

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **May 26, 2005**

LABOR READY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Washington

(State or Other Jurisdiction of Incorporation)

001-14543

(Commission File Number)

91-1287341

(IRS Employer Identification No.)

1015 A Street, Tacoma, Washington
(Address of Principal Executive Offices)

98402
(Zip Code)

(253) 383-9101

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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))

Item 1.01. Entry Into a Material Definitive Agreement

On May 26, 2005, Labor Ready, Inc. (the "Company") entered into an Agreement and Plan of Merger with CLP Holdings Corp., a Nevada corporation ("CLP"), Labor Ready Acquisition Sub II, Inc., a Nevada corporation and wholly-owned subsidiary of the Company ("Acquisition Sub") and, as shareholder representatives, Baird Capital Partners Management Company, LLC and William Blair Capital Partners VI, L.L.C. (the "Merger Agreement"). The Merger Agreement provides that, upon the terms and subject to the conditions set forth in the Merger Agreement, Acquisition Sub will merge with and into CLP (the "Merger"), with CLP continuing as the surviving corporation. At the effective time and as a result of the Merger, CLP will become a wholly owned subsidiary of the Company, and each share of CLP common stock will be converted into the right to receive a proportionate share of the merger consideration. Immediately prior to completion of the Merger, all of CLP's outstanding preferred stock will be redeemed. The aggregate purchase price to be paid in connection with the Merger will be approximately \$46.2 million, subject to working capital and other adjustments as set forth in the Merger Agreement. The Merger Agreement provides for an escrow holdback amount of \$7.0 million and the Merger Agreement also contains customary representations and warranties and indemnification provisions.

The parties anticipate that the Merger will become effective on May 27, 2005.

Item 7.01. Regulation FD Disclosure

In connection with the Merger Agreement, the Company has issued a press release (the "Press Release"), which is attached to this report as Exhibit 99.1. In addition, copies of slide presentations (the "Slide Presentation") regarding certain background information regarding CLP are attached to this report as Exhibit 99.2.

In accordance with General Instruction B.2. of Form 8-K, the information contained in the Press Release and the Slide Presentation shall not be deemed "Filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall the Press Release and the Slide Presentation be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(c) **Exhibits**

- 99.1. Press Release of Labor Ready, Inc. dated May 26, 2005
- 99.2. Slide Presentation

SIGNATURES

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.

LABOR READY, INC.
(Registrant)

Date: May 26, 2005

By: /s/ Steven C. Cooper.

Steven C. Cooper
Chief Financial Officer

FOR IMMEDIATE RELEASE:**LABOR READY TO ACQUIRE CLP RESOURCES, INC.
Opportunity to Provide Skilled Trades Staffing Solutions**

TACOMA, WA, May 26, 2005—Labor Ready, Inc. (NYSE: LRW) has signed a definitive agreement to acquire CLP Resources Inc., a leading skilled trades staffing company, from private investors for approximately \$46.2 million in cash. The principal investors in CLP are Baird Capital Partners and William Blair Capital Partners, VI, LP (a fund managed by Chicago Growth Partners, LLC and William Blair & Company). The transaction is expected to be completed on Friday, May 27, 2005.

Founded in 1987, CLP operates 50 locations in 20 states, and is headquartered in Reno, Nev. CLP serves more than 4,500 small- to mid-sized residential and commercial contractors by providing such skilled trades as carpentry, electrical, drywall, HVAC, sheet metal and masonry. CLP's revenue in 2004 was approximately \$114 million with operating income of approximately \$6.7 million. CLP put more than 10,000 Tradespeople to work last year.

"We are excited about the acquisition and the opportunity to strengthen Labor Ready and CLP's position in their markets," said Labor Ready President and CEO Joe Sambataro. The acquisition is expected to be accretive in 2005.

"Labor Ready serves more than 300,000 customers company wide, approximately one third of which are in the construction industry," continued Sambataro. "Labor Ready and CLP can now approach their existing residential and commercial contractors with a broader range of staffing solutions."

According to Sambataro, CLP will also benefit from expansion into markets already served by Labor Ready. "Labor Ready's network of more than 830 branches will provide a ready customer base for CLP in new markets."

The CLP brand as well as corporate and operational structures will remain intact with CLP President and CEO Noel Wheeler leading the business and overseeing CLP's continued growth. Wheeler has more than 35 years experience in the staffing industry and has been the CEO of CLP since 1999.

Sambataro added, "CLP is a well-run, reputable company with an excellent track record. The management team has done an outstanding job of building this company, and we are excited they will remain in place to see that we take advantage of the current growth and expansion opportunities to build the dominant national provider in the skilled trades staffing industry."

