

FUSION

The Worldwide Corporate Newsletter of PC Mall, Inc. and Its Subsidiaries

PC Mall's Small Business Network: What a year!

What a difference a year makes! Last Fall's newsletter mentioned SBN having over 31,000 members. One year later, PC Mall's Small Business Network membership has more than doubled to over 68,000 with members in all 50 states and Puerto Rico. The network has attracted our core small business audience with over 70% of members having between 1 and 100 employees and 86% of members having 1-250 employees. A recent survey also showed that SBN members are frequent purchasers of technology products for their business with over 50% purchasing laptops and other technology products in the last six months.

New Features

One of the challenges of a network like SBN is keeping the features fresh and interesting to members. Over the past year, the team has added experts that members can interact with on subjects like social media, medical office management, and HR. The SBN blog has also received a lot of attention with featured posts from Cisco, HP, Microsoft, Symantec, and Steve Strauss,

USA Today's small business expert. There are also over 70 member blogs. The number of white papers in the Knowledge Bank has grown by 30%, and the Video Library contains a wealth of information on everything from how businesses should store data to dealing with botnets. In addition, many of the key site features have been rebuilt to enhance ease of use, and the entire site was moved to the Widgetti platform to make it easier to update.

Coming Soon

In September, PC Mall's SBN is planning a grand opening of the new SBN member store, with a sweepstakes and hot product deals to bring in the SBN shopper. Connecting SBN members with a personal technology advisor via Live Chat is also just around the corner. And we're on our way to reaching a goal of 80,000 members by year-end. Two years in, PC Mall's Small Business Network continues to lead the way in the business social networking space and bring in new customers to PC Mall.

Carol Kurimsky
SVP Brand Marketing, PC Mall



A much-appreciated cookie boosts the spirits—and the glucose levels—of proud blood donors.

Pint for a Pint

Continuing our efforts to give back to our community, PC Mall Gov, Manassas, VA recently coordinated a local blood drive on July 29th. Through the coordinating efforts of Tanya Hamm, Missy Turner, Jeremy Guerin, Reggie Jones, and the many PC Mall Gov volunteers, the blood drive resulted in 125% of our goal. All who donated a pint of blood received a coupon for a pint of Baskin Robbins ice cream—a pint for a pint.

All of PC Mall Gov's efforts as donors and volunteers resulted in 30 pints of blood being collected from our People Caring More Globally (PCMG) Blood Drive. That's 125% of the goal that Inova, who drew our blood, set for us!

One pint of whole blood can save up to three lives—so as a group PC Mall Gov may have saved close to 100 lives and positively impacted hundreds of their friends and loved ones lives! What a great way to end a week and kick off our federal busy season...

Penelope Curtin
PC Mall Gov

Breaking Away

I didn't expect a life-changing experience when my wife and I moved to Pennsylvania. But unpacking the boxes at our new home led to a true personal sea change.

The first thing I unpacked when we arrived was my racing bicycle, finally seeing some



Greg, the not-so-young protege, hops out of his saddle for an extra burst of momentum up a steep incline.

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Frank Gets Frank About the Upcoming Move

You might remember that I made an important announcement a few months ago: we are now the proud owners of a new corporate headquarters building located at 1940 E Mariposa Ave., El Segundo. Well, the news is so big that I wanted to share the details with you one more time to properly whet your appetites as we prepare to pack up and ship out.

I am very excited and can hardly wait for the move to take place. The reasons we elected to buy this building were many, but they were all within the context of upgrading our environment, our image, our pride, and the “fun factor” for all headquarters team members, as well as for our vendors. We want all of you to be proud and happy every day you come in to work.

“We will be able to invest in the building as we go with an eye towards keeping the environment productive, fun, and clean—and making it a show-piece for our customers, vendors, and team members.”

PC Mall is not just a company—PC Mall is like a family, and we would like our new corporate headquarters to be like a new home to you.

