus, together with your outstanding notes and any other documentation required by the letter of transmittal, at the address provided on the cover page of the letter of transmittal; or

	if the outstanding notes you own are held of record by The Depository Trust Company (DTC) in book-entry form and you are making delivery by book-entry transfer, a computer-generated message transmitted by means of the Automated Tender Offer Program System of DTC (ATOP), in which you acknowledge and agree to be bound by the terms of the letter of transmittal and which, when received by the exchange agent, forms a part of a confirmation of book-entry transfer. As part of the book-entry transfer, DTC will facilitate the exchange of your outstanding notes and update your account to reflect the issuance of the exchange notes to you. ATOP allows you to electronically transmit your acceptance of the exchange offers to DTC instead of physically completing and delivering a letter of transmittal to the exchange agent.
	In addition, you must deliver to the exchange agent on or before the expiration date:
	a timely confirmation of book-entry transfer of your outstanding notes into the account of the exchange agent at DTC if you are effecting delivery of book-entry transfer, or
	if necessary, the documents required for compliance with the guaranteed delivery procedures.
Special Procedures for Beneficial Owners	If you are the beneficial owner of book-entry interests and your name does not appear on a security position listing of DTC as the holder of the book-entry interests or if you are a beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender the book-entry interest or outstanding notes in the exchange offers, you should contact the person in whose name your book-entry interests or outstanding notes are registered promptly and instruct that person to tender on your behalf.
Withdrawal Rights	You may withdraw the tender of your outstanding notes at any time prior to 5:00 p.m., New York City time, on November 24, 2010.
Effect of Not Tendering in the Exchange Offers	Any notes now outstanding that are not tendered or that are tendered but not accepted will remain subject to the restrictions on transfer set forth in the outstanding notes and the Indenture under which they were issued. Since the outstanding notes have not been registered under the federal securities laws, they may bear a legend restricting their transfer absent registration or the availability of a specific exemption from registration. Upon completion of the exchange offers, we will have no further obligation to register, and currently we do not anticipate that we will register, the outstanding notes under the Securities Act except in limited circumstances with respect to specific types of holders of outstanding notes.
Federal Income Tax Considerations	The exchange of outstanding notes will not be a taxable event for United States federal income tax purposes.
Use of Proceeds	We will not receive any proceeds from the issuance of exchange notes pursuant to the exchange offers. We will pay all of our expenses incident to the exchange offers.
Exchange Agent	U.S. Bank National Association is serving as the exchange agent in connection with the exchange offers.

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Summary of Terms of the Exchange Notes

The form and terms of the exchange notes are the same as the form and terms of the outstanding notes, except that the exchange notes will be registered under the Securities Act. As a result, the exchange notes will not bear legends restricting their transfer and will not contain the registration rights and liquidated damage provisions contained in the outstanding notes. The exchange notes represent the same debt as the outstanding notes. Both the outstanding notes and the exchange notes are governed by the same Indentures. Unless the context otherwise requires, we use the term notes in this prospectus to collectively refer to the outstanding notes and the exchange notes.

Issuers	CDW LLC, an Illinois limited liability company, and CDW Finance Corporation, a newly formed Delaware corporation, as co-issuers.
Securities	Up to $890,000,000 in aggregate principal amount of Senior Cash Pay Exchange Notes; up to $316,974,000 in aggregate principal amount of Senior PIK Election Exchange Notes; and up to $721,500,000 in aggregate principal amount of Senior Subordinated Exchange Notes.
Maturity	The Senior Cash Pay Exchange Notes and Senior PIK Election Exchange Notes will mature on October 12, 2015 and the Senior Subordinated Exchange Notes will mature on October 12, 2017.
Interest Payment Dates	We will pay interest on each series of exchange notes on April 15 and October 15 of each year until maturity, beginning on April 15, 2011.
Interest on the Outstanding Senior Cash Pay Notes and the Senior Cash Pay Exchange Notes	The Senior Cash Pay Exchange Notes, like the Outstanding Senior Cash Pay Notes for which they were exchanged, will accrue interest in cash at a rate of 11.00% per annum.

Interest on the Outstanding Senior PIK Election Notes and the Senior PIK Election Exchange Notes	The Senior PIK Election Exchange Notes, like the Outstanding Senior PIK Election Notes for which they were exchanged, will accrue cash interest at a rate of 11.50% per annum and PIK Interest, if any, at a rate of 12.25% per annum. We have elected to pay interest on our Senior PIK Election Exchange Notes and Outstanding Senior PIK Election Notes in cash for the period from October 15, 2010 to April 14, 2011. For the interest period commencing on April 15, 2011, we may elect to pay interest on the Senior PIK Election Exchange Notes (a) entirely in cash, (b) entirely by increasing the principal amount of the outstanding Senior PIK Election Exchange Notes or by issuing new Senior PIK Election Exchange Notes (PIK Interest) or (c) 50% in cash and 50% in PIK Interest. After October 15, 2011, all interest on the Senior PIK Election Exchange Notes will be payable in cash. If we elect to pay all or 50% of accrued interest in PIK Interest, we will increase the principal amount of the Senior PIK Election Exchange Notes or issue new Senior PIK Election Exchange Notes in an amount equal to the amount of PIK Interest for the applicable interest payment period (rounded up to the nearest $1.00) to holders of the Senior PIK Election Exchange Notes on the relevant record date.
Interest on the Outstanding Senior Subordinated Notes and the Senior Subordinated Exchange Notes	The Senior Subordinated Exchange Notes, like the Outstanding Senior Subordinated Notes for which they were exchanged, will accrue interest in cash at a rate of 12.535% per annum.

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Optional Redemption	We may redeem some or all of the Senior Cash Pay Exchange Notes and the Senior PIK Election Exchange Notes at any time prior to October 15, 2011 at a price equal to 100% of the principal amount of the notes plus the Applicable Senior Premium, and accrued and unpaid interest and additional interest, if any, to the date of redemption. Applicable Senior Premium means the greater of (i) 1% of the outstanding principal amount of the Senior Cash Pay Exchange Notes and the Senior PIK Election Exchange Notes and (ii) the excess, if any, of the present value of 100% of the redemption price at October 15, 2011, plus all required interest payments due through October 15, 2011 (calculated using a cash interest rate for the Senior PIK Election Exchange Notes), computed using a discount rate equal to the treasury rate plus 50 basis points, over the then outstanding principal amount of such notes.
	We may redeem some or all of the Senior Subordinated Exchange Notes at any time prior to October 15, 2012 at a price equal to 100% of the principal amount of the notes plus the Applicable Subordinated Premium, and accrued and unpaid interest and additional interest, if any, to the date of redemption. Applicable Subordinated Premium means the greater of (i) 1% of the outstanding principal amount of the Senior Subordinated Exchange Notes and (ii) the excess, if any, of the present value of 100% of the redemption price at October 15, 2012, plus all required interest payments due through October 15, 2012, computed using a discount rate equal to the treasury rate plus 50 basis points, over the then outstanding principal amount of such notes.
	We may redeem some or all of the Senior Cash Pay Exchange Notes and the Senior PIK Election Exchange Notes at any time on or after October 15, 2011 at a price equal to 100% of the principal amount of the notes plus accrued and unpaid interest plus a premium equal to one half of the coupon then in effect (calculated based on a cash interest rate for the Senior PIK Election Exchange Notes), which premium shall decline ratably on each October 12 to zero on October 12, 2013.
	We may redeem some or all of the Senior Subordinated Exchange Notes at any time on or after October 15, 2012 at a price equal to 100% of the principal amount of the notes plus accrued and unpaid interest plus a premium equal to one half of the coupon then in effect, which premium shall decline ratably on each October 12 to zero on October 12, 2015.

Mandatory Offers to Purchase	If we experience a change of control as described under Description of the Notes Change of Control, we must make an offer to repurchase all of the notes at a price equal to 101% of their principal amount together with accrued and unpaid interest and additional interest, if any, to the date of purchase. Certain asset dispositions will be triggering events which may require us to use the proceeds from those asset dispositions to make an offer to purchase the notes at 100% of their principal amount, together with accrued and unpaid interest and additional interest, if any, to the date of purchase if such proceeds are not otherwise used within 365 days: to repay secured indebtedness, including indebtedness under our Senior Credit Facilities (with a corresponding permanent reduction in commitment, if applicable), and certain other indebtedness; or to invest or commit to invest in one or more businesses, assets, property or capital expenditures used or useful in a similar business or that replace the properties and assets that are the subject of the asset sale.
Mandatory Principal Redemption of Senior PIK Election Exchange Notes	If the Senior PIK Election Exchange Notes would otherwise constitute applicable high yield discount obligations (AHYDO) within the meaning of Section 163(i)(1) of the Internal Revenue Code of 1986, as amended (the Code), at the end of each tax accrual period beginning with the first tax accrual period ending after October 12, 2012 (each, an AHYDO Redemption Date), we will be required to redeem for cash a portion of each Senior PIK Election Exchange Note then outstanding equal to the Mandatory Principal Redemption Amount (as defined below) (each such redemption, a Mandatory Principal Redemption). The redemption price for the portion of each Senior PIK Election Exchange Note redeemed pursuant to a Mandatory Principal Redemption will be 100% of the principal amount of such portion plus any accrued and unpaid interest and additional interest, if any, thereon on the date of redemption. The Mandatory Principal Redemption Amount means the portion of a Senior PIK Election Exchange Note required to be redeemed to prevent such Senior PIK Election Exchange Note from being treated as an applicable high yield discount obligation within the meaning of Section 163(i)(1) of the Code. No partial redemption or repurchase of the Senior PIK Election Exchange Notes prior to an AHYDO Redemption Date pursuant to any other provision of the Senior Indenture will alter our obligation to make the Mandatory Principal Redemption with respect to any Senior PIK Election Exchange Notes that remain outstanding on each AHYDO Redemption Date.
Guarantees	On the issue date, our obligations under the Senior Cash Pay Exchange Notes and Senior PIK Election Exchange Notes will be guaranteed on an unsecured senior basis, and our obligations under the Senior Subordinated Exchange Notes will be guaranteed on an unsecured senior subordinated basis, in each case, by Parent and each of our U.S. direct or indirect restricted subsidiaries that is a guarantor under our Senior Credit Facilities. Subject to certain

exceptions, any U.S. restricted subsidiary that in the future guarantees our indebtedness, including indebtedness under our Senior Credit Facilities, or indebtedness of any other guarantor will also guarantee our obligations under the notes. Each guarantee will be released upon the release of the guarantor from its guarantee under our Senior Credit Facilities and/or the repayment of the indebtedness that resulted in the obligation to guarantee the notes. If we fail to make payments on any series of the notes, our guarantors must make the payments instead. Each person that guarantees our obligations under the notes and the Indentures is referred to as a Guarantor.

As of and for the six months ended June 30, 2010, our non-guarantor subsidiary represented 1.5% of our total assets, 0.3% of our total liabilities, including trade payables, 3.4% of our net sales and 2.2% of our Adjusted EBITDA, in each case after intercompany eliminations.

Ranking

The Senior Cash Pay Exchange Notes and Senior PIK Election Exchange Notes and the guarantees thereof will be our and the Guarantors unsecured senior obligations and will:

be effectively subordinated to all of our and the Guarantors existing and future secured debt, including our Senior Credit Facilities, and to our two trade financing agreements we have entered into with certain financial institutions in order to facilitate the purchase of certain inventory, in each case to the extent of the value of the assets securing such debt or other obligations;

be structurally subordinated to any liabilities of a subsidiary that is not a Guarantor;

rank equally in right of payment with all of our and the Guarantors existing and future unsecured senior debt; and

be senior in right of payment to all of our and the Guarantors existing and future subordinated debt, including the Senior Subordinated Exchange Notes and the related guarantees.

The Senior Subordinated Exchange Notes and the guarantees thereof will be our and the Guarantors unsecured senior subordinated obligations and will:

be subordinated in right of payment to all of our and the Guarantors existing and future senior debt, including our Senior Credit Facilities, the Senior Cash Pay Exchange Notes, the Senior PIK Election Exchange Notes and the related guarantees, our two trade financing agreements referenced above and any Outstanding Senior Cash Pay Notes and Outstanding Senior PIK Election Notes not exchanged in the exchange offers;

be structurally subordinated to any liabilities of a subsidiary that is not a Guarantor;

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- rank equally in right of payment with any Outstanding Senior Subordinated Notes not exchanged in the exchange offers and all of our and the Guarantors future senior subordinated debt; and
- rank senior in right of payment to all of our and the Guarantors future debt that is by its terms subordinated to the Senior Subordinated Exchange Notes.

In addition, the exchange notes and the guarantees of our obligations under the exchange notes will be effectively subordinated to all of the existing and future liabilities and obligations (including trade payables, but excluding intercompany liabilities) of each of our non-guarantor subsidiaries.

Covenants

The Indentures under which the outstanding notes were issued will govern the exchange notes. These Indentures contain certain covenants that, among other things, limit our ability to:

- incur or guarantee additional indebtedness, or issue disqualified stock or preferred stock;
- incur debt that is junior to senior indebtedness and senior to the Senior Subordinated Exchange Notes;
- pay dividends or make distributions to our stockholders;
- repurchase or redeem capital stock or subordinated indebtedness;
- make investments or acquisitions;
- incur restrictions on the ability of certain of our subsidiaries to pay dividends or to make other payments to us;
- enter into transactions with affiliates;
- create liens;
- merge or consolidate with other companies or transfer all or substantially all of our assets;
- transfer or sell assets, including capital stock of subsidiaries; and

prepay, redeem or repurchase debt that is junior in right of payment to the notes.

These covenants are subject to a number of important exceptions and qualifications. For more details, see Description of the Notes.

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Summary Historical Financial Data

The following table sets forth our summary historical financial data for the periods ended and as of dates indicated below. The application of purchase accounting in connection with the Acquisition resulted in a new entity for financial reporting purposes. We refer to Target and its subsidiaries prior to the Acquisition as the Predecessor. We refer to Parent and its subsidiaries (including Target) following the Acquisition as the Successor. We have derived the summary historical financial data presented below as of October 11, 2007, December 31, 2008 and December 31, 2009 and for the periods January 1, 2007 through October 11, 2007 and October 12, 2007 through December 31, 2007 and the years ended December 31, 2008 and 2009 from our audited consolidated financial statements and related notes, which are included elsewhere in this prospectus. The summary historical financial data as of June 30, 2010 and for the six months ended June 30, 2009 and 2010 have been derived from the unaudited consolidated financial statements included elsewhere in this prospectus. The summary historical financial data as of December 31, 2007 have been derived from Successor s audited consolidated financial statements as of that date, which are not included in this prospectus. As part of the Acquisition on October 12, 2007, we entered into various financing arrangements and, as a result, we now have a different capital structure than we had prior to the Acquisition. Accordingly, the results of operations for the Predecessor periods will not necessarily be comparable to the Successor periods. Our summary historical financial data may not be a reliable indicator of future results of operations.

The summary historical financial data set forth below is only a summary and should be read in conjunction with Selected Historical Consolidated Financial and Operating Data, Risk Factors, Use of Proceeds, Capitalization, Management s Discussion and Analysis of Financ Condition and Results of Operations and our historical consolidated financial statements and related notes appearing elsewhere in this prospectus.

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	Historical					
	Predecessor	Successor				
(in millions)	Period from January 1, 2007 to October 11, 2007	Period from October 12, 2007 to December 31, 2007	Year Ended December 31, 2008	2009	Six Months Ended June 30, 2009	2010
Statement of Operations Data:						
Net sales	$ 6,344.3	$ 1,800.2	$ 8,071.2	$ 7,162.6	$ 3,234.7	$ 4,157.4
Cost of sales	5,320.8	1,505.8	6,710.2	6,029.7	2,705.7	3,491.7
Gross profit	1,023.5	294.4	1,361.0	1,132.9	529.0	665.7
Selling and administrative expenses	656.0	221.8	894.8	821.1	396.1	454.0
Advertising expense	97.3	27.0	141.3	101.9	51.9	44.8
Goodwill impairment			1,712.0	241.8	235.0	
Income (loss) from operations	270.2	45.6	(1,387.1)	(31.9)	(154.0)	166.9
Interest income (expense), net	16.8	(104.6)	(390.3)	(431.7)	(209.1)	(183.5)
Gain on extinguishment of long-term debt						9.2
Other income (expense), net	(0.6)	0.2	0.2	2.4	2.3	0.1
Income (loss) before income taxes	286.4	(58.8)	(1,777.2)	(461.2)	(360.8)	(7.3)
Income tax benefit (expense)	(112.1)	18.5	12.1	87.8	49.7	2.5
Net income (loss)	$ 174.3	$ (40.3)	$ (1,765.1)	$ (373.4)	$ (311.1)	$ (4.8)
Balance Sheet Data (at period end):						
Cash and cash equivalents	$ 664.3	$ 15.6	$ 94.4	$ 88.0	$ 364.0	$ 26.1
Working capital	1,418.3	836.0	877.6	923.2	898.0	725.4
Total assets	2,615.2	8,296.4	6,276.3	5,976.0	6,173.7	6,005.8
Total debt and capitalized lease obligations (1)	0.3	4,617.7	4,633.5	4,621.9	4,628.7	4,362.9
Total shareholders equity (deficit)	1,737.4	2,068.9	262.2	(44.7)	(26.4)	(49.4)
Other Financial Data:						
Capital expenditures	$ 38.7	$ 8.0	$ 41.1	$ 15.6	$ 8.3	$ 10.5
Depreciation and amortization	33.7	46.3	218.4	218.2	109.9	105.1
Gross profit as a percentage of net sales	16.1%	16.4%	16.9%	15.8%	16.4%	16.0%
Ratio of earnings to fixed charges (2)	63:1	(a)	(a)	(a)	(a)	(a)
EBITDA (3)	303.3	92.1	(1,168.5)	188.7	(41.8)	281.3
Adjusted EBITDA (3)	456.9	125.0	570.6	465.4	209.9	292.3
Statement of Cash Flows Data:						
Net cash provided by (used in):						
Operating activities	$ 213.5	$ (171.2)	$ 174.2	$ 98.5	$ 299.4	$ 260.3
Investing activities	200.0	(6,399.6)	(60.3)	(82.6)	(25.3)	(55.8)
Financing activities	101.2	6,586.5	(34.6)	(22.8)	(4.7)	(266.2)

(1) Excludes borrowings of $122.8 million, $75.3 million, $34.1 million, $25.0 million, $87.6 million and $123.5 million, as of October 11, 2007, December 31, 2007, December 31, 2008, December 31, 2009, June 30, 2009 and June 30, 2010, respectively, under our trade financing agreements. We do not include these borrowings in total debt because we have not in the past incurred, and in the future do not expect to incur, any interest expense or late fees under these agreements. For more information, see Description of Certain Indebtedness.

(2) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of earnings before income taxes minus income from equity investees plus fixed charges. Fixed charges consist of interest expensed and the portion of rental expense we believe is representative of the interest component of rental expense.

(a) For the period October 12, 2007 to December 31, 2007, the years ended December 31, 2008 and 2009, and the six months ended June 30, 2009 and 2010, earnings available for fixed charges were inadequate to cover fixed charges by $58.8 million, $1,777.2 million, $461.2 million, $360.8 million, and $7.3 million, respectively.

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(3) EBITDA is defined as consolidated net income (loss) before interest income (expense), income tax benefit (expense), depreciation, and amortization. Adjusted EBITDA, which is a measure defined in our credit agreements, is calculated by adjusting EBITDA for certain items of income and expense including (but not limited to) the following: (a) non-cash equity-based compensation; (b) goodwill impairment charges; (c) sponsor fees; (d) certain consulting fees; (e) debt-related legal and accounting costs; (f) equity investment gains and losses; (g) certain severance and retention costs; (h) gains and losses from the early extinguishment of debt; (i) gains and losses from asset dispositions outside the ordinary course of business; (j) Acquisition-related costs; (k) equity compensation payroll taxes; and (l) non-recurring, extraordinary or unusual gains or losses or expenses.

We have included a reconciliation of EBITDA and Adjusted EBITDA in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company s performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our Senior Credit Facilities.

The following unaudited table sets forth reconciliations of GAAP net income (loss) to EBITDA and EBITDA to Adjusted EBITDA for the periods presented:

	Historical					
	Predecessor	Successor				
(in millions)	Period from January 1, 2007 to October 11, 2007	Period from October 12, 2007 to December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
Net income (loss)	$ 174.3	$ (40.3)	$ (1,765.1)	$ (373.4)	$ (311.1)	$ (4.8)
Depreciation and amortization	33.7	46.3	218.4	218.2	109.9	105.1
Income tax (benefit) expense	112.1	(18.5)	(12.1)	(87.8)	(49.7)	(2.5)
Interest (income) expense, net	(16.8)	104.6	390.3	431.7	209.1	183.5
EBITDA	303.3	92.1	(1,168.5)	188.7	(41.8)	281.3
Non-cash equity-based compensation	7.5	4.2	17.8	15.9	8.2	8.4
Acquisition-related costs[(a)]	144.4	26.7				
Sponsor fees		2.0	5.0	5.0	2.5	2.5
Goodwill impairment			1,712.0	241.8	235.0	
Gain on extinguishment of long-term debt						(9.2)
Other adjustments[(b)]	1.7		4.3	14.0	6.0	9.3
Adjusted EBITDA	$ 456.9	$ 125.0	$ 570.6	$ 465.4	$ 209.9	$ 292.3

(a) Non-cash equity-based compensation expense of $25.3 million related to the Acquisition is included in Acquisition-related costs in the Predecessor period.

(b) Includes equity compensation payroll taxes, certain severance and retention costs, certain consulting fees, debt-related legal and accounting costs, equity investment gains and losses and the gain related to the sale of the Informacast software and equipment.

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The following unaudited table sets forth a reconciliation of EBITDA to net cash provided by (used in) operating activities for the periods presented:

	Historical					
	Predecessor	Successor				
	Period from January 1, 2007 to October 11, 2007	Period from October 12, 2007 to December 31, 2007	Year Ended December 31,		Six Months Ended June 30,	
(in millions)			2008	2009	2009	2010
EBITDA	$ 303.3	$ 92.1	$ (1,168.5)	$ 188.7	$ (41.8)	$ 281.3
Depreciation and amortization	(33.7)	(46.3)	(218.4)	(218.2)	(109.9)	(105.1)
Income tax benefit (expense)	(112.1)	18.5	12.1	87.8	49.7	2.5
Interest income (expense), net	16.8	(104.6)	(390.3)	(431.7)	(209.1)	(183.5)
Net income (loss)	174.3	(40.3)	(1,765.1)	(373.4)	(311.1)	(4.8)
Depreciation and amortization	33.7	46.3	218.4	218.2	109.9	105.1
Goodwill impairment			1,712.0	241.8	235.0	
Equity-based compensation expense	32.8	4.2	17.8	15.9	8.2	8.4
Amortization of deferred financing costs		13.4	38.6	16.2	7.9	9.0
Deferred income taxes	(24.1)	(12.6)	(39.9)	(94.4)	(39.4)	(29.3)
Realized loss on interest rate swap agreements			18.6	103.2	41.7	12.8
Gross excess tax benefits from equity-based compensation	(73.6)					
Changes in assets and liabilities	73.7	(182.3)	(27.1)	(27.1)	248.3	166.1
Other non-cash items	(3.3)	0.1	0.9	(1.9)	(1.1)	(7.0)
Net cash provided by (used in) operating activities	$ 213.5	$ (171.2)	$ 174.2	$ 98.5	$ 299.4	$ 260.3

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RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this prospectus prior to participating in the applicable exchange offer. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. They are not, however, the only risks we face. Additional risks and uncertainties not presently known to us or that we currently believe not to be material may also adversely affect our business, financial condition or results of operations. If that were to occur, the trading price of the notes would likely decline and we may not be able to make payments of interest and principal on the notes, and you may lose all or part of your original investment.

Risk Factors Associated with the Exchange Offers

Because there is no public market for the exchange notes, you may not be able to resell your exchange notes.

The offering of the exchange notes has been registered under the Securities Act, but the exchange notes will constitute a new issue of securities with no established trading market, and there can be no assurance as to:

- the liquidity of any trading market that may develop;
- the ability of holders to sell their exchange notes; or
- the price at which the holders would be able to sell their exchange notes.

If a trading market were to develop, the exchange notes might trade at higher or lower prices than their principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar securities and our financial performance.

Any holder of outstanding notes who tenders in the exchange offers for the purpose of participating in a distribution of the exchange notes may be deemed to have received restricted securities, and if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Your outstanding notes will not be accepted for exchange if you fail to follow the exchange offer procedures and, as a result, your outstanding notes will continue to be subject to existing transfer restrictions and you may not be able to sell your outstanding notes.

We will not accept your outstanding notes for exchange if you do not follow the proper exchange offer procedures. We will issue exchange notes as part of the exchange offers only after a timely receipt of your outstanding notes, a properly completed and duly executed letter of transmittal and all other required documents. Therefore, if you want to tender your outstanding notes, please allow sufficient time to ensure timely delivery. If we do not receive your outstanding notes, letter of transmittal and other required documents by the expiration date of the exchange offers, we will not accept your outstanding notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of outstanding notes for exchange. If there are defects or irregularities with respect to your tender of outstanding notes, we may not accept your outstanding notes for exchange. For more information, see Exchange Offers Procedures for Tendering.

If you do not exchange your outstanding notes, your outstanding notes will continue to be subject to the existing transfer restrictions and you may not be able to sell your outstanding notes.

We did not register the outstanding notes, nor do we intend to do so following the exchange offers, except in the case of outstanding notes held by any of our affiliates. Outstanding notes that are not tendered will therefore continue to be subject to the existing transfer restrictions and may be transferred only in limited circumstances under the securities laws. If you do not exchange your outstanding notes, you will lose your right to have your outstanding notes exchanged for exchange notes registered under the federal securities laws. As a result, if you hold outstanding notes after the exchange offers, you may not be able to sell your outstanding notes.

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Risk Factors Related to the Exchange Notes

Our substantial indebtedness could have a material adverse effect on our financial condition and prevent us from fulfilling our obligations under the notes.

We are a highly leveraged company, and our substantial level of indebtedness increases the risk that we may be unable to generate sufficient cash to pay amounts due in respect to our indebtedness. As of June 30, 2010, we had $4,362.9 million of total debt and capitalized lease obligations outstanding. Subject to the limits contained in our Senior Credit Facilities and the Indentures, we may be able to incur additional debt from time to time, including drawing on our senior secured revolving credit facility, to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our business associated with our high level of debt could intensify. Specifically, our high level of debt could have important consequences to the holders of the notes, including the following:

- making it more difficult for us to satisfy our obligations with respect to the notes and our other debt;
- requiring us to dedicate a substantial portion of our cash flow from operations to debt service payments on our and our subsidiaries debt, which reduces the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- making it more difficult for us to obtain vendor financing from our vendor partners;
- limiting our flexibility in planning for, or reacting to, changes in the industry in which we operate;
- placing us at a competitive disadvantage compared to any of our less leveraged competitors;
- increasing our vulnerability to both general and industry-specific adverse economic conditions; and
- limiting our ability to obtain additional debt or equity financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements and increasing our cost of borrowing.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our net interest expense for the year ended December 31, 2009 was $431.7 million. Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the notes. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements, including the Senior Credit Facilities or the Indentures. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The Senior Credit Facilities and the Indentures restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

See Description of Certain Indebtedness and Description of the Notes.

If we cannot make scheduled payments on our debt, we will be in default and, as a result:

- our debt holders could declare all outstanding principal and interest to be due and payable;

the lenders under our Senior Credit Facilities could terminate their commitments to lend us money and foreclose against the assets securing our borrowings from them; and

we could be forced into bankruptcy or liquidation, which could result in holders of notes losing their investment in the notes.

Despite our indebtedness levels, we and our subsidiaries may still be able to incur substantially more debt, including secured debt. This could further increase the risks associated with our leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of our Senior Credit Facilities and the Indentures do not fully prohibit us or our subsidiaries from doing so. Under the Indentures, in addition to specified permitted indebtedness, we are able to incur additional indebtedness so long as on a pro forma basis our fixed charge coverage ratio (as defined in the Indentures) is at least 2.0 to 1.0. If we incur any additional indebtedness that ranks (i) equally with the notes, the holders of that debt will be entitled to share ratably with holders of the notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of us or (ii) senior to the notes in the case of the notes issued under the Senior Subordinated Indenture, the holders of that debt will be entitled to be paid in full with any proceeds prior to the holders of the notes issued under the Senior Subordinated Indenture receiving any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or winding up of us. This may have the effect of reducing the amount of proceeds paid to holders of the notes. If new debt is added to our and our subsidiaries current debt levels, the related risks that we and they now face could increase. As of June 30, 2010, we had approximately $463.2 million available for additional borrowing under our senior revolving credit facility (net of $43.4 million of issued and undrawn letters of credit). See Description of Certain Indebtedness.

Restrictive covenants under our Senior Credit Facilities and the Indentures may adversely affect our operations and liquidity.

Our Senior Credit Facilities and the Indentures contain, and any future indebtedness we incur may contain, various covenants that limit our ability to, among other things:

incur or guarantee additional debt;

incur debt that is junior to senior indebtedness and senior to the notes issued under our Senior Subordinated Indenture;

pay dividends or make distributions to holders of our capital stock or to make certain other restricted payments or investments;

repurchase or redeem capital stock;

make loans, capital expenditures or investments or acquisitions;

incur restrictions on the ability of certain of our subsidiaries to pay dividends or to make other payments to us;

enter into transactions with affiliates;

create liens;

merge or consolidate with other companies or transfer all or substantially all of our assets;

transfer or sell assets, including capital stock of subsidiaries; and

prepay, redeem or repurchase debt that is junior in right of payment to the notes.

