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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **October 28, 2010**

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**WAYSIDE TECHNOLOGY GROUP, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-26408**  
(Commission  
File Number)

**13-3136104**  
(IRS Employer  
Identification No.)

**1157 Shrewsbury Avenue, Shrewsbury, New Jersey**  
(Address of principal executive offices)

**07702**  
(Zip Code)

**732-389-8950**  
(Registrant's telephone number, including area code)

**Not applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On October 28, 2010, Wayside Technology Group, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2010. A copy of this press release is furnished as Exhibit 99.1 to this report.

In accordance with General Instruction B.2. of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

**99.1 Press Release dated October 28, 2010.**

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto

duly authorized.

WAYSIDE TECHNOLOGY GROUP, INC.

Date: October 28, 2010

By: /s/ Simon F. Nynens  
Name: Simon F. Nynens  
Title: Chief Executive Officer



**Company Contact:**  
**Kevin Scull**  
**Wayside Technology Group, Inc.**  
**Vice President and Chief Accounting Officer**  
**(732) 389-0932**  
**kevin.scull@waysidetechnology.com**

**WAYSIDE TECHNOLOGY GROUP, INC. REPORTS 2010 THIRD QUARTER RESULTS  
 AND DECLARES QUARTERLY DIVIDEND**

· Revenue: \$53.0 million, up 50% year-over-year

· Income from operations \$2.0 million, up 105% year-over-year

· \$.16 quarterly dividend declared, a 7% increase

**SHREWSBURY, NJ, October 28, 2010** — Wayside Technology Group, Inc. (NASDAQ: WSTG) today reported financial results for the third quarter ended September 30, 2010. The results will be discussed in a conference call to be held on Friday, October 29, 2010 at 10:00 AM Eastern time. The dial-in telephone number is (866) 835 8907 and the pass code is “WSTG”.

This conference call will be available via live webcast — in listen-mode only — at [www.earnings.com](http://www.earnings.com). A replay will also be available on the company’s website at [www.waysidetechnology.com](http://www.waysidetechnology.com).

Cash and marketable securities amount to \$14.2 million, representing 55% of equity as of September 30, 2010.

Net sales for the third quarter of 2010 increased 50% or \$17.7 million to \$53.0 million compared to \$35.3 million for the same period in 2009. Total sales for the third quarter of 2010 for our Lifeboat segment were \$38.4 million compared to \$23.8 million in the third quarter of 2009, representing a 61% increase. Total sales for the third quarter of 2010 for our Programmer’s Paradise segment were \$14.6 million compared to \$11.5 million in the third quarter of 2009, representing a 27% increase.

“The third quarter of 2010 was a record quarter for us,” said Simon F. Nynens, Chairman and Chief Executive Officer. “Our continued high growth rate shows that our customers are exceedingly satisfied with our service model, as we continue to expand our offerings to our valued customers.”

Sales for both segments showed strong growth. The increase in net sales for the three and nine months ended September 30, 2010 compared to the same periods in 2009, was mainly a result of our continued focus on the expanding virtual infrastructure-centric business, the addition of several key product lines, and the strengthening of our account penetration.

Gross Profit for the quarter ended September 30, 2010 was \$5.1 million compared to \$3.7 million for the third quarter of 2009, a 39% increase. Total gross profit for our Lifeboat segment was \$3.4 million compared to \$2.3 million in the third quarter of 2009, representing a 47% increase. This increase in gross profit was due to aggressive sales volume growth within our Lifeboat segment. Total gross profit for our Programmer’s Paradise segment was \$1.7 million compared to \$1.4 million in the third quarter of 2009, representing a 25% increase. This increase was primarily due to the increased sales volume.

Total gross profit, as a percentage of net sales, for the third quarter of 2010 was 9.7%, compared to 10.5% in the third quarter of 2009.

The increase in gross profit dollars and the decrease in gross profit margin as a percentage of net sales was primarily caused by the aggressive sales growth within our Lifeboat segment, competitive pricing pressure in both segments, and also in part by our having won several large bids based on aggressive pricing, which we plan to continue to do.

Total selling, general, and administrative (“SG&A”) expenses for the third quarter of 2010 were \$3.2 million, compared to \$2.7 million in the third quarter of 2009. This increase is mainly due to an increase in employee related expenses (salaries, commissions, bonus accruals and benefits) of \$0.4 million.

On October 26, 2010, the Board of Directors declared a quarterly dividend of \$.16 per share of its common stock payable November 19, 2010 to shareholders of record on November 9, 2010. This represents a 7% increase in dividend, from \$.15 per share to \$.16 per share.

