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

Form 10-K/A
Amendment No. 2

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended December 31, 1999

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND
EXCHANGE COMMISSION

Commission File Number 0-23827

PC CONNECTION, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

02-0497006

(I.R.S. Employer
Identification No.)

Rt. 101A, 730 Milford Road
Merrimack, New Hampshire

(Address of principal executive offices)

03054

(Zip Code)

(603) 423-2000

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock,
\$.01 par value

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K. ☐

The aggregate market value of the voting and non-voting stock held by
non-affiliates of the Registrant, based upon the closing price of the
Registrant's Common Stock as reported on the NASDAQ National Market on March 27,
2000, was \$96,008,036. Although directors and executive officers of the
registrant were assumed to be "affiliates" of the registrant for the purposes of
this calculation, this classification is not to be interpreted as an admission
of such status.

The number of outstanding shares of the Registrant's Common Stock on March 27,
2000 was 15,794,298.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the 2000 Annual Meeting of Shareholders for the fiscal year ended December 31, 1999, which is to be filed within 120 days of the end of the Company's fiscal year, are incorporated by reference into Part III of this Form 10-K. The incorporation by reference herein of portions of the Proxy Statement shall not be deemed to specifically incorporate by reference the information referred to in Item 402(a) (8) of Regulation S-K.

PART IV

Item 14. Exhibits, Consolidated Financial Statements, Schedule, and Reports on Form 8-K

(a) List of Documents Filed as Part of This Report:

(1) Consolidated Financial Statements

The consolidated financial statements listed below are included in this document.

Consolidated Financial Statements	Page References
Report of Management.....	F-2
Independent Auditors' Report.....	F-3
Consolidated Balance Sheets.....	F-4
Consolidated Statements of Income.....	F-5
Consolidated Statement of Changes in Stockholders' Equity.....	F-6
Consolidated Statements of Cash Flows.....	F-7
Notes to Consolidated Financial Statements.....	F-8

(2) Consolidated Financial Statement Schedule:

The following Consolidated Financial Statement Schedule of the Company as set forth below is filed with this report:

Schedule	Page Reference
Schedule II - Valuation and Qualifying Accounts.....	S-1

(3) Supplementary Data Not applicable.

(b) Reports on Form 8-K

The Company filed a current report on Form 8-K on January 3, 2000, due to the reorganization of the Company.

(c) Exhibits

The exhibits listed below are filed herewith or are incorporated herein by reference to other filings.

EXHIBIT INDEX

Exhibits	Page Reference
*3.2 Amended and Restated Certificate of Incorporation of Registrant.	
*3.4 Bylaws of Registrant.	
*4.1 Form of specimen certificate for shares of Common Stock, \$0.01 par value per share, of the Registrant.	

- *9.1 Form of 1998 PC Connection Voting Trust Agreement among the Registrant, Patricia Gallup individually and as a trustee, and David Hall individually and as trustee.
- *10.1 1993 Incentive and Non-Statutory Stock Option Plan, as amended.
- *10.2 1997 Stock Incentive Plan.
- *10.3 Lease between the Registrant and Miller-Valentine Partners, dated September 24, 1990, as amended, for property located at 2870 Old State Route 73, Wilmington, Ohio.
- *10.4 Lease between the Registrant and Lower Bellbrook Company, dated September 26, 1997, for property located at 643-651 Lower Bellbrook Avenue, Xenia, Ohio.
- *10.5 Lease between the Registrant and Gallup & Hall partnership, dated May 1, 1997, for property located at 442 Marlboro Street, Keene, New Hampshire.
- *10.6 Lease between the Registrant and Gallup & Hall partnership, dated June 1, 1987, as amended, for property located in Marlow, New Hampshire.
- *10.7 Lease between the Registrant and Gallup & Hall partnership, dated July 22, 1998, for property located at 450 Marlboro Street, Keene, New Hampshire.
- *10.9 Lease between the Registrant and Century Park, LLC, dated October 1, 1997 for property located at Route 111, Hudson, New Hampshire.
- *10.10 Amended and Restated Lease between the Registrant and G&H Post, LLC, dated December 29, 1997 for property located at Route 101A, Merrimack, New Hampshire.
- *10.11 Sublease between the Registrant and ABX Air Inc., dated June 7, 1995, for property located at 2870 Old State Route 73, Wilmington, Ohio.
- *10.12 Employment Agreement between the Registrant and Wayne L. Wilson, dated August 16, 1995.
- *10.13 Employment Agreement between the Registrant and Robert F. Wilkins, dated December 23, 1995.
- *10.15 Letter Agreement between the Registrant and Airborne Freight Corporation D/B/A "Airborne Express," dated April 30, 1990, as amended.
- *10.16 Agreement between the Registrant and Ingram Micro, Inc., dated October 30, 1997, as amended.
- *10.18 Employment Agreement, dated as of January 1, 1998, between the Registrant and Patricia Gallup.
- *10.19 Employment Agreement, dated as of January 1, 1998, between the Registrant and David Hall.
- *10.20 Form of Registration Rights Agreement among the Registrant, Patricia Gallup, David Hall and the 1998 PC Connection Voting Trust.
- **10.21 Amendment No. 1 to Amended and Restated Lease between the Registrant and G&H Post, LLC, dated December 29, 1998 for property located at Route 101A, Merrimack, New Hampshire.
- **10.22 Lease between Registrant and Dover Mills, LLC, dated August 1, 1998 for property located at Cocheco Falls Millworks, Dover, New Hampshire.
- **10.23 Amended Lease Agreement between the Registrant and Dover Mills, LLC, dated August 1, 1998.
- **10.24 Employment Agreement between the Registrant and John L. Bomba, dated March 28, 1997.
- **10.25 Employment Agreement between the Registrant and Mark A. Gavin, dated February 5, 1998.
- (1)10.26 Agreement for Wholesale Financing, dated as of March 25, 1998, between the Registrant and Deutsche Financial Services Corporation.
- (1)10.27 Amendment to Agreement for Wholesale Financing, dated as of March 25, 1998, between the Registrant and Deutsche Financial Services Corporation.
- (1)10.28 Amendment to Agreement for Wholesale Financing, dated as of November 5, 1999, between the Registrant and Deutsche Financial Services Corporation.
- (1)10.29 Amendment to Agreement for Wholesale Financing, dated as of February 25, 2000, between the Registrant and Deutsche Financial Services Corporation.
- (1)10.30 Guaranty, dated as of February 25, 2000, entered into by PC Connection, Inc. in connection with the Amendment to Agreement for Wholesale Financing, dated as of