As a result of these covenants, we are limited in the manner in which we conduct our business and we may be unable to engage in favorable business activities or finance future operations or capital needs. In addition, the restrictive covenants in our amended and restated senior secured term loan facility require us to maintain a specified senior secured leverage ratio. A breach of any of these covenants or any of the other restrictive covenants would result in a default under our Senior Credit Facilities. Upon the occurrence of an event of default under our Senior Credit Facilities, the lenders:

- will not be required to lend any additional amounts to us;
- could elect to declare all borrowings outstanding thereunder, together with accrued and unpaid interest and fees, to be due and payable;
- could require us to apply all of our available cash to repay these borrowings; or
- could prevent us from making payments on the notes issued under our Senior Subordinated Indenture;

any of which could result in an event of default under the notes.

If we were unable to repay those amounts, the lenders under our Senior Credit Facilities could proceed against the collateral granted to them to secure our borrowings thereunder. We have pledged a significant portion of our assets as collateral under our Senior Credit Facilities. If the lenders under our Senior Credit Facilities accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay our Senior Credit Facilities and our other indebtedness, including the notes, or borrow sufficient funds to refinance such indebtedness. Even if we were able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us. See Description of Certain Indebtedness.

In addition, under our senior secured revolving credit facility we are permitted to borrow an aggregate amount of up to $800 million; however, our ability to borrow thereunder is limited by a borrowing base, which at any time will equal the sum of up to 85% of eligible accounts receivable (up to 25% of eligible accounts receivable consisting of federal government accounts receivable) plus the lesser of (i) up to 65% of eligible inventory (valued at the lower of cost (FIFO) or market) and (ii) the product of up to 85% *multiplied* by the net orderly liquidation value percentage *multiplied* by eligible inventory (valued at the lower of cost (FIFO) or market), less reserves. Our borrowing base in effect as of June 30, 2010 was $905 million. One of the lenders under this facility has failed to fund its pro rata share since 2008. As a result, actual availability is $38.3 million less than it would otherwise be, and as such our effective maximum ability to borrow under our senior secured revolving credit facility is limited to $761.7 million. In addition, our ability to borrow under this facility is limited by a minimum liquidity condition, which provides that, if excess availability is less than the lesser of (i) $80 million or (ii) the greater of (A) ten percent (10%) of the borrowing base or (B) $50 million for more than 10 business days, we are not permitted to borrow any additional amounts under the senior secured revolving credit facility (i) unless our pro forma consolidated fixed charge coverage ratio (as defined in the credit agreement for our senior secured revolving credit facility) is at least 1.0 to 1.0 or (ii) until the availability exceeds the lesser of (i) $80 million or (ii) the greater of (A) ten percent (10%) of the borrowing base or (B) $50 million for 30 business days. Moreover, our senior secured revolving credit facility provides discretion to the agent bank acting on behalf of the lenders to impose additional availability reserves, which could materially impair the amount of borrowings that would otherwise be available to us. We cannot assure you that the agent bank will not impose such reserves or, were it to do so, that the resulting impact of this action would not materially and adversely impair our liquidity.

Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Certain of our borrowings, primarily borrowings under our Senior Credit Facilities, are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income would decrease. Although we have entered into interest rate swaps on our senior secured term loan facility, involving the exchange of floating for fixed rate interest payments, to reduce interest rate volatility, we cannot assure you we will be able to do so in the future on acceptable terms or that such swaps or the swaps we have in place now will be effective.

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The notes and the guarantees are effectively subordinated to all of our secured debt and secured debt of the Guarantors and if a default occurs, we and the Guarantors may not have sufficient funds to fulfill our obligations under the notes and the guarantees.

The notes and the related guarantees are general unsecured obligations but our obligations under our Senior Credit Facilities and each Guarantor s obligations under its guarantee of the Senior Credit Facilities are secured by a security interest in substantially all of our assets and the assets of the Guarantors. The notes are effectively subordinated to all of our and our Guarantors secured indebtedness, including our Senior Credit Facilities, to the extent of the value of the assets securing that indebtedness, and are effectively subordinated to obligations owing under our two trade financing agreements we have entered into with certain financial institutions in order to facilitate the purchase of certain inventory, to the extent of the value of the inventory or related accounts receivable is secured under these agreements. See Description of Certain Indebtedness Senior Credit Facilities and Trade Financing Agreements. As of June 30, 2010, we and the Guarantors had approximately $2,557.8 million of senior secured indebtedness, including $255.1 million of indebtedness under our senior secured revolving credit facility (net of $43.4 million of issued and undrawn letters of credit), all of which is effectively senior to the notes to the extent of the value of the collateral securing such indebtedness. The $2,557.8 million of senior secured indebtedness also includes $123.5 million of obligations owing under our two trade financing agreements, all of which is effectively senior to the notes, and $1.3 million of indebtedness under our capital lease obligations. In addition, subject to some limitations, the Indentures permit us to incur additional secured indebtedness and the notes and any related guarantees will be effectively junior to any additional secured indebtedness we may incur.

In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure our secured indebtedness will be available to pay obligations on the notes only after all secured indebtedness and, in the case of the Senior Subordinated Exchange Notes, all senior indebtedness, together with accrued interest, has been repaid in full from those assets. Because our Senior Credit Facilities are secured obligations, if we fail to comply with the terms of the Senior Credit Facilities and those creditors accelerate the payment of all the funds borrowed thereunder and we are unable to repay such indebtedness, they could foreclose on substantially all of our assets and the assets of our Guarantors which serve as collateral. In this event, our secured creditors would be entitled to be repaid in full from the proceeds of the liquidation of those assets before those assets would be available for distribution to other creditors, including holders of the notes. Holders of the notes will participate in our remaining assets ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general creditors. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the notes and any related guarantees then outstanding. The guarantees of the notes will have a similar ranking with respect to secured and unsecured indebtedness of the Guarantors as the notes do with respect to our secured and unsecured indebtedness, as well as with respect to any unsecured obligations expressly subordinated in right of payment to the guarantees.

The notes are effectively subordinated to all indebtedness of our existing or future subsidiaries that do not become Guarantors of the notes.

Holders of the notes do not have any claim as a creditor against any of our existing subsidiaries that are not Guarantors of the notes or against any of our future subsidiaries that do not become Guarantors of the notes. Indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will be structurally senior to claims of holders of the notes against those subsidiaries. As of June 30, 2010, our non-guarantor subsidiary had approximately $20.0 million of total liabilities, all of which were effectively senior to the notes.

The notes are not guaranteed by our foreign subsidiary and will not be guaranteed by any future foreign subsidiaries. Our non-guarantor subsidiary is a separate and distinct legal entity and has no obligation, contingent or otherwise, to pay any amounts due under the notes, or to make any funds available therefor, whether by dividends, loans, distributions or other payments.

In the event of a bankruptcy, liquidation, reorganization or other winding up of this non-guarantor subsidiary or any future subsidiary that is not a Guarantor of the notes, these non-guarantor subsidiaries will pay the holders of their debts, holders of preferred equity interests and their trade creditors before they will be able to distribute any of their assets to us (except to the extent we have a claim as a creditor of such non-guarantor subsidiary). Any right that we or the subsidiary Guarantors have to receive any assets of any non-guarantor subsidiaries upon the bankruptcy, liquidation, reorganization or other winding up of those subsidiaries, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries assets, will be effectively subordinated to the claims of those subsidiaries creditors, including trade creditors and holders of preferred equity interests of those subsidiaries.

As of and for the six months ended June 30, 2010, our non-guarantor subsidiary represented 1.5% of our total assets, 0.3% of our total liabilities, including trade payables, 3.4% of our net sales and 2.2% of our Adjusted EBITDA, respectively, in each case after intercompany eliminations.

In addition, the Indentures, subject to some limitations, permit these subsidiaries to incur additional indebtedness and do not contain any limitation on the amount of certain other liabilities, such as trade payables, that may be incurred by these subsidiaries.

The right of holders of notes issued under our Senior Subordinated Indenture to receive payments are junior to all of our and the Guarantors senior indebtedness, including our and the Guarantors obligations under the Senior Credit Facilities, the notes issued under our Senior Indenture, our two trade financing agreements and other existing and future senior debt.

The notes issued under our Senior Subordinated Indenture are general unsecured obligations that are junior in right of payment to all our existing and future senior indebtedness, including the Senior Credit Facilities, the notes issued under our Senior Indenture and our two trade financing agreements. The senior subordinated guarantees are general unsecured obligations of the Guarantors that are junior in right of payment to all of the applicable Guarantor s existing and future senior indebtedness, including its guarantee of the Senior Credit Facilities and the notes issued under our Senior Indenture. We and the Guarantors may not pay principal, premium, if any, interest or other amounts on account of the notes issued under our Senior Subordinated Indenture or the senior subordinated guarantees in the event of a payment default or certain other defaults in respect of certain of our senior indebtedness, including debt under our Senior Credit Facilities, the notes issued under our Senior Indenture and our two trade financing agreements, unless the senior indebtedness has been paid in full or the default has been cured or waived. In addition, in the event of certain other defaults with respect to the senior indebtedness, we or the Guarantors may not be permitted to pay any amount on account of the notes issued under our Senior Subordinated Indenture or the senior subordinated guarantees for a designated period of time.

Because of the subordination provisions in the notes issued under our Senior Subordinated Indenture and the senior subordinated guarantees, in the event of a bankruptcy, liquidation or dissolution of us or any Guarantor, our or the applicable Guarantor s assets will not be available to pay obligations under the notes issued under our Senior Subordinated Indenture or the applicable senior subordinated guarantee until we or the applicable Guarantor has made all payments on our or its senior indebtedness, respectively. We cannot assure you that sufficient assets will remain after all these payments have been made to make any payments on the notes issued under our Senior Subordinated Indenture or the applicable senior subordinated guarantees, including payments of principal or interest when due.

As of June 30, 2010, we and the Guarantors had approximately $2,557.8 million of senior indebtedness (excluding $463.2 million of unused availability under the senior secured revolving credit facility), including $123.5 million of obligations owing under our two trade financing agreements, all of which were senior in right of payment to the notes issued under our Senior Subordinated Indenture, in each case, to the extent of the value of the assets securing such debt.

Our ability to service our debt and meet our cash requirements depends on many factors, some of which are beyond our control.

Our ability to satisfy our obligations and meet our cash requirements for the foreseeable future will depend on our future operating performance and financial results, which will be subject, in part, to factors beyond our control, including interest rates and general economic, financial and business conditions. See Risk Factors Risk Factors Related to our Business. If we are unable to generate sufficient cash flow to service our debt, we may be required to:

- refinance all or a portion of our debt, including the notes;

- obtain additional financing;
- sell some of our assets or operations;
- reduce or delay capital expenditures and/or acquisitions; or
- revise or delay our strategic plan.

If we are required to take any of these actions, it could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure you that we would be able to take any of these actions, that these actions would enable us to continue to satisfy our capital requirements or that these actions would be permitted under the terms of our various debt instruments, including our Senior Credit Facilities and the Indentures. In addition, our Senior Credit Facilities and the Indentures restrict our ability to sell assets and to use the proceeds from the sales. Moreover, borrowings under our Senior Credit Facilities are secured by substantially all of our assets and those of most of our subsidiaries. We may not be able to sell assets quickly enough or for sufficient amounts to enable us to meet our obligations, including our obligations on the notes. Furthermore, the Equity Sponsors have no obligation to provide us with debt or equity financing. Therefore, it may be difficult for us to make required payments on the notes in the event of an acceleration of the maturity of the notes.

Our ability to make payments on the notes depends on our ability to receive dividends and other distributions from our subsidiaries.

Our principal assets are the equity interests that we hold in our operating subsidiaries. As a result, we are dependent on dividends and other distributions from our subsidiaries to generate the funds necessary to meet our financial obligations, including the payment of principal and interest on our outstanding debt. Our subsidiaries may not generate sufficient cash from operations to enable us to make principal and interest payments on our indebtedness, including the notes. In addition, any payment of dividends, distributions, loans or advances to us by our subsidiaries could be subject to restrictions on dividends or, in the case of foreign subsidiaries, restrictions on repatriation of earnings under applicable local law and monetary transfer restrictions in the jurisdictions in which our subsidiaries operate. In addition, payments to us by our subsidiaries will be contingent upon our subsidiaries earnings. Our subsidiaries are permitted under the terms of our indebtedness, including the Indentures, to incur additional indebtedness that may restrict payments from those subsidiaries to us. We cannot assure you that agreements governing current and future indebtedness of our subsidiaries will permit those subsidiaries to provide us with sufficient cash to fund payments on the notes when due.

Our subsidiaries are legally distinct from us and, except for our existing and future subsidiaries that will be Guarantors of the notes, have no obligation, contingent or otherwise, to pay amounts due on our debt or to make funds available to us for such payment.

If we default on our obligations to pay our indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including a default under our Senior Credit Facilities that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could make us unable to pay principal, premium, if any, and interest on the notes and substantially decrease the value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including covenants in the Indentures and our Senior Credit Facilities), we could be in default under the terms of the agreements governing such indebtedness, including our Senior Credit Facilities and the Indentures. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under our Senior Credit Facilities could elect to terminate their commitments thereunder and cease making further loans and institute foreclosure proceedings against our assets, we could be forced into bankruptcy or liquidation and the subordination provisions in the Senior Subordinated Indenture may prevent us from paying any obligation with respect to such notes. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our Senior Credit Facilities to avoid being in default. If we breach our covenants under our Senior Credit Facilities and seek a waiver,

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we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our Senior Credit Facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation. See Description of Certain Indebtedness and Description of the Notes.

We may be unable to purchase the notes upon a change of control which would result in a default in the Indentures and would adversely affect our business.

Upon a change of control, as defined in the Indentures, we are required to offer to purchase all of the notes then outstanding for cash at 101% of the principal amount thereof, together with accrued and unpaid interest and additional interest, if any. If a change of control occurs under the Indentures, we may not have sufficient funds to pay the change of control purchase price, and we may be required to secure third party financing to do so. We may not be able to obtain this financing on commercially reasonable terms, or on terms acceptable to us, or at all. Further, we may be contractually restricted under the terms of our Senior Credit Facilities and, in the case of the Senior Subordinated Indenture, under the terms of our other senior indebtedness, from repurchasing all of the notes tendered by holders of the notes upon a change of control. Accordingly, we may not be able to satisfy our obligations to purchase the notes unless we are able to refinance or obtain waivers under our Senior Credit Facilities and in the case of the Senior Subordinated Exchange Notes, under the terms of our other senior indebtedness. Our failure to repurchase the notes upon a change of control would cause a default under the Indentures and a cross-default under the Senior Credit Facilities. Our Senior Credit Facilities also provide that a change of control, as defined in such agreement, will be a default that permits lenders to accelerate the maturity of borrowings thereunder and, if such debt is not paid, to enforce security interests in the collateral securing such debt, thereby limiting our ability to raise cash to purchase the notes.

The change of control provisions in the Indentures may not protect holders of the notes in the event we consummate a highly leveraged transaction, reorganization, restructuring, merger or other similar transaction, unless such transaction constitutes a change of control under the Indentures. Such a transaction may not involve a change in voting power or beneficial ownership or, even if it does, may not involve a change in the magnitude required under the definition of change of control in the Indentures to trigger our obligation to repurchase the notes. Except as otherwise described above, the Indentures do not contain provisions that permit the holders of the notes to require us to repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction. If an event occurs that does not constitute a Change of Control as defined in the Indentures, we will not be required to make an offer to repurchase the notes and holders may be required to continue to hold notes despite the event. See Description of Certain Indebtedness and Description of the Notes Repurchase at the Option of Holders.

Federal and state statutes allow courts, under specific circumstances, to void notes and adversely affect the validity and enforceability of the guarantees and require noteholders to return payments received.

The issuance of, and payments made under, the notes and the guarantees may be subject to review under federal and state fraudulent transfer and conveyance statutes. While the relevant laws may vary from state to state, generally under such laws the incurrence of an obligation (such as under the notes or guarantees) or the making of a payment or other transfer will be a fraudulent conveyance if (1) we or any of our Guarantors, as applicable, incurred such obligation or made such payment with the intent of hindering, delaying or defrauding creditors or (2) we or any of our Guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for incurring such obligation or making such payment and, in the case of (2) only, one of the following is also true:

- we or the applicable Guarantor were insolvent at the time of or rendered insolvent by reason of the incurrence of the obligation or the making of such payment; or

- the incurrence of the obligation or the making of such payment of the consideration left us or the applicable Guarantor with an unreasonably small amount of capital to carry on our or its business; or

- we or the applicable Guarantor intended to, or believed that we or it would, incur debts beyond our or its ability to pay them as they mature.

If a court were to find that the issuance of the notes or guarantees, or a payment made under the notes or guarantees, was a fraudulent conveyance, the court could void the payment obligations under the notes or such guarantees or subordinate the notes or such guarantees to presently existing and future indebtedness of ours or any

such Guarantor, and require the holders of the notes to repay particular amounts or any amounts received with respect to the notes or such guarantees. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the notes. Further, the voiding of the notes or the guarantees could result in an event of default with respect to our other debt and that of our Guarantors that could result in acceleration of such debt.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. In general, however, a court would consider an issuer or a Guarantor insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than all of its property, at a fair valuation;

- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent unliquidated liabilities, as they become absolute and matured; or

- it could not pay its debts as they became due.

We cannot be certain as to the standards a court would use to determine whether or not we or the Guarantors were solvent at the relevant time, or regardless of the standard that a court uses, that the notes and the guarantees would not be subordinated to our or any Guarantor s other debt.

If the guarantees were legally challenged, any guarantee could also be subject to the claim that, since the guarantee was incurred for our benefit, and only indirectly for the benefit of the Guarantor, the obligations of the applicable Guarantor were incurred for less than reasonably equivalent value or fair consideration. A court could thus void the obligations under the guarantees, subordinate them to the applicable Guarantor s other debt or take other action detrimental to the holders of the notes.

Each guarantee contains a provision intended to limit the Guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer law, or may reduce or eliminate the Guarantor s obligation to an amount that effectively makes the guarantee worthless.

You may be required to pay U.S. federal income tax on the Senior PIK Election Exchange Notes even if we do not pay cash interest.

Because the Outstanding Senior PIK Election Notes provided us with the option to pay PIK interest and the Senior PIK Election Exchange Notes provide us with the option to pay PIK Interest for any interest payment period prior to October 15, 2011, none of the interest payments on the Outstanding Senior PIK Election Notes was qualified stated interest and none of the interest payments on the Senior PIK Election Exchange Notes will be qualified stated interest for U.S. federal income tax purposes. This would have been the case regardless of whether we ever exercised our option to pay PIK interest with respect to the Outstanding Senior PIK Election Notes and regardless of whether we ever exercise our option to pay PIK Interest with respect to the Senior PIK Election Exchange Notes. Consequently, the Outstanding Senior PIK Election Notes were issued with original issue discount (OID) for U.S. federal income tax purposes and the Senior PIK Election Exchange Notes will also have OID for U.S. federal income tax purposes, and certain holders of our notes that are subject to U.S. federal income tax will continue to be required to include OID in gross income for U.S. federal income tax purposes as it accrues, potentially in advance of the receipt of cash attributable to that income.

We are controlled by the Equity Sponsors who will be able to make important decisions about our business and capital structure; their interests may differ from the interests of noteholders.

Substantially all of the common stock of Parent is held indirectly by investment funds affiliated with, or co-investment vehicles controlled by, the Equity Sponsors. As a result, the Equity Sponsors control us and have the power to elect all of the members of Parent s board of directors and approve any action requiring the approval of the holders of Parent s stock, including approving acquisitions or sales of all or substantially all of our assets. The directors appointed by the Equity Sponsors have the ability to control decisions affecting our capital structure,

including the issuance of additional debt and capital stock, the declaration of dividends, and to appoint new management. The interests of the Equity Sponsors and our other equity holders may not be aligned with those of the holders of the notes. If we encounter financial difficulties, or we are unable to pay our debts as they mature, the interests of the Equity Sponsors and our other equity holders might conflict with those of the holders of the notes. In that situation, for example, the holders of the notes might want us to raise additional equity from the Equity Sponsors or other investors to reduce our leverage and pay our debts, while the Equity Sponsors might not want to increase their investment in us or have their ownership diluted and instead choose to take other actions, such as selling our assets. The Equity Sponsors may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to you as a holder of the notes. Additionally, the Equity Sponsors are in the business of investing in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us. The Equity Sponsors may also separately pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Since our equity securities are not registered under the Securities Exchange Act of 1934, as amended (Exchange Act), and are not listed on any U.S. securities exchange, we are not subject to any of the corporate governance requirements of any U.S. securities exchange.

The trading prices for the notes will be directly affected by many factors, including our credit rating.

Credit rating agencies continually revise their ratings for companies they follow or discontinue rating companies, including us. Any ratings downgrade or decisions by a credit rating agency to discontinue rating us could adversely affect the trading price of the notes, or the trading market for the notes, to the extent a trading market for the notes develops. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future and any fluctuation may impact the trading price of the notes.

Risk Factors Related to our Business

General economic conditions could negatively affect technology spending by our customers and put downward pressure on prices, which may have an adverse impact on our business, results of operations or cash flows.

Weak economic conditions generally, sustained uncertainty about global economic conditions or a prolonged or further tightening of credit markets could cause our customers and potential customers to postpone or reduce spending on technology products or services or put downward pressure on prices, which could have an adverse effect on our business, results of operations or cash flows. For example, during the economic downturn at the end of 2008 and in 2009, due to a number of factors, including declines in the availability of credit, weakening consumer and business confidence and increased unemployment, we experienced significantly reduced revenue and gross margins when our customers and potential customers reduced their spending on technology and put downward pressure on prices.

Our financial performance could be adversely affected by decreases in spending on technology products and services by our Public segment customers.

Our sales to our Public segment customers are impacted by government spending policies, budget priorities and revenue levels. Although our sales to the federal government are diversified across multiple agencies and departments, they collectively accounted for 12.6% of 2009 net sales. An adverse change in government spending policies, budget priorities or revenue levels could cause our Public segment customers to reduce their purchases or to terminate or not renew their contracts with us, which could adversely affect our business, results of operations or cash flows.

Our business depends on our vendor partner relationships and the availability of their products.

We purchase products for resale from vendor partners, which include original equipment manufacturers (OEMs) and software publishers, and wholesale distributors. For the year ended December 31, 2009, we purchased approximately 46% of the products we sold directly from vendor partners and the remaining amount from wholesale distributors. We are authorized by vendor partners to sell all or some of their products via direct marketing activities. Our authorization with each vendor partner is subject to specific terms and conditions regarding such things as sales channel restrictions, product return privileges, price protection policies, purchase discounts and vendor incentive programs, including purchase rebates, sales volume rebates and cooperative advertising reimbursements. However,

we do not have any long-term contracts with our vendor partners and many of these arrangements are terminable upon notice by either party. In addition, a reduction in the amount of credit granted to us by our vendor partners could increase our need for, and the cost of, working capital and could have an adverse effect on our business, results of operations or cash flows.

From time to time, vendor partners may terminate or limit our right to sell some or all of their products or change the terms and conditions or reduce or discontinue the incentives that they offer us. For example, there is no assurance that, as our vendor partners continue to sell directly to end users and through resellers, they will not limit or curtail the availability of their products to resellers like us. Any such termination or limitation or the implementation of such changes could have a negative impact on our business, results of operations or cash flows.

Although we purchase from a diverse vendor base, in 2009, products we purchased from distributors Tech Data, Ingram Micro and SYNNEX represented approximately 16%, 11% and 8%, respectively, of our total purchases. In addition, sales of Cisco, EMC, Hewlett-Packard, Lenovo and Microsoft products comprise a substantial portion of our sales, representing approximately 50% of net sales in 2009. Sales of products manufactured by Hewlett-Packard represented approximately 24% of our 2009 net sales. The loss of, or change in business relationship with, any of these or any other key vendor partners, the diminished availability of their products, or backlogs for their products leading to manufacturer allocation, could reduce the supply and increase the cost of products we sell and negatively impact our competitive position. Additionally, the relocation of key distributors utilized in our purchasing model could increase our need for, and the cost of, working capital and have an adverse effect on our business, results of operations or cash flows. Further, mergers among manufacturers could have an adverse impact on our business, results of operations or cash flows.

Our sales are dependent on continued innovations in hardware, software and services offerings by our vendor partners and the competitiveness of their offerings.

The technology industry is characterized by rapid innovation and the frequent introduction of new and enhanced hardware, software and services offerings. We have been and will continue to be dependent on innovations in hardware, software and services offerings, as well as the acceptance of those innovations by customers. A decrease in the rate of innovation, or the lack of acceptance of innovations by customers, could have an adverse effect on our business, results of operations or cash flows.

In addition, if we are unable to keep up with changes in technology and new hardware, software and services offerings, for example by providing the appropriate training to our account managers, sales technology specialists and engineers to enable them to effectively sell such new offerings to customers, our business, results of operations or cash flows could be adversely affected.

We also are dependent upon our vendor partners for the development and marketing of hardware, software and services to compete effectively with hardware, software and services of vendors whose products and services we do not currently offer or that we are not authorized to offer in one or more customer channels. To the extent that a vendor s offering that is highly in demand is not available to us for resale in one or more customer channels, and there is not a competitive offering from another vendor that we are authorized to sell in such customer channels, our business, results of operations or cash flows could be adversely impacted.

Substantial competition could reduce our market share and significantly harm our financial performance.

Our current competition includes:

- direct marketers, such as Insight Enterprises, PC Connection, PC Mall, Softchoice and GTSI;
- value-added resellers, including larger ones such as Logicalis, Agilysis, Sirius and many regional and local value-added resellers;
- manufacturers, such as Dell, Hewlett-Packard and Apple, who sell directly to customers;
- e-tailers, such as Tiger Direct, Buy.com, Amazon and Newegg;

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- large service providers and system integrators, such as IBM, Accenture, HP/EDS and Dell/Perot; and
- retailers, such as Best Buy, Office Depot, Office Max, Staples, Wal-Mart, Sam s Club and Costco.

We expect the competitive landscape in which we compete to continue to change as new technologies are developed. While innovation can help our business as it creates new offerings for us to sell, it can also disrupt our business model and create new and stronger competitors.

Some of our hardware and software vendor partners sell, and could intensify their efforts to sell, their products directly to customers. In addition, traditional OEMs are increasing their services capabilities through mergers and acquisitions with service providers, which could potentially increase competition in the market to provide comprehensive technology solutions to customers. Moreover, newer, potentially disruptive technologies exist and are being developed that deliver technology solutions as a service, for example, software as a service (SaaS) and hardware as a service (HaaS). These technologies could increase the amount of sales directly to customers rather than through resellers like us, or could lead to a reduction in our profitability. If any of these trends becomes more prevalent, it could adversely affect our business, results of operations or cash flows.

We focus on offering a high level of service to gain new customers and retain existing customers. To the extent we face increased competition to gain and retain customers, we may be required to reduce prices, increase advertising expenditures or take other actions which could adversely affect our business, results of operations or cash flows. Additionally, some of our competitors may reduce their prices in an attempt to stimulate sales, which may require us to reduce prices. This would require us to sell a greater number of products to achieve the same level of net sales and gross profit. If such a reduction in prices occurs and we are unable to attract new customers and sell increased quantities of products, our sales growth and profitability could be adversely affected.

The success of our business depends on the continuing development, maintenance and operation of our information technology systems.

Our success is dependent on the accuracy, proper utilization and continuing development of our information technology systems, including our business systems, Web servers and voice and data networks. The quality and our utilization of the information generated by our information technology systems, and our success in implementing new systems and upgrades, affects, among other things, our ability to:

- conduct business with our customers;
- manage our inventory and accounts receivable;
- purchase, sell, ship and invoice our hardware and software products and provide and invoice our services efficiently and on a timely basis; and
- maintain our cost-efficient operating model.

The integrity of our information technology systems is vulnerable to disruption due to forces beyond our control. While we have taken steps to protect our information technology systems from a variety of threats, including computer viruses and malicious hackers, there can be no guarantee that those steps will be effective. Furthermore, although we have redundant systems at a separate location to back up our primary systems, there can be no assurance that these redundant systems will operate properly if and when required. Any disruption to or infiltration of our information technology systems could significantly harm our business and results of operations.

Breaches of data security could impact our business.

Our business involves the storage and transmission of proprietary information and sensitive or confidential data, including personal information of coworkers, customers and others. In addition, we operate three customer data centers which may contain both business-critical data and confidential information of our customers. In connection

with our services business, our coworkers also have access to our customers confidential data and other information. We have privacy and data security policies in place that are designed to prevent security breaches; however, breaches in security could expose us, our customers or other individuals to a risk of loss or misuse of this information, resulting in litigation and potential liability for us, as well as the loss of existing or potential customers and damage to our brand and reputation. In addition, the cost and operational consequences of implementing further data protection measures could be significant. Such breaches, costs and consequences could adversely affect our business, results of operations or cash flows.

The failure to comply with our Public segment contracts or applicable laws and regulations could result in, among other things, fines or other liabilities, and changes in procurement regulations could adversely impact our business, results of operations or cash flows.

