TrueBlue, Inc.
Form 11-K
June 28, 2011

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

FORM 11-K
FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
(Mark one)
x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the year ended: December 31, 2010
OR
o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-14543

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
TRUEBLUE, INC. 401(k) Plan
B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
TrueBlue, Inc.
1015 A Street
Tacoma, Washington 98402

REQUIRED INFORMATION

TrueBlue, Inc. 401(k) Plan (the Plan) is subject to the Employee Retirement Income Security Act of 1974 (ERISA). Therefore, in lieu of the requirements of Items 1-3 of Form 11-K, the following financial statements and schedules have been prepared in accordance with the financial reporting requirements of ERISA.

The following financial statements, schedules and exhibits are filed as a part of the Annual Report on Form 11-K.

Report of Independent Registered Public Accounting Firm
Benefits Committee
TrueBlue, Inc. 401(k) Plan
Tacoma, Washington

We have audited the accompanying statement of net assets available for benefits of TrueBlue, Inc. 401(k) Plan as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of TrueBlue, Inc. 401(k) Plan as of and for the year ended December 31, 2009, were audited by LeMaster & Daniels PLLC (whose practice became part of LarsonAllen LLP effective November 1, 2010), whose report dated June 24, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with the standards of the Public Company Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, line 4i-Schedule of Assets (Held at End of Year) as of December 31, 2010, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulation for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Larson Allen LLP
Larson Allen LLP
Spokane, Washington
June 27, 2011

TrueBlue, Inc. 401(k) Plan
Statements of Net Assets Available for Benefits

	December 31, 2010	2009
ASSETS		
Investments, at fair value:		
Collective trust	$2,180,312	$2,724,893
Mutual funds	18,914,733	1,570,739
Employer common stock	2,264,468	2,155,565
Pooled separate accounts	538,417	15,172,798
Total investments	23,897,930	21,623,995
Receivables:		
Participant contributions	108,740	85,960
Employer contributions	601,538	—
Notes receivable from participants	961,160	919,555
Total receivables	1,671,438	1,005,515
Total assets	25,569,368	22,629,510
LIABILITIES		
Excess contributions refundable:		
Participant	149,985	339,702
Employer	46,479	32,300
Total liabilities	196,464	372,002
NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE	25,372,904	22,257,508
Adjustment from fair value to contract value for fully benefit- reponsive investment contracts	(43,639)	(18,289)
NET ASSETS AVAILABLE FOR BENEFITS	$25,329,265	$22,239,219

See accompanying notes to financial statements.

TrueBlue, Inc. 401(k) Plan
Statements of Changes in Net Assets Available for Benefits

	Years Ended December 31, 2010	2009
ADDITIONS TO (DEDUCTIONS FROM) NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO:		
Investment income:		
Dividends	$214,726	$9,849
Net appreciation in fair value of investments	2,925,829	3,962,828
Total investment income	3,140,555	3,972,677
Interest income on notes receivable from participants	45,174	47,465
Contributions:		
Participant	2,470,597	2,871,505
Employer	555,045	200,009
Rollovers	72,461	79,286
Total contributions	3,098,103	3,150,800
Benefits paid to participants	(3,091,170)	(3,061,625)
Administrative expenses	(102,616)	(65,956)
NET INCREASE	3,090,046	4,043,361
TRANSFER OF ASSETS FROM PLAN MERGER	—	1,253
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	22,239,219	18,194,605
End of year	$25,329,265	$22,239,219

See accompanying notes to financial statements.

TrueBlue, Inc. 401(k) Plan
Notes to Financial Statements
Note 1 - Description of the Plan
The following description of the TrueBlue, Inc. 401(k) Plan (Plan) is provided for general informational purposes only. Participants should refer to the Plan document for more complete information.
General
The Plan, which was restated effective January 1, 2010, is a defined contribution plan established by TrueBlue, Inc. (the Company) under the provisions of Section 401(a) of the Internal Revenue Code (IRC), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. Eligible employees of the Company are defined under Article II of the TrueBlue, Inc. 401(k) Plan document and must be 21 years of age or older and depending on the type of employee, will have completed six months to 1 year of service to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended (ERISA).
Contributions and Participant Investment Options
Eligible employees may elect to defer a specific amount of compensation each year instead of receiving that amount in cash. The total deferrals in any taxable year may not exceed a dollar limit that is set by law, which was $16,500 for both 2010 and 2009. Participants turning age 50 or older may elect to defer additional amounts to the Plan (called “catch-up contributions”). Participants may also contribute amounts representing distributions from other qualified defined contribution plans.
January through March 2009 and January through December 2010, the Company provided a discretionary matching contribution equal to 25% of each participant’s deferral contribution. Employer matching contributions were contributed in cash at year end for 2010 matching contributions and in cash at each payroll period for 2009 matching contributions. The Company has the discretion to require that participants be employed on the last day of the Plan year in order to receive the matching allocation.
Participants may direct the investment of their contributions, along with employer matching contributions, into various investment options offered by the Plan which are currently a variety of pooled separate accounts (provided under a group annuity contract), mutual funds, a collective trust, and Company common stock.
Participant Accounts
Participant accounts are valued daily based on quoted market and unit prices. Each participant’s account is credited or charged with the participant’s contribution and allocations of (a) the Company’s contribution (b) Plan earnings or losses, and (c) certain administrative expenses. Participants are charged directly with costs associated with the investments and loan processing fees, as applicable. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.
Vesting
Participants are fully vested in their contributions, plus actual earnings thereon. Vesting in the Company’s discretionary matching contribution portion of their accounts, plus earnings thereon is based on years of continuous service. Participants vest in the matching employer contributions at 25% for each year of service completed, with the first 25% vesting after the second year of service. A participant is 100% vested after five years of credited service or upon death, disability or normal retirement age. In the event of termination of employment prior to the completion of five years of continuous service, for any reason other than death or disability, participants forfeit their nonvested portion of employer matching contributions.