Speaking of our new house, here's a quick rundown on why it's a very very very fine house:

- It's a great building in an amazing location!
- It is extremely close to many restaurants, most of which are literally across the street or around the corner. Even a 15-minute break gives you enough time to get your caffeine fix at Starbucks, your eggs fix at Ralphs, or your Benjamins fix at the local banks!

General Interest within walking distance!

Los Angeles Lakers Practice Facility
Automobile Driving Museum
Walking trails with a calisthenics park

Stores within walking distance!

Ralphs
Walgreens

Restaurants within walking distance!

Petit Cafe
Sizzler
El Pollo Loco
Chipotle Mexican Grill
Starbucks
The Habit Burger Grill
Quiznos
Chile Verde
Rubio's
Robek's

And many, many more...

It's also very close to many hotels. The Marriott Courtyard is right next door, which will allow our vendors—not to mention team members who travel from other locations—to stay just a walk away and make as many trips back and forth to their hotel rooms as they desire. I believe this will make remote team members' trips to HQ much more enjoyable and productive.

Hotels within walking distance!

Marriott Courtyard
Hilton Garden Inn
Doubletree
Homestead Studio Suites
Hacienda

Last but not least, because we now own this building instead of just renting like we currently do, we will be able to invest in the building as we go with an eye towards keeping the environment productive, fun, and clean—and making it a show-piece for our customers, vendors, and team members. We can start evaluating initiatives like installing a technology briefing center or expanding our NSPI cloud/remote managed services/hosting services data center to Southern California and other areas, too. These decisions will be made over time, but owning this building affords us greater flexibility.

Your concrete jungle commute!

Nestled right off the 405 and 105, the new building has very convenient access to freeways. It's also a short walk away from the El Segundo metro station. For most of you who commute from around the existing office or from the north or east, this move will cut your travel times or not change them much. For some, you may start taking the metro and help the environment and your pocketbook. For some of you who commute from South Orange County, this will add a little bit to your travel time, but we are confident that the very long list of advantages the new building brings to you will be worth it!

Once again, I can hardly wait! Don't hesitate to e-mail me with any questions!

Frank Khulusi
Chairman, CEO & President of PC Mall, Inc.





MacMall is Adding Two New Retail Stores

The vast majority of PC Mall's business is based on shipping products directly to the customer's place of business or home. However, consumers and small businesses in the US continue to visit retail stores to acquire some of their technology needs. Retail offers customers a chance to touch and feel the products. Plus, customers can take the products with them, so they receive instant gratification. Many consumers and small businesses also use the technical support services offered at retail locations like Apple's Genius Bar or Best Buy's Geek Squad. What you might not know, unless you're based in our corporate office in Torrance, is that MacMall has two retail stores.

MacMall retail stores offer many things that the Apple stores or big box retailers like Best Buy cannot:

- A larger selection of 3rd party Mac and iPad accessories (our stores stock over 1,200 SKUs)
- A focus on prosumers (professional consumers) and small businesses
- Walk-in service without an appointment
- On-site delivery, installation, and repair for businesses
- Windows installation and integration

Santa Monica

Our Santa Monica store is our largest volume and oldest store. We expect sales in this store to grow 20% this year. It's located on Wilshire Blvd. just 15 blocks from the beach. Although many consumers purchase from this store, its core audience are the many film & video shops and advertising agencies in the neighborhood.

Torrance

A few years ago, we decided to investigate expanding the retail store located at our Torrance corporate offices. We put together a new store design for MacMall retail, which we thought would significantly improve the



Wrapped in hip graphics, the MacMall-mobile is turning heads!

customer experience. At the beginning of last year, we moved the small store over to a bigger location on Hawthorne Blvd. in Torrance. Despite the challenging retail economic climate, sales grew by over 55% from 2009 to 2010. This year, we anticipate sales growing by another 30%.