Revenues from our Public segment customers are derived from sales to governmental departments and agencies, educational institutions and healthcare customers, through various contracts and open market sales. Sales to Public segment customers are highly regulated. Noncompliance with contract provisions, government procurement regulations or other applicable laws or regulations (including but not limited to the False Claims Act and the Medicare and Medicaid Anti-Kickback Statute) could result in civil, criminal and administrative liability, including substantial monetary fines or damages, termination of government contracts or other Public segment customer contracts, and suspension, debarment or ineligibility from doing business with the government and other customers in the Public segment. In addition, generally contracts in the Public segment are terminable at any time for convenience of the contracting agency or upon default. The effect of any of these possible actions by any governmental department or agency could adversely affect our business, results of operations or cash flows. In addition, the adoption of new or modified procurement regulations and other requirements may increase our compliance costs and reduce our gross margins, which could have a negative effect on our business, results of operations or cash flows.

If we fail to provide high-quality services to our customers, or if our third-party service providers fail to provide high-quality services to our customers, our reputation, business, results of operations or cash flows could be adversely affected.

Our service offerings include field services, managed services, warranties, configuration services and partner services. Additionally, we deliver and manage mission critical software, systems and network solutions for our customers. Finally, we also offer certain services, such as implementation and installation services and repair services, to our customers through various third-party service providers engaged to perform these services on our behalf. If we or our third-party service providers fail to provide high quality services to our customers or such services result in a disruption of our customers businesses, our reputation with our customers and our business, results of operations or cash flows could be adversely affected.

If we lose any of our key personnel, or are unable to attract and retain the talent required for our business, our business could be disrupted and our financial performance could suffer.

Our success is in part dependent upon our ability to attract, develop and retain key personnel to manage and grow our business, including executive, management, sales, service and technical coworkers. If we are unable to do so, our operating results could be negatively impacted. We cannot guarantee that we will be able to attract, develop and retain personnel as and when necessary in the future. Further, we make a significant investment in the training of our sales and services personnel. Our inability to retain such personnel or to train them effectively to meet our needs could cause a decrease in the overall quality and efficiency of our sales and services personnel, which could have an adverse effect on our business, results of operations or cash flows.

The interruption of the flow of products from international suppliers could disrupt our supply chain.

A significant portion of the products we sell are manufactured or purchased by our vendor partners outside of the United States, primarily in Asia. Political, social or economic instability in Asia, or in other regions in which our vendor partners purchase or manufacture the products we sell, could cause disruptions in trade, including exports to the United States. Other events that could also cause disruptions to exports to the United States include:

- the imposition of additional trade law provisions or regulations;

- the imposition of additional duties, tariffs and other charges on imports and exports;
- foreign currency fluctuations;
- restrictions on the transfer of funds;
- the financial instability or bankruptcy of manufacturers; and
- significant labor disputes, such as strikes.

We cannot predict whether the countries in which the products we sell are purchased or manufactured, or may be purchased or manufactured in the future, will be subject to new or additional trade restrictions imposed by the United States or foreign governments, including the likelihood, type or effect of any such restrictions. Trade restrictions, including new or increased tariffs or quotas, embargos, safeguards and customs restrictions against the products we sell, as well as foreign labor strikes and work stoppages or boycotts, could increase the cost or reduce the supply of product available to us and adversely affect our business, results of operations or cash flows.

A natural disaster or other adverse occurrence at one of our primary facilities or customer data centers could damage our business.

Substantially all of our corporate, warehouse and distribution functions are located at our Vernon Hills, Illinois facilities and our second distribution center in North Las Vegas, Nevada. If the warehouse and distribution equipment at one of our distribution centers were to be seriously damaged by a natural disaster or other adverse occurrence, we could utilize the other distribution center or third-party distributors to ship products to our customers. However, this may not be sufficient to avoid interruptions in our service and may not enable us to meet all of the needs of our customers and would cause us to incur incremental operating costs. In addition, we operate three customer data centers and numerous sales offices which may contain both business-critical data and confidential information of our customers. A natural disaster or other adverse occurrence at any of the customer data centers or at any of our major sales offices could negatively impact our business, results of operations or cash flows.

We are heavily dependent on commercial delivery services.

We generally ship hardware products to our customers by FedEx, United Parcel Service and other commercial delivery services and invoice customers for delivery charges. If we are unable to pass on to our customers future increases in the cost of commercial delivery services, our profitability could be adversely affected. Additionally, strikes or other service interruptions by such shippers could adversely affect our ability to deliver products on a timely basis.

We are exposed to accounts receivable and inventory risks.

We extend credit to our customers for a significant portion of our net sales, typically on 30-day payment terms. We are subject to the risk that our customers may not pay for the products they have purchased, or may pay at a slower rate than we have historically experienced, the risk of which is heightened during periods of economic downturn or, in the case of public segment customers, during periods of budget constraints.

We are also exposed to inventory risks as a result of the rapid technological changes that affect the market and pricing for the products we sell. We seek to minimize our inventory exposure through a variety of inventory management procedures and policies, including our rapid-turn inventory model, as well as vendor price protection and product return programs. However, if we were unable to maintain our rapid-turn inventory model, if there were unforeseen product developments that created more rapid obsolescence or if our vendor partners were to change their terms and conditions, our inventory risks could increase. We also periodically take advantage of cost savings associated with certain opportunistic bulk inventory purchases offered by our vendor partners or we may decide to carry high inventory levels of certain products that have limited or no return privileges due to customer demand. These bulk purchases could increase our exposure to inventory obsolescence.

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We could be exposed to additional risks if we make acquisitions or enter into alliances.

We may pursue transactions, including acquisitions or alliances, in an effort to extend or complement our existing business. These types of transactions involve numerous risks, including finding suitable transaction partners and negotiating terms that are acceptable to us, the diversion of management s attention from other business concerns, extending our product or service offerings into areas in which we have limited experience, entering into new geographic markets, the potential loss of key coworkers or business relationships and successfully integrating acquired businesses, any of which could adversely affect our operations.

Our future operating results may fluctuate significantly.

We may experience significant variations in our future quarterly results of operations. These fluctuations may result from many factors, including the condition of the technology industry in general, shifts in demand and pricing for hardware, software and services and the introduction of new products or upgrades.

Our operating results are also highly dependent on our level of gross profit as a percentage of net sales. Our gross profit percentage fluctuates due to numerous factors, some of which may be outside of our control, including pricing pressures; changes in product costs from our vendor partners; the availability of price protection, purchase discounts and incentive programs from our vendor partners; changes in product, order size and customer mix; the risk of some items in our inventory becoming obsolete; increases in delivery costs that we cannot pass on to customers; and general market and competitive conditions.

In addition, our cost structure is based, in part, on anticipated sales and gross margins. Therefore, we may not be able to adjust our cost structure quickly enough to compensate for any unexpected sales or gross margin shortfall, and any such inability could have an adverse effect on our business, results of operations or cash flows.

We may have higher than anticipated tax liabilities.

We are subject to various taxes in the United States and Canada. Our effective income tax rate and overall tax expenses may be adversely impacted by various factors, many of which our outside or our control, including:

- changes in the proportion of pre-tax income in the various jurisdictions in which we operate that have differing statutory rates;

- changes in the jurisdictions in which we operate;

- changes in our corporate structure that would change the amount of pre-tax income subject to taxation in various jurisdictions;

- changes in tax rates in the jurisdictions in which we are subject to tax;

- changes in tax laws, regulations, and/or interpretations of such tax laws in the jurisdictions in which we are subject to tax;

- imposition of new taxes;

- resolutions of tax issues that are being disputed or under examination and any related interest and penalties;

- expiration of tax incentives or changes in our business that reduce the level of activity or base subject to the tax incentive and changes in the level of our business that impact the amounts received under; and

- tax effects related to purchase accounting for acquisitions.

We report our results based on our determination of the amount of taxes we owe in various tax jurisdictions in which we operate. The determination of our provision for income taxes and other tax related liabilities requires estimation, judgment and calculations where the ultimate tax determination may not be certain. Our determination of tax liability is subject to review or examination by tax authorities in various tax jurisdictions. Any adverse outcome of

such review or examination could have a negative impact on our results and financial condition. The resolution of various tax examinations, audits and disputes may differ from the liabilities recorded in our financial statements and may adversely affect our financial results and cash flows.

We may not be able to protect our intellectual property adequately, and we may be subject to intellectual property infringement claims.

We rely on copyright, trademark, trade secret and patent laws, as well as confidentiality, invention assignment, nonsolicitation and noncompetition agreements to protect our intellectual property. There can be no assurance that these laws and agreements will provide sufficient protection of our intellectual property, and it is possible that third parties may obtain and use our confidential information and trade secrets without authorization or infringe on our intellectual property rights, which could impair our competitive position and adversely affect our business, results of operations or cash flows.

From time to time in the ordinary course of business, parties assert various intellectual property infringement claims against us, including allegations of patent infringement, either because of our business systems or because we resell allegedly infringing hardware, software or services. If there is a determination that we have infringed the intellectual property rights of others, we could incur substantial monetary liability, be forced to stop selling infringing products or providing infringing services, be required to enter into costly royalty or licensing agreements, if available, or be prevented from using the intellectual property rights, which could force us to change our business systems or hardware, software or services offerings in the future.

We are exposed to risks from legal proceedings and audits.

We are party to various legal proceedings that arise from time to time in the ordinary course of our business. We are also subject to audits by federal, state and local authorities, by various customers, including government agencies, relating to sales under certain contracts and by vendors. Current and future litigation, governmental proceedings and audits that we face may result in substantial costs and expenses and significantly divert the attention of our management regardless of the outcome. In addition, current and future litigation, governmental proceedings or audits could lead to increased costs or interruptions of our normal business operations. Litigation, governmental proceedings and audits involve uncertainties and it is possible that the eventual outcome of any litigation, governmental proceeding or audit could adversely affect our business, results of operations or cash flows.

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FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact included in this prospectus are forward-looking statements. These statements relate to analyses and other information, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies.

These forward-looking statements are identified by the use of terms and phrases such as anticipate, believe, could, estimate, expect, intend plan, predict, project, will and similar terms and phrases, including references to assumptions. However, these words are not the exclusive mea of identifying such statements. These statements are contained in many sections of this prospectus, including those entitled Summary, Business and Management s Discussion and Analysis of Financial Condition and Results of Operations. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that we will achieve those plans, intentions or expectations. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected.

Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections entitled Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained in this prospectus under the heading Risk Factors, as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this prospectus in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this prospectus are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

EXCHANGE OFFERS

Purpose and Effect of the Exchange Offers

We and the Guarantors entered into a senior registration rights agreement and senior subordinated registration rights agreement (together, the Registration Rights Agreements) on October 10, 2008. Under the Registration Rights Agreements, we have agreed that we will:

- use our commercially reasonable efforts to file with the SEC and cause to become effective a registration statement relating to offers to exchange the outstanding notes for an issue of SEC-registered notes with terms identical to the outstanding notes (except that the exchange notes will not be subject to restrictions on transfer or to any increase in annual interest rate as described below);

- keep the exchange offers open for at least 20 business days after the date we mail notice of such exchange offers to holders; and

- file and use our reasonable best efforts to cause to become effective a shelf registration statement for the resale of outstanding notes in certain circumstances.

We will pay additional interest on the outstanding notes for the periods described below if the exchange offers with respect to the outstanding notes are not completed on or before the date that is 270 days after the issue date of the outstanding notes (or 360 days if the registration statement is subject to review by the SEC). Where there is a registration default, the annual interest rate borne by the outstanding notes will be increased by 0.25% per annum for the first 90-day period immediately following such date and by 0.50% per annum thereafter until the exchange offers are completed or the shelf registration statement is declared effective.

Terms of the Exchange Offers

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept any and all outstanding notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date of the exchange offers. We will issue $1,000 principal amount of exchange notes in exchange for each $1,000 principal amount of outstanding notes accepted in the exchange offers. Any holder may tender some or all of its outstanding notes pursuant to the exchange offers. However, outstanding notes may be tendered only in integral multiples of $1,000.

The form and terms of the exchange notes are the same as the form and terms of the outstanding notes except that:

- the exchange notes bear a Series B designation and a different CUSIP Number from the outstanding notes;

- the exchange notes have been registered under the Securities Act and hence will not bear legends restricting the transfer thereof; and

- the holders of the exchange notes will not be entitled to certain rights under the Registration Rights Agreements, including the provisions providing for an increase in the interest rate on the outstanding notes in certain circumstances relating to the timing of the exchange offers, all of which rights will terminate when the exchange offers to which this prospectus relates are terminated.

The exchange notes will evidence the same debt as the outstanding notes and will be entitled to the benefits of the Indenture relating to the outstanding notes.

As of the date of this prospectus, $890.0 million, $317.0 million and $721.5 million aggregate principal amount of Outstanding Senior Cash Pay Notes, Outstanding Senior PIK Election Notes and Outstanding Senior Subordinated Notes, respectively, are outstanding. This prospectus and the letter of transmittal are being sent to all registered holders of outstanding notes. There will be no fixed record date for determining registered

holders of outstanding notes entitled to participate in the exchange offers.

Holders of outstanding notes do not have any appraisal or dissenters rights under the General Corporation Law of the State of Delaware or the Indentures in connection with the exchange offers. We intend to conduct the exchange offers in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder.

We will be deemed to have accepted validly tendered outstanding notes when, as and if we have given oral or written notice thereof to the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the exchange notes from us.

If any tendered outstanding notes are not accepted for exchange because of an invalid tender, the occurrence of specified other events set forth in this prospectus or otherwise, the certificates for any unaccepted outstanding notes will be returned, without expense, to the tendering holder thereof promptly following the expiration date of the exchange offers.

Holders who tender outstanding notes in the exchange offers will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of outstanding notes pursuant to the exchange offers. We will pay all charges and expenses, other than transfer taxes in certain circumstances, in connection with the exchange offers. See Fees and Expenses.

Expiration Date; Extensions; Amendments

The term expiration date means 5:00 p.m., New York City time, on November 24, 2010, unless we, in our sole discretion, extend one or more of the exchange offers, in which case the term expiration date will mean the latest date and time to which such exchange offer is extended.

In order to extend one or more of the exchange offers we will make a press release or other public announcement and notify the exchange agent of any extension by oral or written notice, prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right, in our sole discretion, (1) to delay accepting any outstanding notes, to extend one or more of the exchange offers or to terminate one or more of the exchange offers if any of the conditions set forth below under Conditions have not been satisfied, by giving oral or written notice of any delay, extension or termination to the exchange agent or (2) to amend the terms of the exchange offers in any manner. Such decision will also be communicated in a press release or other public announcement prior to 9:00 a.m., New York City time, on the next business day following such decision. Any announcement of delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof to the registered holders.

Interest on the Exchange Notes

The exchange notes will bear interest from their date of issuance. Holders of outstanding notes that are accepted for exchange will receive accrued interest thereon to, but not including, the date of issuance of the exchange notes. Such interest will be paid with the first interest payment on the exchange notes on April 15, 2011. Interest on the outstanding notes accepted for exchange will cease to accrue upon issuance of the exchange notes.

Interest on the exchange notes is payable semi-annually on each April 15 and October 15, commencing on April 15, 2011.

Procedures for Tendering

Only a holder of outstanding notes may tender outstanding notes in the exchange offers. To tender in the exchange offers, a holder must complete, sign and date the letter of transmittal, or a facsimile thereof, have the signatures thereon guaranteed if required by the letter of transmittal or transmit an agent s message in connection with a book-entry transfer, and mail or otherwise deliver the letter of transmittal or the facsimile, together with the outstanding notes and any other required documents, to the exchange agent prior to 5:00 p.m., New York City time, on the expiration date. To be tendered effectively, the outstanding notes, letter of transmittal or an agent s message and other required documents must be completed and received by the exchange agent at the address set forth below under Exchange Agent prior to 5:00 p.m., New York City time, on the expiration date. Delivery of the outstanding notes may be made by book-entry transfer in accordance with the procedures described below. Confirmation of the book-entry transfer must be received by the exchange agent prior to the expiration date.

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The term agent s message means a message, transmitted by a book-entry transfer facility to, and received by, the exchange agent forming a part of a confirmation of a book-entry, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the outstanding notes that the participant has received and agrees: (1) to participate in ATOP; (2) to be bound by the terms of the letter of transmittal; and (3) that we may enforce the agreement against the participant.

To participate in the exchange offers, each holder will be required to make the following representations to us:

- Any exchange notes to be received by the holder will be acquired in the ordinary course of its business.

- At the time of the commencement of the exchange offers, the holder has no arrangement or understanding with any person to participate in the distribution, within the meaning of Securities Act, of the exchange notes in violation of the Securities Act.

- The holder is not our affiliate as defined in Rule 405 promulgated under the Securities Act.

- If the holder is not a broker-dealer, it is not engaged in, and does not intend to engage in, the distribution of exchange notes.

- If the holder is a broker-dealer that will receive exchange notes for its own account in exchange for outstanding notes that were acquired as a result of market-making or other trading activities, the holder will deliver a prospectus in connection with any resale of the exchange notes. We refer to these broker-dealers as participating broker-dealers.

- The holder is not a broker-dealer tendering outstanding notes directly acquired from us for its own account.

- The holder is not acting on behalf of any person or entity that could not truthfully make these representations.

The tender by a holder and our acceptance thereof will constitute an agreement between the holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal or agent s message.

The method of delivery of outstanding notes and the letter of transmittal or agent s message and all other required documents to the exchange agent is at the election and sole risk of the holder. As an alternative to delivery by mail, holders may wish to consider overnight or hand delivery service. In all cases, sufficient time should be allowed to assure delivery to the exchange agent before the expiration date. No letter of transmittal or outstanding notes should be sent to us. Holders may request their respective brokers, dealers, commercial banks, trust companies or nominees to effect the above transactions for them.

Any beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered holder promptly and instruct the registered holder to tender on the beneficial owner s behalf. See Instructions to Registered Holder and/or Book-Entry Transfer Facility Participant from Beneficial Owner included with the letter of transmittal.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member of the Medallion System unless the outstanding notes tendered pursuant to the letter of transmittal are tendered (1) by a registered holder who has not completed the box entitled Special Registration Instructions or Special Delivery Instructions on the letter of transmittal or (2) for the account of a member firm of the Medallion System. In the event that signatures on a letter of transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, the guarantee must be by a member firm of the Medallion System.

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If the letter of transmittal is signed by a person other than the registered holder of any outstanding notes listed in this prospectus, the outstanding notes must be endorsed or accompanied by a properly completed bond power, signed by the registered holder as the registered holder s name appears on the outstanding notes with the signature thereon guaranteed by a member firm of the Medallion System.

If the letter of transmittal or any outstanding notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, the person signing should so indicate when signing, and evidence satisfactory to us of its authority to so act must be submitted with the letter of transmittal.

We understand that the exchange agent will make a request promptly after the date of this prospectus to establish accounts with respect to the outstanding notes at DTC for the purpose of facilitating the exchange offers, and subject to the establishment thereof, any financial institution that is a participant in DTC s system may make book-entry delivery of outstanding notes by causing DTC to transfer the outstanding notes into the exchange agent s account with respect to the outstanding notes in accordance with DTC s procedures for the transfer. Although delivery of the outstanding notes may be effected through book-entry transfer into the exchange agent s account at DTC, unless an agent s message is received by the exchange agent in compliance with ATOP, an appropriate letter of transmittal properly completed and duly executed with any required signature guarantee and all other required documents must in each case be transmitted to and received or confirmed by the exchange agent at its address set forth in this prospectus on or prior to the expiration date, or, if the guaranteed delivery procedures described below are complied with, within the time period provided under the procedures. Delivery of documents to DTC does not constitute delivery to the exchange agent.

All questions as to the validity, form, eligibility, including time of receipt, acceptance of tendered outstanding notes and withdrawal of tendered outstanding notes will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all outstanding notes not properly tendered or any outstanding notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right in our sole discretion to waive any defects, irregularities or conditions of tender as to particular outstanding notes, provided however that, to the extent such waiver includes any condition to tender, we will waive such condition as to all tendering holders. Our interpretation of the terms and conditions of the exchange offers, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of outstanding notes must be cured within the time we determine. Although we intend to notify holders of defects or irregularities with respect to tenders of outstanding notes, neither we, the exchange agent nor any other person will incur any liability for failure to give the notification. Tenders of outstanding notes will not be deemed to have been made until the defects or irregularities have been cured or waived. Any outstanding notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the exchange agent to the tendering holders, unless otherwise provided in the letter of transmittal, promptly following the expiration date.

Guaranteed Delivery Procedures

Holders who wish to tender their outstanding notes and (1) whose outstanding notes are not immediately available, (2) who cannot deliver their outstanding notes, the letter of transmittal or any other required documents to the exchange agent or (3) who cannot complete the procedures for book-entry transfer, prior to the expiration date, may effect a tender if:

1. the tender is made through a member firm of the Medallion System;

2. prior to the expiration date, the exchange agent receives from a member firm of the Medallion System a properly completed and duly executed Notice of Guaranteed Delivery by facsimile transmission, mail or hand delivery setting forth the name and address of the holder, the certificate number(s) of the outstanding notes and the principal amount of outstanding notes tendered, stating that the tender is being made thereby and guaranteeing that, within three New York Stock Exchange trading days after the expiration date, the letter of transmittal or facsimile thereof together with the certificate(s) representing the outstanding notes or a confirmation of book-entry transfer of the outstanding notes into the exchange agent s account at DTC, and any other documents required by the letter of transmittal will be deposited by the member firm of the Medallion System with the exchange agent; and

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3. the properly completed and executed letter of transmittal of facsimile thereof, as well as the certificate(s) representing all tendered outstanding notes in proper form for transfer or a confirmation of book-entry transfer of the outstanding notes into the exchange agent s account at DTC, and all other documents required by the letter of transmittal are received by the exchange agent within three New York Stock Exchange trading days after the expiration date.

Upon request to the exchange agent, a Notice of Guaranteed Delivery will be sent to holders who wish to tender their outstanding notes according to the guaranteed delivery procedures set forth above.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, tenders of outstanding notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date.

To withdraw a tender of outstanding notes in the exchange offers, either a notice of withdrawal must be received by the exchange agent at its address set forth in this prospectus or you must comply with the appropriate withdrawal procedures of DTC s ATOP. Any notice of withdrawal must be in writing and:

1. specify the name of the person having deposited the outstanding notes to be withdrawn;

2. identify the outstanding notes to be withdrawn, including the certificate number(s) and principal amount of the outstanding notes, or, in the case of outstanding notes transferred by book-entry transfer, the name and number of the account at DTC to be credited;

3. be signed by the holder in the same manner as the original signature on the letter of transmittal by which the outstanding notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to have the trustee with respect to the outstanding notes register the transfer of the outstanding notes into the name of the person withdrawing the tender; and

4. specify the name in which any outstanding notes are to be registered, if different from that of the person depositing the outstanding notes to be withdrawn.

All questions as to the validity, form and eligibility, including time of receipt, of the notices will be determined by us, which determination will be final and binding on all parties. Any outstanding notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offers and no exchange notes will be issued with respect thereto unless the outstanding notes so withdrawn are validly retendered. Any outstanding notes which have been tendered but which are not accepted for exchange will be returned to the holder thereof without cost to the holder promptly after withdrawal, rejection of tender or termination of the exchange offers. Properly withdrawn outstanding notes may be retendered by following one of the procedures described above under Procedures for Tendering at any time prior to the expiration date.

Conditions

Notwithstanding any other term of the exchange offers, we will not be required to accept for exchange, or exchange notes for, any outstanding notes, and may, prior to the expiration of the exchange offers, terminate or amend the exchange offers as provided in this prospectus before the acceptance of the outstanding notes, if:

1. any action or proceeding is instituted or threatened in any court or by or before any governmental agency with respect to the exchange offers which we, in our sole judgment, believe might materially impair our ability to proceed with the exchange offers; or

2.

any material adverse development has occurred with respect to us or any of our subsidiaries which we, in our sole judgment, believe might materially impair our ability to proceed with the exchange offers; or

3. any law, statute, rule, regulation or interpretation by the staff of the SEC is proposed, adopted or enacted, which we, in our sole judgment, believe might materially impair our ability to proceed with the exchange offers or materially impair the contemplated benefits of the exchange offers to us; or

4. any governmental approval has not been obtained, which approval we, in our sole judgment, believe to be necessary for the consummation of the exchange offers as contemplated by this prospectus.

If we determine in our reasonable discretion that any of the conditions are not satisfied, we may (1) refuse to accept any outstanding notes and return all tendered outstanding notes to the tendering holders, (2) extend the exchange offers and retain all outstanding notes tendered prior to the expiration of the exchange offers, subject, however, to the rights of holders to withdraw the outstanding notes (see Withdrawal of Tenders) or (3) waive the unsatisfied conditions with respect to the exchange offers and accept all properly tendered outstanding notes which have not been withdrawn.

Exchange Agent

U.S. Bank National Association has been appointed as exchange agent for the exchange offers. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for Notice of Guaranteed Delivery should be directed to the exchange agent addressed as follows:

By Overnight Courier or Registered/Certified Mail:	**Facsimile Transmission:**
U.S. Bank National Association Corporate Trust Services 60 Livingston Avenue St. Paul, MN 55107 Attention: Specialized Finance Department	(651) 495-8145 **For information or to confirm receipt of facsimile by telephone (call toll-free):** (800) 934-6802

Delivery to an address other than set forth above will not constitute a valid delivery.

Fees and Expenses

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail; however, additional solicitation may be made by telephone, in person or by other means by our and our affiliates officers and regular employees.

We have not retained any dealer-manager in connection with the exchange offers and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offers. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses incurred in connection with these services.

We will pay the cash expenses to be incurred by us in connection with the exchange offers. Such expenses include fees and expenses of the exchange agent and trustee, accounting and legal fees and printing costs, among others.

Accounting Treatment

The exchange notes will be recorded at the same carrying value as the outstanding notes, which is face value, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes as a result of the exchange offers.

Consequences of Failure to Exchange

The outstanding notes that are not exchanged for exchange notes pursuant to the exchange offers will remain restricted securities. Accordingly, the outstanding notes may be resold only:

1. to us upon redemption thereof or otherwise;

2. so long as the outstanding notes are eligible for resale pursuant to Rule 144A, to a person inside the United States whom the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A, in accordance with Rule 144 under the Securities Act, or pursuant to another exemption from the registration requirements of the Securities Act, which other exemption is based upon an opinion of counsel reasonably acceptable to us;

3. outside the United States to a foreign person in a transaction meeting the requirements of Rule 904 under the Securities Act; or

4. pursuant to an effective registration statement under the Securities Act,

in each case in accordance with any applicable securities laws of any state of the United States.

After completion of the exchange offers, we will have no further obligation to provide for the registration under the Securities Act of any outstanding notes except in limited circumstances with respect to specific types of holders of outstanding notes and we do not intend to register any remaining outstanding notes under the Securities Act.

Resale of the Exchange Notes

With respect to resales of exchange notes, based on interpretations by the staff of the SEC set forth in no-action letters issued to third parties, we believe that a holder or other person who receives exchange notes, other than a person that is our affiliate within the meaning of Rule 405 under the Securities Act, in exchange for outstanding notes in the ordinary course of business and who is not participating, does not intend to participate, and has no arrangement or understanding with any person to participate, in the distribution of the exchange notes, will be allowed to resell the exchange notes to the public without further registration under the Securities Act and without delivering to the purchasers of the exchange notes a prospectus that satisfies the requirements of Section 10 of the Securities Act. However, if any holder of outstanding notes acquires exchange notes in the exchange offers for the purpose of distributing or participating in a distribution of the exchange notes, the holder cannot rely on the position of the staff of the SEC expressed in the no-action letters or any similar interpretive letters, and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction, unless an exemption from registration is otherwise available. Further, each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where the outstanding notes were acquired by the broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes.

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USE OF PROCEEDS

This exchange offers are intended to satisfy certain of our obligations under the Registration Rights Agreements. We will not receive any cash proceeds from the issuance of the exchange notes. In consideration for issuing the exchange notes contemplated by this prospectus, we will receive outstanding notes in like principal amount, the form and terms of which are the same as the form and terms of the exchange notes, except as otherwise described in this prospectus. The outstanding notes were issued in 2010 in exchange for outstanding Amended and Restated Bridge Loans, the terms of which were the same as the outstanding notes for which they were exchanged. The Amended and Restated Bridge Loans were originally issued in 2007 to fund a portion of the Acquisition.

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CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of June 30, 2010. This information should be read in conjunction with Selected Historical Consolidated Financial and Operating Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the historical consolidated financial statements and related notes appearing elsewhere in this prospectus.

(in millions)	As of June 30, 2010 (unaudited)
Cash and cash equivalents	$ 26.1
Total debt (including current portion):	
Senior secured revolving credit facility (1)	$ 255.1
Senior secured term loan facility	2,178.0
Senior cash pay loans and Outstanding Senior Cash Pay Notes (2)	890.0
Senior PIK election loans and Outstanding Senior PIK Election Notes (3)	317.0
Senior subordinated bridge loans and Outstanding Senior Subordinated Notes (4)	721.5
Capital leases	1.3
Total debt (including current portion) (5)	4,362.9
Shareholders deficit	(49.4)
Total capitalization	$ 4,313.5

(1) In connection with the Acquisition Transactions, we entered into a senior secured revolving credit facility, which consists of a five-year senior secured revolving credit facility maturing on October 12, 2012 providing for borrowings of up to $800 million. As of June 30, 2010, there were $43.4 million of issued and undrawn letters of credit outstanding, which reduce availability under the senior secured revolving credit facility. See Description of Certain Indebtedness.