Labor Ready also filed a Form 8-K with background information on CLP Resources, Inc. Copies of the filings may be downloaded from the SEC's Edgar Website: <http://www.sec.gov/edgar/searchedgar/companysearch.html> or Labor Ready's web site: www.laborready.com.

This news release contains forward-looking statements, such as statements about the strategies for increasing customers served and penetrating the skilled trades staffing industry and other factors that may affect our financial results and operations in the future. Our actual results are, however, subject to a number of risks, including without limitation the following: 1) global, national and regional economic conditions, especially those affecting the construction industry; 2) our ability to continue to attract and retain customers and maintain profit margins in the face of new and existing competition; 3) potential new laws and regulations that could have a materially adverse effect on our operations and financial results; 4) significant labor disturbances which could disrupt industries we serve; 5) increased costs and collateral requirements in connection with our insurance obligations, including workers' compensation insurance; 6) the adequacy of our financial reserves; 7) our continuing ability to comply with financial covenants in our lines of credit and other financing agreements; 8) our ability to attract and retain competent employees in key positions; 9) worker shortage and employee turnover; 10) our ability to successfully complete and integrate CLP and other acquisitions that we may make from time to time; and 11) other risks described in our filings with the Securities and Exchange Commission, including our most recent Form 10-K and 10-Q filings.

About Labor Ready

Labor Ready is the nation's leading provider of temporary manual labor, serving approximately 300,000 customers by providing a flexible, dependable workforce to such industries as freight handling, warehousing, landscaping, construction and light manufacturing. Annually, Labor Ready puts more than 600,000 people to work. Labor Ready operates more than 830 locations in the United States, Canada, and the United Kingdom. For additional information, visit Labor Ready's website at www.laborready.com

For more information, contact:

Stacey Burke
Director of Corporate Communications
Labor Ready, Inc.
(253) 680-8291

About Baird Global Private Equity

With more than 40 investment professionals in the United States and Europe, Baird's global private equity business has raised and managed over \$1.2 billion in capital. Baird Capital Partners provides late-stage growth capital or change-of-control capital to U.S.-based, middle-market companies in the Business Services and Manufactured Products sectors. Baird Venture Partners makes venture capital investments in early- to growth-stage companies in the Business Services & Software and Healthcare/Life Sciences sectors. Granville Baird Capital Partners is a long-established private equity manager targeting mid-market growth companies in the UK and Germany with a focus on the Business Services, Healthcare and Industrial Products sectors. The group's investments

are supported by Baird's full range of financial advice, operating expertise and industry research, providing a unique full-service approach to the entire private equity investment process. For more information, please visit www.bairdcapitalpartners.com.

About Chicago Growth Partners (CGP)

Chicago Growth Partners ("CGP") is a Chicago-based private equity firm. The principals of CGP have been active and successful investors in growth companies for nearly 20 years and have invested over \$1 billion in more than 170 growth companies. CGP's fundamental investment philosophy is to help build successful growth companies by identifying and backing outstanding management teams in growing industries including: Business and Consumer Services, Industrial Growth, Healthcare and Information Technology. The principals of CGP draw upon over 90 years of experience in working with growth companies. The CGP team provides portfolio company management with strategic and financial direction and has also developed internal value-add expertise in information technology, marketing and operations to assist portfolio companies in achieving their growth objectives. For additional information, please visit www.cgp.com.



CLP Resources, Inc. Background Information

Labor Ready, Inc. (NYSE: LRW) to Acquire
CLP on May 27, 2005

1

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Safe Harbor Statement

Cautionary Note about Forward-Looking Statements

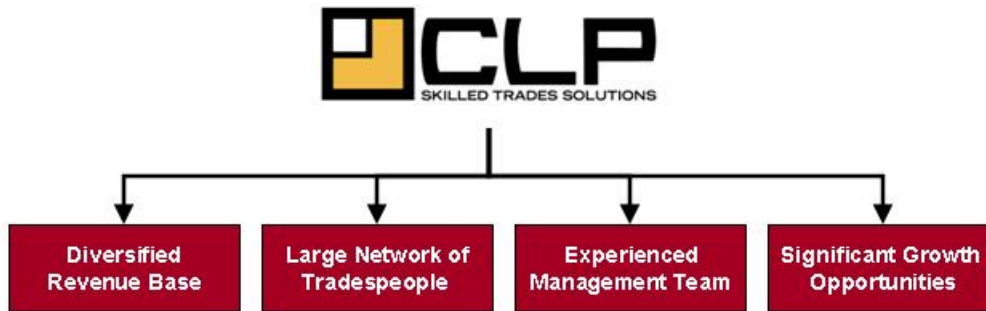
Certain statements made by us in this presentation that are not historical facts or that relate to future plans, events or performances are forward-looking statements within the meaning of the federal securities laws. Our actual results may differ materially from those expressed in any forward-looking statements made by us. Forward-looking statements involve a number of risks and uncertainties including, but not limited to, the risks described in the Company's press release which is also filed with these slides on a Form 8-K dated May 26, 2005 and the most recent 10-K and 10-Q filings. All forward-looking statements are qualified by those risk factors.