- February 25, 2000, between the Registrant and Deutsche Financial Services Corporation.
- (1)10.31 Agreement for Inventory Financing, dated as of August 17, 1999, between the Registrant and IBM Credit Corporation.
- (1)10.32 Amendment to Agreement for Inventory Financing, dated as of February 25, 2000, between the Registrant and IBM Credit Corporation.
- (1)10.33 Guaranty, dated as of February 25, 2000, entered into by PC Connection, Inc., PC Connection Sales of Massachusetts, Inc., Merrimack Services Corp. and ComTeq Federal, Inc., in connection with the Amendment to Agreement for Inventory Financing, dated as of February 25, 2000, between the Registrant and IBM Credit Corporation.
- (1)10.34 Agreement for Wholesale Financing, dated as of October 12, 1993, between ComTeq Federal, Inc. and IBM Credit Corporation.
- (1)10.35 Amendment to Agreement for Wholesale Financing, dated as of December 23, 1999, between ComTeq Federal, Inc. and IBM Credit Corporation.
- (1)10.36 Amendment to Addendum to Agreement for Wholesale Financing, dated as of December 23, 1999, between ComTeq Federal, Inc. and IBM Credit Corporation.
- (1)10.37 Amendment to Agreement for Wholesale Financing, dated as of February 25, 2000, between ComTeq Federal, Inc. and IBM Credit Corporation.
- (1)10.38 Guaranty, dated as of February 25, 2000, entered into by the Registrant, PC Connection, Inc., PC Connection Sales of Massachusetts, Inc. and Merrimack Services Corp., in connection with the Amendment to Agreement for Wholesale Financing, dated as of February 25, 2000, between ComTeq Federal, Inc. and IBM Credit Corporation.
- (1)10.39 Agreement for Wholesale Financing, dated as of February 25, 2000, between ComTeq Federal, Inc. and Deutsche Financial Services Corporation.
- (1)10.40 Guaranty, dated as of February 25, 2000, entered into by PC Connection, Inc. in connection with the Agreement for Wholesale Financing, dated as of February 25, 2000, between ComTeq Federal, Inc. and Deutsche Financial Services Corporation.
- (1)10.41 Assignment of Lease Agreements, dated as of December 13, 1999, between Micro Warehouse, Inc. (assignor) and the Registrant (assignee).
- (1)10.42 Amended and Restated Credit Agreement, dated February 25, 2000, between PC Connection, Inc. the Lenders Party hereto and Citizens Bank of Massachusetts.
- ***23.1 Consent of Deloitte & Touche LLP.
- 23.2 Consent of Deloitte & Touche LLP.
- (1)27.1 Financial Data Schedule.

* Incorporated by reference from the exhibits filed with the Company's registration statement (333-41171) on Form S-1 filed under the Securities Act of 1933.

** Incorporated by reference from exhibits filed with the Company's annual report on Form 10-K, File Number 0-23827, filed on March 31, 1999.

*** Incorporated by reference from exhibits filed with the Company's annual report on Form 10-K, File Number 0-23827, filed on March 30, 2000.

(1) Previously filed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 2 on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

PC Connection, Inc.

Date: April 5, 2000

By: /s/ Patricia Gallup

Patricia Gallup, Chairman

and CEO

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporaton by reference in the Registration Statements (Nos. 333-69981, 333-50847, 333-50845, and 333-83943) of PC Connection, Inc. on Form S-8 of our report dated January 26, 2000, appearing in the Annual Report on Form 10-K/A of PC Connection, Inc. for the year ended December 31, 1999.

DELOITTE & TOUCHE LLP

Boston, Massachusetts
March 31, 2000