(2) Includes $344.3 million of increasing rate Outstanding Senior Cash Pay Notes issued under our Senior Indenture and $545.7 million of Senior Cash Pay Loans under which we are required to pay cash interest under our Amended and Restated Senior Bridge Loan Agreement. Such loans have subsequently been exchanged for Outstanding Senior Cash Pay Notes.

(3) Includes $137.4 million of increasing rate Outstanding Senior PIK Election Notes issued under our Senior Indenture and $179.6 million of Senior PIK Election Loans under which we may elect to pay PIK Interest under our Amended and Restated Senior Bridge Loan Agreement. Such loans have subsequently been exchanged for Outstanding Senior PIK Election Notes.

(4) Includes $496.5 million of increasing rate Outstanding Senior Subordinated Notes issued under our Senior Subordinated Indenture and $225.0 million of loans under our Amended and Restated Senior Subordinated Bridge Loan Agreement. Such loans have subsequently been exchanged for Outstanding Senior Subordinated Notes.

(5) The amount does not include any outstanding obligations under our trade financing agreements. We do not include these borrowings in total debt because we have not in the past incurred, and in the future do not expect to incur, any interest expense or late fees under these agreements. For more information, see Description of Certain Indebtedness.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following table sets forth our selected historical consolidated financial and operating data for the periods ended and as of the dates indicated below. The application of purchase accounting in connection with the Acquisition resulted in a new entity for financial reporting purposes. We refer to Target and its subsidiaries prior to the Acquisition as the Predecessor. We refer to Parent and its subsidiaries (including Target) following the Acquisition as the Successor. We have derived the selected historical consolidated financial and operating data presented below as of October 11, 2007, December 31, 2008 and December 31, 2009 and for the periods January 1, 2007 through October 11, 2007 and October 12, 2007 through December 31, 2007, and the years ended December 31, 2008 and 2009 from our audited consolidated financial statements and related notes, which are included elsewhere in this prospectus. The selected historical consolidated financial and operating data as of June 30, 2010 and for the six months ended June 30, 2010 and June 30, 2009 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated financial and operating data as of December 31, 2005 and December 31, 2006 and for the years ended December 31, 2005 and 2006 have been derived from Predecessor s audited consolidated financial statements for such years, which are not included in this prospectus. The selected historical consolidated financial and operating data as of December 31, 2007 have been derived from Successor s audited consolidated financial statements as of that date, which are not included in this prospectus. As part of the Acquisition on October 12, 2007, we entered into various financing arrangements and, as a result, we now have a different capital structure than we had prior to the Acquisition. Accordingly, the results of operations for periods subsequent to the Acquisition will not necessarily be comparable to prior periods.

The selected historical consolidated financial and operating data set forth below are not necessarily indicative of the results of future operations and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, Risk Factors, Use of Proceeds, Capitalization and our historical financial statements and the related notes and other information included elsewhere in this prospectus.

The following are some of the items affecting comparability of the selected historical consolidated financial and operating data for the periods presented:

In connection with the Acquisition, the purchase price of Predecessor was allocated to the assets acquired and liabilities assumed based on their estimated fair market values on October 12, 2007. This purchase price allocation resulted in significant changes to certain balance sheet items, including deferred income tax assets and liabilities, property and equipment, intangible assets and goodwill.

In connection with the Acquisition, we entered into various financing arrangements on October 12, 2007, of which $4,640.0 million was funded at closing of the Acquisition. This resulted in significantly increased interest expense for all periods subsequent to the Acquisition. See Summary The Transactions The Acquisition Transactions.

In connection with the Acquisition, we recorded customer relationships, trade names, internally developed software and other intangible assets with an estimated fair value of $2,323.8 million. These assets are amortized on a straight-line basis over their estimated useful lives which range from five to twenty years. This resulted in significantly increased amortization expense for all periods subsequent to the Acquisition.

In connection with the Acquisition, we incurred certain Acquisition-related costs. This included investment banking, legal and other third-party costs, along with non-cash equity-based compensation expense resulting from the accelerated vesting of stock options and restricted stock units in connection with the Acquisition. During the periods January 1, 2007 to October 11, 2007, and October 12, 2007 to December 31, 2007 we incurred $144.4 million and $26.7 million, respectively, of these Acquisition-related costs.

During the years ended December 31, 2008 and 2009, and the six months ended June 30, 2009, we recorded goodwill impairment charges of $1,712.0 million, $241.8 million and $235.0 million, respectively. These impairments were primarily attributable to

deterioration in macroeconomic conditions and overall declines in net sales.

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(in millions)	Predecessor Year Ended December 31, 2005	Predecessor Year Ended December 31, 2006	Predecessor Period from January 1, 2007 to October 11, 2007	Successor Period from October 12, 2007 to December 31, 2007	Successor Year Ended December 31, 2008	Successor Year Ended December 31, 2009	Successor Six Months Ended June 30, 2009	Successor Six Months Ended June 30, 2010
Statement of Operations Data:								
Net sales	$ 6,291.8	$ 6,785.5	$ 6,344.3	$ 1,800.2	$ 8,071.2	$ 7,162.6	$ 3,234.7	$ 4,157.4
Cost of sales	5,324.2	5,715.7	5,320.8	1,505.8	6,710.2	6,029.7	2,705.7	3,491.7
Gross profit	967.6	1,069.8	1,023.5	294.4	1,361.0	1,132.9	529.0	665.7
Selling and administrative expenses	433.5	530.1	656.0	221.8	894.8	821.1	396.1	454.0
Advertising expense	114.5	118.3	97.3	27.0	141.3	101.9	51.9	44.8
Litigation settlement		25.0						
Goodwill impairment					1,712.0	241.8	235.0	
Income (loss) from operations	419.6	396.4	270.2	45.6	(1,387.1)	(31.9)	(154.0)	166.9
Interest income (expense), net	15.2	19.8	16.8	(104.6)	(390.3)	(431.7)	(209.1)	(183.5)
Gain on extinguishment of long-term debt								9.2
Other income (expense), net	(1.8)	(1.8)	(0.6)	0.2	0.2	2.4	2.3	0.1
Income (loss) before income taxes	433.0	414.4	286.4	(58.8)	(1,777.2)	(461.2)	(360.8)	(7.3)
Income tax benefit (expense)	(160.9)	(148.3)	(112.1)	18.5	12.1	87.8	49.7	2.5
Net income (loss)	$ 272.1	$ 266.1	$ 174.3	$ (40.3)	$ (1,765.1)	$ (373.4)	$ (311.1)	$ (4.8)
Balance Sheet Data (at period end):								
Cash, cash equivalents and marketable securities	$ 610.9	$ 391.6	$ 664.3	$ 15.6	$ 94.4	$ 88.0	$ 364.0	$ 26.1
Working capital	1,133.5	1,020.2	1,418.3	836.0	877.6	923.2	898.0	725.4
Total assets (1)	1,697.0	2,008.1	2,615.2	8,296.4	6,276.3	5,976.0	6,173.7	6,005.8
Total debt and capitalized lease obligations (2)		0.8	0.3	4,617.7	4,633.5	4,621.9	4,628.7	4,362.9
Total shareholders equity (deficit)	1,264.6	1,387.2	1,737.4	2,068.9	262.2	(44.7)	(26.4)	(49.4)
Other Financial Data:								
Capital expenditures	$ 49.1	$ 85.6(3)	$ 38.7	$ 8.0	$ 41.1	$ 15.6	$ 8.3	$ 10.5
Depreciation and amortization	21.5	28.1	33.7	46.3	218.4	218.2	109.9	105.1
Gross profit as a percentage of net sales	15.4%	15.8%	16.1%	16.4%	16.9%	15.8%	16.4%	16.0%
Ratio of earnings to fixed charges (4)	115:1	84:1	63:1	(a)	(a)	(a)	(a)	(a)
EBITDA (5)	439.3	422.7	303.3	92.1	(1,168.5)	188.7	(41.8)	281.3
Adjusted EBITDA (5)	439.1	471.4	456.9	125.0	570.6	465.4	209.9	292.3
Statement of Cash Flows Data:								
Net cash provided by (used in):								
Operating activities (1)	$ 320.1	$ 219.5	$ 213.5	$ (171.2)	$ 174.2	$ 98.5	$ 299.4	$ 260.3
Investing activities	(4.0)	(99.6)	200.0	(6,399.6)	(60.3)	(82.6)	(25.3)	(55.8)
Financing activities (1)	(263.7)	(173.0)	101.2	6,586.5	(34.6)	(22.8)	(4.7)	(266.2)

(1) Reclassifications have been made to historical amounts to conform to the current presentation.

(2) Excludes borrowings of $43.8 million, $108.1 million, $122.8 million, $75.3 million, $34.1 million, $25.0 million, $87.6 million and $123.5 million, as of December 31, 2005, December 31, 2006, October 11, 2007, December 31, 2007, December 31, 2008, December 31, 2009, June 30, 2009 and June 30, 2010, respectively, under our trade financing agreements. We do not include these borrowings in total debt because we have not in the past incurred, and in the future do not expect to incur, any interest expense or late fees under these agreements. For more information, see Description of Certain Indebtedness.

(3) Includes $29.6 million for the purchase of our North Las Vegas, Nevada distribution center in December 2006.

(4) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of earnings before income taxes minus income from equity investees plus fixed charges. Fixed charges consist of interest expensed and the portion of rental expense we believe is representative of the interest component of rental expense.

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(a) For the period October 12, 2007 to December 31, 2007, the years ended December 31, 2008 and 2009, and the six months ended June 30, 2009 and 2010, earnings available for fixed charges were inadequate to cover fixed charges by $58.8 million, $1,777.2 million, $461.2 million, $360.8 million, and $7.3 million, respectively.

(5) EBITDA is defined as consolidated net income (loss) before interest income (expense), income tax benefit (expense), depreciation, and amortization. Adjusted EBITDA, which is a measure defined in our credit agreements, is calculated by adjusting EBITDA for certain items of income and expense including (but not limited to) the following: (a) non-cash equity-based compensation; (b) goodwill impairment charges; (c) sponsor fees; (d) certain consulting fees; (e) debt-related legal and accounting costs; (f) equity investment gains and losses; (g) certain severance and retention costs; (h) gains and losses from the early extinguishment of debt; (i) gains and losses from asset dispositions outside the ordinary course of business; (j) Acquisition-related costs; (k) equity compensation payroll taxes; and (l) non-recurring, extraordinary or unusual gains or losses or expenses.

We have included a reconciliation of EBITDA and Adjusted EBITDA in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company s performance, financial position, or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures, and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our Senior Credit Facilities.

The following unaudited table sets forth reconciliations of GAAP net income (loss) to EBITDA and EBITDA to Adjusted EBITDA for the periods presented:

	Historical							
	Predecessor			Successor				
	Year Ended December 31,		Period from January 1, 2007 to October 11,	Period from October 12, 2007 to December 31,	Year Ended December 31,		Six Months Ended June 30,	
(in millions)	2005	2006	2007	2007	2008	2009	2009	2010
Net income (loss)	$ 272.1	$ 266.1	$ 174.3	$ (40.3)	$ (1,765.1)	$ (373.4)	$ (311.1)	$ (4.8)
Depreciation and amortization	21.5	28.1	33.7	46.3	218.4	218.2	109.9	105.1
Income tax (benefit) expense	160.9	148.3	112.1	(18.5)	(12.1)	(87.8)	(49.7)	(2.5)
Interest (income) expense, net	(15.2)	(19.8)	(16.8)	104.6	390.3	431.7	209.1	183.5
EBITDA	439.3	422.7	303.3	92.1	(1,168.5)	188.7	(41.8)	281.3
Non-cash equity-based compensation		15.8	7.5	4.2	17.8	15.9	8.2	8.4
Acquisition-related costs (1)			144.4	26.7				
Sponsor fees				2.0	5.0	5.0	2.5	2.5
Goodwill impairment					1,712.0	241.8	235.0	
Gain on extinguishment of long-term debt								(9.2)
Litigation settlement		25.0						
Other adjustments (2)	(0.2)	7.9	1.7		4.3	14.0	6.0	9.3
Adjusted EBITDA	$ 439.1	$ 471.4	$ 456.9	$ 125.0	$ 570.6	$ 465.4	$ 209.9	$ 292.3

(1) Non-cash equity-based compensation expense of $25.3 million related to the Acquisition is included in Acquisition-related costs in the Predecessor period from January 1, 2007 to October 11, 2007.

(2) Includes certain severance and retention costs, certain consulting fees, debt-related legal and accounting costs, equity investment gains and losses and the gain related to the sale of the Informacast software and equipment for periods subsequent to the Acquisition. Includes equity compensation payroll taxes, accelerated vesting of options, incentive program accrual adjustments, and certain severance costs for periods prior to the Acquisition.

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The following unaudited table sets forth a reconciliation of EBITDA to net cash provided by (used in) operating activities for the periods presented:

	Historical							
	Predecessor			Successor				
	Year Ended December 31,		Period from January 1, 2007 to October 11,	Period from October 12, 2007 to December 31,	Year Ended December 31,		Six Months Ended June 30,	
(in millions)	2005	2006	2007	2007	2008	2009	2009	2010
EBITDA	$ 439.3	$ 422.7	$ 303.3	$ 92.1	$ (1,168.5)	$ 188.7	$ (41.8)	$ 281.3
Depreciation and amortization	(21.5)	(28.1)	(33.7)	(46.3)	(218.4)	(218.2)	(109.9)	(105.1)
Income tax benefit (expense)	(160.9)	(148.3)	(112.1)	18.5	12.1	87.8	49.7	2.5
Interest income (expense), net	15.2	19.8	16.8	(104.6)	(390.3)	(431.7)	(209.1)	(183.5)
Net income (loss)	272.1	266.1	174.3	(40.3)	(1,765.1)	(373.4)	(311.1)	(4.8)
Depreciation and amortization	21.5	28.1	33.7	46.3	218.4	218.2	109.9	105.1
Goodwill impairment					1,712.0	241.8	235.0	
Equity-based compensation expense	3.9	15.8	32.8	4.2	17.8	15.9	8.2	8.4
Amortization of deferred financing costs				13.4	38.6	16.2	7.9	9.0
Deferred income taxes	1.1	(13.7)	(24.1)	(12.6)	(39.9)	(94.4)	(39.4)	(29.3)
Realized loss on interest rate swap agreements					18.6	103.2	41.7	12.8
Gross excess tax benefits from equity-based compensation			(73.6)					
Changes in assets and liabilities	11.0	(59.5)	73.7	(182.3)	(27.1)	(27.1)	248.3	166.1
Other non-cash items	10.5	(17.3)	(3.3)	0.1	0.9	(1.9)	(1.1)	(7.0)
Net cash provided by (used in) operating activities	$ 320.1	$ 219.5	$ 213.5	$ (171.2)	$ 174.2	$ 98.5	$ 299.4	$ 260.3

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section entitled Selected Historical Consolidated Financial and Operating Data and our historical audited and unaudited consolidated financial statements and the related notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements that are subject to numerous risks and uncertainties, including but not limited to those described in the section entitled Risk Factors. Actual results may differ materially from those contained in any forward-looking statements.

Overview

We are a leading multi-brand technology solutions provider to business, government, education and healthcare customers in the United States and Canada. We provide comprehensive and integrated solutions for our customers technology needs through our extensive hardware, software and value-added service offerings. Our breadth of offerings allows our customers to streamline their procurement processes by partnering with us as a complete technology solutions provider. Our hardware offerings include products with leading brands across multiple categories such as network communications, notebooks/mobile devices, data storage, video monitors, printers, desktops, and servers, among others. Our software offerings include licensing, licensing management and software solutions and services that help our customers to optimize their software investments. We offer a full-suite of value-added services, which typically are delivered as part of a technology solution, to help our customers meet their specific needs. Our solutions range from configuration services for computer devices to fully-integrated solutions such as virtualization, collaboration, security, mobility, data center optimization and cloud computing. We also offer complementary services including installations, sales of warranties and managed services such as remote network and data center monitoring. We believe both software and service offerings will be important growth areas for us in the future.

We have two reportable segments: Corporate, which is comprised primarily of business customers, and Public, which is comprised of government entities and education and healthcare institutions. Our Corporate segment is divided into a small business customer channel, primarily serving customers with up to 100 employees, and a medium-large business customer channel, primarily serving customers with more than 100 employees. We also have two operating segments, Canada and our CDW advanced services business, that do not meet the reportable segment quantitative thresholds and, accordingly, are combined together as Other. Our advanced services business consists primarily of customized engineering services delivered by CDW professional engineers and managed services, including hosting and data center services. Revenues from the sale of hardware, software, custom configuration and third party provided services are recorded within our Corporate and Public segments.

Our business is well-diversified across customers, product and service offerings and vendors from whom we purchase products for resale. We have aligned our sales and marketing functions around customer channels to retain and increase our sales to existing customers and to acquire new customers. We have an experienced and dedicated direct selling organization consisting of account managers who provide inside sales coverage, and field account executives who work within an assigned territory and interact with customers in person. Our direct selling organization is supported by a team of technology specialists who design solutions and provide recommendations in the selection and procurement processes. We purchase products for resale from OEMs and distributors. We believe that effective purchasing from a diverse vendor base is a key element of our business strategy. We are authorized by OEMs to sell via direct marketing all or selected products offered by the manufacturer. We also operate as a reseller for major software publishers that allows the end-user customer to acquire packaged software or licensed products and services. Our authorization with each OEM or software publisher may include one or more of the following: product return privileges, price protection policies, purchase discounts and vendor incentive programs, such as volume rebates and cooperative advertising reimbursements.

We market the CDW brand on a national basis through a variety of public and community relations and corporate communications efforts, and through brand advertising that includes the use of print, broadcast, online, social and other media. We also market to current and prospective customers through integrated marketing programs that include print and online media, events and sponsorships. As a result of our relationships with our vendors, a substantial portion of our advertising and marketing expenses are reimbursed through cooperative advertising reimbursement programs. Such programs are at the discretion of our vendors and are typically tied to sales or purchasing volumes or other commitments to be met by us within a specified period of time.

An important factor affecting our ability to generate sales and achieve our targeted operating results is the impact of general economic conditions on our customers willingness to spend on information technology. During the recent economic downturn beginning in late 2008 and

into 2009, we experienced significantly lower sales and gross profit as our customers generally reduced spending on information technology products and services. During 2010,

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we have experienced significant increases in sales, gross profit and operating income compared to 2009. While general economic conditions and our recent operating results have generally improved, competitive pricing pressures continue to have a negative effect on gross profit margins. Downturns in the global economy, declines in the availability of credit, weakening consumer and business confidence or increased unemployment could result in reduced spending by our customers on information technology products and services and increased competitive pricing pressures. Our Public segment sales are impacted by government spending policies, budget priorities and revenue levels. Although our sales to the federal government are diversified across multiple agencies and departments, they collectively accounted for 12.6% of our net sales in 2009. Further, our sales to state and local governments accounted for 5.1% of our net sales in 2009. An adverse change in any of these factors could cause our Public segment customers to reduce their purchases or to terminate or not renew contracts with us, which could adversely affect our business, results of operations or cash flows. See Risk Factors Risk Factors Related to our Business for further discussion.

Our management monitors a number of financial and non-financial measures and ratios on a regular basis in order to track the progress of our business and make adjustments as necessary. We believe that the most important of these measures and ratios include average daily sales, gross margin, operating margin, EBITDA and Adjusted EBITDA, cash and cash equivalents, net working capital, cash conversion cycle (defined to be days of sales outstanding in accounts receivable plus days of supply in inventory minus days of purchases outstanding in accounts payable), debt levels including available credit and leverage ratios, and coworker turnover. These measures and ratios are compared to standards or objectives set by management, so that actions can be taken, as necessary, in order to achieve the standards and objectives. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our Senior Credit Facilities.

Background and Basis of Presentation

Corporate and Capital Structure

On October 12, 2007, Parent completed the Acquisition pursuant to which it acquired Target. For financial reporting purposes, we refer to Target and its subsidiaries prior to the Acquisition as the Predecessor and we refer to Parent and its subsidiaries (including Target) following the Acquisition as the Successor.

Upon completion of the Acquisition, the outstanding common stock of Target was converted into the right to receive cash, the common stock was delisted and deregistered and Target became a wholly owned subsidiary of Parent. Parent is owned directly by CDW Holdings. CDW Holdings is controlled by investment funds affiliated with the Equity Sponsors, certain other co-investors and the Management Investors. On December 31, 2009, Target merged into CDWC LLC, a limited liability company wholly owned by Parent with CDWC LLC as the surviving company in the merger. This change had no impact on operations or management. On December 31, 2009, CDWC LLC was renamed CDW LLC. On August 17, 2010, Parent was renamed CDW Corporation.

Unless otherwise indicated or the context otherwise requires, the terms we, us, the Company, our, CDW and similar terms refer to Parent a subsidiaries subsequent to the Acquisition, and, for periods prior to October 12, 2007, Target and its subsidiaries.

Accompanying Financial Statements

Throughout management s discussion and analysis of financial condition and results of operations, data for all periods are derived from our consolidated financial statements included elsewhere in this prospectus, which include:

Unaudited Interim Financial Statements: the unaudited consolidated financial statements of the Successor as of and for the six months ended June 30, 2010 and 2009 (the Unaudited Interim Financial Statements);

Audited Financial Statements:

the audited consolidated financial statements of the Successor as of and for the years ended December 31, 2009 and 2008, and for the period October 12, 2007 to December 31, 2007 (the Successor Audited Financial Statements); and

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the audited consolidated financial statements of the Predecessor as of October 11, 2007 and for the period January 1, 2007 to October 11, 2007 (the Predecessor Audited Financial Statements).

Effects of the Acquisition on our Financial Statements

Purchase Accounting

We accounted for the Acquisition using the purchase method of accounting. As a result, assets acquired and liabilities assumed were recorded based upon their respective fair values as of the date of the Acquisition. The excess of the purchase price over the identifiable net assets acquired was recorded as goodwill, which is not amortized for accounting purposes but is subject to testing for impairment at least annually. The allocation of the purchase price of the assets acquired in the Acquisition resulted in an increase in amortization and depreciation expense relating to our acquired intangible assets and a step-up in the recorded amount of fixed assets. Depreciation and amortization are recorded over the estimated useful lives of the related fixed and intangible assets. See Note 4 to the Successor Audited Financial Statements for details on our allocation of the purchase price.

Increased Leverage

Our capitalization, liquidity, and capital resources changed substantially upon the completion of the Acquisition Transactions. Upon our assumption of the Senior Credit Facilities and Bridge Loans, we became highly leveraged with significant debt service requirements. Our substantial indebtedness may limit our flexibility in planning for, or reacting to, changes in our business and future business opportunities because a substantial portion of our cash flows from operations must be dedicated to the repayment of our indebtedness, and this may place us at a competitive disadvantage as many of our competitors are less leveraged. Our leverage may make us more vulnerable to a downturn in our business, industry or the economy in general. See Risk Factors Risk Factors Related to the Exchange Notes.

Aggregated Financial Results of the Predecessor and Successor

In accordance with accounting principles generally accepted in the United States of America (GAAP), we have separated our historical financial results for Predecessor and Successor. The separate presentation is required under GAAP as a result of the Acquisition because the consolidated financial statements of Predecessor prior to the Acquisition are presented on a different accounting basis than the consolidated financial statements of Successor subsequent to the Acquisition. In accordance with GAAP, the assets and liabilities of Successor were recorded at their estimated fair values as of the date of the Acquisition. The purchase price allocation resulted in significant changes to our balance sheet accounts, including property and equipment, goodwill, intangible assets, liabilities and shareholders equity. In addition, due to the Acquisition Transactions as described in Note 3 to the Successor Audited Financial Statements, we experienced other changes in our results of operations for the period subsequent to the Acquisition. These changes included increased amortization and depreciation expense as discussed above due to the allocation of purchase price, and interest expense related to the debt obligations. There were no material changes to the underlying operations or customer relationships of our business as a result of the Acquisition.

For purposes of management s discussion and analysis of the results of operations in this prospectus, we aggregated the results of operations for the period from January 1, 2007 to October 11, 2007 of Predecessor with the period from October 12, 2007 to December 31, 2007 of Successor. We believe the aggregated results of operations for the year ended December 31, 2007 provide a more meaningful perspective on our financial and operational performance than if we did not aggregate the results of operations of Predecessor and Successor in this manner. Similarly, we aggregated the financial results of Predecessor and Successor when discussing segment information for the year ended December 31, 2007.

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The aggregated results of operations are non-GAAP financial measures, do not include any pro forma assumptions or adjustments, and should not be used in isolation or substitution of the results of operations of Predecessor and Successor for 2007. The following table presents an aggregating schedule of our results of operations for periods allocable to Successor and Predecessor and the aggregated presentation for the year ended December 31, 2007 that we use throughout the discussion of results from operations:

(in millions)	Predecessor Period from January 1, 2007 to October 11, 2007	Successor Period from October 12, 2007 to December 31, 2007	Aggregated Year Ended December 31, 2007
Net sales	$ 6,344.3	$ 1,800.2	$ 8,144.5
Cost of sales	5,320.8	1,505.8	6,826.6
Gross profit	1,023.5	294.4	1,317.9
Selling and administrative expenses (1)	656.0	221.8	877.8
Advertising expense	97.3	27.0	124.3
Income from operations	270.2	45.6	315.8
Interest income (expense), net	16.8	(104.6)	(87.8)
Other income (expense), net	(0.6)	0.2	(0.4)
Income (loss) before income taxes	286.4	(58.8)	227.6
Income tax benefit (expense)	(112.1)	18.5	(93.6)
Net income (loss)	$ 174.3	$ (40.3)	$ 134.0

(1) Selling and administrative expenses included non-recurring expenses of $144.4 million, $26.7 million, and $171.1 million in Predecessor, Successor, and Aggregated 2007, respectively, related to the Acquisition.

We have included a reconciliation of EBITDA and Adjusted EBITDA in the table below. EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. Adjusted EBITDA, which is a measure defined in our Senior Credit Facilities, means EBITDA adjusted for certain items which are described in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company s performance, financial position, or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows, including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our Senior Credit Facilities. The following table presents an aggregating schedule of EBITDA and Adjusted EBITDA for periods allocable to Successor and Predecessor and the aggregated presentation for the year ended December 31, 2007 that we use throughout the discussion of results from operations. See Selected Historical Consolidated Financial and Operating Data for a reconciliation of EBITDA to cash flows from operating activities.

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(in millions)	Predecessor Period from January 1, 2007 to October 11, 2007	Successor Period from October 12, 2007 to December 31, 2007	Aggregated Year Ended December 31, 2007
Net income (loss)	$ 174.3	$ (40.3)	$ 134.0
Depreciation and amortization	33.7	46.3	80.0
Income tax (benefit) expense	112.1	(18.5)	93.6
Interest (income) expense, net	(16.8)	104.6	87.8
EBITDA	303.3	92.1	395.4
Adjustments:			
Non-cash equity-based compensation	7.5	4.2	11.7
Acquisition-related costs (1)	144.4	26.7	171.1
Sponsor fee		2.0	2.0
Other adjustments (2)	1.7		1.7
Total adjustments	153.6	32.9	186.5
Adjusted EBITDA	$ 456.9	$ 125.0	$ 581.9

(1) Non-cash equity-based compensation expense of $25.3 million related to the Acquisition is included in Acquisition-related costs in the Predecessor period.
(2) Other adjustments include payroll taxes on share-based compensation.

Results of Operations

Six Months Ended June 30, 2010 Compared to Six Months Ended June 30, 2009

The following table presents our results of operations, in dollars and as a percentage of net sales, for the six months ended June 30, 2010 and 2009:

	Six Months Ended June 30, 2010		Six Months Ended June 30, 2009	
	Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales
Net sales	$ 4,157.4	100.0%	$ 3,234.7	100.0%
Cost of sales	3,491.7	84.0	2,705.7	83.6
Gross profit	665.7	16.0	529.0	16.4
Selling and administrative expenses	454.0	10.9	396.1	12.2
Advertising expense	44.8	1.1	51.9	1.7
Goodwill impairment			235.0	7.3
Income (loss) from operations	166.9	4.0	(154.0)	(4.8)
Interest expense, net	(183.5)	(4.4)	(209.1)	(6.5)
Gain on extinguishment of long-term debt	9.2	0.2		
Other income, net	0.1		2.3	0.1
Loss before income taxes	(7.3)	(0.2)	(360.8)	(11.2)
Income tax benefit	2.5	0.1	49.7	1.6

Net loss	$	(4.8)	(0.1)%	$	(311.1)	(9.6)%

Net sales

The following table presents our net sales by segment, in dollars and as a percentage of total net sales, and the year-over-year percentage change in net sales for the six months ended June 30, 2010 and 2009:

	Six Months Ended June 30, 2010		Six Months Ended June 30, 2009		
	Dollars in Millions	**Percentage of Net Sales**	**Dollars in Millions**	**Percentage of Net Sales**	**Percent Change (1)**
Corporate	$ 2,310.1	55.6%	$ 1,795.4	55.5%	28.7%
Public	1,651.2	39.7	1,297.1	40.1	27.3
Other	196.1	4.7	142.2	4.4	37.8
Total net sales	$ 4,157.4	100.0%	$ 3,234.7	100.0%	28.5%

(1) There were 127 selling days in both the six months ended June 30, 2010 and 2009.