Notes Receivable from Participants
A participant may borrow up to the lesser of $50,000 or 50% of his or her vested account balance, with a minimum note amount of $1,000. The note is secured by the balance in the participant’s account and is repaid through payroll deductions over periods ranging up to 60 months, unless the note is used to acquire a principal residence, in which

case the note may be issued for a reasonable time determined by the Plan administrator. The interest rate is also determined by the Plan administrator based on prevailing market conditions, and is fixed over the life of the note. Interest rates ranged from 4.25% to 9.25% for both 2009 and 2010.

Payment of Benefits and Withdrawals

Upon termination of employment, the participant is entitled to receive the vested portion of his or her account. If the vested amount is $5,000 or less, the account is paid in a lump-sum payment to the participant within a reasonable time frame. If the vested amount is more than $5,000, the participant must consent to the distribution before it may be made.

A participant may make a hardship withdrawal to satisfy certain immediate and heavy financial needs provided the participant has obtained all other nontaxable loans currently available under all Plans maintained by the Company. Participant contributions are suspended for the six months following a hardship withdrawal. A participant may withdraw any part of their vested account resulting from rollover contributions at any time.

A participant who has attained the age of 59 1/2 may withdraw all or a portion of his or her vested account balance.

Plan Administration

The Plan is administered by an employee benefits committee consisting of Company officers and employees who are approved by the Compensation Committee of the Board of Directors of the Company. No such officer or employee receives compensation from the Plan.

The employee benefits committee serves as investment manager and trustee of the Plan. Principal Life Insurance Company (Principal) serves as the recordkeeper and custodian for the Plan. Certain Plan investments are units of Principal Separate Accounts (pooled separate accounts) and a Stable Value Fund (collective trust); transactions in these funds and trust qualify as permitted party-in-interest transactions. The Company pays all administrative expenses of the Plan, except for the administrative costs of the investments and loan processing fees which are charged directly to the participants.

Forfeited Accounts

Forfeited nonvested accounts are used to reduce future employer discretionary matching contributions or employer administrative expenses. Unallocated forfeitures as of December 31, 2010 and 2009 totaled $191,116 and $176,018, respectively. In 2010 and 2009, no material forfeitures were used to reduce employer matching contributions. $60,850 and $37,184 of forfeitures were used to pay for administrative expenses in 2010 and 2009, respectively.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statements of Changes in Net Assets Available for Benefits are prepared on a contract value basis.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

- Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;

- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

• Level 3: Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at December 31, 2010 and 2009.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in the pooled separate accounts are valued using the net asset value (NAV) of units, which are based on observable market prices for the underlying assets, held by the Plan at year-end. Mutual funds are reported at fair value based on the quoted market price available on the active markets in which they trade. The collective trust is valued at NAV of units held by the Plan, which is determined based on the unit value of the fund. Unit value is determined by an independent trustee, which sponsors the fund, by dividing the fund's net assets by its units outstanding at the valuation date. The TrueBlue, Inc., Common Stock Fund includes shares of TrueBlue, Inc., and cash, and is reported based on unitized value.

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

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Benefit Payments

Benefit payments and withdrawals are recorded when paid.

Notes Receivable from Participants

During 2010, Financial Accounting Standard Board (FASB) released guidance that reclassifies participant loans from investments to notes receivable effective for fiscal years ending after December 15, 2010. The guidance requires the reclassification to be retrospectively applied to all prior periods presented. The Plan adopted this guidance effective for the Plan year ended December 31, 2010.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable are reclassified as distributions based upon the terms of the Plan document.

Reclassifications

Certain amounts in the 2009 financial statements have been reclassified to conform with the 2010 presentation. These reclassifications do not affect net assets available for benefits as previously reported.

Note 3 - Fair Value of Investments

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

	2010			
	Level 1	Level 2	Level 3	Total