We started searching for locations to put new MacMall stores in LA County, Orange County, San Diego County, and also in the Chicago area. We use a number of criteria when we look for a new retail location:

- It can't be too close to an Apple store
- It needs to be in a neighborhood with high population density and income
- It needs to have a good mix of businesses and consumers to keep the story busy at all hours

Huntington Beach

A few months ago, we signed a lease for a location in Huntington Beach, California, and it's expected to open by



Santa Monica

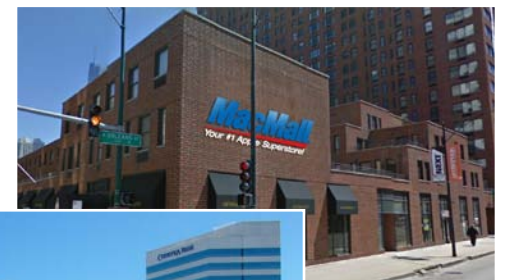
the end of November. It's in a high traffic area on Beach Blvd. Though slightly smaller than our current locations, we believe this will be a great addition to our business, and it will be our first store in the OC.

Chicago

We also just signed a lease for a location that will open early next year in downtown Chicago—only a mile from our existing PC Mall office in The Windy City. Almost 900,000 people live—and nearly a million people work—within five miles of this store. We're excited to see how our first store outside of Southern California works.

We continue to look at additional locations and hope to add more stores in 2012.

To help us grow our retail presence, we recently hired Richard Puckett as MacMall's new Retail Operation Manager. He will be tasked with overseeing the entire process of creating these stores, and he brings 15+ years of retail experience from Comp USA and GameStop. We have also expanded the role of Shawn Goldenberg, MacMall's Director of Business Sales, to include responsibility for the stores.



Chicago



Huntington Beach

Dan DeVries
President, MacMall



daylight after a few years of inactivity because of career moves, life changes, and any number of excuses I could find to rationalize why I wasn't racing.

Seven-year-old Greg wandered over from next door as we were unloading boxes. He'd never seen a racing bike before—nor a huge moving truck loaded with an entire household for that matter. His parents, Tom and Donna, followed quickly behind and apologized for their son's inquisitiveness. But it was too late: Greg's interest in my bicycle had already made him a friend.

As I headed off to the nearby velodrome one morning a couple of months later, Tom and Greg asked if they could come along. We all piled into my SUV, and I watched Greg in the back seat as he eyed my Ridley fixed-gear bike. The kid was hooked. By the time we left the track two hours later, Tom had enrolled Greg in a youth developmental cycling program, and he started classes the next week.

I know—nearly every kid rides a bike at some point in their early years. But Greg was different. He took to track racing quickly, winning events in his class during every session. By the end of the summer, Donna and Tom were wondering how they could encourage their son in a sport that's not found in many schools. Tom and I put our heads together and started a youth cycling program with sponsorship from local businesses. Our vision was to leverage competitive and recreational cycling as a platform to organize fitness and racing events for boys and girls ages 7-17. The idea was to provide solid physical development in tandem with the positive intellectual and emotional growth that comes from a well-structured sports program.

It worked. The program took off, and we hired a coach to work with the boys and girls. Eight years later, it's very successful, and some participants have moved on to amateur teams in Europe. During recent years, the club has sponsored the Pennsylvania and New Jersey Juniors Road Cycling Championship race. Tom and I became close friends in the process and developed non-profit and leadership skills that we never expected.

As for Greg...Seven years after he started competitive cycling, the 14-year-old began—as we say in the sport—crushing his opponents. He'd join me on training rides occasionally, and even though I had won my fair share of Masters-level races, I could tell that my days of beating him in town-line sign sprints or up the local climbs were numbered. That was two years ago, and the last two years have been rough.

“As for Greg...after he started competitive cycling, the 14-year-old began—as we say in the sport—crushing his opponents.”

The little kid next door isn't so little anymore. Our playful riding turned into an all-out—yet good-intentioned—competition. He pushed me to avoid being complacent, and I taught him race strategy. We both grew together as friends and competitors. And this year, it all came back to me in a couple of ways.