The following table presents our net sales by customer channel for our Corporate and Public segments and the dollar and percentage change between periods in net sales for the six months ended June 30, 2010 and 2009:

	Six Months Ended June 30,			
(in millions)	**2010**	**2009**	**Dollar Change**	**Percent Change**
Corporate:				
Medium / Large	$ 1,857.6	$ 1,404.4	$ 453.2	32.3%
Small Business	452.5	391.0	61.5	15.7
Total Corporate	$ 2,310.1	$ 1,795.4	$ 514.7	28.7%
Public:				
Government	$ 623.6	$ 483.0	$ 140.6	29.1%
Education	565.9	479.7	86.2	18.0
Healthcare	461.7	334.4	127.3	38.1
Total Public	$ 1,651.2	$ 1,297.1	$ 354.1	27.3%

Total net sales for the six months ended June 30, 2010 increased $922.7 million, or 28.5%, to $4,157.4 million, compared to $3,234.7 million for the six months ended June 30, 2009. There were 127 selling days in both the six months ended June 30, 2010 and 2009. The increase in total net sales was the result of general growth and increased demand in the information technology industry overall, in addition to our focus on growing our market share. The most significant driver of sales growth for the six months ended June 30, 2010 was the rebound by our Corporate segment, which was most significantly impacted by the recent economic downturn.

Corporate segment net sales for the six months ended June 30, 2010 increased $514.7 million, or 28.7%, compared to the six months ended June 30, 2009. Within our Corporate segment, net sales to medium / large customers increased 32.3% between periods, while net sales to small business customers increased 15.7%. Public segment net sales for the six months ended June 30, 2010 increased $354.1 million, or 27.3%, between periods driven by growth across all customer channels. Within our Public segment, net sales to government customers increased $140.6 million, or 29.1%, between periods driven by net sales to federal customers, and to a lesser extent, state and local governments. Net sales to healthcare customers increased $127.3 million, or 38.1%, between periods driven by volume increases and additional sales from an expanded relationship with a group purchasing organization beginning in the fourth quarter of 2009.

Gross profit

Gross profit increased $136.7 million, or 25.8%, to $665.7 million for the six months ended June 30, 2010, compared to $529.0 million for the six months ended June 30, 2009, driven by increased hardware sales which reflected both unit growth and favorable price/mix. As a percentage of total net sales, gross profit was 16.0% for the six months ended June 30, 2010, down from 16.4% for the six months ended June 30, 2009. The decrease in gross profit margin between periods was primarily due to lower product margin driven by competitive pricing pressures.

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The gross profit margin may fluctuate based on various factors, including vendor incentive and inventory price protection programs, cooperative advertising funds classified as a reduction of cost of sales, product mix, net service contract revenue, commission revenue, pricing strategies, market conditions, and other factors, any of which could result in changes in gross profit margins.

Selling and administrative expenses

Selling and administrative expenses increased $57.9 million, or 14.6%, to $454.0 million for the six months ended June 30, 2010, compared to $396.1 million for the six months ended June 30, 2009. The increase was primarily due to higher payroll costs of $52.9 million as a result of higher sales compensation and increases in other variable compensation costs such as incentive bonuses consistent with higher sales and gross profit. In addition to an increase in payroll-related costs, we expensed an incremental $11.6 million for profit sharing/401(k) costs for the six months ended June 30, 2010 compared to the prior period. The six months ended June 30, 2009 included a $6.8 million benefit from the reversal of a profit sharing/401(k) contribution previously accrued in 2008. We continue to cautiously make selective investments in our coworkers as our outlook improves. Our sales force increased slightly to 3,360 coworkers at June 30, 2010, compared to 3,312 coworkers at June 30, 2009. The increases in selling and administrative expenses noted above were partially offset by lower depreciation expense of $4.3 million and lower bad debt expense of $4.9 million for the six months ended June 30, 2010 compared to the same period in 2009.

Advertising expense

Advertising expense decreased $7.1 million, or 13.6%, to $44.8 million for the six months ended June 30, 2010, compared to $51.9 million for the six months ended June 30, 2009. As a percentage of net sales, advertising expense decreased to 1.1% for the six months ended June 30, 2010, compared to 1.7% for the same period in 2009. This decrease was primarily due to lower national advertising, as well as lower spending on catalog and direct mail.

Goodwill impairment

Deterioration in macroeconomic conditions and the overall decline in our net sales during the first half of 2009 indicated that it was more likely than not that the fair value of certain of our reporting units was reduced to below the respective carrying amount. We considered this a triggering event under GAAP and performed an interim evaluation of goodwill as of June 1, 2009. As a result of that goodwill impairment evaluation, we recorded a goodwill impairment charge of $235.0 million in the second quarter of 2009. This charge was comprised of $207.0 million for our Corporate segment, or 14% of the total goodwill for that segment, and $28.0 million for the CDW advanced services business, or 38% of the total goodwill for that operating segment.

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Income (loss) from operations

The following table presents income (loss) from operations by segment, in dollars and as a percentage of net sales, and the year-over-year percentage change in income (loss) from operations for the six months ended June 30, 2010 and 2009:

	Six Months Ended June 30, 2010		Six Months Ended June 30, 2009		
	Dollars in Millions	Operating Margin Percentage	Dollars in Millions	Operating Margin Percentage	Percent Change
Segments: (1)					
Corporate	$ 125.4	5.4%	$ (137.5)	(7.7)%	191.2%
Public	89.2	5.4	54.3	4.2	64.3
Other	7.0	3.6	(25.5)	(17.9)	127.4
Headquarters (2)	(54.7)	N/A	(45.3)	N/A	(20.7)
Total income (loss) from operations	$ 166.9	4.0%	$ (154.0)	(4.8)%	208.3%
Goodwill impairment included in loss from operations:					
Corporate	$	%	$ (207.0)	(11.5)%	N/A
Public					N/A
Other			(28.0)	(19.7)	N/A
Total goodwill impairment	$	%	$ (235.0)	(7.3)%	N/A

(1) Segment income (loss) from operations includes the segment s direct operating income (loss) and allocations for Headquarters costs, allocations for logistics services, certain inventory adjustments and volume rebates and cooperative advertising from vendors.

(2) Includes Headquarters function costs that are not allocated to the segments.

Income from operations was $166.9 million for the six months ended June 30, 2010, an increase of $320.9 million compared to a loss from operations of $154.0 million for the six months ended June 30, 2009. This increase was primarily due to the prior period containing the previously discussed goodwill impairment charge of $235.0 million. Excluding the goodwill impairment charge, operating income increased $85.9 million, or 106.0%, for the six months ended June 30, 2010, compared to the six months ended June 30, 2009. This increase was driven by higher net sales and gross profit dollars, partially offset by higher selling and administrative expenses, although we continued to contain our selling and administrative expenses through tight cost control.

Corporate segment income from operations was $125.4 million for the six months ended June 30, 2010, an increase of $262.9 million, or 191.2%, compared to a loss from operations of $137.5 million for the six months ended June 30, 2009. The operating loss for the six months ended June 30, 2009 was due to the goodwill impairment charge of $207.0 million. Excluding the goodwill impairment charge, Corporate segment income from operations increased $55.9 million, or 80.4%, between periods. Public segment income from operations was $89.2 million for the six months ended June 30, 2010, an increase of $34.9 million, or 64.3%, compared to $54.3 million for the six months ended June 30, 2009. The increase in income from operations for both our Corporate and Public segments reflected higher net sales and gross profit dollars, while we continued to control selling and administrative expenses. The increase in the loss from operations of Headquarters between periods reflected additional investments in coworkers primarily for profit sharing and incentive compensation.

Interest expense, net

At June 30, 2010, our outstanding long-term debt, excluding capital leases, totaled $4,361.6 million. Net interest expense for the six months ended June 30, 2010 was $183.5 million, compared to $209.1 million for the six months ended June 30, 2009. The decrease in interest expense was primarily due to the net non-cash gain of $25.9 million recognized in earnings related to hedge ineffectiveness on the $1,500.0 million interest rate swap as described in Note 6 to the Unaudited Interim Financial Statements. For the interest period from October 15, 2009 through April 14, 2010, we elected to defer interest payments on the $300.0 million principal amount of loans under our Amended and Restated Senior

Bridge Loan Agreement under which we may elect to pay PIK Interest, and to add the deferred interest to the principal balance so that the deferred interest, together with the principal, would be due at maturity of such loans. The principal amount of these senior loans, all of which have subsequently been exchanged for Outstanding Senior PIK Election Notes, increased by approximately $17.0 million on April 15, 2010 and we will incur incremental

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interest expense of approximately $10.7 million over the remaining term as a result of this election. In March 2010, we elected to pay all interest in cash for the interest period from April 15, 2010 through October 14, 2010 on both our loans under the Amended and Restated Senior Bridge Loan Agreement under which we may elect to pay PIK Interest and the Outstanding Senior PIK Election Notes.

Gain on extinguishment of long-term debt

On March 10, 2010, one of our wholly owned subsidiaries purchased $28.5 million of principal amount of loans under our Amended and Restated Senior Subordinated Bridge Loan Agreement for a purchase price of $18.6 million. Since this transaction involved two members of the same consolidated group, our consolidated financial statements reflect the accounting for the transaction as if CDW LLC had acquired its own debt. As such, for purposes of financial reporting in our consolidated financial statements, this debt is accounted for as if extinguished, and we recorded a gain of $9.2 million on the extinguishment in our consolidated statement of operations during the first quarter of 2010. The gain represents the difference between the purchase price, including expenses paid to the debt holders and agent, and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

Income tax benefit

The income tax benefit was $2.5 million for the six months ended June 30, 2010, compared to $49.7 million for the same period of the prior year. The effective income tax rate, expressed by calculating the income tax benefit as a percentage of loss before income taxes, was 34.8% for the six months ended June 30, 2010. This rate differs from the rate of 13.8% for the six months ended June 30, 2009 primarily due to the nondeductible nature of the goodwill impairment charge in that period.

Net loss

The net loss was $4.8 million for the six months ended June 30, 2010, compared to a net loss of $311.1 million for the six months ended June 30, 2009.

Adjusted EBITDA

Adjusted EBITDA was $292.3 million for the six months ended June 30, 2010, an increase of $82.4 million, or 39.3%, compared to $209.9 million for the six months ended June 30, 2009. As a percentage of net sales, Adjusted EBITDA was 7.0% for the six months ended June 30, 2010, compared to 6.5% for the same period of 2009.

We have included a reconciliation of EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 and 2009 in the table below. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA, which is a measure defined in our Senior Credit Facilities, means EBITDA adjusted for certain items which are described in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company s performance, financial position, or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures, and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our Senior Credit Facilities. See Selected Historical Consolidated Financial and Operating Data for a reconciliation of EBITDA to cash flows from operating activities.

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(in millions)	Six Months Ended June 30, 2010	2009
Net loss	$ (4.8)	$ (311.1)
Depreciation and amortization	105.1	109.9
Income tax benefit	(2.5)	(49.7)
Interest expense, net	183.5	209.1
EBITDA	281.3	(41.8)
Adjustments:		
Goodwill impairment		235.0
Non-cash equity-based compensation	8.4	8.2
Sponsor fee	2.5	2.5
Consulting and debt-related professional fees	5.0	6.8
Gain on extinguishment of long-term debt	(9.2)	
Other adjustments (1)	4.3	(0.8)
Total adjustments	11.0	251.7
Adjusted EBITDA	$ 292.3	$ 209.9

(1) Other adjustments include certain severance and retention costs, equity investment gains and losses and the gain related to the sale of Informacast software and equipment in 2009.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

The following table presents our results of operations, in dollars and as a percentage of net sales, for the years ended December 31, 2009 and 2008:

	Year Ended December 31, 2009		Year Ended December 31, 2008	
	Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales
Net sales	$ 7,162.6	100.0%	$ 8,071.2	100.0%
Cost of sales	6,029.7	84.2	6,710.2	83.1
Gross profit	1,132.9	15.8	1,361.0	16.9
Selling and administrative expenses	821.1	11.4	894.8	11.1
Advertising expense	101.9	1.4	141.3	1.8
Goodwill impairment	241.8	3.4	1,712.0	21.2
Loss from operations	(31.9)	(0.4)	(1,387.1)	(17.2)
Interest expense, net	(431.7)	(6.0)	(390.3)	(4.8)
Other income, net	2.4		0.2	
Loss before income taxes	(461.2)	(6.4)	(1,777.2)	(22.0)
Income tax benefit	87.8	1.2	12.1	0.1
Net loss	$ (373.4)	(5.2)%	$ (1,765.1)	(21.9)%

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Net sales

The following table presents our net sales by segment, in dollars and as a percentage of total net sales, and the year-over-year percentage change in net sales for the years ended December 31, 2009 and 2008:

	Year Ended December 31, 2009		Year Ended December 31, 2008		
	Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales	Percent Change (1)
Corporate	$ 3,818.2	53.3%	$ 4,852.2	60.1%	(21.3)%
Public	3,035.5	42.4	2,894.7	35.9	4.9
Other	308.9	4.3	324.3	4.0	(4.7)
Total net sales	$ 7,162.6	100.0%	$ 8,071.2	100.0%	(11.3)%

(1) There were 254 selling days in 2009, compared to 255 selling days in 2008. On an average daily basis, total net sales decreased 10.9%.

The following table presents our net sales by customer channel for our Corporate and Public segments and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2009 and 2008:

	Years Ended December 31,			
(in millions)	2009	2008	Dollar Change	Percent Change
Corporate:				
Medium / Large	$ 3,014.8	$ 3,898.6	$ (883.8)	(22.7)%
Small Business	803.4	953.6	(150.2)	(15.7)
Total Corporate	$ 3,818.2	$ 4,852.2	$ (1,034.0)	(21.3)%
Public:				
Government	$ 1,270.7	$ 1,114.7	$ 156.0	14.0%
Education	1,040.5	1,034.7	5.8	0.6
Healthcare	724.3	745.3	(21.0)	(2.8)
Total Public	$ 3,035.5	$ 2,894.7	$ 140.8	4.9%

Total net sales in 2009 decreased $908.6 million, or 11.3%, to $7,162.6 million, compared to $8,071.2 million in 2008. There were 254 selling days in 2009, compared to 255 selling days in 2008. On an average daily basis, total net sales decreased 10.9%. The decline in total net sales between years was primarily the result of soft demand within our Corporate segment due to the general economic conditions that existed in the United States. On a sequential quarterly basis, the year-over-year percentage decline in total net sales lessened each quarter as we progressed through the first three quarters of 2009, and we experienced modest net sales growth of 1.7% for the fourth quarter of 2009.

Corporate segment net sales in 2009 decreased $1,034.0 million, or 21.3%, compared to 2008. Within our Corporate segment, net sales to our medium / large customers decreased 22.7% between years, while net sales to our small business customers decreased at a lesser rate of 15.7%. The decline in Corporate segment net sales was the result of overall weak customer demand as hardware sales in particular succumbed to a widespread recession beginning in late 2008. Public segment net sales in 2009 increased $140.8 million between years, or 4.9%, almost entirely due to sales growth within our government channel. The increase in government net sales was driven by an increase in large orders (defined to be in excess of $100,000) to our federal customers.

Gross profit

Gross profit decreased $228.1 million, or 16.8%, to $1,132.9 million in 2009, compared to $1,361.0 million in 2008. This decrease was driven by a decline in hardware sales which reflected both lower volumes and unfavorable changes in price/mix. As a percentage of net sales, gross profit was 15.8% in 2009, compared to 16.9% in 2008. The decrease in gross profit margin between years was driven by lower product margin and, to a lesser extent, lower cooperative advertising from vendors as a percentage of net sales. The decline in product margin was driven by competitive pressures in the marketplace. Product margin also generally declines as the proportion of Public segment net sales to total net sales increases. On a sequential quarterly basis, gross profit margin declined each quarter as we progressed through the first three quarters of 2009, and moderated at 15.4% in the fourth quarter of 2009.

Selling and administrative expenses

Selling and administrative expenses decreased $73.7 million, or 8.2%, to $821.1 million in 2009, compared to $894.8 million in 2008. This was driven by a decrease of $61.7 million in payroll costs that resulted primarily from lower sales commissions and lower other variable incentive compensation, as well as a decrease in the number of sales and non-sales coworkers. Our sales force decreased to 3,307 coworkers at December 31, 2009, compared to 3,593 coworkers at December 31, 2008. In addition to implementing cost saving actions such as cancelling certain merit compensation increases and suspending the 401(k) match for 2009, we eliminated approximately 200 coworkers in mostly non-sales force positions in January 2009. Selling and administrative expenses in 2009 also reflected reduced profit sharing/401(k) expense. For 2008, the amount charged to expense for the profit sharing/401(k) plan totaled $11.9 million. Of this amount, we reversed $8.0 million to income in the second quarter of 2009, as the payout of this amount was partially based upon certain financial objectives in 2009 that were not achieved. This reversal was partially offset by $6.4 million of plan expense recorded in 2009, resulting in a net credit of $1.6 million attributed to the profit sharing/401(k) plan for 2009. These decreases were partially offset by an increase of $9.9 million in consulting and advisory fees and expenses in 2009 compared to 2008.

Advertising expense

Advertising expense decreased $39.4 million, or 27.9%, to $101.9 million in 2009, compared to $141.3 million in 2008. As a percentage of net sales, advertising expense decreased to 1.4% in 2009, compared to 1.8% in 2008. The decrease in advertising expense was primarily the result of less national TV and magazine advertising.

Goodwill impairment

We recorded goodwill impairment charges of $241.8 million in 2009 and $1,712.0 million in 2008. Deterioration in macroeconomic conditions and the overall decline in our net sales during the first half of 2009 indicated that it was more likely than not that the fair value of certain of our reporting units was reduced to below the respective carrying amount. We considered this a triggering event under GAAP and performed an interim evaluation of goodwill as of June 1, 2009. As a result of that goodwill impairment evaluation, we recorded a goodwill impairment charge of $235.0 million in the second quarter of 2009. This charge was comprised of $207.0 million for our Corporate segment and $28.0 million for the CDW advanced services business. For financial reporting purposes, the CDW advanced services business is combined with Canada and shown as Other. We performed our annual evaluation of goodwill for 2009 as of December 1. Our Public segment, Canada and the CDW advanced services business reporting units passed the first step of the goodwill evaluation (with the fair value exceeding the carrying value by 9%, 30%, and 35%, respectively) while our Corporate segment reporting unit did not pass the first step. Accordingly, we performed the second step of the goodwill evaluation for our Corporate segment reporting unit, the results of which did not require us to record an impairment charge as the implied fair value of goodwill of this reporting unit exceeded the carrying value of goodwill by 10%.

In addition to the goodwill evaluations noted above, we recorded an adjustment of $6.8 million to goodwill in the fourth quarter of 2009 to correct errors in accounting for certain trade credits for periods prior to the Acquisition and expensed the $6.8 million in the fourth quarter of 2009 as an impairment charge. See Note 6 to the Successor Audited Financial Statements for further information on our adjustment to correct the accounting for trade credits. The goodwill balances at December 31, 2009 for our Corporate, Public and Other segments were $1,223.0 million, $907.3 million and $77.1 million, respectively.

The total goodwill impairment charge of $1,712.0 million in 2008 was comprised of $1,359.0 million for our Corporate segment and $353.0 million for our Public segment, and was primarily the result of deteriorating macroeconomic conditions during the fourth quarter of 2008. See Note 6 to the Successor Audited Financial Statements for further information on goodwill and the related impairment charges. The goodwill balances at December 31, 2008 for our Corporate, Public and Other segments were $1,430.0 million, $907.3 million and $104.7 million, respectively.

Loss from operations

The following table presents loss from operations by segment, in dollars and as a percentage of net sales, and the year-over-year percentage change in loss from operations for the years ended December 31, 2009 and 2008:

	Year Ended December 31, 2009		Year Ended December 31, 2008		
	Dollars in Millions	Operating Margin Percentage	Dollars in Millions	Operating Margin Percentage	Percent Change
Segments: (1)					
Corporate	$ (56.7)	(1.5)%	$ (1,104.2)	(22.8)%	94.9%
Public	150.7	5.0	(216.4)	(7.5)	169.6
Other	(23.2)	(7.5)	10.2	3.1	(328.2)
Headquarters (2)	(102.7)	N/A	(76.7)	N/A	(34.0)
Total loss from operations	$ (31.9)	(0.4)%	$ (1,387.1)	(17.2)%	97.7%
Goodwill impairment included in loss from operations:					
Corporate	$ (212.4)	(5.6)%	$ (1,359.0)	(28.0)%	84.4%
Public	(1.1)		(353.0)	(12.2)	99.7
Other	(28.3)	(9.2)			N/A
Total goodwill impairment	$ (241.8)	(3.4)%	$ (1,712.0)	(21.2)%	85.9%

(1) Segment loss from operations includes the segment s direct operating income (loss) and allocations for Headquarters costs, allocations for logistics services, certain inventory adjustments and volume rebates and cooperative advertising from vendors.

(2) Includes Headquarters function costs that are not allocated to the segments.

The loss from operations was $31.9 million in 2009, compared to a loss of $1,387.1 million in 2008. The operating losses were due to the previously discussed goodwill impairment charges of $241.8 million in 2009 and $1,712.0 million in 2008. Excluding goodwill impairment charges, operating income decreased $115.0 million, or 35.4%, in 2009 compared to 2008. This decrease was driven by lower gross profit from lower margins on the 11.3% net sales decline for 2009 due to the economic slowdown, partially offset by reduced advertising costs and lower selling and administrative expenses as a result of our overall cost savings strategy.

Corporate segment loss from operations was $56.7 million in 2009, compared to $1,104.2 million in 2008. The operating losses were due to the goodwill impairment charges of $212.4 million in 2009 and $1,359.0 million in 2008. Excluding goodwill impairment charges, operating income decreased $99.1 million, or 38.9%, in 2009 compared to 2008. Our Corporate segment was most significantly impacted by the economic slowdown as ensuing competitive pricing pressures resulted in lower margins on the 21.3% net sales decline for 2009. This was partially offset by lower selling and administrative expenses, mainly payroll costs for our sales force that resulted from reduced commissions and lower other variable incentive compensation and a lower number of sales coworkers.

Public segment income from operations was $150.7 million in 2009, compared to a loss from operations of $216.4 million in 2008. Public segment goodwill impairment charges were $1.1 million in 2009 and $353.0 million in 2008. Excluding goodwill impairment charges, income from operations increased $15.2 million, or 11.2%, in 2009 compared to 2008. While pricing pressures and an increase in low margin large orders for our Public segment resulted in lower gross profit between years, this impact was largely offset by reduced selling and administrative expenses. Our Public segment income from operations benefited in 2009 from an increase of $15.3 million in income allocations from our logistics operations compared to 2008. This allocation was primarily based on our Public segment s proportionate share of total net sales, which increased between years.

The loss from operations within our Other segment was $23.2 million in 2009, compared to income from operations of $10.2 million in 2008. The operating loss for 2009 was a result of the goodwill impairment charge of $28.3 million for the CDW advanced services business.

The loss from operations for our Headquarters function of $102.7 million in 2009 was $26.0 million higher than the loss of $76.7 million in 2008. The incremental loss of $26.0 million in 2009 reflected an increase in costs of $5.0 million and lower intercompany allocations to the segments of $21.0 million compared to 2008. The $5.0 million cost increase in 2009 was primarily due to an increase of $9.9 million in consulting and advisory fees and expenses previously discussed and $5.3 million of higher occupancy expenses related to sales office expansion, partially offset by reductions in other areas as a result of cost savings actions.

Interest expense, net

At December 31, 2009, our outstanding long-term debt, excluding capital leases, totaled $4,620.4 million. Net interest expense in 2009 was $431.7 million, compared to $390.3 million in 2008. The increase in interest expense was primarily due to increasing interest rates under the Amended and Restated Bridge Loans. This increase was partially offset by lower interest rates under the senior secured revolving credit facility, which is based on LIBOR. For interest periods beginning prior to October 15, 2009, we had made all interest payments in cash. For the interest period from October 15, 2009 through April 14, 2010, we elected to defer interest payments on the $300.0 million principal amount of loans under our Amended and Restated Senior Bridge Loan Agreement under which we may elect to pay PIK Interest, and to add the deferred interest to the principal balance so that the deferred interest, together with the principal, would be due at maturity of such loans. The principal amount on the loans, all of which have subsequently been exchanged for Outstanding Senior PIK Election Notes, increased by approximately $17.0 million on April 15, 2010, and we will incur incremental interest expense of approximately $10.7 million over the remaining term as a result.

Income tax benefit

The income tax benefit was $87.8 million in 2009 compared to $12.1 million in 2008. The effective income tax rate, expressed by calculating the income tax benefit as a percentage of loss before income taxes, was 19.0% in 2009. This rate differs from the rate of 0.7% in 2008 primarily due to the nondeductible nature of the goodwill impairment charges of $241.8 million and $1,712.0 million in 2009 and 2008, respectively. The effective income tax rate was also lower in 2008 due to adjustments to deferred state income taxes primarily to reflect a change in tax filing status of one of our subsidiaries and tax expense in certain jurisdictions where various subsidiaries were taxable.

Net loss

Net loss was $373.4 million in 2009, compared to $1,765.1 million in 2008. The year-over-year change was primarily due to the impairment charges discussed above.

Adjusted EBITDA

Adjusted EBITDA was $465.4 million in 2009, a decrease of $105.2 million, or 18.4%, from $570.6 million in 2008. As a percentage of net sales, Adjusted EBITDA was 6.5% in 2009, compared to 7.1% in 2008.

We have included a reconciliation of EBITDA and Adjusted EBITDA for 2009 and 2008 in the table below. EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. Adjusted EBITDA, which is a measure defined in our Senior Credit Facilities, means EBITDA adjusted for certain items which are described in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company s performance, financial position, or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows, including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our Senior Credit Facilities. See Selected Historical Consolidated Financial and Operating Data for a reconciliation of EBITDA to cash flows from operating activities.

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(in millions)	Year Ended December 31, 2009	2008
Net loss	$ (373.4)	$ (1,765.1)
Depreciation and amortization	218.2	218.4
Income tax benefit	(87.8)	(12.1)
Interest expense, net	431.7	390.3
EBITDA	188.7	(1,168.5)
Adjustments:		
Goodwill impairment	241.8	1,712.0
Non-cash equity-based compensation	15.9	17.8
Sponsor fee	5.0	5.0
Consulting and debt-related professional fees	14.7	4.3
Other adjustments (1)	(0.7)	
Total adjustments	276.7	1,739.1
Adjusted EBITDA	$ 465.4	$ 570.6

(1) Other adjustments include certain severance costs, and the gain related to the sale of the Informacast software and equipment in 2009.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007 (Aggregated)

The following table presents our results of operations, in dollars and as a percentage of net sales, for the years ended December 31, 2008 and 2007:

	Year Ended December 31, 2008		Aggregated Year Ended December 31, 2007 (1)	
	Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales
Net sales	$ 8,071.2	100.0%	$ 8,144.5	100.0%
Cost of sales	6,710.2	83.1	6,826.6	83.8
Gross profit	1,361.0	16.9	1,317.9	16.2
Selling and administrative expenses	894.8	11.1	877.8	10.8
Advertising expense	141.3	1.8	124.3	1.5
Goodwill impairment	1,712.0	21.2		
(Loss) income from operations	(1,387.1)	(17.2)	315.8	3.9
Interest expense, net	(390.3)	(4.8)	(87.8)	(1.1)
Other income (expense), net	0.2		(0.4)	
(Loss) income before income taxes	(1,777.2)	(22.0)	227.6	2.8
Income tax benefit (expense)	12.1	0.1	(93.6)	(1.1)
Net (loss) income	$ (1,765.1)	(21.9)%	$ 134.0	1.7%

(1) Our aggregated results for the year ended December 31, 2007 represent the addition of the Predecessor period from January 1, 2007 through October 11, 2007 and the Successor period from October 12, 2007 through December 31, 2007. This aggregation does not comply with GAAP or with the rules for pro forma presentation, but is presented because we believe it provides a more meaningful and relevant comparison of our results.

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Net sales

The following table presents our net sales by segment, in dollars and as a percentage of total net sales, and the year-over-year percentage change in net sales for the years ended December 31, 2008 and 2007:

	Year Ended December 31, 2008		Aggregated Year Ended December 31, 2007		
	Dollars in Millions	**Percentage of Net Sales**	**Dollars in Millions**	**Percentage of Net Sales**	**Percent Change (1)**
Corporate	$ 4,852.2	60.1%	$ 5,191.5	63.8%	(6.5)%
Public	2,894.7	35.9	2,674.1	32.8	8.2
Other	324.3	4.0	278.9	3.4	16.3
Total net sales	$ 8,071.2	100.0%	$ 8,144.5	100.0%	(0.9)%

(1) There were 255 selling days in 2008, compared to 254 selling days in 2007. On an average daily basis, total net sales decreased 1.3%.

The following table presents our net sales by customer channel for our Corporate and Public segments and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2008 and 2007:

	Years Ended December 31,			
(in millions)	**2008**	**Aggregated 2007**	**Dollar Change**	**Percent Change**
Corporate:				
Medium / Large	$ 3,898.6	$ 4,164.5	$ (265.9)	(6.4)%
Small Business	953.6	1,027.0	(73.4)	(7.1)
Total Corporate	$ 4,852.2	$ 5,191.5	$ (339.3)	(6.5)%
Public:				
Government	$ 1,114.7	$ 1,030.8	$ 83.9	8.1%
Education	1,034.7	966.5	68.2	7.1
Healthcare	745.3	676.8	68.5	10.1
Total Public	$ 2,894.7	$ 2,674.1	$ 220.6	8.2%

Total net sales in 2008 decreased $73.3 million, or 0.9%, to $8,071.2 million, compared to $8,144.5 million in 2007. There were 255 selling days in 2008, compared to 254 selling days in 2007. On an average daily basis, total net sales decreased 1.3%. The decline in total net sales was largely the result of soft demand within our Corporate segment due to the general economic conditions that existed in the United States.