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Company Overview

The premier platform to build the leading national player in the skilled trades staffing industry.



3

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Market Leader

CLP is one of the largest companies to focus exclusively on skilled trades staffing.

- ▣ Pioneered the skilled trades staffing industry in 1987
- ▣ 50 branches in 20 states across the U.S.
- ▣ 4,500 active customers⁽¹⁾
- ▣ 10,000 active Tradespeople⁽²⁾



(1) Approximate number of customers served in 2004.
 (2) Approximate number of Tradespeople employed in 2004.

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Revenue Breakdown

CLP's diversified client base helps mitigate downturns in any particular end-market.



5

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Customers

CLP provides skilled trades to commercial, high-end residential and industrial contractors, and facilities management companies.

- **4,500 active customers**
 - No single customer accounts for more than 2% of revenue
- **Target customer: small to mid-sized contractors (10 to 250 employees)**
 - Lack in-house staffing capabilities
 - Place a premium on skill quality
 - Experience fluctuations in project volume
- **Satisfied Clients:** Over 37% of customers have at least four years of tenure with CLP

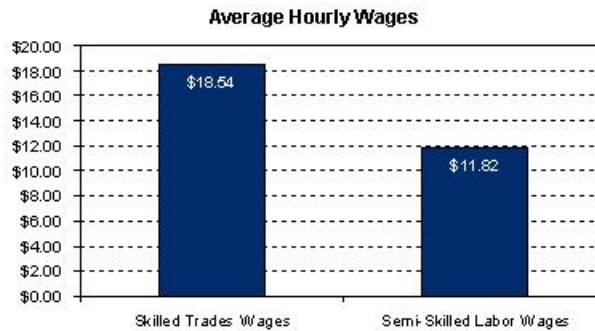
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Recruiting and Workforce

CLP recruits talented skilled Tradespeople.

- **Valuable Proprietary Database** – 40,000 Tradespeople tracked in recruiting database. More than 10,000 employed by CLP in 2004
- **Loyal Workforce** – On average, almost 30% of Tradespeople have in excess of two years and over 50% have in excess of one year tenure with CLP
- **Skilled Tradespeople** – Average wage rate of approximately \$18.50 per hour
- **Semi-Skilled Labor** – 33% of revenues with \$12 per hour wage rates



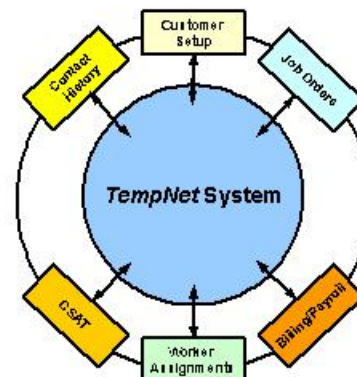
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Technology

CLP's proprietary system enables management to monitor the business on a real-time basis.

- Customer and worker contact history
- Customer setup and approval
- Job orders and worker assignments
- Billing and payroll
- Safety management
- Customer service and satisfaction tracking



8

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Experienced Management Team

CLP is led by a veteran management team with extensive experience in the staffing and construction industries.