In May, Greg and I entered the same USA Cycling amateur race. He won; I finished



Focused on the finish line, Dean Smith rounds a tight corner, leaving no room for the riders at his rear to creep up.

Dean Smith, Abreon

4th. I was close enough to nearly beat him in the sprint, and as I watched his last-second surge that bested the rest of us, I felt myself smile at both the talent I had helped encourage and what that talent had taught me in turn.

That was May. I didn't get a change to race against Greg during the rest of the season; my schedule was focused on Masters races while his was centered around winning nearly every state championship race and the occasional National title, including the state championship race that his dad and I helped create.

Selfishly speaking, the abilities I developed from our training sessions helped me to better-than-expected (or deserved) state- and world-championship results. And while I'd like to think that my own talent had something to do with it, I have to acknowledge that it had more to do with learning from the kids who have gone through the program over the years—and in particular the little boy who wandered up to my Trek racing bike and wondered why it didn't have a kickstand.



Even soggy Pennsylvania weather can't dampen the drive of these pedal pushers.

OSRP 3rd Basketball Tournament: Above and Beyond Basketball

OSRP employees, like the majority of Filipino people, are captivated by the game of basketball. Almost everyone has their own favorite basketball player or team, and it's this common interest that OSRP harnessed as a rallying point for the company to strengthen camaraderie, unity, and competitiveness among its members and teams.

Now in its 3rd season, the company's basketball tournament has grown exponentially in both numbers and competitiveness. With 700 strong employees, the Basketball Committee headed by Human Resources Manager Divina Flores made sure that each Division, each Department, and each Team was duly represented and had someone to cheer. In no time, the eight required teams for the tournament had been filled with eager squads!

The Basketball Committee opted for a strategic venue for players and fans alike to have easy access. This ensured everyone's participation. The tournament officially started on the morning of July 23. It was a colorful and lively crowd that showed up to the opening ceremony to kick-off event. The tournament formally opened with Mr. Rory Zaks' inspirational speech as he pumped up the energy of the teams and fans alike. Everyone responded, clapping, roaring, and high-fiving in a feisty atmosphere!

Eight teams paraded their respective colors, beaming with pride as cheers and appreciation from their adoring fans echoed in the



The crowd waited anxiously as the tip-off marked the official start of a match at the 3rd OSRP Basketball Tournament.

sports hall. Lovely muses representing their teams graced the event, and Franchesca Aguilera of MacMall was awarded the title of Best Muse after much deliberation from an independent panel of judges.

The eight teams were divided into two brackets to even out the field. The elimination round was a single round-robin format with the top two teams on each bracket moving up to the semi-final round. The defending champions, IT Dev Black Team and SARCOM Red Team, swept the competition on their respective group assignments but not without getting pushed to the limit by the highly competitive MacMall Orange, COM Blue, Marketing

Yellow, PIMDAF/Marketing Green, Eureka Sales Silver, and IT Infra White teams first. All three Saturdays of the elimination round were something everyone looked forward to as their respective teams jockeyed for a spot in the semi-finals. Even the heavy downpours brought by tropical typhoons were not enough to dampen the competitive spirits of each team as they faced off for crucial wins.

For the first game of the semi-final round, SARCOM Red Team and MacMall Orange Team battled from start to finish and gave everyone a thrilling game. But the Red Team prevailed during the closing seconds to seal their title shot. The following game between IT Dev Black Team and PIMDAF/Marketing Green Team was equally exciting, but the defending champions proved too much for the Green Team.

The final game between the defending champions (IT Dev) and the challengers (SARCOM) was a titanic duel, but the IT Dev Team was victorious in defending their title! Special awards were also given out to Oliver Tadeo for Rookie of the Year and Rommel Pineda for MVP.

Even though the IT Dev Team took home the trophy, all of the teams who participated can feel proud of their performances. It's been said many times: basketball is a team sport. It's this idea that OSRP, by sponsoring sporting events, has been continually building. After all, the tournament is above and beyond basketball!