Corporate segment net sales in 2008 decreased $339.3 million, or 6.5%, compared to 2007. Within our Corporate segment, net sales to our medium / large customers decreased 6.4% between years, while net sales to small business customers decreased 7.1%. The decline in Corporate segment net sales was the result of weakening customer demand as hardware sales in particular succumbed to a widespread recession beginning in late 2008. Public segment net sales in 2008 increased $220.6 million, or 8.2%, compared to 2007 driven by net sales growth in all of our Public segment customer channels.

Gross profit

Gross profit increased $43.2 million, or 3.3%, to $1,361.0 million in 2008, compared to $1,317.9 million in 2007. As a percentage of net sales, gross profit was 16.9% in 2008, compared to 16.2% in 2007. The gross profit margin was positively impacted by the mix of products and services sold during 2008, which included increases in net service contract revenue and commission revenue. In addition, slightly higher amounts of cooperative advertising funds were classified as a reduction of cost of sales.

Selling and administrative expenses

Selling and administrative expenses increased $17.0 million, or 1.9%, to $894.8 million in 2008, compared to $877.8 million in 2007 as a result of several factors, including the impact of the Acquisition. We incurred incremental amortization expense of $128.3 million for 2008 compared to 2007 related to intangible assets recorded as a result of the Acquisition. In addition, payroll costs increased $26.5 million from 2007 to 2008, primarily as a result of the continued investment in our sales force. Our sales force increased to 3,593 coworkers at December 31, 2008, compared to 3,172 coworkers at December 31, 2007. Other coworker-related costs, including health care and profit sharing/401(k) costs, increased $5.5 million from 2007 to 2008, primarily reflecting the increase in the number of coworkers we added to our sales force between years. Occupancy costs, including rent and depreciation expense, increased $14.1 million from 2007 to 2008, of which $9.8 million related to incremental depreciation expense as a result of the Acquisition step-up in the recorded value of fixed assets. Bad debt expense and sponsor fees increased $4.1 million and $3.0 million, respectively, from 2007 to 2008. The impact of these increases for 2008 was partially offset by $171.1 million of expenses incurred in 2007 related to the Acquisition that did not recur in 2008. These expenses included $55.4 million related to establishing the MPK Coworker Incentive Plan II, $17.4 million of contributions expense related to the MPK Coworker Incentive Plan II, $25.3 million of acquisition-related share-based compensation expense, and $73.0 million of other acquisition-related costs, which included financial advisory fees, professional fees and certain coworker-related costs.

Advertising expense

Advertising expense increased $17.1 million, or 13.8%, to $141.3 million in 2008, compared to $124.3 million in 2007. As a percentage of net sales, advertising expense increased to 1.8%, compared to 1.5% in 2007. This increase was primarily due to additional national advertising and sponsorships.

Goodwill impairment

We performed our annual impairment evaluation for goodwill as of October 1, 2008, which was within one year of the date of the Acquisition. Both our Corporate and Public segments failed the first step of the evaluation, and accordingly, we performed the second step to determine the amount of the goodwill impairment. Due to rapidly deteriorating macroeconomic conditions in the fourth quarter of 2008, we determined that a triggering event had occurred as of December 31, 2008 that required us to update our initial test. Accordingly, we recorded a total goodwill impairment charge of $1,712.0 million in the fourth quarter of 2008. This charge was comprised of $1,359.0 million for our Corporate segment and $353.0 million for our Public segment. See Note 6 to the Successor Audited Financial Statements for further information on goodwill. The goodwill balances at December 31, 2008 for our Corporate, Public and Other segments were $1,430.0 million, $907.3 million and $104.7 million, respectively. The goodwill balances at December 31, 2007 for our Corporate, Public and Other segments were $2,797.8 million, $1,263.2 million and $111.8 million, respectively.

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(Loss) income from operations

The following table presents (loss) income from operations by segment, in dollars and as a percentage of net sales, and the year-over-year percentage change in (loss) income from operations for the years ended December 31, 2008 and 2007:

	Year Ended December 31, 2008		Aggregated Year Ended December 31, 2007		
	Dollars in Millions	Operating Margin Percentage	Dollars in Millions	Operating Margin Percentage	Percent Change
Segments: (1)					
Corporate	$ (1,104.2)	(22.8)%	$ 386.6	7.4%	(385.6)%
Public	(216.4)	(7.5)	141.3	5.3	(253.1)
Other	10.2	3.1	2.3	0.8	347.8
Headquarters (2)	(76.7)	N/A	(214.4)	N/A	64.2
Total (loss) income from operations	$ (1,387.1)	(17.2)%	$ 315.8	3.9%	(539.3)%
Goodwill impairment included in loss from operations:					
Corporate	$ (1,359.0)	(28.0)%	$	%	N/A
Public	(353.0)	(12.2)			N/A
Other					N/A
Total goodwill impairment	$ (1,712.0)	(21.2)%	$	%	N/A

(1) Segment (loss) income from operations includes the segment s direct operating income (loss) and allocations for Headquarters costs, allocations for logistics services, certain inventory adjustments and volume rebates and cooperative advertising from vendors.

(2) Includes Headquarters function costs that are not allocated to the segments.

The loss from operations was $1,387.1 million in 2008, compared to income from operations of $315.8 million in 2007. The operating loss in 2008 was due to the previously discussed goodwill impairment charge of $1,712.0 million. Excluding the goodwill impairment charge, operating income increased $9.1 million, or 2.9%, from 2007 to 2008. While net sales decreased 0.9%, a higher gross profit margin based on a favorable mix of products and services sold resulted in an increase in gross profit from 2007 to 2008. The increase in gross profit was partially offset by increased advertising expense and slightly higher selling and administrative expenses.

Corporate segment loss from operations was $1,104.2 million in 2008, compared to income from operations of $386.6 million in 2007. The operating loss in 2008 was due to the goodwill impairment charge of $1,359.0 million. Excluding the goodwill impairment charge, operating income decreased $131.8 million, or 34.1%, from 2007 to 2008. This decrease was primarily due to incremental amortization expense of $67.6 million in 2008 related to the customer relationships intangible asset recorded as a result of the Acquisition. Other factors contributing to the decrease in operating income were a decrease in gross profit, as higher margins did not offset the 6.5% net sales decline, and an increase in payroll costs as a result of the investment in our sales force.

Public segment loss from operations was $216.4 million in 2008, compared to income from operations of $141.3 million in 2007. The operating loss in 2008 was due to the goodwill impairment charge of $353.0 million. Excluding the goodwill impairment charge, income from operations decreased $4.8 million, or 3.4%, from 2007 to 2008. Our Public segment incurred incremental amortization expense of $37.7 million in 2008 related to the customer relationships intangible asset recorded as a result of the Acquisition, and higher payroll costs, resulting from higher sales commissions and the investment in our sales force. Offsetting the majority of these cost increases was higher gross profit driven by the 8.2% increase in net sales and improved margins related to product mix.

The loss from operations for our Headquarters function was $76.7 million in 2008, compared to a loss from operations of $214.4 million in 2007. Included in the 2007 operating loss was $171.1 million of expenses related to the Acquisition that did not recur in 2008. In addition, included in the loss from operations in 2008 was higher depreciation and amortization expense of $24.5 million related to the step-up in fixed assets and intangible assets recorded as a result of the Acquisition.

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Interest expense, net

At December 31, 2008, our outstanding long-term debt, excluding capital leases, totaled $4,631.4 million. Net interest expense in 2008 was $390.3 million, compared to $87.8 million in 2007, as the debt obligations were not incurred until the date of the Acquisition. We had the option to defer interest payments on the $300.0 million principal amount of our loans under our Amended and Restated Senior Bridge Loan Agreement under which we may elect to pay PIK Interest and to add the deferred interest to the principal balance so that the deferred interest, together with the principal, would be due at maturity of such loans. During 2008, we chose to pay all interest in cash.

Income tax benefit (expense)

The income tax benefit was $12.1 million in 2008 compared to income tax expense of $93.6 million in 2007. The effective income tax rate, expressed as a percentage of income (loss) before income taxes, was 0.7% in 2008. This rate differs from the rate of 41.1% in 2007 primarily as a result of the non-deductible goodwill impairment charge recorded in 2008.

Net income (loss)

Net loss was $1,765.1 million in 2008, compared to net income of $134.0 million in 2007. This change was primarily due to the goodwill impairment charge in 2008 and the impact of the Acquisition which resulted in an increase in depreciation and amortization expense and higher net interest expense as described above.

Adjusted EBITDA

Adjusted EBITDA was $570.6 million for 2008, a decrease of $11.3 million, or 1.9%, from $581.9 million for 2007. As a percentage of net sales, Adjusted EBITDA was 7.1% for both years.

We have included a reconciliation of EBITDA and Adjusted EBITDA for 2008 and 2007 in the table below. EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. Adjusted EBITDA, which is a measure defined in our Senior Credit Facilities, means EBITDA adjusted for certain items which are described in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company s performance, financial position, or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA also provide helpful information with respect to our operating performance and cash flows, including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our Senior Credit Facilities. See Selected Historical Consolidated Financial and Operating Data for a reconciliation of EBITDA to cash flows from operating activities.

(in millions)	Year Ended December 31, 2008	2007 Aggregated
Net (loss) income	$ (1,765.1)	$ 134.0
Depreciation and amortization	218.4	80.0
Income tax (benefit) expense	(12.1)	93.6
Interest expense, net	390.3	87.8
EBITDA	(1,168.5)	395.4
Adjustments:		
Goodwill impairment	1,712.0	
Non-cash equity-based compensation	17.8	11.7
Sponsor fee	5.0	2.0
Consulting and debt-related professional fees	4.3	
Acquisition-related costs (1)		171.1
Other adjustments (2)		1.7
Total adjustments	1,739.1	186.5
Adjusted EBITDA	$ 570.6	$ 581.9

(1) Non-cash equity-based compensation expense of $25.3 million related to the Acquisition is included in Acquisition-related costs in 2007 Aggregated.

(2) Other adjustments include payroll taxes on share-based compensation.

Seasonality

While we have not historically experienced significant seasonality throughout the year, sales in our Corporate segment, which primarily serves business customers, are typically higher in the fourth quarter than in other quarters due to customers spending their remaining technology budget dollars at the end of the year. Additionally, sales in our Public segment have historically been higher in the third quarter than in other quarters primarily due to the buying patterns of the federal government.

Liquidity and Capital Resources

Overview

We finance our operations and capital expenditures through a combination of internally generated cash from operations and from borrowings under our senior secured revolving credit facility. We believe that our current sources of funds will be sufficient to fund our cash operating requirements for the next year. In addition, we believe that, in spite of the uncertainty of future macroeconomic conditions, we have adequate sources of liquidity and funding available to meet our longer-term needs. However, there are a number of factors that may negatively impact our available sources of funds. The amount of cash generated from operations will be dependent upon factors such as the successful execution of our business plan and general economic conditions.

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Cash Flows

Cash flows from operating, investing and financing activities were as follows:

	Successor					Predecessor
	Six Months Ended June 30,		Years Ended December 31,		Period from October 12, 2007 to December 31, 2007	Period from January 1, 2007 to October 11, 2007
(in millions)	2010	2009	2009	2008		
Net cash provided by (used in):						
Operating activities	$ 260.3	$ 299.4	$ 98.5	$ 174.2	$ (171.2)	$ 213.5
Investing activities	(55.8)	(25.3)	(82.6)	(60.3)	(6,399.6)	200.0
Financing activities	(266.2)	(4.7)	(22.8)	(34.6)	6,586.5	101.2
Effect of exchange rate changes on cash and cash equivalents	(0.2)	0.2	0.5	(0.5)	(0.1)	1.5
Net (decrease) increase in cash and cash equivalents	$ (61.9)	$ 269.6	$ (6.4)	$ 78.8	$ 15.6	$ 516.2

Operating Activities

Net cash provided by operating activities for the six months ended June 30, 2010 decreased $39.1 million compared to the same period for the prior year. This reduction was driven primarily by changes in our investment in working capital between periods. For the first six months of 2010, the reduction in net working capital, excluding cash and cash equivalents, was $166.1 million compared to a reduction in working capital of $248.3 million for the first six months of 2009. Our investment in working capital, excluding cash and cash equivalents, was higher at June 30, 2010 compared to the prior year primarily due to an increase in accounts receivable based on an increase of 28.5% in net sales for the first six months of 2010 compared to the same period of 2009, and an increase in days sales outstanding primarily within our Public segment. Partially offsetting this was an increase in accounts payable as of June 30, 2010 which reflected the build up to a normalized level of accounts payable following our taking advantage of early pay discounts as of the prior year end. Accounts payable also increased more significantly in the first six months of 2010 compared to the same period of the prior year to support the growth of the business and increased inventory levels. Net income as adjusted for non-cash items also increased $43.1 million between periods given the improved operating performance in 2010.

Net cash provided by operating activities for 2009 decreased $75.8 million compared to 2008. This decrease was the result of a $75.7 million decrease between years in net income as adjusted for non-cash items, as the 11.3% decline in net sales for 2009 led to lower earnings in 2009 compared to 2008. The impact of our investment in working capital on cash was essentially flat between years; however, there were significant changes in the relative levels of certain components. Accounts receivable increased $131.3 million during 2009 which reflected the fourth quarter 2009 increase in net sales of 1.7% between periods and an increase in days sales outstanding primarily for our Public segment. Accounts receivable decreased $116.7 million during 2008 primarily due to a fourth quarter 2008 decline in net sales of 9.4% between periods, reflecting the slowdown in the economy. Inventory levels similarly increased slightly during 2009 to support year-end sales growth and decreased $78.6 million during 2008 in response to the economic slowdown. Partially offsetting these factors were changes in accounts payable. Accounts payable increased $67.4 million during 2009 primarily as a result of lower early pay discounts taken than as of the previous year end. Accounts payable decreased $199.1 million during 2008 in response to lower inventory levels as sales declined and payments made to take advantage of incremental early pay discounts.

Net cash provided by operating activities for the period from January 1, 2007 through October 11, 2007 (Predecessor 2007) was $213.5 million. Net income as adjusted for non-cash items contributed $139.8 million to cash and changes in net working capital, excluding cash and cash equivalents, contributed $73.7 million to cash. Accounts receivable increased in Predecessor 2007 as a result of increased net sales during the period. A higher inventory balance was required to support this growth and contributed to the increase in accounts payable. The increase in accrued expenses was primarily due to liabilities recorded during the Predecessor 2007 period for Acquisition-related payments under the MPK Coworker Incentive Plan II. Net cash used in operating activities for the period from October 12, 2007 through December 31, 2007 (Successor 2007) was $171.2 million. Net income as

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adjusted for non-cash items contributed $11.1 million to cash and changes in working capital reduced cash by $182.3 million. The decrease in accounts payable was primarily due to the timing of payments. The decrease in accrued expenses was driven by Acquisition-related payments primarily related to the MPK Coworker Incentive Plan II and the payment of payroll taxes upon settlement of outstanding stock options, restricted stock and restricted stock unit grants.

In order to manage our working capital and operating cash needs, we monitor our cash conversion cycle, defined as days of sales outstanding in accounts receivable plus days of supply in inventory, less days of purchases outstanding in accounts payable. The following table presents the components of our cash conversion cycle (in days):

	June 30, 2010	June 30, 2009	December 31, 2009	December 31, 2008
Days of sales outstanding (DSO) (1)	43	40	46	44
Days of supply in inventory (DIO) (2)	14	15	15	15
Days of purchases outstanding (DPO) (3)	(25)	(24)	(20)	(20)
Cash conversion cycle	32	31	41	39

(1) Represents the rolling three month average of the balance of trade accounts receivable, net at the end of the period divided by average daily net sales. Also incorporates components of other miscellaneous receivables.
(2) Represents the rolling three month average of the balance of inventory at the end of the period divided by average daily cost of goods sold.
(3) Represents the rolling three month average of the balance of accounts payable, excluding cash overdrafts, at the end of the period divided by average daily cost of goods sold.

The Successor 2007 and Predecessor 2007 periods have been excluded from the table above, as these statistics are not meaningful due to the impact of the Acquisition.

The cash conversion cycle increased to 32 days at June 30, 2010 compared to 31 days at June 30, 2009. A three-day increase in DSO was primarily driven by higher federal government sales within the Public segment. This increase was partially offset by a one-day decrease in DIO and a one-day increase in DPO.

The cash conversion cycle increased from 39 days at December 31, 2008 to 41 days at December 31, 2009. The two-day increase was a result of an increase in DSO from 44 days to 46 days at December 31, 2008 and 2009, respectively. This increase in DSO was also primarily driven by higher federal government sales within the Public segment.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2010 increased $30.5 million compared to the same period of the prior year. This was primarily due to an increase of $17.2 million in cash payments under our interest rate swap agreements in the first six months of 2010, as a result of increases in the spread between the variable rate of the underlying debt and the fixed rate of the swap agreements. Capital expenditures were $10.5 million for the six months ended June 30, 2010 and $8.3 million for the six months ended June 30, 2009, primarily for improvements to our information technology systems during both periods. We made premium payments totaling $5.9 million during the six months ended June 30, 2010 for four forward-starting interest rate cap agreements. During the six months ended June 30, 2009, we received cash proceeds of $5.2 million from the sale of the Informacast assets as discussed in Note 11 to the Unaudited Interim Financial Statements.

Net cash used in investing activities for 2009 increased $22.3 million compared to 2008. An increase of $53.0 million in cash payments under our interest rate swap agreements in 2009 was partially offset by lower capital expenditures of $25.5 million in 2009 compared to 2008. The increase in cash payments under the swap agreements was primarily due to increases in the spread between the variable rate of the underlying debt and the fixed rate of the swap agreements. Capital expenditures were lower in 2009 as part of the overall focus on cost containment during 2009.

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Net cash provided by investing activities was $200.0 million for Predecessor 2007, reflecting net proceeds of $243.4 from redemptions and sales of marketable securities in connection with the Acquisition, partially offset by capital expenditures of $38.7 million and a final working capital adjustment payment of $4.7 million in early 2007 related to our acquisition of Berbee Information Networks Corporation in 2006. Net cash used in investing activities was $6,399.6 million for Successor 2007, representing funds used in the Acquisition of $6,391.6 million and capital expenditures of $8.0 million.

Financing Activities

Net cash used in financing activities increased $261.5 million for the six months ended June 30, 2010 compared to the same period of 2009. This change was primarily due to net repayments of $236.3 million that reduced our outstanding balance under our senior secured revolving credit facility. In the same period of 2009, we did not make any repayments under that facility.

Net cash used in financing activities decreased $11.8 million for 2009 compared to 2008. We repaid $11.0 million under our senior secured term loan facility in 2009, compared to net debt proceeds of $13.9 million from borrowings in 2008. In addition, we paid $11.3 million of deferred financing costs related to the amendment of our senior secured term loan facility in 2009, compared to $45.5 million of costs paid in 2008 in connection with the conversion of the Bridge Loans into extended loans.

Net cash provided by financing activities for Predecessor 2007 was $101.2 million, consisting of $43.7 million of proceeds from issuance of common stock and $73.6 million of gross excess tax benefits related to the Predecessor equity-based compensation plans. Partially offsetting these amounts was $16.1 million used in early 2007 to purchase shares of Predecessor common stock. Net cash provided by financing activities for Successor 2007 was $6,586.5 million, primarily related to debt and equity funding of the Acquisition. To fund the Acquisition, we received $2,071.7 million in invested cash from CDW Holdings and obtained $4,640.0 million in proceeds from our debt arrangements, partially offset by the payment of $102.7 million in deferred financing costs. Subsequent to the Acquisition, we made net repayments of $22.5 million under our senior secured revolving credit facility during the remainder of Successor 2007.

Long-Term Debt and Financing Arrangements

Long-term debt, excluding capital leases, was as follows:

(in millions)	**June 30, 2010**	**December 31, 2009**	**December 31, 2008**
Senior secured revolving credit facility	$ 255.1	$ 491.4	$ 491.4
Senior secured term loan facility	2,178.0	2,189.0	2,200.0
Senior Bridge Loans, Outstanding Senior Cash Pay Notes and Outstanding Senior PIK Election Notes	1,207.0	1,190.0	1,190.0
Senior Subordinated Bridge Loans and Outstanding Senior Subordinated Notes	721.5	750.0	750.0
Total long-term debt	4,361.6	4,620.4	4,631.4
Less current maturities of long-term debt	(22.0)	(22.0)	(15.2)
Long-term debt, excluding current maturities	$ 4,339.6	$ 4,598.4	$ 4,616.2

As of June 30, 2010, we were in compliance with the covenants under our Senior Credit Facilities, which are described below.

Senior Secured Revolving Credit Facility

At June 30, 2010, we had an $800.0 million senior secured revolving credit facility available for borrowings and issuance of letters of credit of which we had outstanding borrowings of $255.1 million (at an effective weighted-average interest rate of approximately 1.51% per annum) and $43.4 million of undrawn letters of credit.

Borrowings under this facility bear interest at a variable interest rate plus an applicable margin. The variable interest rate is based on one of two indices, either (i) LIBOR, or (ii) the Alternate Base Rate (ABR) with the ABR being the greater of (a) the prime rate and (b) the federal funds effective rate plus 50 basis points. The applicable margin varies (1.00% to 1.75% for LIBOR borrowings and 0.00% to 0.75% for ABR borrowings) depending upon our average daily excess cash availability under the agreement. The senior secured revolving credit facility matures on October 12, 2012. Availability under this facility is limited to the lesser of the revolving commitment of $800.0 million or the amount of the borrowing base. The borrowing base is based upon a formula involving certain percentages of eligible inventory and eligible accounts receivable owned by us. At June 30, 2010, the borrowing base was $904.8 million as supported by eligible inventory and accounts receivable balances as of May 31, 2010. One of the lenders under this facility has failed to fund its pro rata share of several outstanding loan advances under this facility since 2008. As a result, actual availability under this facility is $38.3 million less than it would otherwise be if the defaulting lender was honoring its commitments under this facility. Assuming non-funding by the defaulting lender, we could borrow up to an additional $463.2 million under this facility as of June 30, 2010.

All obligations under the senior secured revolving credit facility are guaranteed by Parent and each of CDW LLC s direct and indirect, wholly owned, domestic subsidiaries. Borrowings under this facility are collateralized by a first priority interest in inventory (excluding inventory collateralized under the trade financing agreements as described in Note 3 to the Unaudited Interim Financial Statements), deposits, and accounts receivable, and a second priority interest in substantially all other assets. The senior secured revolving credit facility contains negative covenants that, among other things, place restrictions and limitations on our ability and that of our subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. This facility also includes maintenance of a minimum average daily excess cash availability requirement. Should we fall below the minimum average daily excess cash availability requirement for ten consecutive business days, we become subject to a fixed charge coverage ratio until such time as the daily excess cash availability requirement is met for 30 consecutive business days.

Amended and Restated Senior Secured Term Loan Facility

At June 30, 2010, the outstanding principal balance of our amended and restated senior secured term loan facility was $2,178.0 million. The amended and restated senior secured term loan facility matures on October 10, 2014. Borrowings under this facility bear interest at either (a) the ABR plus a rate spread or (b) LIBOR plus a rate spread. The applicable rate spread varies (2.50% to 3.00% for ABR borrowings and 3.50% to 4.00% for LIBOR borrowings) based on our senior secured leverage ratio, as defined in the agreement evidencing this facility.

The effective weighted-average interest rate, without giving effect to the interest rate swap agreements (see Note 6 to the Unaudited Interim Financial Statements), on the principal amounts outstanding as of June 30, 2010 was 4.41% per annum, with an effective weighted-average interest rate for the six months ended June 30, 2010 of 4.18% per annum. The effective weighted-average interest rate, including the effect of the interest rate swap agreements, on the principal amounts outstanding as of June 30, 2010 was 7.79% per annum, with an effective weighted-average interest rate for the six months ended June 30, 2010 of 7.64% per annum.

We started making required quarterly principal payments on the amended and restated senior secured term loan facility in the amount of $5.5 million, beginning in September 2009, with the remainder due upon maturity. The amended and restated senior secured term loan facility provides, in addition to such required repayment, for the mandatory prepayment of principal amounts under certain circumstances, including a prepayment in an amount equal to 50% of our excess cash flow (as defined in the governing agreement) for the year then ended. Excess cash flow is defined as Adjusted EBITDA, plus items such as reductions in working capital, less items such as increases in working capital, certain taxes paid in cash, interest that will be paid in cash, capital expenditures and repayment of long-term indebtedness. Any such payments are applied against the remaining scheduled principal payment installments. For the year ended December 31, 2008, we made a mandatory prepayment based on excess cash flows of $4.5 million in March 2009. The payment reduced the September 30, 2009 scheduled quarterly principal payment to $1.0 million. We had no prepayment obligation based on excess cash flows for the year ended December 31, 2009.

All obligations under the amended and restated senior secured term loan facility are guaranteed by Parent and each of CDW LLC s direct and indirect, wholly owned, domestic subsidiaries. The amended and restated senior secured term loan facility is collateralized by a second priority interest in substantially all inventory (excluding

inventory collateralized under the trade financing agreements as described in Note 3 to the Unaudited Interim Financial Statements), deposits, and accounts receivable, and by a first priority interest in substantially all other assets. The amended and restated senior secured term loan facility contains negative covenants that, among other things, place restrictions and limitations on our ability and that of our subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The amended and restated senior secured term loan facility also includes a senior secured leverage ratio requirement. The senior secured leverage ratio is required to be maintained on a quarterly basis and is defined as the ratio of senior secured debt (including amounts owed under trade financing agreements and capital leases) less cash and cash equivalents, to trailing twelve months Adjusted EBITDA. Compliance may be determined after giving effect to a designated equity contribution to us to be included in the calculation of Adjusted EBITDA.

On November 4, 2009, we amended certain terms with respect to the amended and restated senior secured term loan facility. As part of this amendment, the senior secured leverage ratio that is required to be maintained on a quarterly basis was revised as follows:

	Senior Secured Leverage Ratio Not to Exceed	
Four Quarters Ending	**Previous**	**Amended**
December 31, 2009	6.75	7.25
March 31, 2010	5.75	7.75
June 30, 2010	5.75	7.75
September 30, 2010	5.75	7.75
December 31, 2010	5.75	8.00
March 31, 2011	4.75	7.50
June 30, 2011	4.75	7.50
September 30, 2011	4.75	7.50
December 31, 2011	4.75	7.25
March 31, 2012	3.75	7.00
June 30, 2012	3.75	7.00
September 30, 2012	3.75	6.75
December 31, 2012	3.75	6.75
March 31, 2013	3.75	6.50
June 30, 2013	3.75	6.50
September 30, 2013	3.75	6.00
December 31, 2013	3.75	5.75
March 31, 2014 and each fiscal quarter thereafter	3.75	5.50

For the four quarters ending June 30, 2010, the senior secured leverage ratio was 4.62.

Also, as part of this amendment, the applicable interest rate spread on principal amounts increased by 100 basis points. As such and as noted above, the spread varies from 2.50% to 3.00% for ABR borrowings and from 3.50% to 4.00% for LIBOR borrowings, based on our senior secured leverage ratio.

Certain other terms were also amended, including the placement of additional restrictions on our ability to incur additional indebtedness and the addition of a requirement that we maintain an interest rate hedge to fix or cap the interest rate on at least 50% of the outstanding principal amount of the amended and restated senior secured term loan facility through maturity, subject to certain limitations. With the interest rate swap agreements currently in effect as

described in Note 6 to the Unaudited Interim Financial Statements, we will be in compliance with this requirement through January 14, 2011. In April 2010, we entered into four forward-starting interest rate cap agreements with a combined notional amount of $1,100.0 million, which will extend the compliance with this requirement through January 14, 2013.

We incurred total fees and expenses of approximately $12.2 million in connection with this amendment. Of this amount, $11.3 million was capitalized as deferred financing costs and is being amortized over the remaining term of the amended and restated senior secured term loan facility.

We evaluated this amendment and determined that the existing debt was not considered extinguished under GAAP and no gain or loss was recognized in connection with the modification.

Amended and Restated Bridge Loans and Notes Outstanding Under our Indentures

As of June 30, 2010, the outstanding principal balance of our senior unsecured debt was $1,207.0 million, including $725.3 million principal amount under our Amended and Restated Senior Bridge Loan Agreement and $481.7 million principal amount in Outstanding Senior Cash Pay Notes and Outstanding Senior PIK Election Notes. All amounts outstanding under our Amended and Restated Senior Bridge Loan Agreement have subsequently been exchanged for outstanding notes. Our Senior Indenture has a maturity date of October 12, 2015. We are required to pay cash interest on $890.0 million of the outstanding principal amount of our Outstanding Senior Notes and can elect to pay cash or PIK Interest on $317.0 million of the outstanding principal amount of our Outstanding Senior PIK Election Notes (the PIK Election Debt). For PIK Election Debt, we may elect for any interest period prior to the interest period beginning on October 15, 2011 to either (i) pay the interest on amounts outstanding in cash, (ii) pay the interest in PIK Interest, or (iii) pay 50% of the interest in cash and 50% as PIK Interest. Elections are due not less than 30 days prior to the start of the interest period and the method of payment for the prior period will apply if no election is filed.

For all interest periods beginning prior to October 15, 2009, we had elected to pay interest on all PIK Election Debt in cash. We made a PIK election with respect to these loans for the interest period from October 15, 2009 through April 14, 2010. The principal amount on the PIK Election Debt increased by approximately $17.0 million on April 15, 2010 and we will incur incremental interest expense of approximately $10.7 million over the remaining term as a result.