**About Wayside Technology Group, Inc.**

Wayside Technology Group, Inc. (NASDAQ: WSTG) was founded in 1982 and is a unified and integrated technology company providing products and solutions for corporate resellers, VARs, and developers, as well as business, government and educational entities. The company offers technology products from software publishers and manufacturers such as Acronis, CA, DataCore, Dell, Flexera Software (publishers of InstallShield), GFI, Hewlett Packard, Infragistics, Intel Software, Microsoft, Mindjet, Quest Software, SolarWinds, StorageCraft Technology, TechSmith, Veeam, Vizioncore, and VMware.

Additional information can be found by visiting [www.waysidetechnology.com](http://www.waysidetechnology.com).

*The statements in this release concerning the Company’s future prospects are forward-looking statements that involve certain risks and uncertainties. Such risks and uncertainties could cause actual results to differ materially from those indicated by such forward-looking statements, and include, without limitation, the continued acceptance of the Company’s distribution channel by vendors and customers, the timely availability and acceptance of new products, product mix, market conditions, contribution of key vendor relationships and support programs, as well as factors that affect the software industry in general and other factors. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in our filings with the Securities and Exchange Commission. Except as otherwise required by law, the Company undertakes no obligation to update or revise these forward-looking statements.*

—Tables Follow—

	September 30, 2010 <u>(unaudited)</u>	December 31, 2009
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 7,705	\$ 8,560
Marketable securities	6,524	7,571
Accounts receivable, net	36,385	27,040
Inventory - finished goods	1,186	967
Prepaid expenses and other current assets	1,156	998
Deferred income taxes	564	677
Total current assets	<u>53,520</u>	<u>45,813</u>
Equipment and leasehold improvements, net	596	432
Accounts receivable long-term	4,737	6,901
Other assets	38	38
Deferred income taxes	241	483
Total assets	<u>\$ 59,132</u>	<u>\$ 53,667</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	33,241	29,230
Current portion- capital lease obligation	82	—
Total current liabilities	<u>33,323</u>	<u>29,230</u>
Long Term portion -capital lease obligation	159	—
Other liabilities	—	78
Total liabilities	<u>33,482</u>	<u>29,308</u>
Commitments and contingencies		
Stockholders' equity		
Common stock, \$.01 par value; 10,000,000 shares authorized, 5,284,500 shares issued, and 4,780,598 and 4,688,844 shares outstanding, respectively	53	53
Additional paid-in capital	25,145	24,826
Treasury stock, at cost, 503,902 and 595,656 shares, respectively	(3,458)	(3,555)
Retained earnings	3,534	2,727
Accumulated other comprehensive income	376	308
Total stockholders' equity	<u>25,650</u>	<u>24,359</u>
Total liabilities and stockholders' equity	<u>\$ 59,132</u>	<u>\$ 53,667</u>

**WAYSIDE TECHNOLOGY GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
(In thousands, except per share data)

	Nine months ended September 30,		Three months ended September 30,	
	2010	2009	2010	2009
	<u>(Unaudited)</u>		<u>(Unaudited)</u>	
<b>Revenues</b>				
Lifeboat segment	\$ 103,338	\$ 69,131	\$ 38,411	\$ 23,844
Programmer's Paradise segment	38,456	34,961	14,583	11,466
Total Revenue	<u>141,794</u>	<u>104,092</u>	<u>52,994</u>	<u>35,310</u>
<b>Cost of sales</b>				
Lifeboat segment	93,910	62,268	34,980	21,511
Programmer's Paradise segment	34,097	30,582	12,880	10,105
Total Cost of sales	<u>128,007</u>	<u>92,850</u>	<u>47,860</u>	<u>31,616</u>
Gross Profit	13,787	11,242	5,134	3,694
<b>Operating expenses</b>				
Selling costs	4,856	3,999	1,656	1,289
Stock based compensation	892	657	296	236
Other general and administrative expenses	3,623	3,647	1,229	1,216
Total Selling, general and administrative expenses	<u>9,371</u>	<u>8,303</u>	<u>3,181</u>	<u>2,741</u>
Income from operations	4,416	2,939	1,953	953
Interest income, net	316	403	104	128
Realized foreign exchange gain (loss)	3	(1)	—	—
Income before income tax provision	<u>4,735</u>	<u>3,341</u>	<u>2,057</u>	<u>1,081</u>
Provision for income taxes	1,800	1,374	800	483
Net income	<u>\$ 2,935</u>	<u>\$ 1,967</u>	<u>\$ 1,257</u>	<u>\$ 598</u>

Net income per common share - Basic	\$	<u>0.67</u>	\$	<u>0.45</u>	\$	<u>0.29</u>	\$	<u>0.14</u>
Net income per common share - Diluted	\$	<u>0.66</u>	\$	<u>0.44</u>	\$	<u>0.28</u>	\$	<u>0.13</u>
Weighted average common shares outstanding - Basic		<u>4,380</u>		<u>4,400</u>		<u>4,389</u>		<u>4,415</u>
Weighted average common shares outstanding - Diluted		<u>4,475</u>		<u>4,427</u>		<u>4,502</u>		<u>4,444</u>

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