When the dust finally settled, the powerhouse IT Dev Black Team held onto their title of reigning champs.

Don Jerico Yambao, OSRP

Winning the War on Weight

By William L. Madrid

All my life, I have been overweight. From the age of 6 until I turned 42, I steadily gained weight little by little. I kept telling myself I would lose the weight some day, but that day never came. The weight did, though. My mom always encouraged me to have the weight loss surgery as she had done. After many years of her prodding, I finally decided to have the surgery and underwent a Gastric Sleeve (a more severe procedure than the Lap Band but not as severe as Gastric Bypass) on March 11, 2010.

On the day of the surgery, I weighed 422 lbs. Yes, I was a big guy. I want to say the weight was caused by a glandular problem,



Although William Madrid weighed 422 lbs. before his surgery, he has already shed 170 lbs.

back problems, or something like that, but my problem was eating. I was addicted to food—all the wrong kinds of food, too. And I loved to drink sodas (not the diet sodas, but the full-sugar variety), cracking open four or five in a day sometimes. As a result, I was a diabetic with high blood pressure and high cholesterol, just to name a few of my physical problems.

Since the surgery, I have lost a total of 170 lbs., and I currently weigh 252 lbs. Moreover, all of my weight-related health issues are now well under control, and I have cut my medications down to less than half of what I took before the Gastric Sleeve. It's a great start, but my ultimate goal is to get to 200 lbs.

I would attribute my success to the people in my life: my mother, my family, and my extended family here at PC Mall Gov / PC Mall. Everyone I work with (too many to name) has been and continues to be supportive and encouraging. I am a very lucky person to work at such a great company with such great people.

I've changed my eating habits greatly, though I still don't eat 100% healthy. I believe you can eat almost anything as long as it's in moderation. However, I still stay away from sodas because of how much I



William Madrid, PC Mall Gov

enjoy them, drinking lots of water instead. I eat much smaller portion of the food I do enjoy, and I don't keep ready-made food around the house. If I'm hungry, I have to make the decision to cook a meal.

Life has changed drastically for me in many ways since losing the weight. I use the stairs instead of the elevator, and I ride my exercise bike at home when playing Xbox (finally making exercise enjoyable). With all these changes and the continued support of my family, friends, and PC Mall colleagues, I know I'll reach my goal of 200 lbs.—and stay there.

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We're moving to El Segundo! New place...New goals...

If you're wondering where to exercise during your breaks once PC Mall's Corporate Headquarters moves to El Segundo, you can rest easy. We've done the research for you.

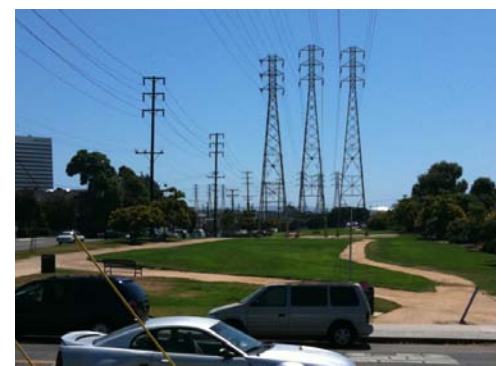
Less than a half mile down Mariposa Ave. and directly across Pacific Coast Hwy is Freedom Park, which has a walking path dotted with 17 workout stations. It also has picnic tables if you just want to eat lunch—the short walk back to the office is excellent for digestion. And there is a huge field if you prefer to bring your yoga mat and do your own routine. It's a great break in the afternoon and a good way to clear your head.

Keep this in mind: the human body is MEANT to move. So show your body a little love and use this opportunity to get active outdoors!



FREEDOM!

When you walk down Mariposa Avenue, this sign marks the start of the path, and the route is short enough that you can breeze through it a few times during lunch.



BENEFITS OF SUNSHINE

The body needs natural sunlight to stay healthy. It provides vitamin D which supports the immune system and keeps our bones strong by allowing us to absorb calcium.