We have made an election to pay interest in cash on all PIK Election Debt outstanding during the interest period from October 15, 2010 through April 14, 2011.

As of June 30, 2010, the outstanding principal balance of our senior subordinated debt was $721.5 million, including $225.0 million principal amount under our Amended and Restated Senior Subordinated Bridge Loan Agreement and $496.5 million principal amount of Outstanding Senior Subordinated Notes. All amounts outstanding under our Amended and Restated Senior Subordinated Bridge Loan Agreement have subsequently been exchanged for outstanding notes. Our Senior Subordinated Indenture has a maturity date of October 12, 2017. On March 10, 2010, one of our wholly owned subsidiaries purchased $28.5 million of principal amount of loans outstanding under our Amended and Restated Senior Subordinated Bridge Loan Agreement for a purchase price of $18.6 million. Since this transaction involved two members of the same consolidated group, our consolidated financial statements reflect the accounting for the transaction as if CDW LLC had acquired its own debt. As such, for purposes of financial reporting in our consolidated financial statements, this debt is accounted for as if extinguished, and we recorded a gain of $9.2 million on the extinguishment in our consolidated statement of operations during the first quarter of 2010. The gain represents the difference between the purchase price, including expenses paid to the debt holders and agent, and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs. We also recorded an adjustment of $0.7 million to interest expense to reduce the long-term accrued interest liability, representing the difference between interest expense previously recognized on the extinguished debt under the effective interest method and actual interest paid. In May 2010, our wholly owned subsidiary exchanged the $28.5 million in principal amount of such loan that it held for Outstanding Senior Subordinated Notes and subsequently surrendered those notes to the trustee for cancellation.

The senior unsecured debt and senior subordinated debt bore interest on the principal balances outstanding at a rate per annum equal to the sum of (1) the per annum LIBOR and applicable margin in effect prior to the conversion to extended loans (which occurred on October 10, 2008) plus (2) the conversion spread plus (3) the PIK margin of 75 basis points applicable to PIK Election Debt during interest periods in which an election to pay PIK Interest is made.

The conversion spread increased 50 basis points every three months until the maximum interest rate was reached on July 10, 2010.

	Senior Cash Pay Loans / Outstanding Senior Notes	PIK Election Debt	Senior Subordinated Debt
Maturity	10/12/2015	10/12/2015	10/12/2017
Outstanding principal (in millions)	$ 890.0	$ 317.0	$ 721.5
Extended loan interest rate (per annum)	2.78813%	2.78813%	2.78813%
Applicable margin (in basis points)	462.5	500.0	600.0
Conversion spread (in basis points)	350	350	350
Interest rate in effect at June 30, 2010 (per annum)	10.91313%	11.28813%	12.28813%
Maximum interest rate (per annum) (1)	11.0%	11.5% (2)	12.535%

(1) Effective July 10, 2010.
(2) Does not include the PIK margin of 75 basis points applicable during interest periods in which an election to pay PIK Interest is made.
Obligations under the senior unsecured debt and senior subordinated debt are guaranteed on an unsecured senior basis by Parent and each of CDW LLC s direct and indirect, wholly owned, domestic subsidiaries that is a guarantor under our Senior Credit Facilities. The senior unsecured debt and senior subordinated debt contain negative covenants that, among other things, place restrictions and limitations on our ability and that of our subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The senior unsecured debt and senior subordinated debt do not contain any financial covenants.

Outstanding Notes

As required by our Amended and Restated Bridge Loans, we entered into a Senior Exchange Note Indenture and a Senior Subordinated Exchange Note Indenture in October 2008. Under the terms of our Amended and Restated Bridge Loan Agreements and the Indentures, holders of our loans exchanged those loans for notes under the applicable Indentures by providing us with ten business days notice. The lenders chose either increasing rate notes or fixed rate notes. The interest rate associated with increasing rate notes continued to increase up to the caps in the same manner as it did for the loans. The interest rates for the fixed rate notes were fixed at the rate then applicable to the corresponding loan at the time of exchange. The fixed rate notes have certain call protection features which were not provided for the increasing rate notes. Holders of increasing rate notes subsequently converted into fixed rate notes. As of June 30, 2010, we had received requests for and issued $344.3 million principal amount of Outstanding Senior Cash Pay Notes, $137.4 million principal amount of Outstanding Senior PIK Election Notes and $525.0 million principal amount of Outstanding Senior Subordinated Notes ($28.5 million of which have been surrendered to the trustee for cancellation by one of our wholly owned subsidiaries). All of these requests were for increasing rate notes.

As of October 15, 2010, we have received requests for and issued $890.0 million aggregate principal amount of Outstanding Senior Cash Pay Notes, $317.0 million aggregate principal amount of Outstanding Senior PIK Election Notes and $750.0 million aggregate principal amount of Outstanding Senior Subordinated Notes ($28.5 million of which have been surrendered to the trustee for cancellation by one of our wholly owned subsidiaries). Additionally, all exchanges after July 10, 2010 were for fixed rate notes and all holder of increasing rate notes have subsequently exchanged their increasing rate notes for fixed rate notes.

The Senior Registration Rights Agreement and the Senior Subordinated Registration Rights Agreement, each dated as of October 10, 2008, obligated us to file the registration statement of which this prospectus is a part within 180 days of the initial issuance of the notes, registering the offer to exchange the outstanding notes for freely tradable exchange notes having substantially equivalent terms. We are conducting this exchange offer pursuant to these agreements. We are not required and do not intend to conduct any other registered exchange offers for the outstanding notes, so holders who do not participate in the exchange offers will not generally be entitled to any further registration rights, and therefore will not be permitted to transfer their outstanding notes absent an available exemption from registration.

Trade Financing Arrangements

We have entered into security agreements with certain financial institutions in order to facilitate the purchase of inventory from various suppliers under certain terms and conditions. At June 30, 2010, the agreements allowed for a maximum credit line of $134.5 million collateralized by the inventory purchases financed by the financial institutions and certain other assets. We do not incur any interest expense associated with these agreements, as we pay the balances when they are due. At June 30, 2010, December 31, 2009, and December 31, 2008, we owed the financial institutions $123.5 million, $25.0 million, and $34.1 million respectively, which is included in trade accounts payable on our consolidated balance sheets.

Contractual Obligations

We have future obligations under various contracts relating to debt and interest payments, capital and operating leases, and asset retirement obligations. The following table presents our estimated future payments under contractual obligations that existed as of December 31, 2009, based on undiscounted amounts.

		Payments Due by Period			
(in millions)	**Total**	**< 1 year**	**1-3 years**	**4-5 years**	**> 5 years**
Senior secured revolving credit facility (1)	$ 491.4	$	$ 491.4	$	$
Senior secured term loan facility (2)	2,709.0	193.9	231.6	2,283.5	
Senior unsecured debt (3)	1,991.8	119.8	268.7	268.7	1,334.6
Senior subordinated debt (3)	1,498.6	95.3	188.0	188.0	1,027.3
Operating leases (4)	134.9	19.2	28.7	27.0	60.0
Capital leases (5)	1.7	0.7	1.0		
Asset retirement obligations (6)	1.1	0.1	0.5		0.5
Total (7)	$ 6,828.5	$ 429.0	$ 1,209.9	$ 2,767.2	$ 2,422.4

(1) Includes only principal payments. Excludes interest payments and fees related to the revolving credit facility because of variability with respect to the timing of advances and repayments.
(2) Includes future cash interest payments on long-term borrowings through scheduled maturity dates. Also includes the impact of interest rate swaps that convert $2,200.0 million of the variable rate debt to fixed rates. The swaps terminate on January 14, 2011. Interest payments for the variable rate debt and the associated interest rate swaps were calculated using interest rates as of December 31, 2009. Excluded from these amounts are the amortization of debt issuance and other costs related to indebtedness.
(3) Includes future cash interest payments on long-term borrowings through scheduled maturity dates. Interest on our senior unsecured debt and senior subordinated debt is estimated using the stated interest rate, which increases 50 basis points every three months until the maximum interest rate is reached in July 2010. Excluded from these amounts are the amortization of debt issuance and other costs related to indebtedness.
(4) Includes the minimum lease payments for non-cancelable leases for properties and equipment used in our operations.
(5) Includes both principal and interest components of future minimum capital lease payments.

(6) Represent commitments to return property subject to operating leases to original condition upon lease termination.
(7) Excludes $8.0 million of reserves related to uncertain tax positions as the timing of such cash payments, if any, is uncertain.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Outlook for Remainder of 2010

Our net sales increased 28.5% for the first six months of 2010, compared to the first six months of 2009. We expect to experience a year-over-year net sales increase of around 20% for the full year 2010 when compared to 2009, as our year-over-year comparisons become more difficult in the second half of the year. Adjusted EBITDA increased 39.3% for the first six months of 2010, compared to the first six months of 2009. Adjusted EBITDA margin, expressed by calculating Adjusted EBITDA as a percentage of net sales, was 7.0% for the first six months of 2010, compared to 6.5% for the same period of 2009. Adjusted EBITDA margin for the full year 2010 is expected to show modest improvement when compared to the full year 2009 Adjusted EBITDA margin of 6.5%, as we continue to manage selling and administrative expenses while making select investments to drive future growth. Capital expenditures for the first six months of 2010 were $10.5 million, primarily for improvements to our information technology systems. We expect capital expenditures for the full year 2010 to total approximately $35 million.

Contingencies

We are party to legal proceedings that arise from time to time in the ordinary course of our business, including various pending litigation matters. We are also subject to audits by federal, state and local authorities, by various customers, including government agencies, relating to sales under certain contracts and by vendors. In addition, from time to time, certain of our customers file voluntary petitions for reorganization or liquidation under the United States bankruptcy laws. In such cases, certain pre-petition payments received by us could be considered preference items and subject to return to the bankruptcy administrator.

We do not believe that any current audit or pending or threatened litigation will have a material adverse effect on our financial condition. Litigation and audits, however, involve uncertainties and it is possible that the eventual outcome of litigation or audits could adversely affect our consolidated results of operations for a particular period.

Under the terms of our Amended and Restated Senior Bridge Loans, upon the request of investment banks affiliated with the original lenders under the Amended and Restated Bridge Loan Agreements (a securities request), we were obligated, upon the satisfaction of certain conditions, to publicly or privately issue long-term debt securities prior to October 10, 2008 (the date upon which the Amended and Restated Bridge Loans converted into extended loans) to refinance our outstanding bridge debt. The banks issued a securities request to us on April 18, 2008 and stated that they believed all conditions to the issuance of a securities request had been satisfied. However, we did not believe that all of the conditions to the issuance of a securities request had been satisfied and, accordingly, did not proceed with the issuance of long-term debt securities. The banks also requested in their securities request that if we did not issue the long-term debt securities, then interest accrue, beginning on April 18, 2008, on both of our then outstanding Senior Bridge Loans and Senior Subordinated Bridge Loans at the same interest rates that would have been applicable to the debt securities contemplated by the securities request. The amount of such additional interest from April 18, 2008 through July 10, 2010 (the date upon which the interest rate would reach the maximum under the agreements) would be approximately $93.0 million. We would have been entitled to a rebate of approximately $12.4 million of certain fees paid under the Amended and Restated Bridge Loans had we proceeded with the issuance of long-term debt securities on April 18, 2008. While the outcome of this matter is uncertain, we do not believe that we were required to issue any long-term debt securities in 2008. We, therefore, do not believe that we owe any additional amounts and have not accrued any amounts with respect thereto as of June 30, 2010.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with GAAP requires management to make use of certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported periods. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

In Note 1 to the Successor Audited Financial Statements, we include a discussion of the significant accounting policies used in the preparation of our consolidated financial statements. We believe the following are the most critical accounting policies and estimates that include significant judgments used in the preparation of our financial statements. We consider an accounting policy or estimate to be critical if it requires assumptions to be made that were uncertain at the time they were made, and if changes in these assumptions could have a material impact on our financial condition or results of operations.

Revenue Recognition

We are a primary distribution channel for a large group of vendors and suppliers, including OEMs and first tier wholesale distributors. We record revenue from sales transactions when title and risk of loss are passed to our customer, there is persuasive evidence of an arrangement for sale, delivery has occurred and/or services have been rendered, the sales price is fixed or determinable and collectability is reasonably assured. Our usual shipping terms are F.O.B. destination, at which time title and risk of loss have passed to the customer. At the time of sale, we record an estimate for sales returns and pricing disputes based on historical experience. Our vendor OEMs warrant most of the products we sell.

Revenues from the sale of hardware products or software products and licenses are recognized on a gross basis with the selling price to the customer recorded as sales and the acquisition cost of the product recorded as cost of sales. Software products and licenses can be delivered to customers in a variety of ways, including (i) as physical product shipped from our warehouse, (ii) via drop-shipment by the vendor, or (iii) via electronic delivery.

Revenue from professional services is either recognized as incurred for services billed at an hourly rate or recognized using the percentage of completion method for services provided at a fixed fee. Revenue for managed services such as web hosting and server co-location is recognized over the period service is provided. From time to time, the sale of professional services may be bundled with hardware or software products to better meet the needs of our customers. In cases where this occurs, we allocate revenues to each element of the sale based on its relative fair value using vendor-specific objective evidence.

We also sell certain products for which we act as an agent. Products in this category include the sale of third party services, extended warranties, or software assurance (SA). SA is an insurance or maintenance product that allows customers to upgrade, at no additional cost, to the latest technology if new applications are introduced during the period that the SA is in effect. These sales do not meet the criteria for gross sales recognition, and thus are recognized on a net basis. Under net sales recognition, the cost to the vendor or third-party service provider is recorded as a reduction to sales, resulting in net sales being equal to the gross profit on the transaction.

Our larger customers are offered the opportunity by certain of our vendors to purchase software licenses and SA under enterprise agreements (EAs). Under EAs, customers are considered to be compliant with applicable license requirements for the ensuing year, regardless of changes to their employee base. Customers are charged an annual true-up fee for changes in the number of users over the year. With most EAs, our vendors will transfer the license and bill the customer directly, paying resellers such as us an agency fee or commission on these sales. We record these fees as a component of net sales as earned and there is no corresponding cost of sales amount. In certain instances, we bill the customer directly under an EA and account for the individual items sold based on the nature of the item. Our vendors typically dictate how the EA will be sold to the customer.

We record freight billed to our customers as net sales and the related freight costs as a cost of sales.

Deferred revenue includes (i) payments received from customers in advance of providing the product or performing services, and (ii) amounts deferred if other conditions of revenue recognition have not been met.

We estimate the revenues associated with products that have shipped but that have not yet been received by our customer and record an adjustment to reverse the impact of these sales and related cost of sales out of our results for the current period and into our results for the subsequent period. In doing so, we perform an analysis to determine the estimated number of days that product is in transit, using data from commercial delivery services and other sources. Changes in delivery patterns may result in a different number of business days used in making this adjustment and could have a material impact on our revenue recognition for the current period.

Inventory Valuation

Inventory is valued at the lower of cost or market value. Cost is determined using a weighted-average cost method. We decrease the value of inventory for estimated obsolescence equal to the difference between the cost of inventory and the estimated market value, based upon an aging analysis of the inventory on hand, specifically known inventory-related risks, and assumptions about future demand and market conditions. If future demand or actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

Vendor Programs

We receive incentives from certain of our vendors related to cooperative advertising allowances, volume rebates, bid programs, price protection, and other programs. These incentives generally relate to written agreements with specified performance requirements with the vendors and are recorded as adjustments to cost of sales or advertising expense, as appropriate. Vendors may change the terms of some or all of these programs, which could have an impact on our results of operations.

We record receivables from vendors related to these programs when the amounts are probable and reasonably estimable. Some programs are based on the achievement of specific targets, and we base our estimates on information provided by our vendors and internal information to assess our progress toward achieving those targets. If actual performance does not match our estimates, we may be required to adjust our receivables. We record reserves for vendor receivables for estimated losses due to vendors inability to pay or rejections by vendors of claims; however, if actual collections differ from our estimates, we may incur additional losses that could have a material impact on gross margin and operating income.

Goodwill and Other Intangible Assets

Goodwill is not amortized but is subject to periodic testing for impairment at the reporting unit level. Our reporting units used to assess potential goodwill impairment are the same as our operating segments. We are required to perform an evaluation of goodwill on an annual basis or more frequently if circumstances indicate a potential impairment. The annual test for impairment is conducted as of December 1. We changed our annual goodwill evaluation date to December 1 from October 1, effective in the fourth quarter of 2009, to better align with the completion of our annual budgeting process. Testing for impairment of goodwill is a two-step process. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill to determine the amount of impairment loss. Fair value of a reporting unit is determined by using a weighted combination of an income approach and a market approach, as this combination is considered the most indicative of the reporting units fair value in an orderly transaction between market participants. Under the income approach, we determine fair value based on estimated future cash flows of a reporting unit, discounted by an estimated weighted-average cost of capital, which reflects the overall level of inherent risk of a reporting unit and the rate of return an outside investor would expect to earn. Under the market approach, we utilize valuation multiples derived from publicly available information for peer group companies to provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. We have weighted the income approach and the market approach at 75% and 25%, respectively.

Determining the fair value of a reporting unit (and the allocation of that fair value to individual assets and liabilities within the reporting unit to determine the implied fair value of goodwill in the event a step two analysis is required) is judgmental in nature and requires the use of significant estimates and assumptions. These estimates and assumptions include primarily, but are not limited to, discount rate, terminal growth rate, selection of appropriate peer group companies and control premium applied, and forecasts of revenue growth rates, gross margins, operating margins, and working capital requirements. The allocation requires analysis to determine the fair value of assets and liabilities including, among others, customer relationships, trade names, and property and equipment. Any changes in the judgments, estimates, or assumptions used could produce significantly different results. Although we believe our assumptions are reasonable, actual results may vary significantly and may expose us to material impairment charges in the future.

Intangible assets include customer relationships, trade names, internally developed software, and other intangibles. Intangible assets with determinable lives are amortized on a straight-line basis over the estimated useful lives of the assets. The cost of software developed or obtained for internal use is capitalized and amortized on a straight-line basis over the estimated useful life of the software. These intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset s carrying amount over its fair value.

Allowance for Doubtful Accounts

We record an allowance for doubtful accounts related to trade accounts receivable for estimated losses resulting from the inability of our customers to make required payments. We take into consideration historical loss experience, the overall quality of the receivable portfolio, and specifically identified customer risks. If actual collections of customer receivables differ from our estimates, additional allowances may be required which could have an impact on our results of operations.

Income Taxes

Deferred income taxes are provided to reflect the differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements using enacted tax rates in effect for the year in which the differences are expected to reverse. We perform an evaluation of the realizability of our deferred tax assets on a quarterly basis. This evaluation requires us to use estimates and make assumptions and considers all positive and negative evidence and factors, such as the scheduled reversal of temporary differences, the mix of earnings in the jurisdictions in which we operate, and prudent and feasible tax planning strategies.

We account for uncertain tax positions based upon our assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. We report a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return and recognize interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

Recent Accounting Pronouncements

Fair Value Measurements

In January 2010, the Financial Accounting Standards Board (FASB) issued authoritative guidance to amend and expand the disclosure requirements for fair value measurements. The guidance requires new disclosures about transfers in and transfers out of Levels 1 and 2 fair value measurements and presentation of the activities within Level 3 fair value measurements (presented gross in a roll forward of activity). The guidance also clarifies existing disclosures about the level of disaggregation of fair value for each class of assets and liabilities and about inputs and valuation techniques used to measure fair value. Except for the disclosures in the roll forward of activity in Level 3 fair value measurements, this guidance was effective for us as of January 1, 2010. Because it only requires additional disclosure, the adoption of this guidance did not have an impact on our consolidated financial position, results of operations, or cash flows. The disclosures in the roll forward of activity in Level 3 fair value measurements will become effective for us as of January 1, 2011. As this guidance also only requires additional disclosure, the adoption of this guidance will not have an impact on our consolidated financial position, results of operations, or cash flows.

Revenue Arrangements

In October 2009, the FASB issued amendments to authoritative guidance on revenue arrangements. The amended guidance amends the criteria for separating consideration in multiple-deliverable arrangements, establishes a selling price hierarchy for determining the selling price of a deliverable, eliminates the residual method of allocation, and expands the disclosures related to multiple-deliverable revenue arrangements. The amended guidance also modifies the scope of authoritative guidance for revenue arrangements that include both tangible products and software elements to exclude from its requirements (1) non-software components of tangible products, and (2) software components of tangible products that are sold, licensed, or leased with tangible products when the software components and non-software components of the tangible product function together to deliver the tangible products essential functionality. The amended guidance is effective for fiscal years beginning on or after June 15, 2010 and will become effective for us beginning January 1, 2011. We do not expect the adoption of this guidance will have a material impact on our consolidated financial position, results of operations, or cash flows.

Quantitative and Qualitative Disclosures of Market Risks

Our market risks relate primarily to changes in interest rates. The interest rate on borrowings under our senior secured revolving credit facility and our amended and restated senior secured term loan facility is floating and, therefore, is subject to fluctuations. In order to manage the risk associated with changes in interest rates on borrowings under our amended and restated senior secured term loan facility, we have entered into interest rate derivative agreements to hedge a portion of the cash flows associated with the facility. Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate fluctuations.

As of December 31, 2009, we had two interest rate swap agreements with an aggregate notional amount of $2,200.0 million that effectively converted the outstanding principal amount under the amended and restated senior secured term loan facility from a floating-rate debt to a fixed-rate debt. Under the first swap agreement, a monthly net settlement is made for the difference between the fixed rate of 4.155% per annum and the floating rate based on one-month LIBOR on the $1,500.0 million notional amount of the swap. Under the second swap agreement, a monthly net settlement is made for the difference between the fixed rate of 3.9125% per annum and the floating rate based on one-month LIBOR on the $700.0 million notional amount. The notional amount on the second swap agreement was reduced to $500.0 million on January 14, 2010. Both swap agreements terminate on January 14, 2011. At December 31, 2009, we were in a liability position for both of the interest rate swaps noted above, the aggregate fair value of which was $70.6 million.

In April 2010, we entered into four forward-starting interest rate cap agreements for the purpose of limiting future exposure to interest rate risk on our floating-rate debt under the amended and restated senior secured term loan facility. Under these agreements, we made premium payments totaling $5.9 million to the counterparties in exchange for the right to receive payments from them of the amount, if any, by which three-month LIBOR exceeds 3.5% during the agreement period. The cap agreements are effective from January 14, 2011 through January 14, 2013 and have a total notional value of $1,100.0 million.

See Liquidity and Capital Resources Contractual Obligations for information on cash flows, interest rates, and maturity dates of our debt obligations.

BUSINESS

Overview

CDW is a leading multi-brand technology solutions provider to business, government, education and healthcare customers in the U.S. and Canada. We provide comprehensive and integrated solutions for our customers technology needs through our extensive hardware, software and value-added service offerings. We serve over 250,000 customers through our experienced and dedicated sales force of more than 3,300 coworkers. We offer over 100,000 products from over 1,000 brands and a multitude of advanced technology solutions. Our broad range of technology products includes leading brands such as Hewlett-Packard, Cisco, Microsoft, Lenovo, EMC, IBM and VMware. Our offerings range from discrete hardware and software products to complex technology solutions such as virtualization, collaboration, security, mobility, data center optimization and cloud computing. Our sales and operating results have been driven by the unique combination of our large and knowledgeable selling organization, highly skilled technology specialists and engineers, extensive range of product offerings, strong vendor partner relationships, and fulfillment and logistics capabilities. For the year ended December 31, 2009, our net sales and Adjusted EBITDA were $7,162.6 million and $465.4 million, respectively. For the six months ended June 30, 2010, our net sales and Adjusted EBITDA were $4,157.4 million and $292.3 million, respectively.

We have two reportable segments.

Corporate. Our Corporate segment customers are primarily in the SMB category, which we define as customers with up to 1,000 employees at a single location. We also serve larger customers, including FORTUNE 1000 companies, to help our vendor partners maximize their sales coverage. We have approximately 200,000 active accounts, well diversified across numerous industries. Our Corporate segment is divided into a small business customer channel, primarily serving customers with up to 100 employees, and a medium-large business customer channel, primarily serving customers with more than 100 employees. Our Corporate segment sales team is primarily organized by geography and customer size. We believe this enables us to better understand and serve customer needs, optimize sales resource coverage, and strengthen relationships with vendor partners to create more sales opportunities. Our Corporate segment generated net sales of $3,818.2 million and $2,310.1 million for the year ended December 31, 2009 and for the six months ended June 30, 2010, respectively.

Public. Our Public segment is divided into government, education and healthcare customer channels. The government channel serves federal as well as state and local governments. Our education channel serves higher education and K-12 customers. The healthcare channel serves customers across the healthcare provider industry. We have built sizable businesses in each of our three Public customer channels as net sales are approaching or exceeding $1 billion for each customer channel on an annualized basis. Our Public segment sales teams are organized by customer channel, and within each customer channel, they are generally organized by geography, except our federal government sales teams, which are organized by agency. We believe this enables our sales teams to address the specific needs of their customer channel while promoting strong customer relationships. Our Public segment generated net sales of $3,035.5 million and $1,651.2 million for the year ended December 31, 2009 and for the six months ended June 30, 2010, respectively.

Other. We also have two other operating segments, CDW advanced services and Canada, which do not meet the reportable segment quantitative thresholds and, accordingly, are combined together as Other. The CDW advanced services business consists primarily of customized engineering services delivered by CDW professional engineers and managed services, including hosting and data center services. The services components of solutions sales, including custom configuration and other third party services, are recorded in our Corporate and Public segment net sales. Advanced services provided by CDW professional engineers are recorded in CDW advanced services. Our CDW advanced services and Canadian businesses generated net sales of $98.0 million and $210.9 million, respectively, for the year ended December 31, 2009. Our CDW advanced services and Canadian businesses generated net sales of $53.6 million and $142.5 million, respectively, for the six months ended June 30, 2010.

History

CDW was founded in 1984. In 2003, we purchased selected U.S. assets and the Canadian operations of Micro Warehouse, which extended our growth platform into Canada. In 2006, we acquired Berbee Information Networks Corporation, a provider of technology products, solutions and customized engineering services in advanced technologies primarily across Cisco, IBM and Microsoft portfolios. This acquisition increased our capabilities in customized engineering services and managed services. In 2007, we were acquired by Parent. For a description of the Acquisition, see Summary The Acquisition Transactions.

Industry Overview

According to International Data Corporation (IDC), the overall U.S. technology market generated approximately $503 billion in sales in 2009, including $158 billion in hardware sales, $135 billion in software sales and $210 billion in services sales. The U.S. technology market is highly fragmented and served by a multitude of participants. These participants include original equipment manufacturers (OEMs), software publishers, wholesale distributors and business-to-business resellers. Wholesale distributors, such as Ingram Micro Inc., Tech Data Corporation and SYNNEX Corporation, act as intermediaries between OEMs and software publishers and resellers, providing logistics management and supply-chain services. Resellers, which include direct marketers, value-added resellers, e-tailers and retailers, sell products and/or services directly to the end-user customer, procuring products sold to their customers directly from OEMs and software publishers or from wholesale distributors. CDW is a technology solutions provider with both direct marketer and value-added reseller capabilities.

Our Competitive Strengths

We believe the following strengths differentiate CDW from our competitors and have contributed to our success:

Significant Scale and Scope

We are a leading multi-brand technology solutions provider in the U.S and Canada. Based upon publicly available information, we believe that our net sales are significantly larger than any other multi-brand direct marketer or value-added reseller in the U.S. Our significant scale and scope create competitive advantages with:

Breadth of solutions for customers. The breadth and depth of knowledge that our direct selling organization, specialists and engineers have across multiple industries and technologies position us well to anticipate and meet customer needs. Our size allows us to provide customers with a broad, multi-brand selection of technology products and solutions at competitive prices. We leverage our scale to provide a high level of customer service, including providing various options to procure technology, making it easy for customers to conduct business with CDW.

Broad market access for partners. We are an attractive route to market for vendor partners by providing access to a cost effective sales and marketing system that reaches over 250,000 customers. Our vendor partners recognize that, in addition to providing broad customer reach, our scale and scope enables us to sell, deliver and implement their products and services to customers with a high level of knowledge and consistency.

Unique coworker culture. We adhere to a core philosophy known as the Circle of Service, which places the customer at the center of all of our actions and fosters customer loyalty. Our size allows us to cost effectively invest in broad and deep coworker training, provide resources that help our coworkers be successful, and offer broad career development opportunities for coworkers. Our culture, together with these resources and opportunities, promote coworker knowledge and engagement, which ultimately benefits customers.

Operational cost efficiencies and productivity. Our large scale provides us with operational cost efficiencies across our organization, including purchasing, operations, IT, sales, marketing, and other support functions. These scale and scope advantages, which we leverage through our two state-of-the-art distribution centers, efficient business processes with a constant focus on productivity improvements, and proprietary information systems, have driven and sustained our attractive Adjusted EBITDA margin through the economic cycle.

Large and Knowledgeable Direct Selling Organization

The size, knowledge, capabilities and experience of our direct selling organization differentiates us from our competitors. We have more than 2,700 coworkers in our direct selling organization, consisting of account managers and field account executives. Including over 600 additional customer-facing coworkers, such as our technology specialists, our total sales force exceeds 3,300. Account managers provide inside sales coverage to customers, including developing customer relationships by calling existing and potential customers, providing advice on products and services, and partnering with specialists to develop and sell more complex solutions. Field account executives work within an assigned territory and interact with customers in-person, usually focusing on solutions that require a face-to-face interaction to sell to customers. Together, account managers and field account executives help us combine the benefits of a national technology solutions provider with a local presence.