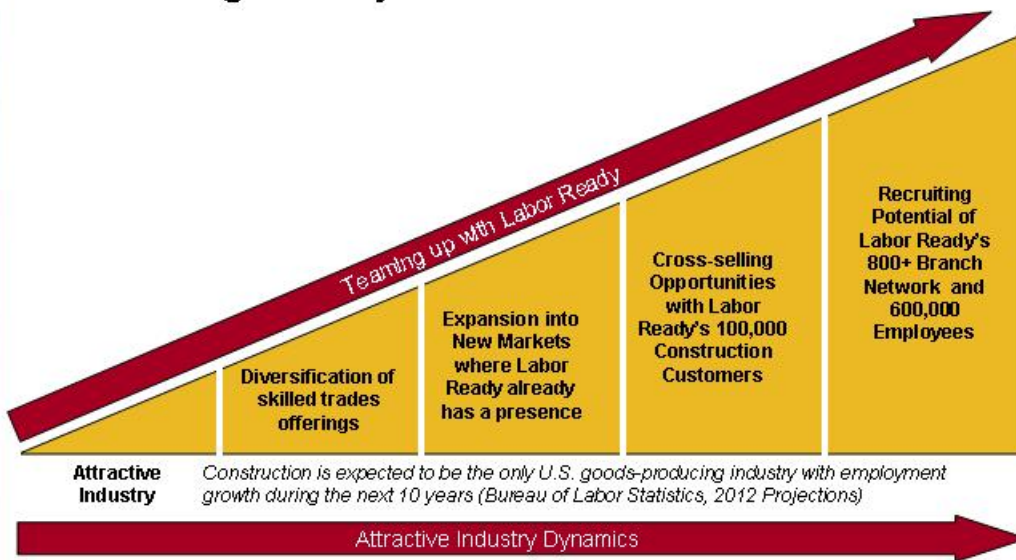
Senior Management Team		
Position	Functional Experience (years)	Tenure with Company (years)
Chief Executive Officer	37	6
Chief Financial Officer	29	5
VP of Sales and Marketing	30	5
VP of Human Resources	35	1
VP of New Markets	12	12
Division VP - Northwest	12	12
Division VP - Southwest	18	3
Division VP - East	16	1

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Significant Growth Opportunities

CLP management is executing a strategy to build the dominant national player in the fragmented temporary skilled trades staffing industry.



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Labor Ready and CLP – A Powerful Combination



Leading Supplier of Temporary Construction Labor

- **Turnkey Skilled Trades Staffing Leader** – CLP's strong brand and national footprint will position LRW to lead the temporary skilled trades staffing industry
- **Broadest Service Offering** – Similar target customer profile creates opportunity to promote skilled trades and day labor to broader customer base
- **Dramatic Growth Potential** – Labor Ready's broad footprint will allow CLP to accelerate its U.S. growth plan and expand internationally
- **Recruiting Powerhouse** – Equipped with proper screening tools, Labor Ready's huge network of branch offices will be an invaluable source of Tradespeople for CLP

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CLP's 2005 Financial Impact

CLP's results are expected to be accretive to Labor Ready's earnings per share for 2005.

- CLP's 2004 Audited Results**
 - Revenues: \$114 Million
 - Income from Operations: \$6.7 Million
 - Depreciation and Amortization: \$0.8 Million
 - EBITDA⁽²⁾: \$7.5 Million
- CLP's 2005 Estimated Results (7 months: June – December)⁽¹⁾**
 - Revenues: \$80 Million
 - Income from Operations: \$4.0 Million
 - Depreciation and Amortization: \$2.0 Million
 - EBITDA⁽²⁾: \$6.0 Million

(1) Preliminary and subject to change.

(2) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-GAAP (Generally Accepted Accounting Principles) measure; our estimated EBITDA was derived by adding back depreciation and amortization to the line item Income from Operations that is presented in our financial statements that are prepared in accordance with GAAP.

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Company Overview

The premier platform to build the leading national player in the skilled trades staffing industry.

[LOGO]

**Diversified
Revenue Base**

**Large Network of
Tradespeople**

**Experienced
Management Team**

**Significant Growth
Opportunities**

3

Market Leader

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- Pioneered the skilled trades staffing industry in 1987
- 50 branches in 20 states across the U.S.
- 4,500 active customers(1)
- 10,000 active Tradespeople(2)

CLP Geographic Reach

[GRAPHIC]

(1) *Approximate number of customers served in 2004.*
(2) *Approximate number of Tradespeople employed in 2004.*

4

Revenue Breakdown

CLP's diversified client base helps mitigate downturns in any particular end-market.

Revenue by End Markets YTD September 2004

[CHART]

5

Customers

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Average Hourly Wages

[CHART]

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TempNet System

Contact History
Customer Setup
Job Orders

CSAT
Worker Assignments
Billing/Payroll

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Significant Growth Opportunities

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Teaming up with Labor Ready

Attractive Industry	Diversification of skilled trades offerings	Expansion into New Markets where Labor Ready already has a presence	Cross-selling Opportunities with Labor Ready's 100,000 Construction Customers	Recruiting Potential of Labor Ready's 800+ Branch Network and 600,000 Employees
	<i>Construction is expected to be the only U.S. goods-producing industry with employment growth during the next 10 years (Bureau of Labor Statistics, 2012 Projections)</i>			

Attractive Industry Dynamics

10

Labor Ready and CLP – A Powerful Combination

[LOGO]

[LOGO]

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