Our mission is to maximize our customers technology investments by simplifying the complexities of technology across design, selection, procurement, integration and ongoing management. Our goal is to be viewed as an indispensible extension of our customers IT staffs, regardless of their size. We achieve this objective by providing superior service, industry-specific knowledge and technical expertise with experienced sales people. Multiple customer surveys administered by independent parties consistently show that customers view CDW as a leader in customer service compared to other multi-brand resellers and solution providers. The scale of our business allows us to segment our sales teams into customer channels so that we better understand the unique needs of customers and to provide extensive, targeted technical training to our direct selling organization.

Highly-Skilled Technology Specialists and Engineers

Our direct selling organization is supported by a team of technology specialists and engineers with more than 3,000 industry-recognized certifications who bring deep product and solution knowledge and capabilities to the technology challenges of our customers. Our technology specialists work with customers and our direct selling organization to design solutions and provide recommendations in the selection and procurement process. We have more than 600 highly-qualified and certified specialists, supporting numerous solutions and product categories, including: unified communication, security, networking, wireless, server/storage, virtualization, mobility, power and cooling, desktop, notebook, point-of-sale, managed print services, digital signage and software. Our team of more than 600 engineers, project managers, consultants and technicians in 18 markets across the U.S. support design, implementation and long-term solution management. These coworkers are continually developing and implementing customized solutions which are leveraged so that multiple customers can benefit from our implementation innovation and experience.

Large and Established Customer Channels

We have grown our customer channels within the Corporate and Public segments to sizeable businesses. Our government, education, healthcare and small business channels each has net sales that approach or exceed $1 billion. The deep industry knowledge of our dedicated sales, marketing and support resources within each of our customer channels allows us to understand and solve the unique challenges and evolving technology needs of our customers. In addition, our scale allows us to effectively replicate the benefits of large customer channels across multiple customer markets. Our vendor partners value our scale and capabilities within these customer channels and provide us with customer leads and support.

The size of our customer channels provides diversification benefits. Our Public segment, which is comprised of our government, education and healthcare channels, has historically been less correlated to economic cycles as evidenced by its 5% net sales growth in 2009 while overall technology spending declined in the U.S. market, according to IDC.

Strong, Established Vendor Partner Relationships

Our strong vendor partner relationships differentiate us from other multi-brand technology solutions providers. In addition to providing a cost-effective route to market for vendor partners, many of our competitive strengths significant scale and scope, large and knowledgeable direct selling organization, highly-skilled technology specialists and engineers, scaled customer channels enhance our value proposition to our vendor partners. We believe we are an important extension of our vendor partners sales and marketing capabilities and that we are the largest U.S. reseller for many of our vendor-partners, including Hewlett-Packard. As such, we are able to provide technology resources and insights to our customers that might otherwise be difficult for them to access independently or through other technology providers. Our direct selling organization, technology specialists and large customer channels allow us to develop intimate knowledge of our customers environments and their specific needs. Frequently, vendor partners will select CDW as a partner to develop and grow new customer solutions.

In addition, we are regularly recognized with top awards from our vendor partners. We were recently named Microsoft s Worldwide Large Account Reseller Partner of the Year and Cisco s Partner Summit global award for U.S. and Canada Partner of the Year.

Hardware, Software and Value-Added Service Offerings

Our broad offering of multi-brand products and services includes over 100,000 discrete hardware and software products as well as comprehensive solutions. Solutions generally have hardware, software and/or service components to them. For example, a virtualization solution could include assessment and design advice, sales of servers, storage, desktops and virtualization software, a services implementation and ongoing support. While we believe customers increasingly view certain technology purchases as solutions rather than product categories, the following table sets forth our net sales by major category, based upon our internal category definitions, as this presentation is more consistent with how industry sources and competitors generally categorize technology sales.

	Year Ended December 31, 2009		Year Ended December 31, 2008		
	Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales	Percentage Change
Hardware:					
NetComm Products	$ 960.9	13.4%	$ 1,091.2	13.5%	(11.9)%
Notebook/Mobile Devices	831.8	11.6	970.2	12.0	(14.3)
Data Storage/Drives	815.2	11.4	838.4	10.4	(2.8)
Other Hardware	3,026.2	42.3	3,497.9	43.4	(13.5)
Total Hardware	$ 5,634.1	78.7%	$ 6,397.7	79.3%	(11.9)%
Software	$ 1,268.0	17.7%	$ 1,373.9	17.0%	(7.7)%
Services	$ 180.2	2.5%	$ 200.8	2.5%	(10.2)%
Other [(1)]	$ 80.3	1.1%	$ 98.8	1.2%	(18.7)%
Total net sales	$ 7,162.6	100.0%	$ 8,071.2	100.0%	(11.3)%

(1) Includes items such as delivery charges to customers and certain commission revenue.

Hardware

Through our broad portfolio of hardware products and strong relationships with industry leading vendor partners, we are able to provide our customers with multi-brand solutions across multiple product categories. We currently offer our customers a comprehensive selection of hardware from leading brands such as Hewlett-Packard, Cisco, Lenovo, EMC and IBM. Our hardware offerings include products across multiple categories such as network communications, notebooks/mobile devices, data storage, video monitors, printers, desktops, and servers, among others. Our multi-brand approach enables our sales force to identify the right products or combination of products to best address each customer s specific organizational challenges, without being constrained by a particular brand. Key advantages of this strategy include the ability to satisfy customer-specific preferences and requirements, to meet compatibility needs of a customer s existing technology infrastructure, and to offer best pricing and product availability options. In addition, our scale, strong vendor partner relationships and highly efficient sales and delivery model enable us to consistently offer competitive prices. Our strategically-located distribution facilities allow us to meet even the most challenging customer requests. We also leverage drop-ship arrangements with many of our OEMs and distributors that allow us to offer even greater selection to our customers without having to physically hold the inventory.

Software

CDW helps customers maximize their software investment by supporting them through the complexities of the entire software lifecycle. We offer software solutions from the largest and category-leading software publishers, including Microsoft, Adobe, Symantec, Oracle, VMware and IBM. Our software lifecycle services include assessment and validation, procurement, deployment and contract management. We work closely with our customers to evaluate their software needs, navigate them through various complex licensing options, and procure the best software arrangements for their business. We help customers optimize software license procurement by consolidating vendors and recommending the most appropriate licensing contracts. In addition to deployment and migration services, we assist our customers in realizing the value of their purchases through ongoing contract management to ensure they maximize their contract benefits and renew on a timely basis. For example, many of our customers purchase maintenance contracts which allow them to receive new versions, upgrades or updates of software products released during the maintenance period. As part of our contract management services, we help our customers in tracking these upgrade benefits.

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Value-Added Services and Solutions

We believe customers are increasingly looking for solutions from their technology providers in order to optimize their technology investments and best achieve their business objectives. CDW offers a full suite of value-added services, which typically are delivered as part of a technology solution, to help our customers meet their specific needs. CDW solutions can range from the expert configuration and delivery of 100 laptops overnight, to specialized technical advice and product procurement, including associated warranties, for an enterprise network, to very complex, fully-integrated technology solutions such as virtualization, collaboration, security, mobility, data center optimization, and cloud computing. We also offer a complementary set of services, including installations, sales of warranties and managed services, such as remote network and data center monitoring.

Customers

We serve over 250,000 customers in the United States and Canada. Excluding sales to the federal government, which are diversified across multiple agencies and departments and collectively accounted for 12.6% of 2009 net sales, we are not reliant on any one customer as our next five largest customers comprised less than 2.0% of net sales in 2009.

Inventory Management/Distribution

We utilize our information technology systems to manage our inventory in a cost-efficient manner, resulting in a rapid-turn inventory model. We generally only stock items that have attained a minimum sales volume.

Our distribution process is highly automated. Once a customer order is received and credit approved, orders are automatically routed to one of our distribution centers for picking and shipping as well as configuration and imaging services. We operate two distribution centers: an approximately 450,000 square foot facility in Vernon Hills, Illinois, and an approximately 513,000 square foot facility in North Las Vegas, Nevada. We ship over 35 million units annually on an aggregate basis from our two distribution centers. We believe that the location of our distribution centers allows us to efficiently ship products throughout the United States and provide timely access to our principal distributors. Our locations enable us to obtain and ship non-stocked items quickly and efficiently. We believe that competitive sources of supply are available in substantially all of the product categories we offer. We continue to improve the productivity of our distribution centers as measured by key performance indicators such as units shipped per hour worked and bin accuracy.

Information Technology Systems

Our proprietary information technology systems are a key element in our ability to be a leading multi-brand technology solutions provider. Our customized information technology and unified communication systems enhance our ability to provide prompt, efficient and expert service to our customers. In addition, these systems enable centralized management of key functions, including purchasing, inventory management, and billing, collection of accounts receivable, sales and distribution. Our systems provide us with thorough, detailed and real-time information regarding key aspects of our business, enabling us to continuously enhance productivity, ship customer orders quickly and efficiently, respond appropriately to industry changes and provide high levels of customer service. Our websites, which provide electronic order processing and many advanced tools, such as order tracking, reporting and asset management, make it easy for customers to transact business with us and ultimately enhance our customer relationships. Online revenues were approximately $1,500 million and $850 million for the year ended December 31, 2009 and for the six months ended June 30, 2010, respectively.

Purchasing, Vendor Partner and Distributor Relationships

We purchase products for resale from vendor partners, which include OEMs and software publishers, and wholesale distributors. For the year ended December 31, 2009, we purchased approximately 46% of the products we sold directly from vendor partners and the remaining amount from wholesale distributors. Purchases from wholesale distributors Tech Data, Ingram Micro and SYNNEX represented approximately 16%, 11% and 8%, respectively, of our total purchases. Sales of products manufactured by Hewlett-Packard comprised approximately 24% of our total net sales. We are authorized by OEMs to sell via direct marketing all or selected products offered by the manufacturer. Our authorization with each OEM provides for certain terms and conditions, which may include one or more of the following: product return privileges, price protection policies, purchase discounts and vendor incentive programs, such as purchase or sales rebates and cooperative advertising reimbursements. We also operate as a reseller for major software publishers that allows the end-user customer to acquire packaged software or licensed products and services. Vendor incentive programs are at the discretion of our vendor partners and usually require the achievement of a specified sales volume or growth rate within a specified period of time to qualify for all, or some, of the incentive programs.

Competition

The market for technology products and services is highly competitive. Competition is based on the ability to tailor specific solutions to customer needs, quality and breadth of product and service offerings, knowledge and expertise of sales force, customer service, price, product availability, speed of delivery and credit availability. Our competition includes:

- direct marketers such as Insight Enterprises, PC Connection, PC Mall, Softchoice and GTSI;
- value-added resellers, including larger ones such as Logicalis, Agilysis, Sirius, and many regional and local value-added resellers;
- manufacturers such as Dell, Hewlett-Packard, and Apple, who sell directly to customers;
- e-tailers such as Tiger Direct, Buy.com, Amazon and Newegg;
- large service providers and system integrators such as IBM, Accenture, HP/EDS and Dell/Perot;
- retailers such as Best Buy, Office Depot, Office Max, Staples, Wal-Mart, Sam s Club and Costco.

We expect the competitive landscape in which we compete to continue to change as new technologies are developed. While innovation can help our business as it creates new offerings for us to sell, it can also disrupt our business model and create new and stronger competitors. For a discussion of the risks associated with competition, see Risk Factors Risks Relating to Our Business Substantial competition could reduce our

market share and significantly harm our financial performance.

Coworkers

As of September 30, 2010, we employed more than 6,200 coworkers, none of whom is covered by collective bargaining agreements. We consider our coworker relations to be good.

Properties

As of September 30, 2010, we owned or leased a total of approximately 2.1 million square feet of space throughout the United States and Canada. We own two properties: a combined office and an approximately 450,000 square foot distribution center in Vernon Hills, Illinois, and an approximately 513,000 square foot distribution center in North Las Vegas, Nevada. In addition, we conduct sales, services and administrative activities in various leased locations throughout North America, including data centers in Madison, Wisconsin and Minneapolis, Minnesota.

Intellectual Property

The CDW trademark and certain variations thereon are registered, or subject to pending trademark applications. We believe our trademarks have significant value and are important factors in our marketing programs. In addition, we own domain names, including cdw.com and cdwg.com, for our primary trademarks. Finally, we have unregistered copyrights in our website content.

Legal Proceedings

We are party to legal proceedings that arise from time to time in the ordinary course of our business, including various pending litigation matters. We are also subject to audit by federal, state and local authorities, by various customers, including government agencies, relating to sales under certain contracts and by vendors. In addition, from time to time, some of our customers file voluntary petitions for reorganization or liquidation under the United States bankruptcy laws. In such cases, certain pre-petition payments received by us could be considered preference items and subject to return to the bankruptcy administrator.

We do not believe that any current audit or pending or threatened litigation will have a material adverse effect on our financial condition. Litigation and audits, however, involve uncertainties and it is possible that the eventual outcome of litigation or audits could adversely affect our consolidated results of operations for a particular period.

MANAGEMENT

Directors, Managers and Executive Officers

The directors of Parent, the managers of CDW Holdings and CDW LLC and our executive officers are set forth below:

Name	Age	Position
John A. Edwardson	61	Chairman of the Board and Chief Executive Officer of CDW Holdings, CDW LLC and Parent
Thomas E. Richards	55	President and Chief Operating Officer
Dennis G. Berger	45	Senior Vice President and Chief Coworker Services Officer
Douglas E. Eckrote	46	Senior Vice President Strategic Solutions and Services
Ann E. Ziegler	52	Senior Vice President and Chief Financial Officer
Christine A. Leahy	46	Senior Vice President, General Counsel and Corporate Secretary
Jonathan J. Stevens	40	Senior Vice President Operations and Chief Information Officer
Christina V. Rother	47	Senior Vice President Sales
Matthew A. Troka	40	Vice President Product and Partner Management
Steven W. Alesio	56	Manager of CDW Holdings and CDW LLC
Barry K. Allen	61	Manager of CDW Holdings and CDW LLC
Benjamin D. Chereskin	51	Manager of CDW Holdings and CDW LLC
Glenn M. Creamer	48	Manager of CDW Holdings and CDW LLC
Michael J. Dominguez	41	Manager of CDW Holdings and CDW LLC and Director of Parent
George A. Peinado	40	Manager of CDW Holdings and CDW LLC and Director of Parent
Robin P. Selati	44	Manager of CDW Holdings and CDW LLC

John A. Edwardson serves as our Chairman of the Board and Chief Executive Officer, and as a manager of CDW Holdings and CDW LLC and a director of Parent. Mr. Edwardson has served as our Chairman and Chief Executive Officer since joining us in 2001. Prior to joining CDW in 2001, Mr. Edwardson served as Chairman and Chief Executive Officer of Burns International Services Corporation from 1999 until 2000. Mr. Edwardson previously served as a Director and President from 1994 to 1998 and Chief Operating Officer from 1995 to 1998 of UAL Corporation and United Airlines. He currently serves on the Board of Directors of FedEx Corporation. Mr. Edwardson is a graduate of Purdue University where he earned a bachelor s degree and a graduate of the University of Chicago where he earned a Master of Business Administration. As a result of these and other professional experiences, Mr. Edwardson possesses particular knowledge and experience in strategic planning and leadership of complex organizations and board practices of other major corporations, which strengthen the board s collective qualifications, skills and experience.

Thomas E. Richards serves as our President and Chief Operating Officer. Mr. Richards joined CDW in September 2009, and is responsible for sales, services, product and partner management, marketing and e-commerce. Prior to joining CDW, Mr. Richards held leadership positions with Qwest Communications, a telecommunications carrier. From 2008 to 2009, he served as Executive Vice President and Chief Operating Officer, where he was responsible for the day-to-day operation and performance of Qwest Communications, and before assuming that role, was the Executive Vice President of the Business Markets Group from 2005 to 2008. Mr. Richards has also served as Chairman and Chief Executive Officer of Clear Communications Corporation and as Executive Vice President of Ameritech Corporation. Mr. Richards is a graduate of the University of Pittsburgh where he earned a bachelor s degree and a graduate of Massachusetts Institute of Technology where he earned a Master of Science in Management as a Sloan Fellow.

Dennis G. Berger serves as our Senior Vice President and Chief Coworker Services Officer. Mr. Berger joined CDW in September 2005 as Vice President Coworker Services. In January 2007, he was named Senior Vice President and Chief Coworker Services Officer. Mr. Berger is responsible for leading CDW s programs in coworker learning and development, benefits, compensation, performance management, coworker relations and talent acquisition. Prior to joining CDW, he served as Vice President of Human Resources at PepsiAmericas, a beverage

company, from 2002 to 2005. Mr. Berger has also held human resources positions of increasing responsibility at Pepsi Bottling Group, Inc., Pepsico, Inc. and GTE Corporation. Mr. Berger serves on the Board of Directors for the Human Resources Management Association of Chicago, Glenwood School for Boys and Girls, Chicago SCORES and Anti-Defamation League of Chicago. Mr. Berger is a graduate of Northeastern University where he earned a bachelor s degree and a graduate of Washington University in St. Louis where he earned a Master of Business Administration.

Douglas E. Eckrote serves as our Senior Vice President of Strategic Solutions and Services and is responsible for our technology specialist teams focusing on servers and storage, unified communications, security, wireless, power and cooling, networking, software licensing and mobility solutions. He also holds responsibility for CDW Canada, Inc. Mr. Eckrote joined CDW in 1989 as an account manager. Mr. Eckrote was appointed Director of Operations in 1996, Vice President of Operations in 1999 and Senior Vice President of Purchasing in April 2001. In October 2001, he was named Senior Vice President of Purchasing and Operations. He was named Senior Vice President of Operations, Services and Canada in 2006 and assumed his current role in 2009. Prior to joining CDW, Eckrote worked in outside sales for Arrow Electronics and Cintas Uniform Company. From 2003 to 2009, Mr. Eckrote served on the Board of Directors for the Make-A-Wish Foundation of Illinois, completing the last two years as Board Chair and currently serves on the Make-A-Wish Foundation of America National Chapter Performance Committee. Mr. Eckrote also served on the Board of Directors for the Center for Enriched Living from 2002-2008, serving as Vice President from 2004-2005, President from 2006-2008 and currently serves as Board Emeritus. Mr. Eckrote is a graduate of Purdue University where he earned a bachelor s degree and a graduate of Northwestern University s Kellogg School of Management where he earned an Executive Master of Business Administration.

Ann E. Ziegler joined the Company in April 2008 as Senior Vice President and Chief Financial Officer. Prior to joining CDW, Ms. Ziegler spent 15 years at Sara Lee Corporation (Sara Lee), a global consumer goods company, in a number of executive roles including finance, mergers and acquisitions, strategy and general management positions in both U.S. and international businesses. Most recently, from 2005 until April 2008, Ms. Ziegler served as Chief Financial Officer and Senior Vice President of Administration for Sara Lee Food and Beverage. Prior to joining Sara Lee, Ms. Ziegler was a corporate attorney at Skadden, Arps, Slate, Meagher & Flom. Ms. Ziegler serves on the boards of directors of Hanesbrands, Inc., Unitrin, Inc. and The Chicago Shakespeare Theatre. Ms. Ziegler is a graduate of The College of William and Mary where she earned a bachelor s degree and a graduate of the University of Chicago Law School where she earned her Juris Doctor.

Christine A. Leahy serves as our Senior Vice President, General Counsel and Corporate Secretary and is responsible for our legal, corporate governance and compliance functions. Ms. Leahy joined CDW in January 2002 as Vice President, General Counsel and Corporate Secretary. In January of 2007, she was named Senior Vice President. Before joining CDW, Ms. Leahy served as a corporate partner in the Chicago office of Sidley Austin LLP where she specialized in corporate governance, securities law, mergers and acquisitions and strategic counseling. Ms. Leahy serves on the Board of Trustees of Children s Home and Aid. Ms. Leahy is a graduate of Brown University where she earned a bachelor s degree and a graduate of Boston College Law School where she earned her Juris Doctor. She also completed the CEO Perspective and Women s Director Development Programs at Northwestern University s Kellogg School of Management.

Jonathan J. Stevens serves as our Senior Vice President of Operations and Chief Information Officer. Mr. Stevens joined CDW in June 2001 as Vice President Information Technology, was named Chief Information Officer in January 2002 and Vice President International and Chief Information Officer from 2005 until December 2006. In January 2007, he was named Senior Vice President and Chief Information Officer and assumed his current role in November 2009. Mr. Stevens is responsible for the strategic direction of our information technology. Additionally, he holds responsibility for our distribution centers, transportation, facilities, customer relations, operational excellence and the business technology center. Prior to joining CDW, Mr. Stevens served as regional technology director for Avanade, an international technology integration company formed through a joint venture between Microsoft and Accenture from 2000 to 2001. Prior to that, Mr. Stevens was a principal with Microsoft Consulting Services and led an information technology group for a corporate division of AT&T/NCR. Mr. Stevens is a graduate of the University of Dayton where he earned a bachelor s degree.

Christina V. Rother serves as our Senior Vice President of Sales and is responsible for managing all aspects of our corporate and public sector sales forces, including sales force strategy, structure, goals, revenue generation and training and development. Ms. Rother joined CDW in 1991 as an account manager. In 2002, she was appointed Vice

President for Education and State and Local Sales. In 2005, she was chosen to lead our newly formed healthcare sales team. She was promoted to Group Vice President in 2006 for CDW Government LLC until assuming her current roles as our Senior Vice President and President of CDW Government LLC in 2009. Prior to joining CDW, Ms. Rother held a number of sales positions with technology companies including Laser Computers and Price Electronics. Ms. Rother serves on the Board of Directors for the Associated Colleges of Illinois and the Make-A-Wish Foundation of Illinois. Ms. Rother is a graduate of the University of Illinois at Chicago where she earned a bachelor s degree.

Matthew A. Troka serves as our Vice President of Product and Partner Management. Mr. Troka is responsible for managing our relationships with all of our vendor partners. In addition, he directs the day-to-day operations of our purchasing department. Mr. Troka joined CDW in 1992 as an account manager and became a sales manager in 1995. From 1998 to 2001, he served as Corporate Sales Director. From 2001 to 2004, Mr. Troka was Senior Director of Purchasing. From 2004 to 2006, Mr. Troka served as Vice President of Purchasing. He assumed his current position in 2006. He also is Chairman of the CDW Supplier Diversity Advisory Council. Mr. Troka serves as a member of the Board of Directors for Rainbows for All Children. Mr. Troka is a graduate of the University of Illinois where he earned a bachelor s degree.

Steven W. Alesio serves as a manager of CDW Holdings and CDW LLC. Mr. Alesio was most recently Chairman of the Board and Chief Executive Officer of Dun & Bradstreet Corporation (D&B), a provider of credit information on businesses and corporations. After joining D&B in January 2001 as Senior Vice President, Mr. Alesio served in various senior leadership positions. In May 2002, Mr. Alesio was named President and Chief Operating Officer, and was elected to the Board of Directors. In January 2005, Mr. Alesio was chosen to be the Chief Executive Officer, and in May of 2005, he became Chairman of the Board. In November of 2009, it was announced that Mr. Alesio would retire from the company effective January 1, 2010. Mr. Alesio continued to serve as Chairman of the Board until his departure on June 30, 2010. Prior to joining D&B, Mr. Alesio spent 19 years with the American Express Company, where he served in marketing and then general management roles. Mr. Alesio is the founding sponsor and Senior Advisor for the non-profit, All Stars Project of New Jersey, which provides outside-of-school leadership development and performance-based education programming to thousands of inner-city young people in Newark and its surrounding communities. Mr. Alesio is a graduate of St. Francis College where he earned a bachelor s degree and a graduate of University of Pennsylvania s Wharton School where he earned a Master of Business Administration. As a result of these and other professional experiences, Mr. Alesio possesses particular knowledge and experience in strategic planning and leadership of complex organizations and board practices of other major corporations that strengthen the board s collective qualifications, skills and experience.

Barry K. Allen serves as a manager of CDW Holdings and CDW LLC. Mr. Allen serves as Senior Advisor at Providence Equity Partners. Prior to joining Providence Equity Partners in 2007, Mr. Allen was Executive Vice President of Operations at Qwest Communications International, a telecommunications carrier. Before his retirement from Qwest in June 2007, Mr. Allen was responsible for the company s network and information technology operations. Prior to being named Executive Vice President of Operations in March 2004, he served as Qwest s Executive Vice President of Operations and Chief Human Resources Officer. Before joining Qwest in August 2002, Mr. Allen was President of Allen Enterprises, a private equity investment and management company he founded in 2000. Previously, he served as President of Chicago-based Ameritech Corp., where he began his career in 1974 and held a variety of executive appointments including President and Chief Executive Officer of Wisconsin Bell and President and Chief Executive Officer of Illinois Bell. Before starting at Ameritech, Mr. Allen served in the U.S. Army where he reached the rank of Captain. Mr. Allen serves on the boards of directors of Harley Davidson (Chairman of the Board), Bell Canada Enterprises and the Fiduciary Management family of mutual funds. He has also served as a board member for many civic organizations, including the Greater Milwaukee Committee, currently the Boys and Girls Club of Milwaukee, Junior Achievement of Wisconsin, Children s Hospital of Wisconsin and United Way in Milwaukee. Mr. Allen is a graduate of the University of Kentucky where he earned a bachelor s degree and a graduate of Boston University where he earned a Master of Business Administration, with honors. As a result of these and other professional experiences, Mr. Allen possesses particular knowledge and experience in technology industries; strategic planning and leadership of complex organizations; and board practices of other major corporations that strengthen the board s collective qualifications, skills and experience.

Benjamin D. Chereskin serves as a manager of CDW Holdings and CDW LLC. Mr. Chereskin is President of Profile Capital Management LLC (Profile Capital), an investment management firm. Prior to founding Profile Capital, Mr. Chereskin was a Managing Director of Madison Dearborn, having co-founded the firm in 1993. Prior to

the founding of Madison Dearborn, Mr. Chereskin was with First Chicago Venture Capital for nine years. Mr. Chereskin currently serves on the Board of Directors of BF Bolthouse Holdco LLC, Cinemark, Inc., Tuesday Morning Corporation, University of Chicago Laboratory School and KIPP-Chicago and on the Board of Trustees of University of Chicago Medical School. During the previous five years, Mr. Chereskin also served as a director of Carrols Restaurant Group, Inc. Mr. Chereskin is a graduate of Harvard College where he earned a bachelor s degree and a graduate of the Harvard Graduate School of Business Administration where he earned a Master of Business Administration. As a result of these and other professional experiences, Mr. Chereskin possesses particular knowledge and experience in accounting, finance and capital market transactions; strategic planning and leadership of complex organizations; and board practices of other major corporations that strengthen the board s collective qualifications, skills and experience.

Glenn M. Creamer serves as a manager of CDW Holdings and CDW LLC. Mr. Creamer is a Senior Managing Director of Providence Equity. Prior to the founding of Providence in 1989, Mr. Creamer was a Vice President of Narragansett Capital, which he joined in 1988. Mr. Creamer has also worked in investment banking at Merrill Lynch and JPMorgan. Mr. Creamer currently is a director of Telcordia Technologies. He also serves as a director of various non-profit boards, including Catholic Relief Services, Mustard Seed Communities USA and the Rhode Island School of Design Museum. Mr. Creamer is a graduate of Brown University where he earned a bachelor s degree and a graduate of Harvard Business School where he earned a Master of Business Administration. As a result of these and other professional experiences, Mr. Creamer possesses particular knowledge and experience in accounting, finance and capital market transactions; strategic planning and leadership of complex organizations; and board practices of other major corporations that strengthen the board s collective qualifications, skills and experience.

Michael J. Dominguez serves as a manager of CDW Holdings and CDW LLC and a director or Parent. Mr. Dominguez is a Managing Director of Providence Equity. Prior to joining Providence Equity in 1998, Mr. Dominguez worked for Salomon Smith Barney in corporate finance. Previously, Mr. Dominguez held positions with Morgan Stanley and was a senior consultant at Andersen Consulting. Currently, Mr. Dominquez also serves on the Board of Directors of AutoTrader.com, Bresnan Communications, Metro-Goldwyn-Mayer Inc. and ZeniMax Media Inc. Mr. Dominguez is a graduate of Bucknell University where he earned a bachelor s degree and a graduate of Harvard Business School where he earned a Master of Business Administration. As a result of these and other professional experiences, Mr. Dominguez possesses particular knowledge and experience in accounting, finance and capital market transactions; strategic planning and leadership of complex organizations; and board practices of other major corporations that strengthen the board s collective qualifications, skills and experience.

George A. Peinado serves as a manager of CDW Holdings and CDW LLC and a director of Parent. Mr. Peinado is a Managing Director of Madison Dearborn and joined the firm in 2004. Prior to joining Madison Dearborn, Mr. Peinado was with DLJ Merchant Banking Partners and Morgan Stanley & Co. Mr. Peinado currently serves on the Board of Directors of BF Bolthouse Holdco LLC and The Yankee Candle Company, Inc. During the past five years, Mr. Peinado also served as a director for Pierre Holding Corp. Mr. Peinado is a graduate of Stanford University where he earned a bachelor s degree and a graduate of The Tuck School at Dartmouth College where he earned a Master of Business Administration. As a result of these and other professional experiences, Mr. Peinado possesses particular knowledge and experience in accounting, finance and capital market transactions; strategic planning and leadership of complex organizations; and board practices of other major corporations that strengthen the board s collective qualifications, skills and experience.

Robin P. Selati